



EDL-Generation Public Company

The Third Quarter Annual Report

30 September 2016



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Third Annual Financial Report September 30, 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 Ngum2, 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:

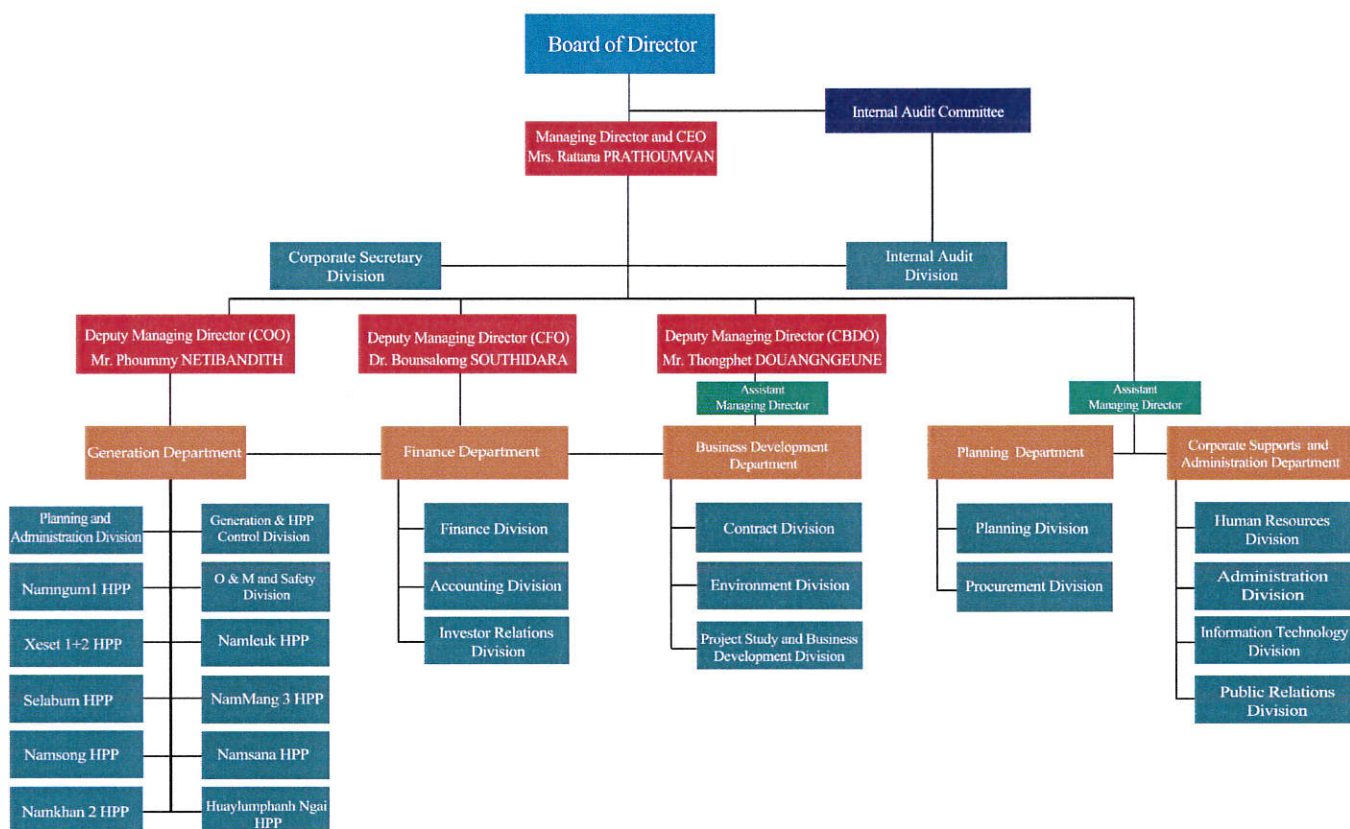
1. To be a number one leading company in electricity generating business to provide Lao PDR and neighboring nations, with sustainable power at a reasonable prices and to create the shareholder's value.
2. To stand side by side with EDL and coordinate closely with EDL in order to maintain power reliability 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 9 directors (herein are 3 independent directors), 4 managing directors, 2 Assistant Managing Directors, 5 departments, 15 offices, and 10 hydropower plants.

