

EDL-Generation Public Company

Financial statements for the year ended
31 December 2016
and
Independent auditors' report



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Independent auditors' report

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

Opinion

We have audited the financial statements of EDL-Generation Public Company (the "Company"), which comprise the statement of financial position as at 31 December 2016, and the statements of income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements are prepared, in all material respects in accordance with the accounting policies as described in Notes 2 and 3 to the financial statements.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Completeness of provisions and liabilities	
The key audit matters	How the matter was addressed in the audit
The provisions for settlement of major overhaul expenses related to assets under concession involves complexity due to the various hydropower plant locations, decentralized procurement procedure and different in accounting systems. Management considers the probability and amount of the expected settlement provision based on the business projection plans, logs of maintenance agreements and third party settlement information to determine the completeness of provision and liabilities as at 31 December 2016. The completeness of provision and liabilities are an area of focus and key audit matter due to the materiality of transactions and the significant complexities involved in determining and obtaining supporting evidence.	Our audit procedures in this area included, among others: - Understanding and assessing risk the process of procurement and accounting activities including related internal controls and monitoring activities are in place; - Assessing accounting policy relevant to recognition of provisions and liabilities; - Inspecting payment documents subsequent after the reporting period until the date of auditor report; - Reconciliation between business projection plan which was approved by management, logs of maintenance agreements and actual project incurred during the year; and - Sending confirmation and checking original invoices charged from vendors or contractors.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 3 to the financial statements, which describes 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. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of the Company for the year ended 31 December 2015 were audited by another auditor who expressed an unmodified opinion on those financial statements on 28 March 2016.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with accounting policies described in Note 3 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities invested by the Company to express an opinion on the financial statements in which the equity method is applied. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the financial statements of the current period and are therefore the key audit matter. We describe the matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



The engagement partner on the audit resulting in this independent auditors' report is Mr. Ganesan Kolandavelu.

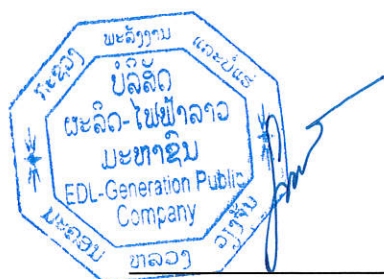


KPMG Lao Co., Ltd.
Vientiane
17 March 2017

EDL-Generation Public Company

Statement of financial position

		31 December	
	Note	2016	2015
		(In million Kip)	
Assets			
Investment in subsidiaries	5	81.260	-
Investments in associates and joint ventures	6	2.297.166	2.268.922
Advance payment for investments	7, 25	3.133.596	3.690.647
Assets under concession	8, 25	9.412.504	4.343.130
Other non-current assets	5, 25	153.707	116.643
Total non-current assets		15.078.233	10.419.342
Cash and cash equivalents	9	2.235.280	1.213.770
Current investments	10	918.603	20.000
Trade and other receivables	11, 25	491.469	304.485
Spare parts and supplies		4.765	4.089
Other current assets		8.826	6.686
Total current assets		3.658.943	1.549.030
Total assets		18.737.176	11.968.372



Rattana PRATHOUMVAN
Chief Executive Officer
17 March 2017

Bounsalong SOUTHIDARA
Chief Financial Officer
17 March 2017

The accompanying notes are an integral part of these financial statements.

EDL-Generation Public Company

Statement of financial position

		31 December	
	Note	2016	2015
		<i>(In million Kip)</i>	
Equity			
Share capital	12	6.717.215	6.717.215
Share premium	12	985.621	985.621
Legal reserve	13	416.729	361.294
Translation reserve		(1.342)	(2.119)
Retained earnings		1.070.927	1.042.217
Total equity		9.189.150	9.104.228
Liabilities			
Long-term borrowings	14	844.299	841.457
Debentures	15	3.985.936	1.452.163
Swap contract payables	16	145.676	161.397
Total non-current liabilities		4.975.911	2.455.017
Trade and other payables		228.730	130.940
Payables for assets under concession	25	3.957.400	-
Current portion of long-term borrowings	14, 25	214.484	178.007
Income tax payable		12.238	8.199
Accrued expenses	17	158.888	91.818
Other current liabilities		375	163
Total current liabilities		4.572.115	409.127
Total liabilities		9.548.026	2.864.144
Total equity and liabilities		18.737.176	11.968.372



Rattana PRATHOUMVAN

Chief Executive Officer

17 March 2017

Bounsalong SOUTHIDARA

Chief Financial Officer

17 March 2017

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EDL-Generation Public Company

Statement of income

		For the year ended 31 December	
	Note	2016	2015
<i>(In million Kip)</i>			
Continuing operation			
Sales	25	1,241.181	847.759
Costs of sales	18	<u>(486.391)</u>	<u>(276.443)</u>
Gross profit		754.790	571.316
Other income		11.065	16.198
Operating and administrative expenses	18	<u>(120.729)</u>	<u>(121.027)</u>
Foreign exchange loss		<u>(64.800)</u>	<u>(9.976)</u>
Share of profit from investments in associates and joint ventures	6	<u>178.051</u>	<u>286.219</u>
Operating profit		758.377	742.730
Finance costs	19	<u>(154.918)</u>	<u>(61.937)</u>
Profit before income tax expense		603.459	680.793
Income tax expense	20	<u>(49.110)</u>	<u>(39.954)</u>
Profit for the year		554.349	640.839
Earning per share			
Basis earning per share <i>(in Kip)</i>	21	<u>330,11</u>	<u>456,44</u>



