



EDL-Generation Public Company

The First Semi-Annual Report

30 June 2016



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First Semi-Annual Financial Report June 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 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:

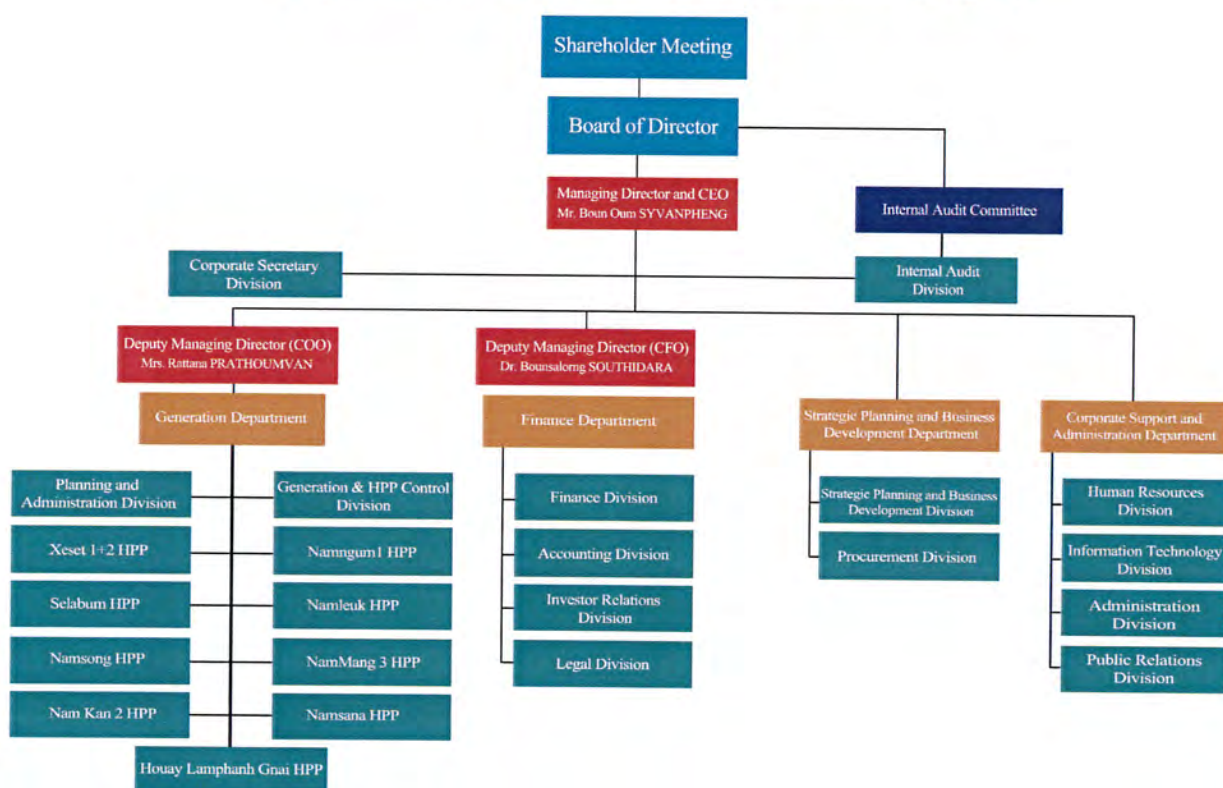
1. To be a number one leading company in electricity generating business to provide Lao PDR and neighboring nations, with sustainable power at a reasonable prices and to create the shareholder's value.
2. To stand side by side with EDL and coordinate closely with EDL in order to maintain power reliability 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 732 staffs, of whom 143 are females:

Details	Permanent staff					Temporary staff				
Head office	81	staff	Female	28	staff	21	staff	Female	4	staff
Nam Ngum 1	126	staff	Female	30	staff	50	staff	Female	11	staff
Nam Kham 2	30	staff	Female	3	staff	11	staff	Female	5	staff
Xe set 1-2	80	staff	Female	17	staff	54	staff	Female	8	staff
Houay Lamphan	33	staff	Female	1	staff	1	staff	Female	0	staff
Num Leuk	52	staff	Female	4	staff	16	staff	Female	6	staff
Num Mung 3	52	staff	Female	4	staff	18	staff	Female	10	staff
Nam Song	20	staff	Female	0	staff	9	staff	Female	3	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	532	staff	Female	92	staff	200	staff	Female	51	staff

