



# EDL-Generation Public Company

## The First Quarter Report

31 March 2016



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The First Quarter Financial Report March 31, 2016

## 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 Electricité Du Laos (EDL) where EDL's generation assets were transferred to the company including Nam Ngum 1, Nam Mang 3, Nam Leuk, Xeset 1, Xeset 2, Selabam and Nam Song 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).

In the middle of 2012, EDL-Gen sold successfully Right offering and Public offering in order to 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.

In October 2014, EDL-Gen became the first public company in Lao PDR to have an investment grade credit rating by TRIS Rating Co., Ltd. at "BBB+".

On 12 December 2014, EDL-Gen officially issued debentures and successfully raised the targeted THB 6,500 million. This financial capital are being invested for an additional 392 MW, comprising of 4 hydropower projects to be transferred from EDL to EDL-Gen with a combined installed capacity of 292 MW; and the acquisitions of shares from EDL held at 5 IPPs with a total of 100 MW.

On 10 February 2015, EDL-Gen has successfully transferred shares of Nam Ngum 5 Hydropower plant (15%) from EDL which increased the total installed capacity of the company to 899 MW.

To promote continued growth, in September 2015 EDL-Gen issued the third ordinary share under RO and PO, raising 2,754 billion kip. This amount of fund will finance a further 513.1 MW, including 5 wholly-owned projects from EDL with a combined 277.9 MW, shares from EDL in 6 IPPs with equity attributed installed capacity of 108.3 MW. The registered capital of the company increased to 6,717,214,788,000 kip and the total share grew up to 1,679,303,697 shares. The shareholders structure remained the same.

On 24 December 2015, EDL-Gen Completion of asset transferring 3 hydropower plan projects: Nam Khan 2 hydropower plan project with an installed capacity of 130 MW, Houay Lamphan Gnai hydropower plan project with an installed capacity of 88 MW and Nam Sana hydropower plan project with an installed capacity of 14 MW from EDL which increased the total installed capacity of the company to 1,131 MW.

## **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:**

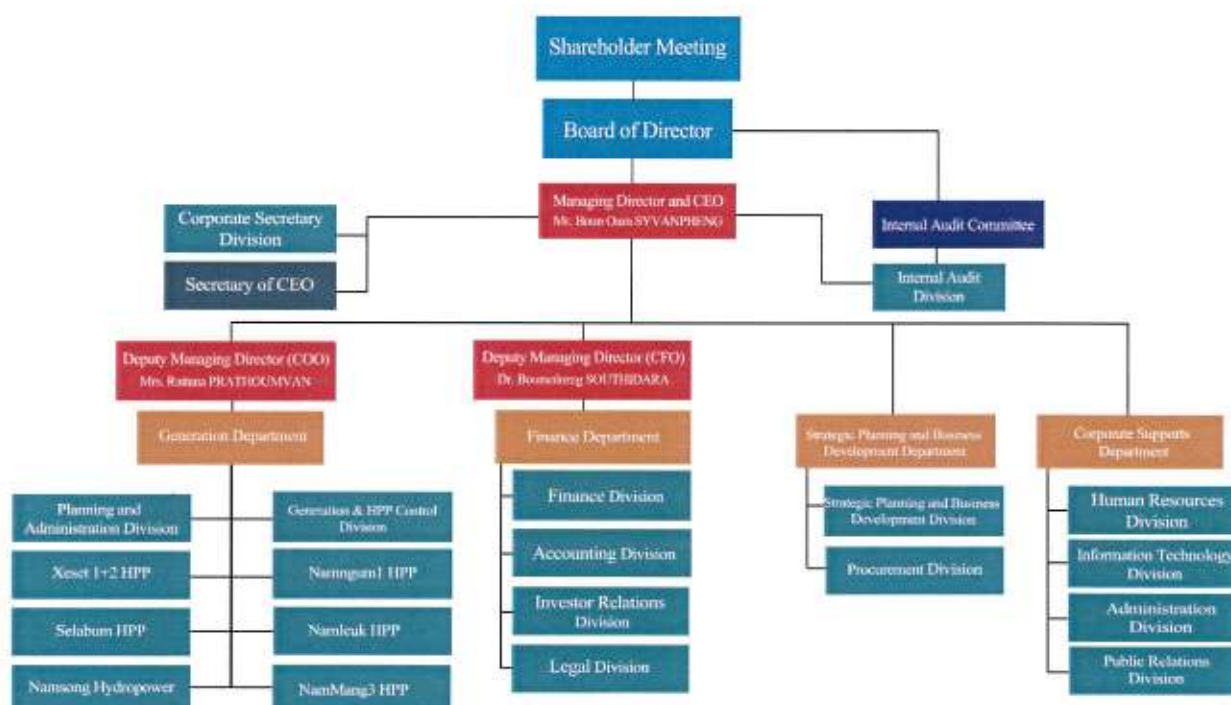
1. To be a number one leading company in electricity generating business to provide Lao PDR and neighboring nations, with sustainable power at a reasonable prices and to create the shareholder's value.
2. To stand side by side with EDL and coordinate closely with EDL in order to maintain power reliability 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 10 hydropower plants.