Rattana PRATHOUMVAN
Chief Executive Officer
17 March 2017

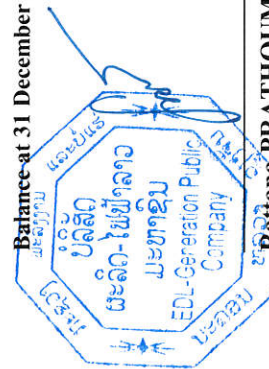

Bounsalong SOUTHIDARA
Chief Financial Officer
17 March 2017

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EDL-Generation Public Company
Statement of changes in equity

Note	Share capital	Share premium	Legal reserve	Translation reserve	Retained earnings	Total equity
For the year ended 31 December 2015						
Balance at 1 January 2015	4,904,867	142,229	297,210	(1,476)	978,811	6,321,641
Increase in share capital	1,812,348	843,392	-	-	-	2,655,740
Profit for the period	-	-	-	-	640,839	640,839
Translation reserve	-	-	-	(643)	-	(643)
Dividend paid	-	-	-	-	(513,349)	(513,349)
Transfer to legal reserve	-	-	64,084	-	(64,084)	-
Balance 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 2016						
Balance at 1 January 2016	6,717,215	985,621	361,294	(2,119)	1,042,217	9,104,228
Profit for the period	-	-	-	-	554,349	554,349
Translation reserve	-	-	-	777	-	777
Dividend paid	-	-	-	-	(470,204)	(470,204)
Transfer to legal reserve	-	-	55,435	-	(55,435)	-
Balance at 31 December 2016	6,717,215	985,621	416,729	(1,342)	1,070,927	9,189,150

Balance at 31 December 2016



Rattana PRATHOUMVAN

Chief Executive Officer

17 March 2017

Bounsalong SOUTHDARA

Chief Financial Officer

17 March 2017

The accompanying notes are an integral part of these financial statements.

EDL-Generation Public Company

Statement of cash flows

For the year ended 31 December

2016

2015

(In million Kip)

Cash flows from operating activities

Profit for the year	554.349	640.839
<i>Adjustments :</i>		
Depreciation	434.047	225.442
Finance costs	154.918	61.937
Unrealise loss on foreign exchange	67.074	26.973
Share of profit of associates and joint ventures	(178.051)	(286.219)
Income tax expense	49.110	39.954
	1.081.447	708.926

Changes in:

Trade and other receivables	(277.154)	131.953
Spare parts and supplies	(676)	(45)
Other current assets	(2.140)	4.452
Other non-current assets	(12.567)	(6.068)
Trade and other payables	120.241	32.891
Accrued expenses	19.316	(34.218)
Other current liabilities	212	123
Cash generated from operating activities	928.680	838.014
Income tax paid	(45.071)	(36.060)
Net cash from operating activities	883.609	801.954

Cash flows from investing activities

Cash paid for advance payment for investments	(41.025)	(2.991.664)
Cash received from joint ventures	-	13.021
Purchase of investments in subsidiary	(81.260)	-
Purchase of asset under concession	(733.216)	(498.862)
Purchase of intangible assets	-	(787)
Decrease in current investment	(890.413)	(20.000)
Cash proceed from current investment	-	20.000
Decrease in investments in associates and joint ventures	(6.379)	-
Dividend received from investment in associates and joint-ventures	156.963	189.366
Net cash used in investing activities	(1.595.330)	(3.288.926)

The accompanying notes are an integral part of these financial statements.

EDL-Generation Public Company

Statement of cash flows

For the year ended 31 December

2016

2015

(In million Kip)

Cash flows from financing activities

Finance costs paid	(99.053)	(53.901)
Cash paid for issuance cost	(50.836)	(16.936)
Cash proceed from for debentures issuance	2.520.124	-
Dividends paid	(470.204)	(513.349)
Proceeds from long-term borrowings	42.677	555.198
Repayment of long-term borrowings	(193.197)	(138.365)
Cash proceed from issuance of ordinary shares	-	2.655.740
Cash pledged as collateral	(26.765)	(38.704)
Net cash from financing activities	1.722.746	2.449.683

Net increase (decrease) in cash and cash equivalents

1.011.024 (37.289)

Effect of exchange rate change on balance held in

foreign currencies at end of year 10.486 (475)

Cash and cash equivalents at 1 January

1.213.770 1.251.534

Cash and cash equivalents at 30 December

2.235.280 1.213.770

Non-cash transactions

Payables on purchase of property, plant and equipment	3.995.884	97.595
Settlement of trade accounts receivable and long-term borrowing from related party	77.264	-
Acquisition of assets under concession under long-term borrowing agreement with related party	185.502	



Rattana PRATHOUMVAN
Chief Executive Officer
17 March 2017


Bounsalong SOUTHIDARA
Chief Financial Officer
17 March 2017

The accompanying notes are an integral part of these financial statements.

EDL-Generation Public Company
Notes to financial statements
For the year ended 31 December 2016

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EDL-Generation Public Company
Notes to financial statements
For the year ended 31 December 2016

1 Reporting entity

EDL-Generation Public Company (“the Company”) is a public company which is listed on the Lao Securities Exchange (“LSX”) on 11 January 2011, 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”). The Company is a subsidiary of Electricite Du Laos (“EDL”) with 75% shareholding.

The incorporation of the Company was initiated by 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.