Board of Directors



Dr. Khammany Inthirath
Chairman



Sisavath Thiravong
Vice Chairman



Boun Oum SYVANPHENG
Member



Rattana PRATHOUMVAN
Member



Bounma MANIVONG
Member



Vanida SAVADDY
Member



Sychath BOUTSAKITIRATH
Member



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



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



**Assoc. Prof. 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, 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 3 times in the first semi-annual 2016 which were 2 ordinary meeting and 1 extraordinary meetings. The main issue of the meeting described as follows:

1. Discussed on finished work of internal audit division in 2015 and work plan in 2016
2. Discussed and commented on the financial statement 2015 of EDL-Gen
3. Discussed on the draft of financial statement 1st quarter 2016 of EDL-Gen.

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 semi-annual 2016, the committee has been working as detail below:

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.
2. Negotiated some basic concepts on Project Operation Agreement (POA) of Nam Sana Hydropower plant with department of Energy and Mines, Vientiane province dated July 06th, 2016
3. Negotiated land on lease agreement with department of Natural Resource and Environment of Vientiane province on July 15th, 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 first semi-annual 2016 the PESC has been working as follows: held 3 meetings and signed 8 contracts with supplier/contractor. Those contracts were divided into 3 categories as follows:

1. 6 contracts of maintenance and construction.
2. 1 contract of external auditor employment.
3. 1 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 first semi-annual 2016, the HPDC held 1 meeting on April 6th, 2016. The main issues of the meeting can be summarized as follows:

1. Reviewed a contract of technical employment who work in Nam Khan 2 HPP and Houay Lumphan Gnai HPP
2. Reviewed an EDL-Gen obligation on a appointment of committee in order to evaluate technical level of EDL-Gen staff.
3. Reviewed the punishment for misbehaving staff
4. Reviewed the policies on the staff who work as O&M staff in Tadsalen HPP, policies on early retired staff and policies on the staff who take days off taking care their family.

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 first semi-annual 2016 are as followed:

5.1 Generation

In the first semi-annual report 2016, the company owned ten hydropower plants with a combined installed capacity of 1,131 MW. Since the weather condition in 2016 was supportive, enabling company's generation reached 1,268.35 GWh which was 101.70% 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 30/06/2016).

5.2 Revenue

In the first semi-annual report 2016, the total revenue of EDL-Generation mainly came from selling electricity to EDL and its total revenue was 570,177 million Kip, which exceeds the plan by 6.53% including revenue from electricity sale totally 564,996 million Kip, equaled to 99.09% 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 30/06/2016) and other revenue equaled to 0.91% of the total revenue.

5.3 Expenses

In the first semi-annual report 2016, EDL-Generation has the total expenses in the amount of 373,337 million Kip, equivalent to 65.48% of total revenue.

No.	Details	Million Kip	% of revenue
1	Cost of Sales	254,284	44.60%
2	Interest	51,339	9.00%
3	Operating Cost	43,417	7.61%
4	Corporate Tax	24,297	4.26%
	Total	373,337	65.48%

5.4 Net Profits

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

1. Profit from business operation of EDL-Gen, amounted to 215,458 million Kip.
2. Profit from share of associates and joint ventures, amounted to 36,029 million Kip

The total Net Profits of EDL-Gen for the first semi 2016 was 251,487 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 first semi-annual report 2016 was 27,414 million kip and represents as below:

No.	Details	Million Kip
1	Advance Income Tax	15,421
2	Profit Tax	9,426
3	Royalty fee	1,586
4	Personal income tax- salary	915
5	Meeting Premium Tax	66
	Total	27,414

The First Semi-Annual Financial Report

June 30, 2016



EDL-Generation Public Company

Condensed interim financial statements

30 June 2016

and

Independent auditors' report on review of
condensed interim financial information



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Independent auditors' report on review of condensed interim financial information

To Board of Directors of EDL-Generation Public Company

Introduction

We have reviewed the accompanying condensed statement of financial position of EDL-Generation Public Company ("the Company" or "EDL-GEN") as at 30 June 2016, the condensed statements of income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial information ("the condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the Company's accounting principles as described in Note 2 in the annual financial statements. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at 30 June 2016 is not prepared, in all material respects, in accordance with the Company's accounting principles.