**Organization Chart of EDL - Generation Public Company**



#### EDL-Gen Staffs

EDL-GEN consists of 698 staffs, of whom 135 are females:

| Details       | Permanent staff |       |        |    |       | Temporary staff |       |        |    |       |
|---------------|-----------------|-------|--------|----|-------|-----------------|-------|--------|----|-------|
| Head office   | 80              | staff | Female | 28 | staff | 5               | staff | Female | 1  | staff |
| Nam Ngum 1    | 128             | staff | Female | 30 | staff | 42              | staff | Female | 10 | staff |
| Nam Kham 2    | 30              | staff | Female | 3  | staff | 8               | staff | Female | 5  | staff |
| Xe set 1-2    | 81              | staff | Female | 17 | staff | 53              | staff | Female | 8  | staff |
| Houay Lamphan | 31              | staff | Female | 1  | staff | 3               | staff | Female | 0  | staff |
| Num Leuk      | 52              | staff | Female | 4  | staff | 17              | staff | Female | 6  | staff |
| Num Mung 3    | 53              | staff | Female | 4  | staff | 13              | staff | Female | 7  | staff |
| Nam Song      | 18              | staff | Female | 0  | staff | 6               | staff | Female | 2  | staff |
| Nam Sana      | 20              | staff | Female | 1  | staff | 7               | staff | Female | 2  | staff |
| Selabam       | 38              | staff | Female | 4  | staff | 13              | staff | Female | 2  | staff |
| Total         | 531             | staff | Female | 92 | staff | 167             | staff | Female | 43 | staff |

## Board of Directors of EDL-Gen



**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 SENGMAKY**  
Independent Member



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



**Assoc. Prof. Khampheui PHOMMACHANH**  
Independent Member

## Managing Directors of EDL-Gen



Boun Oum SYVANPHENG  
Managing Director (CEO)



Rattana PRATHOUMVAN  
Deputy Managing Director (COO)



Dr. Bounsalong SOUTHIDARA  
Deputy Managing Director (CFO)

#### **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. 015/EDL-GEN dated 27/05/2015. 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 Directs to facilitate decision making. IAC work collaboration with the Internal Audit Division of EDL-Gen.

The meeting of IAC had been held 2 meeting in the first quarter 2016 which were 1 extraordinary meeting and 1 ordinary meeting. The main issues of the meetings were discussing on the working of auditors in year 2015 and forward, and discussing on the annual financial statement year 2015 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 2016, the committee has been working as follows:

1. Negotiated tariff of 3 HPPs including Nam Khan 2 HPP, Houay Lumphan Gnai HPP and Nam Sana HPP, and discussed on a draft of Power Purchase Agreement of those projects.

##### **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 2016, the PESC has been working as following: Procurement Committee had held 01 internal meetings, also negotiation meeting with partner, which led to sign 03 contract agreements. The agreement can be summarized as follow:

1. 02 Contracts of Maintenance and Construction.
2. 01 Contract of External Audit.

##### **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 2016, the HPDC held 1 meeting. The main issues of the meeting can be summarized as follows:

1. Reviewed on a technician employment contract of Nam Khan 2 HPP and Houay Lamphan Gnai HPP.
2. Reviewed on the EDL-Gen approval letter regarding appointing the committee of professional level evaluation.
3. Reviewed of purchase order of used vehicles to be disposed

## 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 2016 are as followed:

### 5.1 Generation

In the first quarter 2016, the company owned ten hydropower plants with a combined installed capacity of 1,131MW. Since the weather condition in 2016 was supportive, enabling company's generation reached 662.32 GWh which was 111.09% of the plan (the generation was including of generation from Nam Khan 2 HPP, Houay Lumphan Gnai HPP and Nam Sana HPP from Commercial Operation Date to 31/03/2016).

### 5.2 Revenue

In the first quarter 2016, the total revenue of EDL-Generation mainly came from selling electricity to EDL and its total revenue was 289,706 million Kip, which exceeds the plan by 27.96% including revenue from electricity sale totally 286,318 million Kip, equaled to 98.83% of the total revenue (the revenue was including of revenue from selling electricity of Nam Khan 2 HPP, Houay Lumphan Gnai HPP and Nam Sana HPP from Commercial Operation Date to 31/03/2016) and other revenue equaled to 1.17% of the total revenue.