Organization Chart of EDL-Gen - Generation Public Company



EDL-Gen Staffs

EDL-GEN consists of 744 staffs, of whom 143 are females:

Details	Permanent staff					Temporary staff				
Head office	78	staff	Female	27	staff	24	staff	Female	4	staff
Nam Ngum 1	126	staff	Female	30	staff	51	staff	Female	11	staff
Nam Kham 2	30	staff	Female	3	staff	12	staff	Female	5	staff
Xe set 1-2	80	staff	Female	17	staff	57	staff	Female	8	staff
Houay Lamphan	33	staff	Female	1	staff	4	staff	Female	0	staff
Num Leuk	52	staff	Female	4	staff	15	staff	Female	6	staff
Num Mung 3	52	staff	Female	4	staff	19	staff	Female	11	staff
Nam Song	20	staff	Female	0	staff	9	staff	Female	3	staff
Nam Sana	22	staff	Female	1	staff	5	staff	Female	2	staff
Selabam	38	staff	Female	4	staff	17	staff	Female	2	staff
Total	531	staff	Female	91	staff	213	staff	Female	52	staff

Board of Directors



Dr. Khammany Inthirath
Chairman



Boun Oum SYVANPHENG
Vice Chairman



Rattana PRATHOUMVAN
Member



Bounma MANIVONG
Member



Vanida SAVADDY
Member



Sychath BOUTSAKITIRATH
Member



**Assoc. Prof. Dr. Kongsy
SENGMAHY**
Independent Member



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



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

Managing Directors of EDL-Gen



Rattana PRATHOUMVAN
Managing Director (CEO)



Thongphet DOUANGNGEUN
Deputy Managing Director (CBDO)



Dr. Bounsalong SOUTHIDARA
Deputy Managing Director (CFO)



Phoummy NETHIBANDITH
Deputy Managing Director (COO)

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, analyses business risks and suggests alternative solutions and reports to the Board of Directors to facilitate decision making. IAC work collaboration with the Internal Audit Division of EDL-Gen.

The meeting of IAC had been held for 1 time in the third quarter 2016 which was the third ordinary meeting on 17/08/2016. The main issue of the meeting described as follows:

1. Discussed on the draft of the first semi-half financial statement 2016 of EDL-Gen which approved and commented by the external auditors, KPMG. The financial statement is reported to the Board of Director meeting before disclosing to the public.

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 third quarter 2016, the committee has been working as detail below:

1. Negotiated on Project Operation Agreement (POA) of Nam Sana Hydropower plant with Vientiane provincial authorities dated August 04th, 2016 and August 19th, 2016
2. Signed a Memorandum of Understanding of 8 hydropower projects with VASE dated October 5th, 2016
3. Sign a Shareholder Agreement on Nam Dik 1 Hydropower Project with NCG dated September 14th, 2016
4. Signed a Frame Work Agreement of Nam Dik 1 Hydropower Project with AVIC and NCG dated September 5th, 2016
5. Signed a Corporation Agreement of Pak Beng Project with Datang dated September 7th, 2016
6. Signed a Memorandum of Understanding of Xekong 5 Hydropower Project with INTERRAO - ENGINEERING (Russia) and A-RKSENA LIMITED LIABILITY COMPANY (Russia) dated September 8th, 2016

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 third quarter 2016 the PESC has been working as follows: held 1 meetings and signed 8 contracts with supplier/contractor. Those contracts were divided into 4 different contracts as follows:

1. 4 contracts of replacement of mechanical and electrical equipment
2. 1 contract of dam insurance during 2016 to 2018
3. 1 contract of hiring a consultant on bidding of dam overhaul
4. 2 contract of road construction and maintenance.

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 third quarter 2016, the HPDC held 1 meeting. The main issues of the meeting were summarized as follows:

1. Reviewed of the decision on the regulation and policies for employee (second revision)
2. Reviewed of staff the policies on providing vehicle and oil for EDL-Gen staff
3. Reviewed of on authorization for staff to study (first revision)
4. Reviewed of the policies on staff working oversea (first revision)
5. Reviewed of the expense on working oversea
6. Reviewed a contract of employment working in joint venture or cooperate company
7. Reviewed of department's petty cash expense

5. Business Operation and Productivity.

It has been the sixth 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 third quarter 2016 are as followed:

5.1 Generation

In the third quarter report 2016, the company owned ten hydropower plants with a combined installed capacity of 1,131 MW. Since the weather condition in 2016 was not supportive, enabling company's generation reached 863.49 GWh which was 75.99% of the plan.