Other matter

The statements of financial position of the Company as at 31 December 2015, which are included as comparative information, was audited by another auditor who expressed an unqualified opinion thereon in audit report dated 28 March 2016. Furthermore, the statements of income, changes in equity and cash flows for the six-month period ended 30 June 2015, which are included as comparative information, were reviewed by another auditor who expressed an unmodified conclusion thereon in review report dated 24 August 2015.

KPMG Lao Co., Ltd.

KPMG Lao Co., Ltd.
Vientiane
24 August 2016



EDL-Generation Public Company
Condensed statement of financial position

	<i>Note</i>	30 June 2016	31 December 2015
		<i>(In million Kip)</i>	
		<i>(Unaudited)</i>	
Assets			
Investment in subsidiary	5	81,260	-
Investments in associates and joint ventures	6	2,297,790	2,268,923
Advance payment for investments	7, 17	3,087,813	3,690,647
Assets under concession	8	9,337,624	4,343,130
Other non-current assets	17	92,718	116,643
Total non-current assets		14,897,205	10,419,343
Cash and cash equivalents		442,830	1,213,770
Current investments		20,000	20,000
Trade and other receivables	9, 17	617,403	304,485
Spare parts and supplies		4,447	4,088
Other current assets		4,859	6,686
Total current assets		1,089,539	1,549,029
Total assets		15,986,744	11,968,372



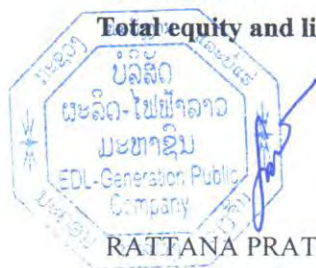
RATTANA PRATHOUMVAN
 Chief Executive Officer
 24 August 2016

BOUNSA LONG SOUTHIDARA
 Chief Financial Officer
 24 August 2016

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

EDL-Generation Public Company
Condensed statement of financial position

	Note	30 June 2016	31 December 2015
		<i>(In million Kip)</i>	
		(Unaudited)	
Equity			
Share capital		6,717,215	6,717,215
Share premium		985,621	985,621
Legal reserve		361,294	361,294
Translation reserve		(1,731)	(2,119)
Retained earnings		1,041,809	1,042,217
Total equity		9,104,208	9,104,228
Liabilities			
Payables for assets under concession	17	3,914,469	-
Long-term borrowings	10	909,025	841,457
Debentures	11	1,481,094	1,452,163
Swap contract payables	12	122,259	161,397
Total non-current liabilities		6,426,847	2,455,017
Trade and other payables		154,596	130,940
Current portion of long-term borrowings	10	209,857	178,007
Income tax payable	13	11,722	8,199
Accrued expense		79,242	91,818
Other current liabilities		272	163
Total current liabilities		455,689	409,127
Total liabilities		6,882,536	2,864,144
Total equity and liabilities		15,986,744	11,968,372



RATTANA PRATHOUMVAN
 Chief Executive Officer
 24 August 2016


 BOUNSALONG SOUTHIDARA
 Chief Financial Officer
 24 August 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 six-month period ended 30 June	
	Note	2016	2015
		<i>(In million Kip)</i>	
Continuing operation			
Sales	17	564,996	321,497
Costs of sales		<u>(254,284)</u>	<u>(121,071)</u>
Gross profit		310,712	200,426
Other income		5,181	11,436
Operating and administrative expenses		(43,417)	(52,955)
Foreign exchange gain (loss)		18,618	(3,313)
Share of profit from investments in associates and joint ventures	6	<u>36,029</u>	<u>144,207</u>
Operating profit		327,123	299,801
Finance costs	17	<u>(51,339)</u>	<u>(28,313)</u>
Profit before income tax expense		275,784	271,488
Income tax expense	13	<u>(24,297)</u>	<u>(12,923)</u>
Profit for the period		<u>251,487</u>	<u>258,565</u>
Earning per share			
Basis earning per share	14	149.76	210.90