### 5.3 Expenses

In the first quarter 2016, EDL-Generation has the total expenses in the amount of 201,083 million Kip, equivalent to 69.41% of total revenue.

| Total Expenses |                |             |              |
|----------------|----------------|-------------|--------------|
| No.            | Details        | Million Kip | % of revenue |
| 1              | Cost of Sales  | 139,444     | 48.13%       |
| 2              | Interest       | 28,477      | 9.83%        |
| 3              | Operating Cost | 22,720      | 7.84%        |
| 4              | Corporate Tax  | 10,442      | 3.60%        |
| Total          |                | 201,083     | 69.41%       |

## 5.4 Net Profits

The total Net Profits of EDL-Gen for the first quarter 2016 came from 2 main sources as follows:

1. Profit from business operation of EDL-Gen, amounted to 93,587 million Kip.
2. According to the share portions, Profit from share of associates and joint ventures was (loss) 18,865 million Kip (in the first quarter of 2015, the profit from share of associates and joint ventures was 42,148 million Kip). The reason was the associates and joint ventures made loss in the first quarter of 2016

The total Net Profits of EDL-Gen for the first quarter was 74,722 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 2016 was 64,918 million kip and represents as below:

| Tax   |                                     |             |
|-------|-------------------------------------|-------------|
| No.   | Details                             | Million Kip |
| 1     | Advance Income Tax                  | 49,424      |
| 2     | Income Tax                          | 11,348      |
| 3     | Royalty fee                         | 2,227       |
| 4     | Pesonal income tax - salary - bonus | 1,861       |
| 5     | Meeting Premium Tax                 | 59          |
| Total |                                     | 64,918      |

# **The First Quarter Financial Report**

## **March 31, 2016**

**EDL-GENERATION PUBLIC COMPANY**

**1<sup>st</sup> QUARTER FINANCIAL INFORMATION  
(UNAUDITED)**

**31 March 2016**

EDL-Generation Public Company  
Statement of financial position  
As at 31 March 2016

|                                                            |       | Unaudited<br>31 March<br>2016<br>Million LAK | Audited<br>31 December<br>2015<br>Million LAK |
|------------------------------------------------------------|-------|----------------------------------------------|-----------------------------------------------|
|                                                            | Notes |                                              |                                               |
| <b>Assets</b>                                              |       |                                              |                                               |
| <b>Non-current assets</b>                                  |       |                                              |                                               |
| Investments in associates                                  | 4     | 732,207                                      | 710,598                                       |
| Interests in joint ventures                                | 4     | 1,517,958                                    | 1,558,324                                     |
| Advance payment for investments                            | 5     | 3,084,632                                    | 3,690,647                                     |
| Assets under concession, net                               | 6     | 10,152,213                                   | 4,342,731                                     |
| Intangible assets                                          |       | 688                                          | 787                                           |
| Deposits at financial institution<br>pledged as collateral |       | 38,566                                       | 38,704                                        |
| Other non-current assets                                   |       | 7,592                                        | 7,953                                         |
| <b>Total non-current assets</b>                            |       | <b>15,533,856</b>                            | <b>10,349,744</b>                             |
| <b>Current assets</b>                                      |       |                                              |                                               |
| Cash and cash equivalents                                  |       | 910,077                                      | 1,213,770                                     |
| Short-term investments                                     |       | 20,000                                       | 20,000                                        |
| Trade and other receivables                                |       | 678,577                                      | 373,684                                       |
| Spare parts and supplies, net                              |       | 4,247                                        | 4,088                                         |
| Other current assets                                       |       | 5,230                                        | 7,086                                         |
| <b>Total current assets</b>                                |       | <b>1,618,131</b>                             | <b>1,618,628</b>                              |
| <b>Total assets</b>                                        |       | <b>17,151,987</b>                            | <b>11,968,372</b>                             |