5.2 Revenue

In the third quarter report 2016, the total revenue of EDL-Generation mainly came from selling electricity to EDL and its total revenue was 391,007 million Kip, which was below the plan by 26.09% including revenue from electricity sale totally 389,860 million Kip, equaled to 99.71% of the total revenue and other revenue equaled to 0.29% of the total revenue.

5.3 Expenses

In the third quarter report 2016, EDL-Generation has the total expenses in the amount of 187,783 million Kip, equivalent to 48.03% of total revenue.

No.	Details	Million Kip	% of revenue
1	Cost of Sales	112,096	28.67%
2	Interest	32,493	8.31%
3	Operating Cost	22,835	5.84%
4	Corporate Tax	20,359	5.21%
Total		187,783	48.03%

5.4 Net Profits

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

1. Profit from business operation of EDL-Gen, amounted to 183,022 million Kip.
2. Profit from share of associates and joint ventures, amounted to 84,900 million Kip

The total Net Profits of EDL-Gen for the first semi 2016 was 267,922 million Kip.

5.5 Taxes.

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 (10% of net profit), Incentive Tax and Meeting Premium Tax. The total amount of tax for the third quarter report 2016 was 63,181 million kip and represents as below:

No.	Details	Million Kip
1	Advance Income Tax	46,032
2	Profit Tax	14,309
3	Royalty fee	1,754
4	Personal income tax- salary	954
5	Meeting Premium Tax	132
Total		63,181

The Third Quarter Report

September 30, 2016

EDL-Generation Public Company

3rd quarter financial information (Unaudited)
30 September 2016

EDL-Generation Public Company
Condensed statement of financial position

	Note	30 September 2016	31 December 2015
		<i>(In million Kip)</i>	
		(Unaudited)	(Audited)
Assets			
Investment in subsidiary	4	117,215	-
Investments in associates and joint ventures	5	2,234,998	2,268,923
Advance payment for investments	6	3,091,011	3,690,647
Assets under concession	7	9,264,567	4,343,130
Other non-current assets		91,219	116,643
Total non-current assets		14,799,010	10,419,343
Cash and cash equivalents		1,817,581	1,213,770
Current investments		829,311	20,000
Trade and other receivables	15	1,003,135	304,485
Spare parts and supplies		4,158	4,088
Other current assets		6,518	6,686
Total current assets		3,660,703	1,549,029
Total assets		18,459,713	11,968,372


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 ມະຫາຊົນ
 EDL-Generation Public
 CRATTANA PRATHOUMVAN
 Chief Executive Officer

4 November 2016



BOUNSA LONG SOUTHIDARA

Chief Financial Officer

4 November 2016

EDL-Generation Public Company
Condensed statement of financial position

	Note	30 September 2016	31 December 2015
		<i>(In million Kip)</i>	
		(Unaudited)	(Audited)
Equity			
Share capital		6,717,215	6,717,215
Share premium		985,621	985,621
Legal reserve		361,294	361,294
Translation reserve		(1,470)	(2,119)
Retained earnings		1,091,421	1,042,217
Total equity		9,154,081	9,104,228
Liabilities			
Payables for assets under concession	15	3,920,740	-
Long-term borrowings	8	829,669	841,457
Debentures	9	3,991,067	1,452,163
Swap contract payables	10	100,346	161,397
Total non-current liabilities		8,841,822	2,455,017
Trade and other payables		135,577	130,940
Current portion of long-term borrowings	8	210,451	178,007
Income tax payable	11	17,772	8,199
Accrued expense		99,679	91,818
Other current liabilities		331	163
Total current liabilities		463,810	409,127
Total liabilities		9,305,632	2,864,144
Total equity and liabilities		18,459,713	11,968,372


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EDL-Generation Public

RATTANA PRATHOUMVAN

Chief Executive Officer

4 November 2016


BOUNSA LONG SOUTHIDARA

Chief Financial Officer

4 November 2016

The accompanying notes are an integral part of these condensed interim financial information.

