

EDL-GENERATION PUBLIC COMPANY



CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2021



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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF EDL-GENERATION PUBLIC COMPANY.

Our opinion

In our opinion, the consolidated financial statements of EDL-Generation Public Company (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company for the year ended 31 December 2021 are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to this consolidated and separate financial statements.

What we have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2021;
- the consolidated and separate statements income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Emphasis of Matter - Basis of accounting

We draw attention to Note 2 to the consolidated and separate financial statements, which describes the basis of accounting. The consolidated and separate financial statements have been prepared in accordance with the Group's accounting policies which the accounting basis used in the preparation of these consolidated and separate financial statements may differ from International Financial Reporting Standards (IFRSs). The readers should therefore be aware that the accompanying consolidated and separate financial statements are not intended to present the consolidated and separate financial position and its consolidated and separate financial performance and its consolidated and separate cash flows in accordance with IFRSs. Our opinion is not modified in respect to this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. We determine one key audit matter: Valuation of trade accounts receivable. The matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<i>Valuation of trade accounts receivable</i>	
As at 31 December 2021, trade and other receivables were stated at LAK 1.963.426 million (2020: LAK 1.509.848 million), representing 7,47% of total assets (2020: 3,97%). There were significant long-outstanding balances including an overdue balance more than six months of LAK 1.118.723 million (2020: LAK 980.021 million). Management focused on accounts receivables that were overdue more than twelve months and haven't been collected after the period ended. Management assessed the allowance based on the historical payment of accounts receivable and expectations regarding the collectability of accounts receivable. We focused on this area due to the significance of trade accounts receivable and allowance for doubtful accounts is a management's accounting estimate. The estimates are developed by management based on their judgment on assumptions concerning the customer's ability to repay and other related credit risks.	Our audit procedures in this area include the following: • understanding policies and process, methods and assumptions used to develop the estimate of the allowance for doubtful accounts, and write offs and verifying that the accounting policies were consistent with prior period, • obtaining a detailed analysis supporting the allowance for doubtful accounts, agreeing balances and testing mathematical accuracy, • assessing the reasonableness of management's assumptions used in the detailed analysis supporting the allowance for doubtful accounts, • testing the reliability of the reports accounts receivable detailed listing that would be used to assess the allowance for doubtful accounts, • challenging management on the collectability of these accounts and obtaining additional supporting information to verify that the allowance for doubtful accounts was appropriate at period end, • obtaining the movement schedule of the allowance for doubtful accounts including opening balance, write-offs, additional provision recognised and closing balance, agreeing balances and testing mathematical accuracy, • considering whether any extent of write-offs occurring during the period, and determining whether there were unusually high volumes that might indicate the potential for additional uncollectible amounts, and • testing the subsequent collection of significant accounts receivable up to the date of the auditor's report.

As a result, we found that the management assumption was reasonable and consistent with historical collection data and supporting evidence.



Other information

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated (and separate) financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements in accordance with accounting policies described in Note 2 to the consolidated and separate financial statements, and for such internal control as the directors determine are necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.



Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated (and separate) financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



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

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

For PricewaterhouseCoopers (Lao) Sole Company Limited


By Apisit Thiengtrongpinyo
Partner



Vientiane Capital, Lao PDR

Date: 29 March 2022

EDL-GENERATION PUBLIC COMPANY

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		Million LAK	Million LAK	Million LAK	Million LAK
Assets					
Non-current assets					
Investments in subsidiaries	6	-	-	619.680	619.680
Investments in associates	7.1	5.151.967	5.190.681	5.151.967	5.190.681
Investments in joint ventures	7.2	3.264.319	3.010.187	3.264.319	3.010.187
General investments		375.688	-	375.688	-
Advance payment for asset under concession and investment	8, 24	1.973.406	1.973.406	2.002.701	1.999.754
Asset under concession, net	9	8.975.510	9.436.044	8.466.878	8.896.788
Intangible assets, net		-	413	-	413
Swap contract receivable		16.131	234.296	16.131	234.296
Advance to suppliers for construction project		341.075	341.075	-	-
Deposits at financial institution pledged as collateral		-	63.211	-	63.211
Other non-current assets		27.233	49.086	26.862	48.715
Total non-current assets		20.125.329	20.298.399	19.924.226	20.063.725
Current assets					
Cash and cash equivalents	10	202.585	265.554	161.702	247.215
Short-term investments	11	33.489	27.840	33.489	27.840
Short-term loan to related party	24	337.574	280.632	337.574	280.632
Trade and other receivables	12	2.221.934	1.509.848	2.262.874	1.529.287
Current portion of advance payment for interest rate swap		-	11.867	-	11.867
Spare parts and supplies, net		3.771	3.523	3.771	3.523
Other current assets		3.627.485	2.305.163	3.562.275	2.298.272
Total current assets		6.426.838	4.404.427	6.361.685	4.398.636
Total assets		26.552.167	24.702.826	26.285.911	24.462.361



DUANGSY PHARANHOK
Chief Executive Officer
Date: 29 March 2022

VANHSENG VANNAVONG
Chief Financial Officer
Date: 29 March 2022

The accompanying notes on pages 13 to 48 form an integral part of these consolidated and separate financial statements.

EDL-GENERATION PUBLIC COMPANY

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		Consolidated financial statements		Separate financial statements	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Notes	Million LAK	Million LAK	Million LAK	Million LAK
Equity and liabilities					
Equity					
Share capital	13	6.717.215	6.717.215	6.717.215	6.717.215
Share premium	13	985.621	985.621	985.621	985.621
Legal reserve	14	565.708	565.024	565.708	565.024
Translation adjustments		134.944	34.022	134.944	34.022
Retained earnings		823.602	987.824	866.804	1.028.574
Equity attributable to owners of the Company		9.227.090	9.289.706	9.270.292	9.330.456
Non-controlling interests		3.504	4.014	-	-
Total equity		9.230.594	9.293.720	9.270.292	9.330.456
Liabilities					
Non-current liabilities					
Long - term borrowings, net	15	3.178.012	3.121.428	2.945.941	2.924.501
Debentures, net	16	10.751.211	8.343.462	10.751.211	8.343.462
Total non-current liabilities		13.929.223	11.464.890	13.697.152	11.267.963
Current liabilities					
Trade and other payables		280.424	178.608	233.590	134.222
Current portion of long-term borrowings	15	1.669.676	1.091.095	1.646.699	1.058.644
Short - term borrowings, net	15	106.739	98.505	106.739	98.505
Current portion of debentures, net	16	378.281	1.931.841	378.281	1.931.841
Accrued expenses	17	955.765	643.041	951.693	639.604
Other current liabilities		1.465	1.126	1.465	1.126
Total current liabilities		3.392.350	3.944.216	3.318.467	3.863.942
Total liabilities		17.321.573	15.409.106	17.015.619	15.131.905
Total equity and liabilities		26.552.167	24.702.826	26.285.911	24.462.361



DUANGSY PHARANHOK
Chief Executive Officer
Date: 29 March 2022

VANHSENG VANNAVONG
Chief Financial Officer
Date: 29 March 2022

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EDL-GENERATION PUBLIC COMPANY