Boun Oum SYVANPHENG  
Chief Executive Officer  
Date: 12 May 2016

Bounsalong SOUTHIDARA  
Chief Financial Officer  
Date: 12 May 2016

EDL-Generation Public Company  
Statement of financial position  
As at 31 March 2016

|                                                   | Notes | Unaudited<br>31 March<br>2016<br>Million LAK | Audited<br>31 December<br>2015<br>Million LAK |
|---------------------------------------------------|-------|----------------------------------------------|-----------------------------------------------|
| <b>Shareholders' equity</b>                       |       |                                              |                                               |
| Share capital                                     |       | 6,717,215                                    | 6,717,215                                     |
| Share premium                                     |       | 985,621                                      | 985,621                                       |
| Legal reserve                                     |       | 361,294                                      | 361,294                                       |
| Financial statements translation                  | 4     | (2,011)                                      | (2,119)                                       |
| Retained earnings                                 |       | 1,116,939                                    | 1,042,217                                     |
| <b>Total shareholders' equity</b>                 |       | <b>9,179,058</b>                             | <b>9,104,228</b>                              |
| <b>Liabilities</b>                                |       |                                              |                                               |
| <b>Non-current liabilities</b>                    |       |                                              |                                               |
| Long term borrowings, net                         | 7     | 760,619                                      | 841,457                                       |
| Debentures, net                                   | 8     | 1,483,359                                    | 1,452,163                                     |
| Swap contract payables, net                       | 9     | 124,369                                      | 161,397                                       |
| Other non-current liabilities                     | 10    | 5,219,071                                    | -                                             |
| <b>Total non-current liabilities</b>              |       | <b>7,587,418</b>                             | <b>2,455,017</b>                              |
| <b>Current liabilities</b>                        |       |                                              |                                               |
| Trade and other payables                          |       | 135,618                                      | 130,940                                       |
| Current portion of long-term borrowings           | 7     | 181,354                                      | 178,007                                       |
| Accrued expenses                                  |       | 61,072                                       | 91,818                                        |
| Accrued income tax                                |       | 7,293                                        | 8,200                                         |
| Other current liabilities                         |       | 174                                          | 162                                           |
| <b>Total current liabilities</b>                  |       | <b>385,511</b>                               | <b>409,127</b>                                |
| <b>Total liabilities</b>                          |       | <b>7,972,929</b>                             | <b>2,864,144</b>                              |
| <b>Total shareholder's equity and liabilities</b> |       | <b>17,151,987</b>                            | <b>11,968,372</b>                             |



Boun Oum SYVANPHENG  
Chief Executive Officer  
Date: 12 May 2016

  
Bounsalong SOUTHIDARA  
Chief Financial Officer  
Date: 12 May 2016

**EDL-Generation Public Company**  
**Statement of income (Unaudited)**  
**For the three month period ended 31 March 2016**

|                                                         | Notes | 31 March<br>2016<br>Million LAK | 31 March<br>2015<br>Million LAK |
|---------------------------------------------------------|-------|---------------------------------|---------------------------------|
| Sales                                                   | 13    | 286,318                         | 142,282                         |
| Cost of sales                                           |       | (139,444)                       | (63,332)                        |
| Gross profit                                            |       | 146,874                         | 78,950                          |
| Other income                                            |       | 3,388                           | 2,490                           |
| Operating and administrative expenses                   |       | (22,720)                        | (21,680)                        |
| Foreign exchange gain/(loss), net                       |       | 4,964                           | (11,531)                        |
| Interest expense                                        |       | (28,477)                        | (18,772)                        |
| Share of profit/(loss) of associates and joint ventures | 4     | (18,865)                        | 42,148                          |
| Profit before income tax expense                        |       | 85,164                          | 71,605                          |
| Income tax expense                                      | 11    | (10,442)                        | (3,034)                         |
| <b>Net profit for the period</b>                        |       | <b>74,722</b>                   | <b>68,571</b>                   |



Boun Oum SYVANPHENG  
 Chief Executive Officer  
 Date: 12 May 2016

Bounsalong SOUTHIDARA  
 Chief Financial Officer  
 Date: 12 May 2016

EDL-Generation Public Company  
Statement of changes in equity (Unaudited)  
For the three-month period ended 31 March 2016

| For the three-month period ended 31 March 2016 |                                             |               |                  |                                        |                                        |             |
|------------------------------------------------|---------------------------------------------|---------------|------------------|----------------------------------------|----------------------------------------|-------------|
|                                                | Issued and<br>paid-up<br>ordinary<br>shares | Share premium | Legal<br>reserve | Financial<br>statements<br>translation | Unappropriated<br>retained<br>earnings | Total       |
| Note                                           | Million LAK                                 | Million LAK   | Million LAK      | Million LAK                            | Million LAK                            | Million LAK |
| As at 1 January 2016                           | 6,717,215                                   | 985,621       | 361,294          | (2,119)                                | 1,042,217                              | 9,104,228   |
| Net profit for the period                      | -                                           | -             | -                | -                                      | 74,722                                 | 74,722      |
| Translation adjustments                        | -                                           | -             | -                | 108                                    | -                                      | 108         |
| As at 31 March 2016 (Unaudited)                | 6,717,215                                   | 985,621       | 361,294          | (2,011)                                | 1,116,939                              | 9,179,058   |