EDL-Generation Public Company
Condensed statement of income (Unaudited)

		For the three-month period ended 30 September	
	Note	2016	2015
<i>(In million Kip)</i>			
Continuing operation			
Sales	15	389,860	303,607
Costs of sales		<u>(112,096)</u>	<u>(80,896)</u>
Gross profit		277,764	222,711
Other income		1,147	3,175
Operating and administrative expenses		(22,835)	(30,030)
Foreign exchange gain (loss)		(20,202)	(6,856)
Interest expense			
Share of profit from investments in associates and joint ventures	5	<u>84,900</u>	<u>119,153</u>
Operating profit		320,774	308,153
Finance costs	15	<u>(32,493)</u>	<u>(16,754)</u>
Profit before income tax expense		288,281	291,399
Income tax expense	11	<u>(20,359)</u>	<u>(17,244)</u>
Profit for the period		<u>267,922</u>	<u>274,155</u>
Earning per share			
Basis earning-per share		159.54	185.62



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ຜະລິດ-ໄຟຟ້າລາວ
ມະຫາຂັ້ນ
EDL-Generation Public Company, Ltd.
Chief Executive Officer
 4 November 2016



BOUNSA LONG SOUTHIDARA
Chief Financial Officer
 4 November 2016

EDL-Generation Public Company

Condensed statement of changes in equity (Unaudited)

Note	Share capital	Share premium	Legal reserve	Translation reserve	Retained earnings	Total equity
<i>(in million Kip)</i>						
Three-month period ended 30 September 2016						
Balance at 1 July 2016	6,717,215	985,621	361,294	(1,731)	1,041,809	9,104,208
Profit for the period	-	-	-	-	267,922	267,922
Translation reserve	-	-	-	261	-	261
Dividend paid	-	-	-	-	(218,309)	(218,309)
Balance at 30 September 2016	6,717,215	985,621	361,294	(1,470)	1,091,421	9,154,081
Three-month period ended 30 September 2015						
Balance at 1 July 2015	4,904,867	142,229	297,210	(2,023)	908,750	6,251,033
Profit for the period	-	-	-	-	274,155	274,155
Share issue	1,812,348	846,897	-	-	-	2,659,245
Translation reserve	-	-	-	2,816	-	2,816
Dividend paid	-	-	-	-	(184,723)	(184,723)
Balance at 30 September 2015	6,717,215	989,126	297,210	793	998,182	9,002,526


EDL-Generation Public Company
RATTANA PRATHOUMVAN
 Chief Executive Officer

4 November 2016


BOUNSA LONG SOUTHIDARA
 Chief Financial Officer

4 November 2016

The accompanying notes are an integral part of these condensed interim financial information.

EDL-Generation Public Company
Condensed statement of cash flows (Unaudited)

30 September 2016 30 September 2015

(In million Kip)

(Unaudited) (Audited)

Cash flows from operating activities

Profit for the period	267,922	274,155
<i>Adjustments :</i>		
Depreciation and amortisation	102,820	73,428
Unrealise (gain) loss on foreign exchange	22,128	7,609
Share of profit of associates and joint ventures	(84,900)	(119,153)
Finance costs	33,402	16,755
Income tax expense	20,359	17,244
	361,731	270,038
<i>Changes in:</i>		
Trade and other receivables	(236,319)	(325,656)
Spare parts and supplies	289	(336)
Other current assets	(1,659)	(305)
Other non-current assets	443	432
Trade and other payables	(19,019)	(41,134)
Accrued expenses	(7,396)	7,627
Other current liabilities	59	13
Cash generated from (used in) operating activities	98,129	(89,321)
Income tax paid	(14,309)	(22,696)
Net cash generated/(used in) operating activities	83,820	(112,017)

Cash flows from investing activities

Dividends received	-	6,515
Purchase of investments in subsidiary	(35,955)	-
Purchase of investments in associates	(1,460)	-
Purchases of short term investment	(809,311)	-
Advance payment for investments	-	(11,619)
Proceed from short-term loan to a related party	-	202,475
Purchase of asset under concession	(27,822)	(239,339)
Cash outflows on short-term loans to a related party		
Cash inflows on short-term loans to a related party		
Purchase of intangible assets	-	-
Net cash generated/(used in) investing activities	(874,548)	(41,968)