CONSOLIDATED AND SEPARATE STATEMENTS INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		Million LAK	Million LAK	Million LAK	Million LAK
Revenue from sale		1,196.664	1,167.375	1,168.853	1,138.180
Cost of sales	18	(585.971)	(567.894)	(570.720)	(553.123)
Gross profit		610.693	599.481	598.133	585.057
Other income		55.292	44.092	44.111	38.133
Operating and administrative expenses	18	(154.090)	(198.319)	(139.577)	(181.978)
Foreign exchange gain/(loss), net		(612.913)	(45.389)	(614.037)	(20.016)
Share of profit from investments in associates and joint ventures	7	960.715	498.703	960.715	498.703
Profit before finance costs		859.697	898.568	849.345	919.899
Finance costs	19	(855.815)	(741.125)	(842.501)	(741.125)
Profit before income tax expense		3.882	157.443	6.844	178.774
Income tax expense	20	-	-	-	-
Profit for the year		3.882	157.443	6.844	178.774
Profit attributable to:					
Owners of the parents		4.392	158.642	6.844	178.774
Non-controlling interests		(510)	(1.199)	-	-
		3.882	157.443	6.844	178.774
Earnings per share					
Basic earnings per share (in LAK)	21	2,62	94,49	4,08	106,48



DUANGSY PHARANHOK
Chief Executive Officer
Date: 29 March 2022

VANHSENG VANNAVONG
Chief Financial Officer
Date: 29 March 2022

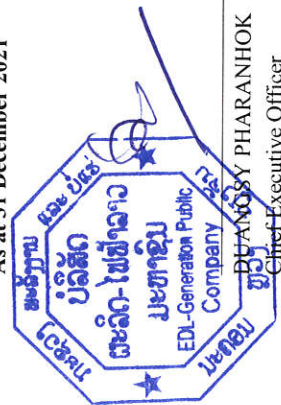
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

VANHSENG VANNAVONG
Chief Financial Officer
Date: 29 March 2022

EDL-GENERATION PUBLIC COMPANY

SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Separate financial statements					
	Issued and paid-up ordinary shares Million LAK	Share premium Million LAK	Legal reserve Million LAK	Translation adjustments Million LAK	Unappropriated retained earnings Million LAK	Total Million LAK
For the year ended 31 December 2020						
As at 1 January 2020	6,717,215	985,621	547,147	20,220	1,035,607	9,305,810
Profit for the year	-	-	-	-	178,774	178,774
Translation adjustments	-	-	-	13,802	-	13,802
Dividend paid	-	-	-	-	(167,930)	(167,930)
Transfer to legal reserve	-	-	17,877	-	(17,877)	-
As at 31 December 2020	6,717,215	985,621	565,024	34,022	1,028,574	9,330,456
For the year ended 31 December 2021						
As at 1 January 2021	6,717,215	985,621	565,024	34,022	1,028,574	9,330,456
Profit for the year	-	-	-	-	6,844	6,844
Translation adjustments	-	-	-	100,922	-	100,922
Dividend paid	-	-	-	-	(167,930)	(167,930)
Transfer to legal reserve	-	-	684	-	(684)	-
As at 31 December 2021	6,717,215	985,621	565,708	134,944	866,804	9,270,292



PHANOSY PHARANHOK
Chief Executive Officer
Date: 29 March 2022

VANHSENG VANNAVONG
Chief Financial Officer
Date: 29 March 2022

The accompanying notes on pages 13 to 48 form an integral part of these consolidated and separate financial statements.

EDL-GENERATION PUBLIC COMPANY
**CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

		Consolidated financial statements		Separate financial statements	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Notes	Million LAK	Million LAK	Million LAK	Million LAK
Cash flows from operating activities					
Profit before income tax expenses for the year		3.882	157.443	6.844	178.774
Adjustments for:					
Depreciation and amortisation		520.357	515.932	505.732	504.669
Amortisation of debenture issuance costs		24.040	62.761	24.040	62.761
Loss on disposal of property, plant and equipment		28.116	22.657	28.099	22.657
Interest income		(15.680)	(18.012)	(15.680)	(18.012)
Finance costs		855.815	741.125	842.501	741.125
Share of profit from investments in associates and joint ventures	7	(960.715)	(498.703)	(960.715)	(498.703)
Changes in working capital:		455.815	983.203	430.821	993.271
Decrease (increase) in					
Other non-current assets		21.853	(46.625)	21.853	(46.254)
Deposits at financial institution pledged as collateral		63.354	41.868	63.354	41.868
Trade and other receivables		(590.295)	(957.587)	(611.796)	(967.765)
Spare parts and supplies		(248)	648	(248)	648
Other current assets		295.725	53.772	287.476	35.897
Trade and other payables		59.196	20.963	78.951	25.176
Accrued expenses		239.857	67.917	239.222	65.694
Other current liabilities		339	(157)	339	199
Cash generated from operations		545.596	164.002	509.972	148.734
Interest paid		(599.595)	(524.777)	(586.281)	(525.658)
Net cash outflow from operating activities		(53.999)	(360.775)	(76.309)	(376.924)
Cash flows used in investing activities					
Advance payment for assets under concession and investments		-	-	-	(271)
Cash paid for investments in subsidiaries		-	-	-	(24.417)
Cash received from advance payment for subsidiaries		-	-	-	36.447
Payments for investments in associates and joint ventures	7	(4.941)	(7.837)	(4.941)	(7.837)
Payments for purchase of assets under concession		(87.526)	(98.009)	(103.508)	(51.602)
Cash received from short-term loan to related party		-	136.183	-	136.183
Dividend received from investment in associates and joint ventures	7	475.472	154.540	475.472	154.540
Net cash inflow from investment activities		383.005	184.877	367.023	243.043

The accompanying notes on pages 13 to 48 form an integral part of these consolidated and separate financial statements.

EDL-GENERATION PUBLIC COMPANY

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

		Consolidated financial statements		Separate financial statements	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Notes	Million LAK	Million LAK	Million LAK	Million LAK
Cash flows from financing activities					
Dividend paid to shareholders		(167.930)	(167.930)	(167.930)	(167.930)
Proceeds from short-term borrowings	15	682.253	98.239	682.253	98.239
Repayments for short-term borrowings	15	(726.149)	(204.418)	(726.149)	(204.418)
Proceeds from long-term borrowings	15	-	29.441	-	-
Repayments for long-term borrowings	15	(176.185)	(268.567)	(157.500)	(268.567)
Proceeds from debentures issuance	16	1.905.346	-	1.905.346	-
Repayments for debentures	16	(1.951.667)	-	(1.951.667)	-
Net cash outflow(inflow) from financing activities		(434.332)	(513.235)	(415.647)	(542.676)
Net increase (outflow) in cash and cash equivalent		(105.326)	(689.133)	(124.933)	(676.557)
Cash and cash equivalent at the beginning of the year		265.554	979.774	247.215	948.847
Effect of exchange rate changes on cash and cash equivalent		42.357	(25.087)	39.420	(25.075)
Cash and cash equivalent at the end of the year		202.585	265.554	161.702	247.215
None cash transactions:					
Payable for purchases of assets under concession		67.582	34.317	67.582	16.211
Offsetting trade and other receivables with					
- Divedend payment		-	125.948	-	125.948
- Long-term loan from related party		-	8.288	-	8.288
- Accrued interest expense		-	338	-	338
Offsetting short-term loan to related parties with loan repayment	15	-	58.834	-	58.834
Offsetting short-term loan to related parties with accrued interest expense		-	1.926	-	1.926
Transfer from advance payment for asset under concessions and investments to					
- Investment in associates		-	244.474	-	244.474