On 15 December 2010, Incorporation Date, EDL transferred the Existing Generation Assets and related liabilities of 7 hydropower dams, Nam Ngum 1, Nam Leuk, Nam Mang 3, Nam Song, Xeset1, Xeset 2, and Xelabam, 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 according to terms and conditions specified in Power Purchase Agreements (“PPA”).

Further, the Company has continued acquiring more power projects and establishing new joint venture with counterparties and EDL.

The address of the Company’s registered office is 7th Floor, EDL Headquarter Building, Lao-Thai Friendship Road, Thongkang Village, Sisattanak District, Vientiane Capital, P.O.Box 2392, Lao PDR.

These financial statements was authorised for issue by the Board of Directors on 17 March 2017.

2 Basis of accounting

The financial statements was prepared in accordance with the Company's accounting policies which have been prepared under the historical cost convention except investment in associates and interest in joint ventures as described more detail in Note 3 to the financial statements.

There is 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 Auditors (“LCPAA”). 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 service concession agreements, revenue recognition, 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 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
Notes to financial statements
For the year ended 31 December 2016

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 in which management believe the majority is in line with international practices.

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

3 Accounting policies

(a) Investments in subsidiaries, associates and joint ventures

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity, generally accompanying a shareholding of between 50% and 100% of the voting rights. The financial statements of subsidiaries are included in the financial statements from the date on which control commences until the date on which control ceases.

As at 31 December 2016, the Company has not yet adopted accounting policy for consolidated financial statements.

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.

EDL-Generation Public Company
Notes to financial statements
For the year ended 31 December 2016

Joint ventures

Investments in joint ventures are entities over which the Company jointly controls, but which it does not control. Investments 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.

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.

(b) 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, liabilities and equity 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.

(c) 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.

EDL-Generation Public Company
Notes to financial statements
For the year ended 31 December 2016

(d) Assets under concession

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

Recognition

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use. Ownership over assets under concession shall be transferred to the Company when all relevant contractual agreements are mutual agreed and propose to Department of Energy Resources.

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 Government of Lao PDR (“GOL”) at the end of concession period.

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.

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:

Buildings	4 - 30 years
Hydroelectric dams	20 - 30 years
Plant and machineries	10 - 30 years
Motor vehicles	6 years
Office equipment, furniture and fixtures	9 - 10 years

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.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

EDL-Generation Public Company
Notes to financial statements
For the year ended 31 December 2016

(e) 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.

(f) 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.

(g) 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.

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.

(h) Leases

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.

(i) Employee benefits

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:

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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 specials 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 recognised when paid.

Retirement

At retirement, the Company provides 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.

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.

(j) 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 3(i).

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(k) Current investments

Current investments is classified as held to maturity and is carried at carrying value and interest income is recognised into statement of income based on the period as mention in related agreement.

(l) 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.

(m) 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.

(n) Revenue

Sales

The Company account for sales when:

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

Other services

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

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.

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(o) *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.

(p) *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 (“CEO”) and Chief Financial Officer (“CFO”) that make strategic decisions.

(q) *Intangible assets*

Costs of Computer software 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.

(r) *Income tax*

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.

4 Segment information

The Company has two reportable segments, as described below, which are the Company’s strategic divisions. The strategic divisions offer different type of business. The following summary describes the operations in each of the Company’s reportable segments.

- Segment 1 Electricity generation
- Segment 2 Other businesses

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Information regarding the results of each reportable segment are included below. Performance is measured based on segment profit, as included in the internal management reports that are reviewed by the Company's CEO and CFO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

For the year ended 31 December 2016

	Segment 1	Segment 2	Elimination	Total
		<i>(in million Kip)</i>		
Sales	1.241.181	-	-	1.241.181
Costs of sales	(486.391)	-	-	(486.391)
Segment result	754.790	-	-	754.790
Other income	11.065	-	-	11.065
Operating and administrative expenses	(120.729)	-	-	(120.729)
Foreign exchange loss	(64.800)	-	-	(64.800)
Share of profit from investment in associates and joint ventures	-	178.051	-	178.051
Operating profit	580.326	178.051	-	758.377
Interest expenses	(154.918)	-	-	(154.918)
Net profit before income tax expense	425.408	178.051	-	603.459
Income tax expense	(49.110)	-	-	(49.110)
Net profit for the year	376.298	178.051	-	554.349

For the year ended 31 December 2015

	Segment 1	Segment 2	Elimination	Total
		<i>(in million Kip)</i>		
Sales	847.759	-	-	847.759
Costs of sales	(276.443)	-	-	(276.443)
Segment result	571.316	-	-	571.316
Other income	16.198	-	-	16.198
Operating and administrative expenses	(121.027)	-	-	(121.027)
Foreign exchange loss	(9.976)	-	-	(9.976)
Share of profit from investment in associates and joint ventures	-	286.219	-	286.219
Operating profit	456.511	286.219	-	742.730
Interest expenses	(61.937)	-	-	(61.937)
Net profit before income tax expense	394.574	286.219	-	680.793
Income tax expense	(39.954)	-	-	(39.954)
Net profit for the year	354.620	286.219	-	640.839

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5 Investments in subsidiaries

	2016	2015
	<i>(in million Kip)</i>	
Balance as at 1 January	-	-
Addition	81.260	-
Balance as at 31 December	81.260	-

During 2016, The Company has invested in Nam Bi Power Company Limited (“the Subsidiary”), incorporated in Lao PDR, with cash consideration at Kip 81.260 million. The Subsidiary’s businesses are electricity production and distribution.