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

EDL-Generation Public Company
Condensed statement of cash flows (Unaudited)

30 September 2016 30 September 2015

(In million Kip)

(Unaudited) (Audited)

Cash flows from financing activities

Finance costs paid	(8,767)	(9,128)
Dividends paid	(218,310)	-
Proceeds from long-term borrowings	-	307,137
Repayment of long-term borrowings	(81,638)	(82,368)
Cash pledged as collateral	-	(21,295)
Cash received from issuance of ordinary share	-	593,747
Proceed from issuance of Debentures	2,469,188	-
Net cash generated/(used in) financing activities	2,160,473	788,093

Net decrease in cash and cash equivalents

Cash and cash equivalents at 1 July	1,369,745	634,108
Effect of exchange rate change on balance held in foreign currencies at end of period	442,830	687,517
	-	-
	5,006	(923)

Cash and cash equivalents at 30 September

1,817,581	1,320,702
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Non-cash transactions

Dividend Payable	-	184,723
Dividend Receivable	149,413	117,572


RATTANA PRATHOUMVAN
 Chief Executive Officer

4 November 2016


BOUNSALONG SOUTHIDARA
 Chief Financial Officer
 4 November 2016

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

EDL-Generation Public Company
Notes to the condensed interim financial information
For the three-month period ended 30 September 2016 (Unaudited)

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EDL-Generation Public Company
Notes to the condensed interim financial information
For the three-month period ended 30 September 2016 (Unaudited)

1 Reporting entity

EDL-Generation Public Company (“the Company” or “EDL GEN”) 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 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.

This 3rd quarter condensed interim financial information was authorised for issue by the Board of Directors on 4 November 2016.

This 3rd quarter condensed interim financial information has been unaudited.

2 Basis of accounting

The condensed interim financial information was prepared in accordance with the Company's accounting policies as described more detail in the annual financial statements for the year ended 31 December 2015. The primary financial information (i.e. statement of financial position, statements of income, cash flows and changes in equity) is 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.

EDL-Generation Public Company
Notes to the condensed interim financial information
For the three-month period ended 30 September 2016 (Unaudited)

3 Accounting policies

Commencing 1 January 2016, the Company has additionally adopted certain new and revised account policies as follows:

(a) Investment in subsidiary

Subsidiary

A subsidiary is an entity 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 subsidiary is included in the condensed interim financial information from the date on which control commences until the date on which control ceases.

(b) 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;
- 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.

4 Investment in subsidiary

Nine-month periods ended 30 September

	2016	2015
	<i>(in million Kip)</i>	
At 1 January	-	-
Addition	117,215	-
At 30 September	117,215	-

EDL-Generation Public Company

Notes to the condensed interim financial information

For the three-month period ended 30 September 2016 (Unaudited)

During 2016, the Company has invested in registered share capital of Nam Bi Power Company Limited ("the Subsidiary"), incorporated in Lao PDR, with cash consideration of Kip 81,260 million. The Subsidiary's businesses are electricity production and distribution. The Company's management does not present consolidated interim financial information since the Subsidiary has no significant transactions which impact the condensed interim financial information as at 30 September 2016.

During 2016, the Company has invested in registered share capital of EDL-Gen Solar Power Company Limited ("the Subsidiary"), incorporated in Lao PDR, with cash consideration of Kip 35,955 million. The Company's management does not present consolidated interim financial information since the Subsidiary has no significant transactions which impact the condensed interim financial information as at 30 September 2016.