DUANGSY PHARANHOK
Chief Executive Officer
Date: 29 March 2022

VANHSENG VANNAVONG
Chief Financial Officer
Date: 29 March 2022

EDL-GENERATION PUBLIC COMPANY

NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Reporting entity

EDL-Generation Public Company (the Company) is a public company which is listed on the Lao Securities Exchange (LSX) on 11 January 2011 and is incorporated and domiciled in the Lao Peoples' Democratic Republic (Lao PDR). The Company is a subsidiary of Electricite Du Laos (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.

The principal business operation of the Group is the generation of electricity for sales to EDL.

The Company is listed on the Lao Securities Exchange. For reporting purposes, the Company and its subsidiaries are referred to as the Group.

Company's subsidiaries as at 31 December 2021 and 2020 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2021	2020
Direct subsidiaries				
EDL-GEN Solar Power Co., Ltd	Electricity generation	Lao PDR	60	60
Nam Bi Power Co., Ltd	Electricity generation	Lao PDR	80	80
EDL-GEN Operation and Maintenance Sole Co., Ltd	Electricity generation	Lao PDR	100	100

These consolidated and separate financial information was authorised for issue by the Board of Directors and management on 29 March 2022.

2. Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below.

2.1 Basis of accounting

The consolidated financial statements were prepared in accordance with the Group's accounting policies which have been prepared under the historical cost convention except investment in associates and joint ventures as described more details in the Note 2 (2.2) to the consolidated financial statements.

The accounting principles applied may materially differ from International Financial Reporting Standards (IFRSs). These areas of significant differences are, for example functional currency, leases, employee benefit, the effects of changes in foreign exchange rate, income tax and deferred income tax, financial instrument, associates, joint ventures and pre-operation cost.

**NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2 Accounting policies (Continued)

2.1 Basis of accounting (Continued)

According to the Law on accounting no. 47/NA issued on 26 December 2013, Public Interest Enterprises (PIEs) are required to apply IFRSs. However, Ministry of Finance has issued announcement No. 697/MoF dated 20 March 2017 and No.1137/MOF date 27 April 2020 (the announcement) which provided options for PIEs to prepare action plan for adoption IFRSs within the year 2025. The Group management is presently preparing action plan for implementation IFRSs in accordance with the announcement.

The preparation of the consolidated and separate 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.

2.2 Group accounting - investments in subsidiaries, associates and joint venture

2.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. A list of the Group's subsidiaries is shown in (Note 1).

2.2.2 Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquire. Change in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as entity transactions.

2.2.3 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting. A list of the Company's principal associates is set out in (Note 7).

NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies (Continued)

2.2 Group accounting - investments in subsidiaries, associates and joint venture (Continued)

2.2.4 Joint ventures

Interests in venture are all entities over which the Group jointly controls, but which it does not control. Interests in joint ventures are accounted for by the equity method of accounting. A list of the Company's principal joint ventures is set out in (Note 7).

2.2.5 Accounting under equity method

Under the equity method, the investment in associates and investment in joint venture are accounted for by using the equity method. Under this method share of the post-acquisition statement of income of joint ventures is recognised in the statement of income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses equals or exceeds its investment in associate and interest in the joint venture the Group and the Company do not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.2.6 Separate financial statements

In the separate financial statements, investments in subsidiaries are accounted at cost less impairment loss, if any, associates and joint ventures are accounted for by the equity method (Note 2.2.5).

2.2.7 General investments

Investments other than investments in subsidiaries, associates, investment in joint ventures and in non-marketable equity are classified into general investment. Investments are initially recognised at historical cost less impairment loss. A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

2.3 Foreign currency translation

Items included in the financial statements are measured using Lao Kip (LAK).

Foreign currency transactions are translated into LAK using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated into LAK at the exchange rates prevailing at the reporting dates. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies (Continued)

2.3 Foreign currency translation (Continued)

Monetary non-current assets and liabilities

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position; and
- All resulting exchange differences unrealised are recognised in statement of financial position and will reverse in further year.
- Realise gain/(loss) on exchange rate is recognised in statements of income when payment.

For associates, joint ventures and subsidiary, the results and financial position of those entities that have a presentation currency difference from the presentation currency of the Company are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for statement of comprehensive income are translated at average exchange rates of the year; and
- All resulting exchange differences are recognised as a separate component of equity.

2.4 Spare parts and supplies

Spare parts and supplies are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of purchases comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as transportation charges, less all distributable discounts, allowances or rebates. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation. Allowance is made, where necessary for obsolete, slow moving and defective spare parts and supplies.

2.5 Assets under concession

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

Recognition

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

**NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2 Accounting policies (Continued)

2.5 Assets under concession (Continued)

According to the Concession Agreement, the Group must transfer all assets for operating the projects as mentioned in the concession held by the Group to GOL at the end of concession period.

Subsequent costs are included in the carrying amount, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance expenses are charged to the income statement during the financial period in which they are incurred.

Assets under concession are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over its expected useful life but not over than the concession period under related concession agreement which is 30 years. The annual rates used for this purpose by category of assets are set out below:

	<u>Years</u>
Buildings	4-30
Hydroelectric dams	19-30
Plant and machineries	2-30
Motor vehicles	5-15
Office equipment, furniture and fixtures	3-10

The Group records depreciation as an expense for the period. When a long-term asset is retired, the Group will write-off both the asset and the related accumulated depreciation from the accounts and recognise any gain or loss from retirement of the asset in the statement of income.

The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains – net' in statement of income.

2.6 Impairment of assets

Assets that are subject to depreciation are reviewed for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2 Accounting policies (Continued)

2.7 Borrowings

Borrowings are recognised at the original value of proceeds received, net of transaction costs incurred, if any.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.8 Debentures

Debentures issued at face value and are recognised at the value of proceeds received, net of transaction costs incurred. Debentures are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in statement of income over the period of the borrowings using the effective yield method.

Transactions costs are direct cost on issuing debentures which mainly consist of financial advisor fees, lawyer fees and regulator fee. These costs were recorded as deferred assets and will be amortised to statement of income over the term of debentures.

Debentures are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.9 Leases - where a Company is the lessee

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.10 Employee benefits

Provisions for employee benefits are not accrued in each year. The liability recognised in the statement of financial position and related expenses recognised in the statement of income are based on actual amount when it is due at the time of employees' resignation or retirement.

2.11 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated, except provision for employee benefit which is described in Note 2.10.

NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies (Continued)

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks but do not include deposits with banks which are held to maturity, and other short-term highly liquid investments with maturities of three months or less from the date of acquisition.