During 2016, the Company has invested in EDL-Gen Solar Power Company Limited (“the Subsidiary”), incorporated in Lao PDR. The cash consideration of Kip 35.955 million has not yet registered as paid-in capital and presented in other non-current asset.

As at 31 December 2016, the Company’s management does not present consolidated financial statements since the Company has not yet adopted accounting policy for consolidated financial statements. In addition, the subsidiaries have no significant transactions.

None of the Company’s subsidiaries are publicly listed and consequently do not have published price quotations.

6 Investments in associates and joint ventures

	2016	2015
	<i>(in million Kip)</i>	
Associates		
At 1 January	710.598	610.357
Share of net profit of associates	53.249	48.763
Dividend income	(156.963)	(27.760)
Addition	-	80.022
Currency translation differences	(156)	(784)
At 31 December	606.728	710.598
Joint ventures		
At 1 January	1.558.324	1.498.609
Share of net profit of joint ventures	124.802	237.456
Dividend income	-	(161.606)
Addition	6.379	-
Capital reduction	-	(16.267)
Currency translation differences	933	132
At 31 December	1.690.438	1.558.324

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	2016	2015
	<i>(in million Kip)</i>	
Total		
At 1 January	2.268.922	2.108.966
Share of net profit of associates and joint ventures	178.051	286.219
Dividend income	(156.963)	(189.366)
Addition	6.379	80.022
Capital reduction	-	(16.276)
Currency translation differences	777	(643)
At 31 December	<u>2.297.166</u>	<u>2.268.922</u>

During the years ended 31 December 2016 and 2015, there were the following increase and decrease in investment:

During 2016, Lower Houay Lamphanh Co., Ltd. ("LHPC") has increased its share capital and the Company paid addition investment totaling USD 0,8 million or equivalent to Kip 6.379 million. The Company's interest in this joint ventures remains the same.

On 10 February 2015, both parties agreed the selling price at USD 9.940.000 or equivalent Kip 80.022 million for the transfer of shareholdings interest of EDL in Nam Ngum 5 Power Co., Ltd. ("NNG5") to the Company. The Company paid additional cost for this investment at USD 4.690.000 or equivalent to Kip 37.924 million. The transfer process was completed on 11 May 2015 (Note 7).

On 10 December 2015, Houay Ho Power Co., Ltd. ("HHPC"), 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. As at 31 December 2016, HHPC already paid for some portion to the Company and had remaining unpaid balance of USD 400.000 or equivalent to Kip 3.232 million and presented in other non-current assets.

During the years ended 31 December 2016 and 2015 there were no disposals of investments in associates and joint ventures.

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Investments in associates and joint ventures as at 31 December 2016 and 31 December 2015, and dividend income for the years ended 31 December 2016 and 2015 were as follows:

	Ownership interest		Cost		Impairment		Cost - net		Equity		Dividend income	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015
		(%)										
Associates												
Nam Ngum 2 Power Co., Ltd.	25											
		Electricity generation	454.742	454.742	-	-	454.742	454.742	451.954	563.000	149.413	19.940
Nam Lik 1-2 Power Co., Ltd. ("Nam Lik 1-2")	10											
		Electricity generation	32.240	32.240	-	-	32.240	32.240	65.281	63.210	7.550	7.820
Nam Ngum 5 Power Co., Ltd. ("NNG5")	15											
		Electricity generation	80.022	80.022	-	-	80.022	80.022	89.493	84.388	-	-
Total			567.004	567.004	-	-	567.004	567.004	606.728	710.598	156.963	27.760
Joint ventures												
Theun-Hinboun Power Co., Ltd. ("THPC")	60											
		Electricity generation	1.120.696	1.120.696	-	-	1.120.696	1.120.696	1.666.995	1.548.740	-	146.484
Houay Ho Power Co., Ltd. ("HHPC")	20											
		Electricity generation	1.171	1.171	-	-	1.171	1.171	15.820	6.743	-	15.122
Lower Houay Lamphanh Co., Ltd. ("LHPC")	60											
		Electricity generation	9.760	3.381	-	-	9.760	3.381	7.623	2.841	-	-
Total			1.131.627	1.125.248	-	-	1.131.627	1.125.248	1.690.438	1.558.324	-	161.606
Total associates and joint-ventures			1.698.631	1.692.252	-	-	1.698.631	1.692.252	2.297.166	2.268.922	156.963	189.366

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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 ventures.

With respect to Nam Lik 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.

None of the Company's associates and joint-ventures are publicly listed and consequently do not have published price quotations.

7 Advance payment for investments

	<i>Note</i>	2016	2015
		<i>(in million Kip)</i>	
At 1 January		3.690.647	779.005
Additions		118.254	2.943.583
Finance costs	19	11.074	48.081
Transferred to investment in associates	6	-	(80.022)
Transferred to assets under concession	8	(686.379)	-
At 31 December		3.133.596	3.690.647

These related to the advance payment paid to EDL for the costs occurred from the project assets under related MOU. The Company has advance payment for investments under MOU as at 31 December as follows:

	Type	2016	2015
		<i>(in million Kip)</i>	
Nam Khan 2	Assets	-	373.203
Houay Lamphan Ngai	Assets	-	291.517
Nam Sana	Assets	-	19.830
Nam Khan 3	Assets	301.833	223.251
Nam Chiean 1	Assets	678.504	671.647
Nam Hinboun	Assets	205.955	204.583
Xeset 3	Assets	149.418	148.504
Nam Ngum 1 Ext DFE	Assets	488.494	467.921
Nam Ngum 1 Ext Unit 6	Assets	242.231	226.230
Nam Ou 2.5.6	IPP	364.640	364.640
Nam Ngiep 2	IPP	111.470	111.470
Nam Beng	IPP	42.138	42.138
Xekamam 3	IPP	232.163	232.163
Nam Lik 1	IPP	34.680	33.309
Nam Mang 1	IPP	37.596	35.767
Nam Tha 1	IPP	244.474	244.474
Total		3.133.596	3.690.647

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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 project has been finalised by early of 2016.