RATTANA PRATHOUMVAN
 Chief Executive Officer
 24 August 2016


BOUNSA LONG SOUTHIDARA
 Chief Financial Officer
 24 August 2016

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

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>							
Six-month period ended 30 June 2015							
Balance at 1 January 2015		4,904,867	142,229	297,210	(1,476)	978,811	6,321,641
Profit for the period		-	-	-	-	258,565	258,565
Translation reserve		-	-	-	(547)	-	(547)
Dividend paid	15	-	-	-	-	(328,626)	(328,626)
Balance at 30 June 2015		4,904,867	142,229	297,210	(2,023)	908,750	6,251,033
Six-month period ended 30 June 2016							
Balance at 1 January 2016		6,717,215	985,621	361,294	(2,119)	1,042,217	9,104,228
Profit for the period		-	-	-	-	251,487	251,487
Translation reserve		-	-	-	388	-	388
Dividend paid	15	-	-	-	-	(251,895)	(251,895)
Balance at 30 June 2016		6,717,215	985,621	361,294	(1,731)	1,041,809	9,104,208



RATTANA PRATHOUMVAN
Chief Executive Officer
24 August 2016

BOUNSALONG SOUTHIDARA
Chief Financial Officer
24 August 2016

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

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

	Six-month period ended 30 June	
	2016	2015
	<i>(In million Kip)</i>	
Cash flows from operating activities		
Profit for the period	251,487	258,565
<i>Adjustments:</i>		
Depreciation and amortisation	210,274	97,179
Finance costs	45,058	28,313
Unrealise (gain) loss on foreign exchange	(6,505)	13,433
Share of profit of associates and joint ventures	(36,029)	(144,207)
Income tax expense	24,297	12,923
	488,582	266,206
<i>Changes in:</i>		
Trade and other receivables	(313,829)	166,511
Spare parts and supplies	(360)	(243)
Other current assets	1,829	249
Other non-current assets	(42,458)	(8,584)
Trade and other payables	(148,082)	(130,221)
Accrued expenses	(7,633)	(60,454)
Other current liabilities	109	(1)
Cash generated from (used in) operating activities	(21,842)	233,463
Income tax paid	(20,774)	(13,365)
Net cash from (used in) operating activities	(42,616)	220,098

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

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

	Six-month period ended 30 June	
	2016	2015
	<i>(In million Kip)</i>	
Cash flows from investing activities		
Dividends received	7,550	65,279
Purchase of investments in subsidiary	(81,260)	-
Purchase of investments in associates	-	(37,924)
Advance payment for investments	(77,264)	(416,469)
Purchase of asset under concession	(170,298)	(5,512)
Net cash used in investing activities	(321,272)	(394,626)
Cash flows from financing activities		
Finance costs paid	(51,829)	(40,524)
Dividends paid	(251,895)	(328,626)
Proceeds from long-term borrowings	-	451,642
Repayment of long-term borrowings	(89,389)	(454,090)
Cash pledged as collateral	-	(17,341)
Net cash used in financing activities	(393,113)	(388,939)
Net decrease in cash and cash equivalents	(757,001)	(563,467)
Effect of exchange rate change on balance held in foreign currencies at end of period	(13,939)	(550)
Cash and cash equivalents at 1 January	1,213,770	1,251,534
Cash and cash equivalents at 30 June	442,830	687,517
Non-cash transactions		
Payables on purchase of property, plant and equipment	4,019,450	70,086



RATTANA PRATHOUMVAN
 Chief Executive Officer
 24 August 2016

BOUNSA LONG SOUTHIDARA
 Chief Financial Officer
 24 August 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 six-month period ended 30 June 2016 (Unaudited)

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EDL-Generation Public Company
Notes to the condensed interim financial information
For the six-month period ended 30 June 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. The Company is a subsidiary of Electricite Du Laos (“EDL”) with 75% shareholding.

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

On 15 December 2010, EDL transferred the Existing Generation Assets and related liabilities of 7 hydropower dams, Nam Ngum 1, Nam Leuk, Nam Mang 3, Nam Song, Xeset1, Xeset 2, and Xelabam, based on the net book value as at 20 October 2010, to the Company of Kip 2,605,792 million. EDL will continue its activities on the transmission and distribution of electricity generated by the Existing Generation Assets to end-users. Since 15 December 2010, the Company has commenced its electricity generation operation mainly based on such transferred assets to supply the electricity generated back to EDL according to terms and conditions specified in Power Purchase Agreements (“PPA”).