As at 1 January 2016  
Net profit for the period  
Translation adjustments

As at 31 March 2016 (Unaudited)

| For the three-month period ended 31 March 2015 |                                             |               |                  |                            |                                        |             |
|------------------------------------------------|---------------------------------------------|---------------|------------------|----------------------------|----------------------------------------|-------------|
|                                                | Issued and<br>paid-up<br>ordinary<br>shares | Share premium | Legal<br>reserve | Translation<br>adjustments | Unappropriated<br>retained<br>earnings | Total       |
| Note                                           | Million LAK                                 | Million LAK   | Million LAK      | Million LAK                | Million LAK                            | Million LAK |
| 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                        | -                                           | -             | -                | 115                        | -                                      | 115         |
| As at 31 March 2015 (Unaudited)                | 4,904,867                                   | 142,229       | 297,210          | (1,361)                    | 1,047,382                              | 6,390,327   |

As at 1 January 2015  
Net profit for the period  
Translation adjustments

As at 31 March 2015 (Unaudited)



Boun Oum SYVANPHENG  
Chief Executive Officer  
Date: 12 May 2016

Bounsalong SOUTHDARA  
Chief Financial Officer  
Date: 12 May 2016

EDL-Generation Public Company  
Statements of cash flows (Unaudited)  
For the three-month period ended 31 March 2016

|                                                                |       | 31 March<br>2016<br>Million LAK | 31 March<br>2015<br>Million LAK |
|----------------------------------------------------------------|-------|---------------------------------|---------------------------------|
|                                                                | Notes |                                 |                                 |
| <b>Cash flow from operating activities :</b>                   |       |                                 |                                 |
| Net profit before income tax for the period                    |       | 85,164                          | 71,605                          |
| Adjustments to reconcile net profit to net cash                |       |                                 |                                 |
| Amortisation                                                   | 8     | 420                             | 922                             |
| Depreciation                                                   | 6     | 131,106                         | 47,389                          |
| Foreign exchange (gain)/ loss                                  |       | (5,319)                         | 10,947                          |
| Share of profit/loss of associates and joint ventures          | 4     | 18,865                          | (42,148)                        |
| Finance cost                                                   |       | 28,477                          | 29,325                          |
| Operating profit before working capital changes                |       | 258,713                         | 118,040                         |
| Changes in working capital                                     |       |                                 |                                 |
| - Trade and other receivables                                  |       | (304,893)                       | 113,348                         |
| - Spare part and supplies                                      |       | (159)                           | 237                             |
| - Other current assets                                         |       | 1,856                           | (6,436)                         |
| - Other assets                                                 |       | 361                             | (8,835)                         |
| - Accounts payable                                             |       | 4,678                           | (20,836)                        |
| - Other current liabilities                                    |       | 12                              | (4)                             |
| - Accrued expenses                                             |       | (50,358)                        | (65,475)                        |
| Cash generated from operations                                 |       | (89,790)                        | 130,039                         |
| Income tax paid                                                |       | (11,349)                        | (13,367)                        |
| <b>Net cash generated from /(used in) operating activities</b> |       | <b>(101,139)</b>                | <b>116,672</b>                  |
| <b>Cash flows from investing activities :</b>                  |       |                                 |                                 |
| Advance payment for investments                                | 5     | (80,365)                        | (435,426)                       |
| Purchases of assets under concession                           |       | (35,137)                        | (504)                           |
| Proceeds from short-term investments                           |       | -                               | (404,800)                       |
| Dividends received                                             |       | -                               | 57,460                          |
| <b>Net cash used in investing activities</b>                   |       | <b>(115,502)</b>                | <b>(783,270)</b>                |

EDL-Generation Public Company  
 Statements of cash flows (Unaudited) continued  
 For the three-month period ended 31 March 2016

|                                                             | Notes | 31 March<br>2016<br>Million LAK | 31 March<br>2015<br>Million LAK |
|-------------------------------------------------------------|-------|---------------------------------|---------------------------------|
| <b>Cash flows from financing activities :</b>               |       |                                 |                                 |
| Repayment on long-term borrowings                           | 7     | (78,615)                        | (42,822)                        |
| Transaction cost paid for debentures issuance               |       | -                               | (17,340)                        |
| Interest payment                                            |       | (8,865)                         | (5,059)                         |
| Net cash used in investing activities                       |       | (87,480)                        | (65,221)                        |
| <b>Net decrease in cash and cash equivalents</b>            |       |                                 |                                 |
| Cash and cash equivalent at the beginning of the year       |       | 1,213,770                       | 1,251,534                       |
| Effect of exchange rate changes on cash and cash equivalent |       | 428                             | 1,191                           |
| <b>Cash and cash equivalent ending of the period</b>        |       | <b>910,077</b>                  | <b>520,906</b>                  |



Boun Oum SYVANPHENG  
 Chief Executive Officer  
 Date: 12 May 2016

Bounsalong SOUTHIDARA  
 Chief Financial Officer  
 Date: 12 May 2016

**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:

7<sup>th</sup> 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 1<sup>st</sup> quarter financial information was authorised for issue by the Board of Directors on 12 May 2016.