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 negation 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. The project has been transferred during the year 2016.

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

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 negation within 31 December 2018 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.

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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 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.

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.

Memorandum of Understanding ("MOU") for transfer Assets and Shares of IPPs.

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

No Assets	Project name	Location	Stake	MW
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 IPPs	Project name	Location	Stake	MW
1	Nam Ngiep 2	Xiengkouang	10%	18
2	Nam Beng	Oudomxay	20%	7
3	Xekamam 3	Sekong	15%	37
4	Nam Lik 1	Vientiane	10%	6
5	Nam Mang 1	Bolikhamxay	10%	6
6	Nam Tha 1	Louangnamtha	20%	34
		Bokeo		
Total				108

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.

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8 Assets under concession

	Buildings	Hydroelectric dams	Plant and machineries	Motor vehicles (in million Kip)	office equipment. furniture and fixtures	Construction in progress	Total
Cost							
At 1 January 2015	357.443	2.457.596	1.972.923	10.398	9.082	-	4.807.442
Additions	10.738	1.664	389.811	4.297	3.602	12.609	422.721
At 31 December 2015 and 1 January 2016	368.181	2.459.260	2.362.734	14.695	12.684	12.609	5.230.163
Additions	391.874	3.399.849	1.353.892	5.502	4.276	348.025	5.503.418
Disposals	(208)	-	-	(737)	(166)	-	(1.111)
At 31 December 2016	759.847	5.859.109	3.716.626	19.460	16.794	360.634	10.732.470
Depreciation							
At 1 January 2015	69.721	329.586	253.835	4.350	4.099	-	661.591
Depreciation charged for the year	20.856	84.245	115.948	2.282	2.111	-	225.442
At 31 December 2015 and 1 January 2016	90.577	413.831	369.783	6.632	6.210	-	887.033
Depreciation charged for the year	52.613	215.390	162.934	2.456	651	-	434.044
Disposals	(208)	-	-	(737)	(166)	-	(1.111)
At 31 December 2016	142.982	629.221	532.717	8.351	6.695	-	1.319.966
Net book value							
At 1 January 2015	287.722	2.128.010	1.719.088	6.048	4.983	-	4.145.851
At 31 December 2015 and 1 January 2016	277.604	2.045.429	1.992.951	8.063	6.474	12.609	4.343.130
At 31 December 2016	616.865	5.229.888	3.183.909	11.109	10.099	360.634	9.412.504

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The additions the year ended 31 December 2016 mainly consisted of the new projects transferred from EDL which are Nam Khan 2, Houay Lamphanh Ngai and Nam Sana amounting to Kip 2.821.346 million, Kip 1.911.721 million and Kip 267.051 million, respectively.

9 Cash and cash equivalents

	2016	2015
	<i>(in million Kip)</i>	
Cash on hands	148	96
Cash at banks - current accounts	2.235.132	1.213.674
Total	2.235.280	1.213.770

The currency denomination of cash and cash equivalents as at 31 December 2016 and 2015 were as follows:

	2016	2015
	<i>(in million Kip)</i>	
U.S. Dollars	1.973.138	570.402
Thai Baht	95.677	33.713
Lao Kip	166.465	609.655
Total	2.235.280	1.213.770

10 Current investments

	2016	2015
	<i>(in million Kip)</i>	
Cash at banks - fixed deposit	101.703	20.000
Short-term deposits	816.900	-
Total	918.603	20.000

During 2016, the Company invested in six-month short-term deposits of USD 100 million or equivalent to Kip 829.300 million, with a local financial institution with interest rate at 1,65% per annum (2015: nil).

The currency denomination of current investments as at 31 December 2016 and 2015 were as follows:

	2016	2015
	<i>(in million Kip)</i>	
U.S. Dollars	898.592	-
Lao Kip	20.011	20.000
Total	918.603	20.000

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11 Trade and other receivables

	<i>Note</i>	2016 <i>(in million Kip)</i>	2015
Trade accounts receivable from related party	25	476.457	293.385
Other receivables from related parties	25	10.666	8.287
Others		4.346	2.813
Total		491.469	304.485

Aging analyses for trade and other receivables were as follows:

	2016 <i>(in million Kip)</i>	2015
Within credit term	191.394	117.500
Overdue		
Less than 3 months	159.305	178.698
3 - 6	130.104	8.287
6 - 12 months	10.666	-
Total	491.469	304.485

The currency denomination of trade and other receivables as at 31 December 2016 and 2015 were as follows:

	2016 <i>(in million Kip)</i>	2015
U.S. Dollars	353.488	8.287
Lao Kip	137.981	296.198
Total	491.469	304.485

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12 Share capital and share premium