2.13 Short-term investment

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

2.14 Revenue recognition

Revenues mainly comprise revenues from sales of electricity and services which include installation fees and dividend income.

Sales of electricity

The Group accounts for sales when:

- Power Purchase Agreements (“PPA”) 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 Group is established which is normally at the point where the shareholder’s right to receive payment is established.

2.15 Derivatives

Cross currency

Cross currency swap contract transactions are recorded as swap contracts receivables using spot rate and swap contracts payables at the rate agreed in swap agreement. The difference will be presented as premium or discount in statements of financial position. Premiums or discounts is amortised in the statement of income on the straight-line method over the contract period.

NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies (Continued)

2.15 Derivatives (Continued)

Interest rate collar contracts

Interest rate collar contracts are accrued using contractual rate and charge to statement of income for the period they are occurred.

2.16 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.17 Operating segments

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer and Chief Financial Officer that make strategic decisions.

2.18 Intangible assets

Cost of computer software associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable.

Directly attributable cost that are capitalised as part of the software product include the software development employee costs and appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognise as an expense as incurred. Development cost previously recognised as expenses are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful life.

**NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2 Accounting policies (Continued)

2.19 Taxation

The Group records corporate income tax on an accrual basis. The Group does not recognise corporate income tax payable or receivable in future periods in respect of temporary differences. Income tax expense is recognised based on the operating result for the year after adjusted non-taxable income and non-deductible expenses and others transaction under related Lao Tax Law and tax rate.

In Lao PDR, income tax returns are reviewed in detail by the relevant authorities on a regular basis. In addition, tax issues raised from the reviews may require judgments and interpretation by parties concerned in a number of areas. Such reviews could therefore potentially result in additional tax payments or refunds being necessary. This would result in the payment or refund being recognised as income tax expense in the year in which the reviews are completed.

3 Significant during the current period

Coronavirus Disease 2019 outbreak

The COVID-19 infections in Laos increased significantly during April 2021 leading to the lockdown of Vientiane Capital and all provinces of Lao from 21 April 2021. The government has issued stricter measures to control the second wave of this pandemic which affects economic activity in all businesses.

Management reviewed the effect from this pandemic to their business, since most of their operation is already at production and sale electricity is continuing as at reporting date. Management considered that according to Lao environment which number of inflections is limited and can controlled then this issue has no effect to their business.

Management considered that there is no significant effect from Covid-19 for the period.

4 Financial risk management

Financial risk factors

The Group's activities expose it to certain financial risks, which are primarily the effects of changes in foreign exchange rates risk, interest rates risk, credit risk and liquidity risk.

The Group's overall risk management focuses on how to minimise potential adverse effects on the financial performance of the Group on a cost-effective manner.

Risk management is generally carried out by management under the supervision from the Board of Directors.

**NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4 Financial risk management (Continued)

Foreign exchange risk

The Group operates domestically but is exposed to foreign exchange risk arising from certain currency exposures, primarily with respect to the US dollar (USD) and Japanese YEN and Baht. Foreign exchange risk arises from transferred borrowings and debentures denominated in foreign currencies and from purchases in foreign currencies such as machineries, equipment and parts

The Group uses swap contracts to hedge their exposure to foreign currency risk in connection with the outstanding debentures of Baht 3.000 million (Note 16).

As at 31 December 2021, except for the above, management had no formal policies and had not used any financial instruments or derivatives to manage their foreign exchange risk from borrowings. However, management has monitored the movements of foreign exchange rates on a timely basis and may use financial instruments or derivatives to manage this risk if management sees that it is necessary. Consequently, significant fluctuations in exchange rates could have a material adverse effect on the Group's business, results of operations, financial conditions and prospects.

Interest rate risk

The interest risk mainly arises from borrowings and debentures.

Borrowings issued at variable rates expose the Group to interest risk. The Group analyses its interest rate exposure on a timely basis and does not yet decide to use any financial instruments or derivatives to manage this risk.

Debentures issued in Baht and USD with fixed interest rate. Interest rate swap contracts are entered into to manage related interest rates risk. The Group entered into interest rate swap contracts by converting fixed rates to floating rates for the total amount of interest arising from debentures.

As at 31 December 2021, the Group has SWAP contracts as below:

Interest rate swap contracts

Series	Principal			Interest rate (per annum)		
	Issued amount (million Baht)	Swapped amount (million USD)	Term of payments	Original rate	Swap rate	Term of payments
1	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	3.000	91,18				

Interest rate collar contracts

The Group has interest collar contracts with Thai institutions which the purpose is to manage the risk from fluctuation on interest rate of debentures with notional amount of USD 91,18 million which reference rate is 6-month-LIBOR whereby the Group shall pay and receive interest as specified in the contracts on semi-annual basis. The contract shall be expired in December 2024.

**NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4 Financial risk management (Continued)

A counter party required the Group to deposit advance payment which will be settled on each settlement date.

Credit risk

The Group mainly sells its products to EDL, major shareholder, and EDL is a key state own enterprise operated under the Ministry of Finance (MOF) and is only a key customer. Although the credit risk is considered as concentrate or dependent to one customer, management considers the credit risk as low and manageable.

Cash and cash equivalents are deposited with reputable banks which have a good credit history.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and short-term investments. Management plans to maintain its cash forecasts to aid in liquidity management and ensures the sufficiency of its liquid funds to meet short term operational needs including borrowing repayments and for its long-term investment plan.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern from the ongoing project on hand in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure to facilitate its operation and investment plan, the Group may borrow new funds, issue new shares, refinance existing borrowings and adjust the amount of dividends paid to shareholders in the future

5 Segment information

The Group has two reportable segments, as described below, which are the Group's strategic divisions.

The strategic divisions offer difference of type of business. The following summary describes the operations in each of the Group'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, an included in the internal management reports that are reviewed by the Group's CODM. Segment of profit is used to measure performance 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.

EDL-GENERATION PUBLIC COMPANY

NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5 Segment information (Continued)

For the year ended 31 December 2021				
	Segment 1	Segment 2	Eliminate	Total
	<i>Million LAK</i>			
Revenue from sale	1.196.664	-	-	1.196.664
Cost of sales	(585.971)	-	-	(585.971)
Segment result	610.693	-	-	610.693
Other income	55.292	-	-	55.292
Operating and administrative expenses	(154.090)	-	-	(154.090)
Foreign exchange gain, net	(612.913)	-	-	(612.913)
Share of profit from investments in associate and joint ventures	-	960.715	-	960.715
Operating profit	(101.018)	960.715	-	859.697
Finance costs	(855.815)	-	-	(855.815)
Profit /(loss)before income tax expense	(956.833)	960.715	-	3.882
Income tax expense	-	-	-	-
Profit/(loss) for the year	(956.833)	960.715	-	3.882

For the year ended 31 December 2020				
	Segment 1	Segment 2	Eliminate	Total
	<i>Million LAK</i>			
Revenue from sale	1.167.375	-	-	1.167.375
Cost of sales	(567.894)	-	-	(567.894)
Segment result	599.481	-	-	599.481
Other income	44.092	-	-	44.092
Operating and administrative expenses	(198.319)	-	-	(198.319)
Foreign exchange gain, net	(45.389)	-	-	(45.389)
Share of profit from investments in associate and joint ventures	-	498.703	-	498.703
Operating profit	(399.865)	498.703	-	898.568
Finance costs	(741.125)	-	-	(741.125)
Profit /(loss)before income tax expense	(341.260)	498.703	-	157.443
Income tax expense	-	-	-	-
Profit/(loss) for the year	(341.260)	498.703	-	157.443

6 Investments in subsidiaries

Separate financial statements		
	2021	2020
	<i>Million LAK</i>	
Balance as at 1 January	619.680	540.631
Addition	-	79.049
Total	619.680	619.680

As at 31 December 2021, there is no additional investment in subsidiaries.