This 1<sup>st</sup> 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 2015. 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 2015.

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 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, 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.

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**3. New significant agreement during the three-month period ended 31 March 2016**

i) Debt Repayment Agreement

On 19 January 2016, the Company entered into an additional Debt Repayment Agreement ("the 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.

**4. Investments in associates and interests in joint ventures**

|                                                      | <b>Unaudited<br/>31 March<br/>2016<br/>Million LAK</b> | <b>Audited<br/>31 December<br/>2015<br/>Million LAK</b> |
|------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------|
| Beginning balance                                    | 2,268,922                                              | 2,108,966                                               |
| Additions                                            | -                                                      | 80,022                                                  |
| Share of profit of associates                        | 21,418                                                 | 48,763                                                  |
| Decrease on interest in joint ventures               | -                                                      | (16,276)                                                |
| Share of profit/(loss) of interest in joint ventures | (40,283)                                               | 237,456                                                 |
| Dividend received                                    | -                                                      | (189,366)                                               |
| Exchange differences                                 | 108                                                    | (643)                                                   |
| Ending balance                                       | <u>2,250,165</u>                                       | <u>2,268,922</u>                                        |

**4.1 Investments in associates**

The associate entities are:

|                                        |                                     |                           |                                          |                        |                          | <b>Unaudited<br/>31 March<br/>2016<br/>(Million LAK )</b> |
|----------------------------------------|-------------------------------------|---------------------------|------------------------------------------|------------------------|--------------------------|-----------------------------------------------------------|
| <b>Name</b>                            | <b>Country of<br/>Incorporation</b> | <b>Business</b>           | <b>Portion of<br/>Investment<br/>(%)</b> | <b>Cost<br/>Method</b> | <b>Equity<br/>Method</b> | <b>Dividend</b>                                           |
| Nam Ngum 2<br>Power Company<br>Limited | Lao PDR                             | Electricity<br>generation | 25                                       | 454,742                | 581,130                  | -                                                         |
| NamLik 1-2<br>Power Company<br>Limited | Lao PDR                             | Electricity<br>generation | 10                                       | 32,240                 | 65,315                   | -                                                         |
| Nam Ngum 5<br>Power Company<br>Limited | Lao PDR                             | Electricity<br>generation | 15                                       | 80,022                 | 85,762                   | -                                                         |
| Total investments in associates        |                                     |                           |                                          | <u>567,004</u>         | <u>732,207</u>           | -                                                         |

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

**4.2 Interests in joint ventures**

The jointly controlled entities are:

|                                              |                             |                           |                                 |                |                  | Unaudited<br>31 March<br>2016<br>(Million LAK) |
|----------------------------------------------|-----------------------------|---------------------------|---------------------------------|----------------|------------------|------------------------------------------------|
| Name                                         | Country of<br>Incorporation | Business                  | Portion of<br>Investment<br>(%) | Cost<br>Method | Equity<br>Method | Dividend                                       |
| Theun-Hinboun<br>Power Company<br>Limited    | Lao PDR                     | Electricity<br>generation | 60                              | 1,120,696      | 1,507,748        | -                                              |
| Houay Ho Power<br>Company<br>Limited         | Lao PDR                     | Electricity<br>generation | 20                              | 1,171          | 7,504            | -                                              |
| Lower<br>HouayLamphanh<br>Company<br>Limited | Lao PDR                     | Electricity<br>generation | 60                              | 3,381          | 2,706            | -                                              |
| Total interests in joint ventures            |                             |                           |                                 | 1,125,248      | 1,517,958        | -                                              |

**5. Advance payment for investments**

|                                                               | Million<br>LAK   |
|---------------------------------------------------------------|------------------|
| <b>Opening net book amount as at 1 January 2016 - Audited</b> | 3,690,647        |
| Additions                                                     | 77,264           |
| Transfer to assets under concession                           | (686,380)        |
| Finance cost of investments                                   | 3,101            |
| <b>Closing net book value as at 31 March 2016 - Unaudited</b> | <b>3,084,632</b> |

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**5. Advance payment for investments (continued)**