		2016		2015	
	<i>Par value per share (in Kip)</i>	<i>Number of shares</i>	<i>Amount (million shares/million Kip)</i>	<i>Number of shares</i>	<i>Amount</i>
Authorised					
At 1 January					
- Ordinary shares	4.000	1.679	6.717.215	1.226	4.904.867
Issue of new shares	4.000	-	-	453	1.812.348
At 31 December					
- Ordinary shares	4.000	1.679	6.717.215	1.679	6.717.215
Issued and paid-up					
At 1 January					
- Ordinary shares	4.000	1.679	6.717.215	1.226	4.904.867
Issue of new shares	4.000	-	-	453	1.812.348
At 31 December					
- Ordinary shares	4.000	1.679	6.717.215	1.679	6.717.215

During 2015, the Company offered 453.086.932 ordinary shares with par value of Kip 4.000 per share totalling Kip 1.812.348 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 Kip 6.000 per share and another 44.348.010 shares were offered to the public through public offering (PO) with selling price of Kip 6.800 per share.

Share premium

The Company incurs premium on share capital and related issuance share costs which is charged against the premium on share capital. As at 31 December 2016 and 2015, the net premium on share capital is Kip 985.621 million.

13 Legal reserve

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

	2016	2015
	<i>(in million Kip)</i>	
Current portion of long-term borrowings		
- Long-term borrowing from related party	132.173	100.247
- Long-term borrowing from financial institution	82.311	77.760
Total current portion of long-term borrowings	214.484	178.007
Non-current portion of long-term borrowings		
- Long-term borrowing from related party	444.651	402.672
- Long-term borrowing from financial institution	399.648	438.785
Total non-current portion of long-term borrowings	844.299	841.457
Total long-term borrowings	1.058.783	1.019.464

Movements in long-term borrowings for the years ended 31 December 2016 and 2015 were as follow:

	2016	2015
	<i>(in million Kip)</i>	
At 1 January	1.019.464	598.782
Additions	228.563	555.198
Repayments	(193.197)	(138.365)
Effect from currency translation	3.953	3.849
At 31 December	1.058.783	1.019.464

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.

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On 19 January 2016, the Company entered into an additional Debt Repayment Agreement with EDL. EDL is the borrower pursuant to the borrowing agreement dated 19 June 2010 with Krung Thai Bank Public Company Limited. In addition to the transfer of project asset of Nam Sana Hydro Power Project, both parties agreed that the Company will make payment on the outstanding debt to EDL and EDL will make such payment to the lender pursuant to the original repayment agreement.

Long-term loan agreement

On 17 March 2015, the Company signed an agreement with Thai Military Bank Public Company Limited ("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. 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. Subsequently, during 2016, the Company and TMB agreed to amend the long-term loan agreement which required the Company to comply with certain terms and conditions including maintaining debt service coverage ratio.

On 26 August 2016, the Company has signed addendum to long-term loan agreement for additional credit facility amounting to USD 6,8 million or equivalent to Kip 55.107 million for additional construction project.

The periods to maturity of long-term borrowings as at 31 December 2016 and 2015 were as follows:

	2016	2015
	<i>(in million Kip)</i>	
Within one year	214.484	178.007
After one year but within five years	814.218	671.780
After five years	30.081	169.677
Total	1.058.783	1.019.464

The currency denomination of long-term borrowings as at 31 December 2016 and 2015 were as follows:

	2016	2015
	<i>(in million Kip)</i>	
U.S. Dollars	1.001.391	950.643
Japanese Yen	57.392	68.821
Total	1.058.783	1.019.464

15 Debentures

	2016	2015
	<i>(in million Kip)</i>	
Debentures	4.060.173	1.480.050
Transaction costs	(74.237)	(27.887)
Net	3.985.936	1.452.163

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Movements in debentures for the years ended 31 December 2016 and 2015 were as follow:

	2016	2015
	<i>(in million Kip)</i>	
At 1 January	1.452.163	1.575.862
Addition - net	2.469.288	-
Amortisation of deferred financing fee	4.011	6.561
Effect from currency translation	60.474	(130.260)
At 31 December	<u>3.985.936</u>	<u>1.452.163</u>

On 2 September 2016, the Company issued its 7-12 years fixed rate unsubordinated and unsecured debentures, at USD 1.000 face value per unit totalling 312.000 units with a total value of USD 312 million (equivalent to Kip 2.535.936 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 5,00% to 5,98% per annum. Interest is payable semi-annually in March and September and the first interest payment will commencing on 2 March 2017. 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, in Thailand.

Debenture issuing costs approximately of Kip 50.836 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 need amount against the outstanding amount of debentures.

Summary Key terms and conditions of the debentures issued during 2016 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	USD 51.000 million	USD 166.000 million	USD 95.000 million
Issue amount	51.000 units	166.000 units	95.000 units
Interest rate	Fixed rate at 5% per annum	Fixed rate at 5,59% per annum	Fixed rate at 5,98% per annum
Effective interest rate	5,24% per annum	5,85% per annum	6,26% per annum
Interest due	Semi-annually, 2 March and 2 September	Semi-annually, 2 March and 2 September	Semi-annually, 2 March and 2 September
Period	7 years	10 years	12 years
Maturity date	2 September 2023	2 September 2026	2 September 2028

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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 ("SET"). 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.