EDL-GENERATION PUBLIC COMPANY

NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

6 Investments in subsidiaries (Continued)

Investments in subsidiaries as at 31 December 2021 and 2020, and dividend income for the years ended 31 December 2021 and 2020 were as follows:

Ownership interest		Separate financial statements											
		Paid-up share		Cost		Impairment		Cost – net		Dividend income			
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020		
Type of business		<i>Million LAK</i>											
2021		2020											
(%)													
<i>Subsidiaries</i>													
EDL-GEN Solar Power Co., Ltd (EDL-Gen Solar)	60	60	78.439	78.439	78.439	78.439	-	-	78.439	78.439	-		
	80	80	538.841	538.841	538.841	538.841	-	-	538.841	538.841	-		
EDL-Gen Operation and Maintenance Sole Co., Ltd. (EDL-GEN O&M)	100	100	2.400	2.400	2.400	2.400	-	-	2.400	2.400	-		
Total			619.680	619.680	619.680	619.680	-	-	619.680	619.680	-		

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

EDL-GENERATION PUBLIC COMPANY

NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7 Investments in associates and joint ventures

		Consolidated and separate financial statements	
	<i>Notes</i>	2021	2020
		<i>Million LAK</i>	
Associates			
At 1 January		5.190.681	4.816.844
Share of net profit of associates		420.022	173.636
Dividend income	7.1	(104.496)	(49.735)
Addition		-	-
Reclassified to General investments		(375.688)	-
Transfer from advance payment for assets under concession and investments	7.1	-	244.474
Currency translation differences		21.448	5.462
Closing amount		5.151.967	5.190.681
Joint ventures			
At 1 January		3.010.187	2.773.748
Share of net profit of joint venture		540.693	325.067
Dividend income	7.2	(370.976)	(104.805)
Addition		4.941	7.837
Transfer from advance payment for assets under concession and investments	7.2	-	-
Currency translation differences		79.474	8.340
Closing amount		3.264.319	3.010.187

EDL-GENERATION PUBLIC COMPANY

NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

7 Investments in associates and joint ventures (Continued)

7.1 Investments in associates

Investments in associates as at 31 December 2021 and 2020, and dividend income for the years ended 31 December 2021 and 2020 were as follows:

Consolidated and separate financial statements												
Ownership interest		Type of Business	Cost		Impairment		Cost – net		Equity		Dividend income	
2021	2020		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Million LAK												
Associates												
			454.742	454.742	-	-	454.742	454.742	418.355	373.984	56.101	49.735
	25	Electricity generation	32.240	32.240	-	-	32.240	32.240	89.615	81.924	-	-
	10	Electricity generation	80.022	80.022	-	-	80.022	80.022	100.067	111.701	-	-
	15	Electricity generation	605.016	605.016	-	-	605.016	605.016	906.891	742.392	-	-
	20	Electricity generation	18.162	18.162	-	-	18.162	18.162	28.602	27.589	-	-
	10	Electricity generation	5.537	5.537	-	-	5.537	5.537	11.907	9.690	-	-
	20	Electricity generation	3.172.963	3.172.963	-	-	3.172.963	3.172.963	3.405.850	3.212.052	48.395	-
	20	Electricity generation	37.596	37.596	-	-	37.596	37.596	42.494	41.878	-	-
	10	Electricity generation	-	364.640	-	-	-	364.640	-	375.688	-	-
	15	Electricity generation	244.474	244.474	-	-	244.474	244.474	148.186	213.783	-	-
	20	Electricity generation										
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EDL-GENERATION PUBLIC COMPANY

NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

7 Investments in associates and joint ventures (Continued)

7.2 Investments in joint ventures

Investments in joint ventures as at 31 December 2021 and 2020, and dividend income for the years ended 31 December 2021 and 2020 were as follows:

Consolidated and separate financial statements												
Ownership interest		Type of Business	Cost		Impairment		Cost – net		Equity		Dividend income	
2021	2020		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Million LAK												
Joint ventures												
Theun-Hinboun Power Co., Ltd.	60	Electricity generation	1,120.696	1,120.696	-	-	1,120.696	1,120.696	2,510.861	2,271.757	367.217	94.257
	20	Electricity generation	1,171	1,171	-	-	1,171	1,171	34,973	20,594	3,759	10,548
	60	Electricity generation	27,972	24,470	-	-	27,972	24,470	16,194	14,558	-	-
	70	Electricity generation	54,942	54,942	-	-	54,942	54,942	51,889	52,129	-	-
	51	Electricity generation	10,403	8,964	-	-	10,403	8,964	4,185	4,169	-	-
E&E Engineering and Service Co., Ltd.												
(joint venture of O&M)	60	Maintenance Service	-	-	-	-	-	-	(140)	(281)	-	-
EDL-GEN RED CO., LTD	80	Service	123,222	123,222	-	-	123,222	123,222	122,068	122,068	-	-
Nam Thuen 1 Power Co., Ltd.	15	Electricity generation	497,163	497,163	-	-	497,163	497,163	472,889	481,943	-	-
Nam Lik 1 Power Co., Ltd	10	Electricity generation	34,680	34,680	-	-	34,680	34,680	51,400	43,250	-	-
Total joint ventures			1,870,249	1,865,308	-	-	1,870,249	1,865,308	3,264,319	3,010,187	370,976	104,805
Total associates and joint ventures			6,521,001	6,880,700	-	-	6,521,001	6,880,700	8,416,286	8,200,868	475,472	154,540

EDL-GENERATION PUBLIC COMPANY

NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8 Advance payment for assets under concessions and investments

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>Million LAK</i>			
At 1 January	1.973.406	2.217.880	1.999.754	2.375.604
Additions	-	-	-	271
Decrease	-	-	-	(131.548)
Transfer to investments in subsidiary, associates, joint ventures and assets	-	(244.474)	-	(244.474)
Finance costs	-	-	-	-
Currency translation difference	-	-	2.947	(99)
Total	1.973.406	1.973.406	2.002.701	1.999.754

These related to the advance payment paid to EDL for the costs occurred from the project assets under related MOU. The Group has advance payment for investments under MOU as at 31 December 2021 and 2020 were as follows:

	Type	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>Million LAK</i>			
EDL-Gen Solar	Sub	-	-	17.470	14.523
EDL-GEN O&M	Sub	-	-	11.825	11.825
Nam Khan 3	Assets	348.522	348.522	348.522	348.522
Nam Chiean 1	Assets	678.504	678.504	678.504	678.504
Nam Hinboun	Assets	205.955	205.955	205.955	205.955
Xeset 3	Assets	149.418	149.418	149.418	149.418
Nam Ngum 1 Ext Unit 6	Assets	247.374	247.374	247.374	247.374
Nam Ngiep 2	IPP	111.470	111.470	111.470	111.470
Xekamam 3	IPP	232.163	232.163	232.163	232.163
Total		1.973.406	1.973.406	2.002.701	1.999.754

**NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
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8 Advance payment for assets under concessions and investments (Continued)

As at 31 December 2021, the Group has advance payment under MoU with EDL for the transferred assets and shares IPPs as summarised below:

No	Project name	Location	Stake	MW
Assets				
1	Nam Khan 3	Luang Prabang	100%	60
2	Nam Chiean 1	Xiengkouang	100%	104
3	Nam Hinboun	Khammouan	100%	30
4	Xeset 3	Champack	100%	24
5	Nam Ngum 1 Ext Unit 6	Vientiane	100%	40
	Total			258

No	Project name	Location	Stake	MW
Shares IPPs				
1	Nam Ngiep 2	Xiengkouang	10%	18
2	Xekamam 3	Sekong	15%	37,5
	Total			55,5

Under this MoU, the Group agreed 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 Group 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 Group is required to pay the remaining balance after deduction of related advance to EDL.

EDL-GENERATION PUBLIC COMPANY

NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9 Assets under concessions, net

	Consolidated financial statements					
	Million LAK					Total
	Buildings	Hydroelectric dams	Plant and machineries	Motor vehicles	Office equipment, furniture and fixtures	
As at 31 December 2020						
Cost	774.748	6.350.141	4.820.015	23.998	19.873	12.722.366
Accumulated depreciation	(326.397)	(1.477.050)	(1.447.969)	(19.886)	(15.020)	(3.286.322)
Net book amount	448.351	4.873.091	3.372.046	4.112	4.853	9.436.044
As at 31 December 2021						
At 1 January 2021	448.351	4.873.091	3.372.046	4.112	4.853	9.436.044
Additions	16.413	14.427	34.769	168	2.374	103.860
Reclassified	-	-	-	-	-	(16.335)
Transfer from work in process	-	-	25.185	-	-	-
Disposal and write-off	(62)	-	(28.037)	-	(16)	(28.115)
Depreciation charge (Note 18)	(46.659)	(235.563)	(234.193)	(1.973)	(1.556)	(519.944)
Net book amount	418.043	4.651.955	3.169.770	2.307	5.655	8.975.510
As at 31 December 2021						
Cost	790.789	6.364.568	4.821.166	24.152	20.834	12.749.289
Accumulated depreciation	(372.746)	(1.712.613)	(1.651.396)	(21.845)	(15.179)	(3.773.779)
Net book amount	418.043	4.651.955	3.169.770	2.307	5.655	8.975.510

**NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Separate financial statements

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EDL-GENERATION PUBLIC COMPANY

NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>Million LAK</i>			
Cash on hands	230	254	217	229
Cash at bank	202.355	265.300	161.485	246.986
Total	202.585	265.554	161.702	247.215

The currency denomination of cash and cash equivalents as at 31 December 2021 and 2020 were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>Million LAK</i>			
U.S.Dollars	89.498	107.939	56.515	91.824
Lao Kip	25.586	38.759	17.864	36.569
Thai Baht	87.501	118.856	87.323	118.822
Total	202.585	265.554	161.702	247.215

11 Short-term investments

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>Million LAK</i>			
Fixed deposits	33.489	27.840	33.489	27.840
Short-term deposits	-	-	-	-
Total	33.489	27.840	33.489	27.840

The currency denomination of short-term investments as at 31 December 2021 in U.S Dollar

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NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>Million LAK</i>			
Trade accounts receivable from related party	1.967.633	1.368.564	1.963.426	1.351.794
Other receivables from related parties	224.849	123.775	220.049	118.975
Others	29.452	17.509	79.399	58.518
Total	2.221.934	1.509.848	2.262.874	1.529.287

Aging analyses for trade receivables were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>Million LAK</i>			
Within credit term	93.482	120.254	89.275	115.911
Overdue				
Less than 3 months	216.335	268.289	216.335	261.173
3 - 6 months	539.093	506.173	539.093	500.862
7 - 12 months	630.162	207.393	630.162	207.393
More than 12 months	488.561	266.455	488.561	266.455
Total	1.967.633	1.368.564	1.963.426	1.351.794

EDL-GENERATION PUBLIC COMPANY

NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
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13 Share capital and share premium

	Number of shares Share	Share capital	Share premium Million LAK	Total share capital
At 1 January 2020	1.679.303.697	6.717.215	985.621	7.702.836
Issue of shares	-	-	-	-
At 31 December 2020	1.679.303.697	6.717.215	985.621	7.702.836
At 1 January 2021	1.679.303.697	6.717.215	985.621	7.702.836
Issue of shares	-	-	-	-
At 31 December 2021	1.679.303.697	6.717.215	985.621	7.702.836

The total authorised number of ordinary shares is 1.679.303.697 shares with a par value of LAK 4.000 per share, totally LAK 6.717.215 million. As at 31 December 2021 and 2020, all issued shares were fully paid up and were registered with Ministry of Industry and Commerce.

14 Legal reserve

	Consolidated and separate financial statements	
	2021 Million LAK	2020 Million LAK
At 1 January	565.024	547.147
Appropriation made during the year	684	17.877
At 31 December	565.708	565.024

Legal reserve is set-up in accordance with the Enterprise Law of Lao PDR which requires the appropriation of net profit as legal reserve of at least 10% of the annual net profit of the Group until such reserve reaches 50% of authorised share capital.

EDL-GENERATION PUBLIC COMPANY

NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
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15 Borrowings

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>Million LAK</i>			
Short-term borrowing		106.739	98.505	106.739	98.505
Current portion of long-term borrowings					
- Long-term borrowing from related party	24	1.528.079	961.173	1.528.079	961.173
- Long-term borrowing from financial institution		141.597	129.922	118.620	97.471
Total current interest-bearing liabilities		1.776.415	1.189.600	1.753.438	1.157.149
Non-current portion of long-term borrowings					
- Long-term borrowing from related party	24	2.945.941	2.818.225	2.945.941	2.818.225
- Long-term borrowing from financial institution		232.071	303.203	-	106.276
Total non-current interest bearing liabilities		3.178.012	3.121.428	2.945.941	2.924.501
Total interest-bearing liabilities		4.954.427	4.311.028	4.699.379	4.081.650

**NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
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15 Borrowings (Continued)

Movements in interest-bearing liabilities as at 31 December 2021 and 2020 were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>Million LAK</i>			
At 1 January	4.311.028	4.510.610	4.081.650	4.318.177
Additions	682.253	127.681	682.253	98.239
Repayments	(902.334)	(531.819)	(883.649)	(531.819)
Amortisation of deferred borrowing costs	504	1.397	504	1.397
Effect from currency translation	862.976	203.159	818.621	195.656
Total	4.954.427	4.311.028	4.699.379	4.081.650

During the years ended 31 December 2021 and 2020, the Group has entered into significant new borrowing agreements as below:

Credit Loan Agreement

On 09 July 2021, the Group entered into a short-term loan agreement with Lao Development Bank with the principal amount of Thai Baht 900 million and a tenor of 12 months. The interest rate is 8% per annum which shall be paid by monthly. And the Company has already principal repayment in full amount within the period ended 31 December 2021.