As at 31 March 2016, the advance payment for costs occurred in project assets are as follows:

| <b>Project's name</b> | <b>Unaudited<br/>31 March<br/>2016<br/>Million LAK</b> | <b>Audited<br/>31 December<br/>2015<br/>Million LAK</b> |
|-----------------------|--------------------------------------------------------|---------------------------------------------------------|
| Nam Khan2             | -                                                      | 373,203                                                 |
| Houay Lamphan Ngai    | -                                                      | 291,517                                                 |
| Nam Sana              | -                                                      | 19,830                                                  |
| Nam Khan 3            | 252,869                                                | 223,251                                                 |
| Nam Chiean 1          | 678,504                                                | 671,647                                                 |
| Nam Hinboun           | 205,955                                                | 204,583                                                 |
| Xeset 3               | 149,418                                                | 148,504                                                 |
| Nam Ngum 1 Ext DFE    | 488,494                                                | 467,921                                                 |
| Nam Ngum 1 Ext Unit 6 | 242,231                                                | 226,230                                                 |
| Nam Ou 2,5,6          | 364,640                                                | 364,640                                                 |
| Nam Ngiep 2           | 111,470                                                | 111,470                                                 |
| Nam Beng              | 42,138                                                 | 42,138                                                  |
| Xekamam 3             | 232,163                                                | 232,163                                                 |
| Nam Lik 1             | 34,680                                                 | 33,309                                                  |
| Nam Mang 1            | 37,596                                                 | 35,767                                                  |
| Nam Tha 1             | 244,474                                                | 244,474                                                 |
| <b>Total</b>          | <b><u>3,084,632</u></b>                                | <b><u>3,690,647</u></b>                                 |

**6. Assets under concession, net**

|                                                               | <b><u>Million LAK</u></b> |
|---------------------------------------------------------------|---------------------------|
| <b>Opening net book amount as at 1 January 2016 - Audited</b> | 4,342,731                 |
| Additions                                                     | 5,940,588                 |
| Depreciation charge                                           | <u>(131,106)</u>          |
| <b>Closing net book value as at 31 March 2016 - Unaudited</b> | <b><u>10,152,213</u></b>  |

Pursuant to the MOU for the transfer of the project assets of Houay Lamphan Ngai, Nam Khan 2 and Nam Sana Hydro Power Projects between the Company and EDL, the Company recognised those assets in the interim financial information for the three-month period ended 31 March 2016.

**7. Long-term borrowings, net**

- i) 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.
- ii) On 17 March 2015, the Company signed an agreement with TMB, for a long-term borrowing of an amount totalling USD 68 Million. This borrowing has an interest rate of LIBOR 3 months + 3.50% per annum and is payable on a quarterly basis. The Company is required to repay the principal within 7 years after the first drawdown date on a semi-annual basis. The Company also required to place cash deposit of 7% of the principal as a guarantee for this borrowing.

|             | <b>Unaudited<br/>31 March<br/>2016<br/>Million LAK</b> | <b>Audited<br/>31 December<br/>2015<br/>Million LAK</b> |
|-------------|--------------------------------------------------------|---------------------------------------------------------|
| Current     | 181,354                                                | 178,007                                                 |
| Non-current | 760,619                                                | 841,457                                                 |
|             | <b>941,973</b>                                         | <b>1,019,464</b>                                        |

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

|                                        | <b>Million LAK</b> |
|----------------------------------------|--------------------|
| <b>As at 1 January 2016 - Audited</b>  | 1,019,464          |
| Repayments                             | (78,615)           |
| (Gain)/ loss on exchange rate          | 1,124              |
| <b>As at 31 March 2016 - Unaudited</b> | <b>941,973</b>     |

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 2.30% per annum.

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

|               | <b>Unaudited<br/>31 March<br/>2016</b> | <b>Audited<br/>31 December<br/>2015</b> |
|---------------|----------------------------------------|-----------------------------------------|
| USD (million) | 107                                    | 116                                     |
| JPY (million) | 1,017                                  | 1,017                                   |

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**7. Long-term borrowing, net (continued)**

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

|                               | <b>Unaudited<br/>31 March<br/>2016<br/>Million LAK</b> | <b>Audited<br/>31 December<br/>2015<br/>Million LAK</b> |
|-------------------------------|--------------------------------------------------------|---------------------------------------------------------|
| Less than one year            | 181,354                                                | 178,007                                                 |
| One year but not over 5 years | 633,271                                                | 671,780                                                 |
| Over 5 years                  | 127,348                                                | 169,677                                                 |
|                               | <u>941,973</u>                                         | <u>1,019,464</u>                                        |