Summary 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	5,82% 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

16 Swap contract payables

	2016	2015
	(in million Kip)	
Swap contract payable	1.620.851	1.613.738
Swap contract receivable	(1.489.735)	(1.469.390)
Deferred gain on swap contract	14.560	17.049
Net	145.676	161.397

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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	Issued amount (million Baht)	Swap amount (million USD)	Payment term	Original rate	Swap rate	Payment term
Principle			Interest			
1	1.500	45,59	December 2019	4,95%	Libor 6 months + 3,36%	Semi-annually from June 2015 to December 2019
2	2.000	60,79	December 2021	5,20%	Libor 6 months + 3,61%	Semi-annually from June 2015 to December 2021
3	3.000	91,18	December 2024	5,45%	Libor 6 months + 3,795%	Semi-annually from June 2015 to December 2024

17 Accrued expenses

	2016	2015
	(in million Kip)	
Accrued royalty fees and other tax	94.208	73.337
Accrued interest expense	55.387	7.633
Others	9.293	10.848
Total	158.888	91.818

18 Expenses by natures

	2016	2015
	(in million Kip)	
Depreciation expense	434.047	225.442
Personnel expense	54.147	54.554
Repair and maintenance expenses	24.471	26.541
Dividend tax expense	14.851	18.936
Others	79.604	71.997
Total	607.120	397.470

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19 Finance costs

	2016	2015
	<i>(in million Kip)</i>	
Interest expense from debentures	121.889	87.757
Interest expense from borrowing from related party	16.576	11.509
Interest expense from borrowing from financial institution	19.916	8.085
Others	7.611	2.667
Total	165.992	110.018
Less: interest capitalised to advance payment for investments	(11.074)	(48.081)
Net	154.918	61.937

20 Income tax

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 of 2015 onwards, the Company records corporate income tax at the current rate of 10% on 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.

Reconciliation of effective tax rate

	Rate	2016	Rate	2015
	(%)	<i>(in million Kip)</i>	(%)	<i>(in million Kip)</i>
Profit before income tax expense		603.459		680.793
Income tax using the corporation tax rate	10,0	60.346	10,0	68.079
Expenses not deductible for tax purposes	1,1	6.569	0,0	497
Share of profit from associates and joint ventures	(3,0)	(17.805)	(4,2)	(28.622)
Total	8,1	49.110	6,5	39.954

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21 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2016 and 2015 were based on the profit for the year attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the year as follows:

	2016	2015
	<i>(in million Kip)</i>	
Profit attributable to ordinary shareholders of the Company	554.349	640.839
Weighted average number of shares outstanding <i>(in million shares)</i>	1.679	1.404
Basic earnings per share <i>(in Kip)</i>	330,11	456,44

22 Dividends

The annual general meeting of Shareholders, held on 25 April 2016, has approved interim dividend payment in respect of net profit for the six-month period from 1 July to 31 December 2015 of Kip 150 per share amounting to a total of Kip 251.890 million. This dividend was paid during May 2016.

At the Board of Directors' meeting held on 24 August 2016, the Board of Directors approved an interim dividend payment from the net profit of six-month period from 1 January to 30 June 2016 at Kip 130 per share, totalling of Kip 218.314 million. This dividend was paid during September 2016.

At the Board of Directors' meeting held on 24 August 2015, the Board of Directors approved an interim dividend payment from the net profit of six-month period from 1 January to 30 June 2015 at Kip 110 per share, totalling of Kip 184.723 million. This dividend was paid on during October 2015.

The annual general meeting of Shareholders, held on 29 April 2015, has approved interim dividend payment in respect of net profit for period from 1 July to 31 December 2014 of Kip 268 per share amounting to a total of Kip 328.626 million. This dividend was paid on during April 2015.

23 Financial instruments

Financial risk management policies

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.

Foreign currency risk

The Company operates domestically but is exposed to foreign exchange risk arising from certain currency exposures, primarily with respect to the U.S. Dollars, Japanese Yen and Thai 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.

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The Company uses swap contracts to hedge their exposure to foreign currency risk in connection with the outstanding debentures of Baht 6.500 million.

As at 31 December 2016, 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.

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.

Debentures issued in Baht and U.S. Dollars with fixed interest rate. Interest rate swap contracts are partially 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.

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.

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.

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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24 Commitments with non-related parties

	2016	2015
	<i>(in million Kip)</i>	
<i>Capital commitments</i>		
<i>Contracted but not provided for:</i>		
Design, construction and installment for machinery and equipment and project construction	372.791	294.582
<i>Non-cancellable operating lease commitments</i>		
Within one year	256	225
After one year but within five years	1.064	1.045
After five years	6.628	6.889
Total	7.948	8.159

As at 31 December 2016, a subsidiary has capital commitment from Engineering and Procurement contract at the amount of U.S. Dollar 272 million or equivalent to Kip 2.231 billion.

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.

Other significant agreements and arrangements

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 PDR ("GOL") represented by Ministry of Planning and Investment ("MPI"). The CA provides for a term of 30 years, together with a renewal year of 10 years for the Power Plant projects. 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.

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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 the Company and SOK Corporation Company Limited.

Memorandum of Understanding ("MOU") for Xekong 5 Hydropower Project

On 8 September 2016, the Company signed a Memorandum of Understanding with Inter Rao Engineering, RUSSIA and A-RKSENA Limited Liability Company ("RUSSIA") as to establish of Xekong 5 Hydropower Project.

Shareholders Agreement ("SA") for Nam Dik I Hydro Power Project

On 5 September 2016, the Company signed a Shareholder agreement with National Consulting Group Sole Company Limited of Nam Dik I Hydropower Project.