On 09 July 2021, the Group entered into a short-term loan agreement with BIC Bank Lao Co., Ltd. with the principal amount of US Dollar 20 million and a tenor of 85 days. The interest rate is 8% per annum which shall be paid by monthly. And the Company has already principal repayment in full amount within the period ended 31 December 2021.

On 1 December 2021, the Group signed credit loan agreement with Vietin Bank Lao Limited for credit facility amounting of LAK 190.000 million or equivalents of US dollar for the purpose of additional working capital. This borrowing has an interest rate of 5,5% per year for US dollar and 8,5% per year for LAK, lending period of each debt will be record in the Promissory Note but not exceed 6 months/Promissory and interest payable on a quarterly basis.

**NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15 Borrowings (Continued)

The currency denomination of interest-bearing liabilities as at 31 December 2021 and 2020 were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>Million LAK</i>			
U.S.Dollar	4.835.808	4.150.917	4.580.760	3.921.539
Euro	118.619	141.766	118.619	141.766
Japanese Yen	-	18.345	-	18.345
Total	4.954.427	4.311.028	4.699.379	4.081.650

The periods to maturity of interest-bearing liabilities as at 31 December 2021 and 2020 were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>Million LAK</i>			
Within 1 year	1.776.415	1.209.026	1.753.438	1.157.460
More than 1 year but less than 5 years	1.784.677	1.608.564	1.692.768	1.532.105
More than 5 years	1.393.335	1.493.438	1.253.173	1.392.085
Total	4.954.427	4.311.028	4.699.379	4.081.650

Details of the Group's borrowings from financial institutions as at 31 December 2021 were as follows:

Consolidated and separate financial statements			
Currency	Facilities (in million)	Interest Rates (% p.a.)	Repayment Terms
LAK	190.000 or equivalents to US dollars	5,5% for US Dolloars and 8,5% for LAK	Principal is repayable on maturity date stated on each promissory note, not exceed 6 months/promissory note.
Euro	17	EURIBOR 3 months+3,9%	Principal is repayable on a quarterly basis, commencing from August 2019

**NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
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16 Debentures

	Consolidated and separate financial statements	
	2021	2020
	<i>Million LAK</i>	
Current portion of debentures	378.281	1.931.841
Non-current portion of debentures	10.751.211	8.343.462
Debenture, net	11.129.492	10.275.303

Movements in debentures for the year ended 31 December 2021 and 2020 were as follows:

	Consolidated and separate financial statements	
	2021	2020
	<i>Million LAK</i>	
At 1 January	10.275.303	9.370.051
Addition – net	1.905.346	-
Repayments	(1.951.667)	-
Amortisation of deferred finance cost	26.544	52.709
Effect from currency translation	873.966	852.543
Total	11.129.492	10.275.303

On 08 July 2021, the Group issued additional unsubordinated and unsecured Thai Baht debentures which registered with the Thai Bond Market Association (the “ThaiBMA”). The principal amount of the debenture is Thai Baht 2.099,4 million with tenors of 3 years from the issue date. The debenture bare fixed interest rate at 5,9% per annum, the interest shall be paid quarterly.

On 23 September 2021, the Group issued additional unsubordinated and unsecured Thai Baht debentures which registered with the Thai Bond Market Association (the “ThaiBMA”). The principal amount of the debentures is Thai Baht 3.527,4 million which consist of 2 series with tenors of 3 years and 4 years from the issue date. The debentures bare fixed interest rate at 5,9% and 6,5% per annum, respectively, the interest shall be paid quarterly.

**NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
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16 Debentures (Continued)

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

Series	Amount Million	Interest rate (% p.a)	Years	Interest repayment	Maturity date
2014-series 3	Baht 3.000,0	5,45%	10	Semi-annual basis	12 December 2024
2016-series 1	USD 51,0	5,00%	7	Semi-annual basis	2 September 2023
2016-series 2	USD 166,0	5,59%	10	Semi-annual basis	2 September 2026
2016-series 3	USD 95,0	5,98%	12	Semi-annual basis	2 September 2028
2018-series 2	Baht 4.078,1	4,50%	5	Semi-annual basis	13 July 2023
2018-series 3	Baht 1.443,1	4,85%	7	Semi-annual basis	13 July 2025
2018-series 4	Baht 1.897,9	5,50%	10	Semi-annual basis	13 July 2028
2018-series 5	Baht 809,8	6,00%	12	Semi-annual basis	13 July 2030
2018-series 6	Baht 1.621,2	6,25%	15	Semi-annual basis	13 July 2033
2019-series 1	Baht 1.085,5	4,50%	3,5	Semi-annual basis	30 July 2022
2019-series 2	Baht 1.660,7	5,50%	5,5	Semi-annual basis	30 July 2024
2019-series 3	Baht 1.093,4	6,50%	12	Semi-annual basis	30 January 2031
2021-series1	Baht 2.099,4	5,90%	3	Quarterly	8 July 2024
2021-series1	Baht 837,1	5,90%	3	Quarterly	22 September 2024
2021-series2	Baht 2.690,3	6,50%	4	Quarterly	22 September 2025

The periods to maturity of debenture as at 31 December 2021 and 2020 were as follows:

	Consolidated and separate financial statements	
	2021	2020
	<i>Million LAK</i>	
Less than 1 year	378.281	1.934.481
More than 1 year but less than 5 years	6.087.620	4.225.515
More than 5 years	4.811.407	4.231.818
Less: Deferred finance cost	(147.816)	(116.511)
Total	11.129.492	10.275.303

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NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
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17 Accrued expenses

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>Million LAK</i>			
Accrued interest expense	756.959	485.765	756.077	484.883
Accrued royalty fees and other tax	193.586	151.939	193.021	151.459
Others	5.220	5.337	2.595	3.262
Total	955.765	643.041	951.693	639.604

18 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>Million LAK</i>			
Depreciation charge (note 9)	519.944	515.483	505.319	504.219
Personnel expenses	75.365	70.020	65.195	60.243
Dividend tax expenses	7.391	14.944	7.391	14.944
Repairs and maintenance expenses	10.480	14.542	8.150	12.269
Others	126.881	151.224	124.242	143.426
Total	740.061	766.213	710.297	735.101

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NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

19 Finance costs

	Consolidated and Separate financial statements	
	2021	2020
	<i>Million LAK</i>	
Interest expense from debentures	570.637	530.403
Interest expense from borrowing from related party	198.159	185.436
Interest expense from borrowing from financial institutions	35.101	18.585
Others	51.918	18.495
Total	855.815	752.919
Less: interest capitalised to advance payment for assets under concession and investments	-	(11.794)
Finance cost, net	855.815	741.125

20 Income tax

According to the Concession Agreement with GoL, the Company shall pay taxes on its net taxable income at a rate of ten percent (10%) of net profit after the adjustments for non-taxable income and non-deductible expenses and others according to applicable Tax Law.