**8. Debentures, net**

|                                    | <b>Unaudited<br/>31 March<br/>2016<br/>Million LAK</b> | <b>Audited<br/>31 December<br/>2015<br/>Million LAK</b> |
|------------------------------------|--------------------------------------------------------|---------------------------------------------------------|
| Debentures                         | 1,510,925                                              | 1,480,050                                               |
| Less: transaction costs            | (27,566)                                               | (27,887)                                                |
|                                    | <u>1,483,359</u>                                       | <u>1,452,163</u>                                        |
| Less: current portion of debenture | -                                                      | -                                                       |
|                                    | <u>1,483,359</u>                                       | <u>1,452,163</u>                                        |

Movements in debentures for the three-month period ended 31 March 2016 is as follows:

|                                  | <b>Unaudited<br/>31 March<br/>2016<br/>Million LAK</b> |
|----------------------------------|--------------------------------------------------------|
| As at 1 January 2016 - Audited   | 1,452,163                                              |
| Amortised deferred financing fee | 321                                                    |
| Loss on exchange rate            | <u>30,875</u>                                          |
| As at 31 March 2016 - Unaudited  | <u>1,483,359</u>                                       |

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**9. Swap contract, net**

|                                      | <b>Unaudited<br/>31 March<br/>2016<br/>Million LAK</b> | <b>Audited<br/>31 December<br/>2015<br/>Million LAK</b> |
|--------------------------------------|--------------------------------------------------------|---------------------------------------------------------|
| Payables-swap contract               | 1,608,009                                              | 1,613,738                                               |
| Receivables- swap contract           | (1,500,070)                                            | (1,469,390)                                             |
| Deferred gain on swap contract       | 16,430                                                 | 17,049                                                  |
| (Receivables)/payables-swap contract | <b>124,369</b>                                         | <b>161,397</b>                                          |

**10. Other non-current liabilities**

During the three-month period ended 31 March 2016, the Company recognised the assets of Houay Lamphan Gnai, Nam Khan 2 and Nam Sana Hydro Power Projects (note 6). In addition to the assets transferred, the Company also agreed to make payment on the outstanding debts to EDL and EDL will make such payment to the lenders pursuant to the original repayment agreements. Currently, both parties are preparing Debt Repayment Agreements for these projects.

**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 1<sup>st</sup> 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.

## 12. Related party transactions

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

### a) Sales of goods

| For the 1 <sup>st</sup> quarter period | Unaudited<br>31 March<br>2016<br>Million LAK | Unaudited<br>31 March<br>2015<br>Million LAK |
|----------------------------------------|----------------------------------------------|----------------------------------------------|
| Sales of electricity to EDL            | 286,318                                      | 142,282                                      |

### b) Outstanding balances from related party transactions

|                                          | Unaudited<br>31 March<br>2016<br>Million LAK | Audited<br>31 December<br>2015<br>Million LAK |
|------------------------------------------|----------------------------------------------|-----------------------------------------------|
| Advance payment for investments (Note 5) | 3,084,632                                    | 3,690,647                                     |
| Accounts receivable-others               | 65,944                                       | 65,944                                        |
| Trade account receivable – EDL (i)       | 598,335                                      | 293,385                                       |
| Long-term borrowings (Note 7)            | 466,004                                      | 502,919                                       |

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

|                                                | Unaudited<br>31 March<br>2016<br>Million LAK | Audited<br>31 December<br>2015<br>Million LAK |
|------------------------------------------------|----------------------------------------------|-----------------------------------------------|
| Not yet due                                    | 241,735                                      | 114,687                                       |
| Overdue less than 3 months                     | 356,600                                      | 178,698                                       |
| Overdue 3 - 6 months                           | -                                            | -                                             |
| Overdue 6 - 12 months                          | -                                            | -                                             |
| Overdue over 12 months                         | -                                            | -                                             |
|                                                | 598,335                                      | 293,385                                       |
| <u>Less</u> Allowance for doubtful receivables | -                                            | -                                             |
| Trade accounts receivable, net                 | <u>598,335</u>                               | <u>293,385</u>                                |

**13. Events occurring after the reporting date**

**i. Dividends payment approval**

The Board of Directors proposed a dividend payment in respect of net profit for the 2<sup>nd</sup> half of the year or for the six-month period from 1 July to 31 December 2015 of LAK 150 per share amounting to a total of LAK 251,890 million.

This dividend payment was approved in the Shareholders' Annual General Meeting for the year 2015 on 25 April 2016 and this dividend was paid on 6 May 2016.

Managing Director: (Signature) Boun Oum SYVANPHENG

Accounting Division Director: (Signature) Vanhseng VANNAVONG

Internal Audit Division Director: (Signature) Manivanh NHOTKONGMY