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

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

These condensed interim financial information was authorised for issue by the Board of Directors on 24 August 2016.

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.

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

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.

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

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.

EDL-Generation Public Company
Notes to the condensed interim financial information
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4 Segment information

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

- Segment 1 Electricity generation
- Segment 2 Other businesses

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

For the six-month period ended 30 June 2016

	Segment 1	Segment 2	Elimination	Total
		<i>(in million Kip)</i>		
Sales	564,996	-	-	564,996
Costs of sales	(254,284)	-	-	(254,284)
Segment result	<u>310,712</u>	<u>-</u>	<u>-</u>	<u>310,712</u>
Other income	5,181	-	-	5,181
Operating and administrative expenses	(43,417)	-	-	(43,417)
Foreign exchange gain	18,618	-	-	18,618
Share of profit from investment in associates and joint ventures	-	36,029	-	36,029
Operating profit	<u>291,094</u>	<u>36,029</u>	<u>-</u>	<u>327,123</u>
Finance costs	(51,339)	-	-	(51,339)
Net profit before income tax expense	239,755	36,029	-	275,784
Income tax expense	(24,297)	-	-	(24,297)
Net profit for the period	<u>215,458</u>	<u>36,029</u>	<u>-</u>	<u>251,487</u>

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

For the six-month period ended 30 June 2015

	Segment 1	Segment 2	Elimination	Total
		<i>(in million Kip)</i>		
Sales	321,497	-	-	321,497
Costs of sales	(121,071)	-	-	(121,071)
Segment result	<u>200,426</u>	<u>-</u>	<u>-</u>	<u>200,426</u>
Other income	11,436	-	-	11,436
Operating and administrative expenses	(52,955)	-	-	(52,955)
Foreign exchange loss	(3,313)	-	-	(3,313)
Share of profit from investment in associates and joint ventures	-	144,207	-	144,207
Operating profit	<u>155,594</u>	<u>144,207</u>	<u>-</u>	<u>299,801</u>
Finance costs	(28,313)	-	-	(28,313)
Net profit before income tax expense	<u>127,281</u>	<u>144,207</u>	<u>-</u>	<u>271,488</u>
Income tax expense	(12,923)	-	-	(12,923)
Net profit for the period	<u>114,358</u>	<u>144,207</u>	<u>-</u>	<u>258,565</u>

5 Investment in subsidiary

Six-month periods ended 30 June

	2016	2015
	<i>(in million Kip)</i>	
At 1 January	-	-
Addition	<u>81,260</u>	<u>-</u>
At 30 June	<u>81,260</u>	<u>-</u>

During 2016, the Company has invested 80% of 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 June 2016.

6 Investments in associates and joint ventures

Six-month periods ended 30 June

	<i>Note</i>	2016	2015
		<i>(in million Kip)</i>	
Associates			
At 1 January		710,599	610,357
Share of net profit of associates		26,776	27,195
Dividend income		(7,550)	(7,820)
Addition	7	-	80,022
Currency translation differences		419	(615)
At 30 June		<u>730,244</u>	<u>709,139</u>

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

	2016	2015
	<i>(in million Kip)</i>	
Joint ventures		
At 1 January	1,558,324	1,498,609
Share of net profit of joint ventures	9,253	117,012
Dividend income	-	(57,459)
Currency translation differences	(31)	68
At 30 June	<u>1,567,546</u>	<u>1,558,230</u>
Total		
At 1 January	2,268,923	2,108,966
Share of net profit of associates and joint ventures	36,029	144,207
Dividend income	(7,550)	(65,279)
Transferred from advance payment for investments	-	80,022
Currency translation differences	388	(547)
At 30 June	<u>2,297,790</u>	<u>2,267,369</u>

EDL-Generation Public Company
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For the six-month period ended 30 June 2016 (Unaudited)

Investments in associates and joint ventures as at 30 June 2016 and 31 December 2015, and dividend income for the six-month periods ended 30 June 2016 and 2015 were as follows:

	Ownership interest			Cost		Impairment		Cost - net		Equity		Dividend income	
	30 June	31 December	Type of Business	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	30 June
	2016	2015		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	(%)			(in thousand Baht)									
Joint ventures													
Theun-Hinboun Power Co., Ltd. (“THPC”)	60	60	Electricity generation	1,120,696	1,120,696	-	-	1,120,696	1,120,696	1,552,827	1,548,741	-	48,852
Houay Ho Power Co., Ltd.	20	20	Electricity generation	17,447	17,447	-	-	17,447	17,447	11,878	6,742	-	8,607
Lower Houay Lamphanh Co., Ltd. (“LHPC”)	60	60	Electricity generation	3,381	3,381	-	-	3,381	3,381	2,841	2,841	-	-
Total				1,141,524	1,141,524	-	-	1,141,524	1,141,524	1,567,546	1,558,324	-	57,459
Associates													
Nam Ngum 2 Power Co., Ltd.	25	25	Electricity generation	454,742	454,742	-	-	454,742	454,742	585,155	563,000	-	-
Nam Lik 1-2 Power Co., Ltd. (“Nam Lik 1-2”)	10	10	Electricity generation	32,240	32,240	-	-	32,240	32,240	57,345	63,210	7,550	7,820
Nam Ngum 5 Power Co., Ltd.	15	15	Electricity generation	80,022	80,022	-	-	80,022	80,022	87,744	84,388	-	-
Total				567,044	567,044	-	-	567,044	567,044	730,244	710,598	7,550	7,820

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

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

EDL-Generation Public Company
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7 Advance payment for investments

<i>Six-month periods ended 30 June</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		6,281	24,740
Transferred to investment in associates	6	-	(80,222)
Transferred to assets under concession	8	(686,379)	-
At 30 June		<u>3,087,813</u>	<u>1,153,176</u>

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

	<i>Type</i>	<i>30 June</i>	<i>31 December</i>
		<i>2016</i>	<i>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	256,050	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>3,087,813</u>	<u>3,690,647</u>

8 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		4,517,083	75,598
Transferred from advance payment for investments	7	686,379	-
Depreciation charge		(208,968)	(95,361)
At 30 June		<u>9,337,624</u>	<u>4,126,088</u>

The additions during the six-month period ended 30 June 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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9 Trade and other receivables

	<i>Note</i>	30 June 2016	31 December 2015
		<i>(in million Kip)</i>	
Trade accounts receivable from related party	17	606,331	293,385
Others		11,072	11,000
Total		617,403	304,385

10 Long-term borrowings

	<i>Note</i>	30 June 2016	31 December 2015
		<i>(in million Kip)</i>	
Current portion of long-term borrowings			
- Long-term borrowing from related party	17	132,603	100,247
- Long-term borrowing from financial institution		77,254	77,760
Total current portion of long-term borrowings		209,857	178,007
Non-current portion of long-term borrowings			
- Long-term borrowing from related party	17	511,715	402,672
- Long-term borrowing from financial institution		397,310	438,785
Total non-current portion of long-term borrowings		909,025	841,457
Total long-term borrowings		1,118,882	1,019,464

Movements in long-term borrowings for the six-month periods ended 30 June 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	(89,389)	(49,290)
Effect from currency translation	3,305	(353)
At 30 June	1,118,882	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.

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Long-term loan agreement

During the six-month period ended 30 June 2016, the Company and TMB Bank Public Company Limited agreed to amend the long-term loan agreement which is required the Company to comply with certain terms and conditions including maintaining debt service coverage ratio.

Long-term borrowings as at 30 June 2016 and 31 December 2015 was denominated in foreign currency as follow:

	30 June 2016	31 December 2015
U.S. Dollar (million)	129	116
Japanese Yen (million)	915	1,017

The aging analysis of these borrowings is as follows:

	30 June 2016	31 December 2015
	<i>(in million Kip)</i>	
Less than 1 year	209,857	178,007
More than 1 year but less than 5 years	751,428	671,780
More than 5 years	157,597	169,677
Total	<u>1,118,882</u>	<u>1,019,464</u>