5 Investments in associates and joint ventures

<i>Nine-month periods ended 30 September</i>	<i>Note</i>	<i>2016</i>	<i>2015</i>
		<i>(in million Kip)</i>	
At 1 January		2,268,923	2,108,966
Share of net profit of associates		120,930	263,360
Dividend income		(156,963)	(189,366)
Addition		1,460	-
Transferred from advance payment for investments	6	-	80,022
Currency translation differences		648	2,269
At 30 September		2,234,998	2,265,251

EDL-Generation Public Company
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Investments in associates and joint ventures as at 30 September 2016 and 31 December 2015, and dividend income for the nine-month periods ended 30 September 2016 and 2015 were as follows:

	Ownership interest		Cost		Impairment		Cost - net		Equity		Dividend income	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	30 September 2015
	(in million Kip)											
	Joint ventures											
Theun-Hinboun Power Co., Ltd. ("THPC")	60	Electricity generation	1,120,696	1,120,696	-	-	1,120,696	1,120,696	1,602,387	1,548,741	-	146,484
	20	Electricity generation	17,447	17,447	-	-	17,447	17,447	14,276	6,742	-	15,122
Lower Houay Lamphanh Co., Ltd. ("LHPC")	60	Electricity generation	4,841	3,381	-	-	4,841	3,381	4,301	2,841	-	-
Total			1,142,984	1,141,524	-	-	1,142,984	1,141,524	1,620,964	1,558,324	-	161,606
Associates												
Nam Ngum 2 Power Co., Ltd.	25	Electricity generation	454,742	454,742	-	-	454,742	454,742	463,503	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	61,406	63,210	7,550	7,820
Nam Ngum 5 Power Co., Ltd.	15	Electricity generation	80,022	80,022	-	-	80,022	80,022	89,125	84,388	-	-
Total			567,044	567,044	-	-	567,044	567,044	614,034	710,598	156,963	27,760
Total Joint-ventures and associates			1,710,028	1,708,568	-	-	1,710,028	1,708,568	2,234,998	2,268,923	156,963	189,366

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Notes to the condensed interim financial information
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6 Advance payment for investments

<i>Nine-month periods ended 30 September</i>	<i>Note</i>	<i>2016</i>	<i>2015</i>
		<i>(in million Kip)</i>	
At 1 January		3,690,647	779,005
Additions		77,264	429,653
Finance costs		9,479	36,359
Transferred to investment in associates	5	-	(80,022)
Transferred to assets under concession	7	(686,379)	-
At 30 September		<u>3,091,011</u>	<u>1,164,995</u>

Advance payment for investments as at 30 September 2016 and 31 December 2015 were as follows:

	<i>Type</i>	<i>30 September 2016</i>	<i>31 December 2015</i>
		<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	259,248	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		<u>3,091,011</u>	<u>3,690,647</u>

7 Assets under concession

	<i>Note</i>	<i>2016</i>	<i>2015</i>
		<i>(in million Kip)</i>	
At 1 January		4,343,130	4,145,851
Additions		4,544,906	325,955
Transferred from advance payment for investments	6	686,379	-
Depreciation charge		(309,848)	(164,967)
At 30 September		<u>9,264,567</u>	<u>4,306,839</u>

The additions during the Nine-month period ended 30 September 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 billion, Kip 1,912 billion and Kip 267 billion, respectively.

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Notes to the condensed interim financial information
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8 Long-term borrowings

	30 September 2016	31 December 2015
	<i>(in million Kip)</i>	
Current portion of long-term borrowings		
- Long-term borrowing from related party	133,073	100,247
- Long-term borrowing from financial institution	77,379	77,760
Total current portion of long-term borrowings	210,452	178,007
Non-current portion of long-term borrowings		
- Long-term borrowing from related party	470,411	402,672
- Long-term borrowing from financial institution	359,258	438,785
Total non-current portion of long-term borrowings	829,669	841,457
Total long-term borrowings	1,040,121	1,019,464

Movements in long-term borrowings for the nine-month periods ended 30 September 2016 and 2015 were as follow:

	2016	2015
	<i>(in million Kip)</i>	
At 1 January	1,019,464	598,782
Additions	185,502	249,042
Repayments	(171,041)	(49,290)
Effect from currency translation	6,196	(353)
At 30 September	1,040,121	798,181

Debt Repayment Agreement

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

During the nine-month period ended 30 September 2016, the Company and TMB Bank Public Company Limited 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.