The Group does not recognise corporate income tax payable or receivable in the future periods in respect of temporary difference. Income tax expenses recognised base on the result for the related period and the applicable tax rate.

21 Basic earnings per share

The calculations of basic earnings per share as at 31 December 2021 and 2020 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:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit attributable to ordinary shareholders of the Company (in million LAK)	4.392	158.642	6.844	178.774
Number of ordinary shares outstanding (in million shares)	1.679	1.679	1.679	1.679
Basic earnings per share (in LAK)	2,62	94,49	4,08	106,48

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22 Dividends**2021:**

The annual general meeting of shareholders, held on 9 April 2021, approved the dividend payment from the Company's business operation result in FY 2020 of LAK 100 per share amounting to a total LAK 167.930 million. This dividend was paid on 12 May 2021.

The Ordinary Board of Director's Meeting held dated 20 August 2021, approved no dividend payment for the six-month period from 1 January to 30 June 2021, because of the Company's reserve of cash for principal repayments and interest payments of loans as well as repayment of foreign currency debenture by the end of 2021.

2020:

The annual general meeting of shareholders, held on 29 May 2020, approved interim dividend payment from net profit for the six-month period from 1 July to 31 December 2019 of LAK 100 per share amounting to a total of LAK 167.930 million. This dividend was paid on 26 June 2020.

The Ordinary Meeting of board of directors held dated 24 August 2020, approved no dividend payment for the six-month period from 1 January to 30 June 2020, because of the business operating result of the Group for the six-month period from 1 January to 30 June 2020 reports a loss of LAK 15.530 million.

23 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>Million LAK</i>			
Capital commitments				
<i>Contracted but not provided for:</i>				
Design construction and installment for machinery and equipment and project construction	2.865.618	2.421.717	234.786	234.767
Non-cancellable operating lease commitments				
With one year	2.040	1.440	367	305
After one year but within five years	8.216	5.791	1.523	1.250
After five years	32.243	25.558	7.146	6.260
Total	42.499	32.789	9.036	7.815

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23 Commitments with non-related parties (Continued)

Other significant agreements and arrangements

Land lease agreement

The Group leases land being used for their hydropower dams and solar sell under non-cancellable operating lease agreements with. The lease term is generally for 30 years and 25 years respectively.

Concession Agreement ("CA")

On 15 December 2010, the Group 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 Group must transfer to the GOL or its nominee, free of charge and encumbrances, all the Group's right, title and interest in the projects and all assets held by the Group for operating the projects as agreed under this CA.

Under the CA, the GOL grants to the Group 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 Group procures 2) right to use dam, divert and river 3) right to sell electricity to EDL 4) corporate income tax of 10% and 5) royalty fee payable at 1% of sale of electricity.

In addition, the Group 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.

24 Related parties

Significant transactions as at 31 December 2021 and 2020 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>Million LAK</i>			
Parent company				
Sales	1.196.664	1.167.375	1.168.853	1.138.180
Interest expense	198.159	185.436	198.159	185.436
Interest income	15.680	18.012	15.680	18.012

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24 Related parties (Continued)

Balances as at 31 December 2021 and 2020 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Million LAK			
Advance payment for assets under concession and investments				
Parent company				
EDL	1.973.406	1.973.406	1.973.406	1.973.406
Subsidiaries				
Nam Bi	-	-	-	-
EDL-Gen Solar	-	-	17.470	14.523
EDL-Gen O&M	-	-	11.825	11.825
	1.973.406	1.973.406	2.002.701	1.999.754
Short-term loan to related party				
Parent company				
Electricite Du Laos	337.574	280.632	337.574	280.632

Movements of short-term loan to related party as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>Million LAK</i>			
At 1 January	280.632	454.042	280.632	454.042
Additions	-	-	-	-
Repayments	-	(188.670)	-	(188.670)
Effect from currency translation	56.942	15.260	56.942	15.260
Total	337.574	280.632	337.574	280.632

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NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
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24 Related parties (Continued)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>Million LAK</i>			
<i>Trade and other receivables</i>				
Parent Company				
Electricite Du Laos	2.187.682	1.409.906	2.183.475	1.393.136
Subsidiary and others				
Theun-Hinboun Power Co., Ltd.	-	77.633	-	77.633
E&E Engineering and Service Co., Ltd.	4.800	4.800	-	-
Total	2.192.482	1.492.339	2.183.475	1.470.769

Long-term borrowings

Parent Company				
EDL				
- Current portion	1.528.079	961.173	1.528.079	961.173
- Long-term portion	2.945.941	2.818.225	2.945.941	2.818.225
Total	4.474.020	3.779.398	4.474.020	3.779.398

Movements of long-term borrowings from related party as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>Million LAK</i>			
At 1 January	3.779.398	3.785.610	3.779.398	3.785.610
Additions	-	-	-	-
Repayments	(60.122)	(175.883)	(60.122)	(175.883)
Effect from currency translation	754.744	169.671	754.744	169.671
Total	4.474.020	3.779.398	4.474.020	3.779.398

NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
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24 Related parties (Continued)

Significant agreement with related parties

Purchase Power Agreement (“PPA”)

On 15 December 2010 and revised on 9 December 2011, the Group 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 Group’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 Group 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 Group 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 Group 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.

Debt Repayment Agreement

The Group entered into the Debt Repayment Agreement (“the Agreement”) with the EDL. 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 Group has agreed with EDL that the Group 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.

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 Group 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.

**NOTES TO THE CONSOLIDATED AND SEPRATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

25 Event after the reporting period

Approved the appointment of new directors of the Board of Directors – according to Resolution of Board of Directors dated 11 March 2022 to approved the appointment of new directors of the Board of Directors inreplacement of those whose term is completed and who was assigned to a new positon, and the re-appointment of directors as follows:

1. Dr. Bounleua SINXAYVORAVONG, Voice Minister of Ministry of Finance, as chairment;
2. Mr. Somphit KEOVICHIT, Director General of Energy Business Department, Ministry of Energy and Mines, as Director;
3. Mr. Khamkeo VISISOMBATH, Director General of Banking Operations Department, Bank of Lao PDR, as Independent Director;
4. Mr. Khammoune VIPHONGXAY, Former Voice Minister of Ministry of Home Affairs, as Independent Directors;
5. Dr. Phanhpakit ONPHANHDALA, Deputy Director General of Research and General Affairs, Office of the Party Central Committee, as Independent Director;
6. Mr. Chollawit WINITCHAI, Managing Director of RATCH-LAO Service Co., Ltd, as Director
7. Ms. Manivone PHONH AMATH, Deputy Director General Of Public Debt Management Department, Ministry of Finance, as Director.

Investment in subsidiaries

At the reporting date, the Company is in the process to withdraw the investment in EDL-GEN Solar Power Co., Ltd.