11 Debentures

	30 June 2016	31 December 2015
	<i>(in million Kip)</i>	
Debentures	1,507,675	1,480,050
Transaction costs	(26,581)	(27,887)
Net	<u>1,481,094</u>	<u>1,452,163</u>

Movements in debentures for the six-month periods ended 30 June 2016 and 2015 were as follow:

	2016	2015
	<i>(in million Kip)</i>	
At 1 January	1,452,163	1,575,862
Amortisation of deferred financing fee	1,306	1,818
Effect from currency translation	27,625	(28,860)
At 30 June	<u>1,481,094</u>	<u>1,548,820</u>

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

Description	Series 1	Series 2	Series 3
Type	Unsubordinated unsecured debentures.	Unsubordinated unsecured debentures.	Unsubordinated unsecured debentures.
Repayment	Principal repayment at the maturity date.	Principal repayment at the maturity date.	Principal repayment at the maturity date.
Total offering price	Baht 1,500 million	Baht 2,000 million	Baht 3,000 million
Issued amount	1,500,000 units	2,000,000 units	3,000,000 units
Interest rate	Fixed rate 4.95% per annum	Fixed rate 5.20% per annum	Fixed rate 5.45% per annum
Effective interest rate	5.26% per annum	5.54% per annum	5.82% per annum
Interest due	Semi-annually, 12 June and 12 December	Semi-annually, 12 June and 12 December	Semi-annually, 12 June and 12 December
Period	5 years	7 years	10 years
Maturity date	12 December 2019	12 December 2021	12 December 2024

12 Swap contract payables

	30 June 2016	31 December 2015
	<i>(in million Kip)</i>	
Swap contract payable	1,603,268	1,613,738
Swap contract receivable	(1,496,820)	(1,469,390)
Deferred gain on swap contract	15,811	17,049
Net	122,259	161,397

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

Series	Issued amount (million Baht)	Swapped amount (million USD)	Term of payments	Original rate	Swap rate	Term of payments
1	1,500	45.59	12 December 2019	4.95%	Libor 6 months+ 3.36%	Semi-annually starting from 12 June 2015 to 12 December 2019
2	2,000	60.79	12 December 2021	5.20%	Libor 6 months+ 3.61%	Semi-annually starting from 12 June 2015 to 12 December 2021
3	3,000	91.18	12 December 2024	5.45%	Libor 6 months+ 3.795%	Semi-annually starting from 12 June 2015 to 12 December 2024
Total	6,500	197.56				

13 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.

14 Basic earnings per share

The calculations of basic earnings per share for the six-month periods ended 30 June 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	251,487	258,565
Number of ordinary shares outstanding <i>(in million shares)</i>	1,679	1,226
Basic earnings per share <i>(in Kip)</i>	149.76	210.90

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15 Dividends

The annual general meeting of Shareholders, held on 25 April 2016, has approved interim dividend payment in respect of net profit for period from 1 July to 31 December 2015 of Kip 150 per share amounting to a total of Kip 251,895 million. This dividend was paid on 6 May 2016.

The annual general meeting of Shareholders, held on 28 April 2015, has approved interim dividend payment in respect of net profit for period from 1 July to 31 December 2014 of Kip 268 per share amounting to a total of Kip 328,626 million. This dividend was paid in 5 May 2015.

16 Commitments with non-related parties

Capital commitments

As at 30 June 2016, the Company has significant capital commitments from ongoing installation of generation equipment at the amount of Kip 245 billion.

As at 30 June 2016, a subsidiary has capital commitment from Engineering and Procurement contract at the amount of USD 272 million or equivalent to Kip 2,207 billion.

Operating lease commitments

	30 June 2016	31 December 2015
	<i>(in million Kip)</i>	
Within 1 year	253	255
More than 1 year but within 5 years	1,052	1,045
More than 5 years	6,556	6,889
Total	7,861	8,189

Land lease agreement

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

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

Other significant agreements and arrangements

Memorandum of Understanding (MOU) for Investments in Solar Power Project

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

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Joint Arrangement Agreement and Establishment of Nam Phoun Power Company Limited

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

17 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.