EDL-Generation Public Company
Notes to the condensed interim financial information
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9 Debentures

	30 September 2016	31 December 2015
	<i>(in million Kip)</i>	
Debentures	4,067,661	1,480,050
Transaction costs	(76,594)	(27,887)
Net	<u>3,991,067</u>	<u>1,452,163</u>

Movements in debentures for the nine-month periods ended 30 September 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	2,037	5,640
Effect from currency translation	67,579	(131,885)
At 30 September	<u>3,991,067</u>	<u>1,449,617</u>

At the extraordinary meeting of shareholders held on 12 August 2016, the shareholders approved the issuance and offering the Corporate Debenture of USD 300 - 350 million. The purpose of issuance is to invest in current hydro power projects and future investments and/or invest in related business and/or for working capital of the Company.

On 2 September 2016, the Company issued its 7-12 years fixed rate unsubordinated and unsecured debentures, at US dollar 1,000 face value per unit totalling 312,000 units with a total value of US dollar 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 due 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, 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.

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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 Issue amount	USD 51,000 million 51,000 units	USD 166,000 million 166,000 units	USD 95,000 million 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
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

10 Swap contract payables

	30 September 2016	31 December 2015
	<i>(in million Kip)</i>	
Swap contract payable	1,605,836	1,613,738
Swap contract receivable	(1,520,675)	(1,469,390)
Deferred gain on swap contract	15,185	17,049
Net	100,346	161,397

11 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.

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12 Basic earnings per share

The calculations of basic earnings per share for the three-month periods ended 30 September 2016 and 2015 were based on the profit for the period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the period as follows:

	2016	2015
	<i>(in million Kip)</i>	
Profit attributable to ordinary shareholders of the Company	267,922	274,155
Number of ordinary shares outstanding <i>(in million shares)</i>	1,679	1,477
Basic earnings per share <i>(in Kip)</i>	159.54	185.62

13 Dividends

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 218,309 million. This dividend was paid on 29 September 2016.

14 Significant agreements

During the three-month period ended 30 September 2016, the Company has new significant agreements as follow:

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 between EDL-Generation Public Company, LAO P.D.R,

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 as to establish a company and develop 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. As to establish a company and develop Pak Beng Hydroelectric Power Project.

15 Related parties

For the purposes of these financial information, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

EDL-Generation Public Company
Notes to the condensed interim financial information
For the three-month period ended 30 September 2016 (Unaudited)

Name of entities	Country of incorporation/ nationality	Nature of relationships
Electricite Du Laos	Lao PDR	Parent company
Houay Ho Power Co., Ltd.	Lao PDR	Joint venture

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

Transactions	Pricing policies
Sale of electricity	Contract price
Interest expense	Contract rate

Significant transactions for the three-month periods ended 30 September 2016 and 2015 with related parties were as follows:

	2016 (in million Kip)	2015
Parent company		
Sales of electricity	389,860	303,607

Balances as at 30 September 2016 and 31 December 2015 with related parties were as follows:

	30 September 2016 (in million Kip)	31 December 2015
Advance payment for investments		
Parent company		
Electricite Du Laos	3,091,011	3,690,647
Other non-current assets		
Parent company		
Electricite Du Laos	35,000	65,944
Joint venture		
Houay Ho Power Co., Ltd.	3,232	3,255
Total	38,232	69,199
Trade and other receivables		
Parent company		
Electricite Du Laos	841,990	293,385

EDL-Generation Public Company
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Aging analysis of trade accounts receivables from related party is as below:

Not due	293,797	246,020
Overdue		
- Less than 3 months	335,798	338,827
- 3 - 6 months	212,395	-
	<u>841,990</u>	<u>584,847</u>
Less allowance for doubtful accounts	-	-
Net	<u>841,990</u>	<u>584,847</u>

30 September 2016 31 December 2015
(in million Kip)

Payables for assets under concession*

Parent company

Electricite Du Laos	3,920,740	-
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* 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 condensed interim financial information as at 30 September 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.

30 September 2016 31 December 2015
(in million Kip)

Long-term borrowings

Parent company

Electricite Du Laos		
- Current portion	133,073	100,247
- Long-term portion	470,411	402,672
Total	<u>603,484</u>	<u>502,919</u>

Deputy Managing Director:

(Signature) Thongphet DOUANGNGEUN

Accounting Division Manager:

(Signature) Vanhseng VANNAVONG

Deputy Manager of Internal Audit Division: (Signature) Neekone KEOVILAY