Cooperation Agreement for Pak Beng Hydro Power Project

On 7 September 2016, the Company signed a Cooperation Agreement with China Datang Overseas Investment Co., Ltd. of Pak Beng Hydroelectric Power Project.

25 Related parties

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Electricite Du Laos	Laos	Parent company
Nam Bi Power Company Limited	Laos	Subsidiary
EDL-Gen Solar Power Company Limited	Laos	Subsidiary
Houay Ho Power Company Limited	Laos	Joint venture

The pricing policies for particular types of transactions are explained further belows:

Transactions	Pricing policies
Sale of goods	Contract price
Interest income / Interest expense	Contract rate

Significant transactions for the years ended 31 December 2016 and 2015 with related parties were as follows:

	2016	2015
	<i>(in million Kip)</i>	
Parent company		
Sales	1.241.181	847.759
Dividend payment	352.653	436.840
Interest expense	16.576	11.509

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Balances as at 31 December 2016 and 31 December 2015 with related parties were as follows:

	2016	2015
	<i>(in million Kip)</i>	
<i>Advance payment for investments</i>		
Parent company		
Electricite Du Laos	3.109.676	3.642.566
<i>Other non-current assets</i>		
Parent company		
Electricite Du Laos	35.000	65.943
Subsidiary		
EDL-Gen Solar Power Company Limited	35.955	-
Joint venture		
Houay Ho Power Company Limited	3.232	3.255
Total	<u>74.187</u>	<u>69.198</u>
<i>Trade and other receivables</i>		
Parent company		
Electricite Du Laos	486.630	301.672
Subsidiary		
Nam Bi Power Company Limited	493	-
Total	<u>487.123</u>	<u>301.672</u>
<i>Payables for assets under concession*</i>		
Parent company		
Electricite Du Laos	3.957.400	-
<i>Long-term borrowings</i>		
Parent company		
Electricite Du Laos		
- Current portion	132.173	100.247
- Long-term portion	444.651	402.672
Total	<u>576.824</u>	<u>502.919</u>

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Movements of loans from related party during the years ended 31 December 2016 and 2015 were as follows:

	2016 (in million Kip)	2015
At 1 January	502.919	598.782
Additions	200.362	-
Repayments	(132.206)	(100.325)
Effect from currency translation	5.749	4.372
At 31 December	576.824	502.919

* Pursuant to the MOU for the transfer of the project assets of Houay Lamphanh Ngai and Nam Khan 2 hydro power projects between the Company and EDL, the Company recognised those assets under concession in the financial statements for the year ended 31 December 2016. Prior to the assets transfer date, the Company has made advance payment to investments amounting to Kip 664.721 million. The remaining cost of assets is recognised as payable for assets under concession. Currently, the tri-party long-term loan agreement among EDL GEN, EDL and lender is in process of preparation. The agreement shall transfer obligation to repay long-term loan relevant to the aforementioned hydro power projects from EDL to EDL GEN.

Significant agreements with related parties

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.

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.

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26 Events after the reporting period

On 9 January 2017, The Company has invested in Nam Dik 1 Hydro Power Company Limited, a joint-venture incorporated in Lao PDR, with cash consideration at USD 0,2 million or equivalent to Kip 1.634 million. The Joint-venture's businesses are electricity production and distribution.

On 3 February 2017, the Company entered into the additional Debt Repayment Agreement ("the Agreement") totalling USD 482 million or equivalent to Kip 3.957.400 million with the EDL. EDL is a borrower pursuant to Nam Khan 2 and Houay Lamphanh Ngai Power Project under Sub-Loan Agreement No. 0227/EDL and 0220/EDL, dated 21 January 2013 with the Government of Lao PDR ("GOL") in which the original fund is provided from Export-Import Bank of China (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.

At the meeting of the Board of Directors of the Company held on 17 March 2017, the Company's Board of Directors approved the submission for approval at the annual general meeting of the shareholders of the Company the appropriation of interim dividends for the six-month period from 1 July 2016 to 31 December 2016 at Kip 160 per share, totalling Kip 268.689 million. This dividend is subject to the approval of the Company's shareholders at the annual general meeting to be held on in April 2017.

27 Reclassification of accounts

Certain accounts in the financial statements for the year ended 31 December 2015 have been reclassified to conform to the presentation in the financial statements for the year ended 31 December 2016 as follows:

	Before reclass.	2015 Reclass. (in million Kip)	After reclass.
<i>Statement of financial position</i>			
Trade and other receivables	373.684	(69.199)	304.485
Assets under concession	4.342.730	400	4.343.130
Other non-current assets	47.444	69.199	116.643
Other current assets	7.086	(400)	6.686
		<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Company's business.

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28 Supplementary information

The Company presents the unaudited statement of income for the three-month period ended 31 December 2016 under this note to the financial statements for the year ended 31 December 2016. This is in accordance with the reporting and disclosure regulation issued by Lao Securities and Exchange Commission Office.

Summary of statement of income (Unaudited)
For the three-month period ended 31 December 2016

	31 December 2016 (in million Kip) (Unaudited)
Sales	286.325
Cost of sales	(120.011)
Gross profit	166.314
Other income	4.737
Operating and administrative expenses	(54.477)
Foreign exchange loss	(63.216)
Share of profit from investments in associates and joints ventures	57.122
Operating profit	110.480
Finance costs	(71.086)
Profit before income tax expense	39.394
Income tax expense	(4.454)
Net profit for the period	34.940