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 six-month periods ended 30 June 2016 and 2015 with related parties were as follows:

	2016 (in million Kip)	2015
Parent company		
Sales of electricity	564,996	321,497
Interest expense	15,080	9,885

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

	30 June 2016	31 December 2015
	(in million Kip)	

Advance payment for investments

Parent company		
Electricite Du Laos	3,087,813	3,690,647

Other non-current assets

Parent company		
Electricite Du Laos	35,000	65,944

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	30 June 2016	31 December 2015
	<i>(in million Kip)</i>	
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	606,331	293,385
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Payables for assets under concession*

Parent company

Electricite Du Laos	3,914,469	-
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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 June 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 June 2016	31 December 2015
	<i>(in million Kip)</i>	
Long-term borrowings		
Parent company		
Electricite Du Laos		
- Current portion	132,602	100,247
- Long-term portion	511,715	402,672
Total	644,317	502,919

Significant agreements with related parties

Concession Agreement ("CA")

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

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

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

Memorandum of Understanding of Electricity Sales and Purchase for Nam Khan 2, Houay Lamphanh Ngai and Nam Sana Projects ("MOU")

During 2016, the Company has signed an MOU with EDL for sale and purchase of electricity generated from Nam Khan 2, Houay Lamphanh Ngai and Nam Sana hydro power projects with selling price, terms and conditions as stipulated in the MOU. The Company has rights over the electricity distributed to EDL prior to the MOU date, as a result, the revenue for the six-month period ended 30 June 2016 included revenue recognised from electricity which has been distributed prior to 2016 amounting to Kip 45,903 million.

The Power Purchase Agreement for these projects is currently in submitting for approval process.

Purchase Power Agreement ("PPA")

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

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

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

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

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

EDL-Generation Public Company
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Memorandum of Understanding (MOU) for the share transfer of project assets of Nam Ou Power Company Limited

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

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

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

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

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

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

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

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Employees transferred from EDL

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

Debt Repayment Agreement

The Company entered into the Debt Repayment Agreement with the EDL on 15 December 2010. EDL is a borrower pursuant to several borrowing agreements with the Government of the Lao PDR ("GOL") in which the original funds were provided from various lenders and made through the GOL. In addition to the asset transfer, the Company has agreed with EDL that the Company will make payments on the outstanding debts to EDL and EDL will make such payments to the GOL, for the GOL's further repayments to the lenders pursuant to the original borrowing agreements. These borrowings are unsecured and no other obligations other than the repayments required as per agreed schedules.

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

18 Event after the reporting period

At the extraordinary meeting of shareholders held on 12 August 2016, the shareholders approved the issuance and offering the Corporate Debenture with approximate amount 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.

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 the six-month period from 1 January to 30 June 2016 at Kip 130 per share, totalling of Kip 218,309 million. This dividend will be paid to the Shareholders whose names shown in the shareholders' registration on 15 September 2016 and the dividend will be paid on 29 September 2016.

EDL-Generation Public Company
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For the six-month period ended 30 June 2016 (Unaudited)

19 Reclassification of accounts

Certain accounts in the 2015 condensed interim financial information have been reclassified to conform to the presentation in the 2016 condensed interim financial information as follows:

	Before reclass.	2015 Reclass. (in million Kip)	After reclass.
Condensed statement of financial position			
Trade and other receivables	373,684	(69,199)	304,485
Other non-current assets	47,444	69,199	116,643
		<u>-</u>	

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

20 Supplementary information

The Company presents the unaudited statement of income for the three-month period ended 30 June 2016 under this note to the condensed interim financial information. This is in accordance with the reporting and disclosure regulation issued by Lao Securities and Exchange Commission Office.

Summary of statement of income (Unaudited)
For the three-month period ended 30 June 2016

	30 June 2016 (in million Kip)
Sales	278,678
Cost of sales	(114,840)
Gross profit	<u>163,838</u>
Other income	1,793
Operating and administrative expenses	(20,697)
Foreign exchange gain/ (loss)	13,654
Share of profit from investments in associates and joints ventures	<u>54,894</u>
Operating profit	213,482
Finance Costs	(22,862)
Profit before income tax expense	190,620
Income tax expense	(13,855)
Net profit for the period	<u>176,765</u>

Managing Director: (Signature) Rattana PRATHOUMVAN

Accounting Division Manager: (Signature) Vanhseng VANNAVONG

Manager of Internal Audit Division: (Signature) Manivanh NHOTKONGMY