



EDL-Generation Public Company

The First Quarter Report

31 March 2017



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The First Quarter Financial Report March 31, 2017

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 offour 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 hydropower 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.

EDL-Gen issued USD Bond valued 312 million USD in Thailand on September 2nd, 2016. The bond was planned to invest in 10 projects which are Selabam Extension Project, Xeset 2 Extension Project, Nam Teun 1 Project, Pak Beng Project, Solar Farm Project Phase 1, Nam Dik 1 Project, Overhaul of Xeset 1-2 and Nam Mung 3 unit 1, Nam Phoun Project (Finance cost), and Nam Bi 1,2,3 Project (Finance cost).

2. The Core Business Operation.

1. To generate and sell (wholesale) electricity to EDL as well as construct the transmission lines and substations as necessary.
2. To invest in the generation assets, which are constructed and planned by EDL or the shares wholly owned or partially owned by EDL in the EDL's IPPs.
3. To provide operation and maintenance services to other power generation projects in Lao PDR.

❖ Vision:

EDL-Gen has strong desire: (1) to be a number one leading company in Lao PDR in ensuring a reliable electric power supplier for the socio-economic development of Lao PDR. (2) To be a company which strongly contributes to the realization of Lao PDR's vision of being a battery of ASEAN in order to contribute and ensure sustainable and reliable power supplier to ASEAN community.

❖ Mission:

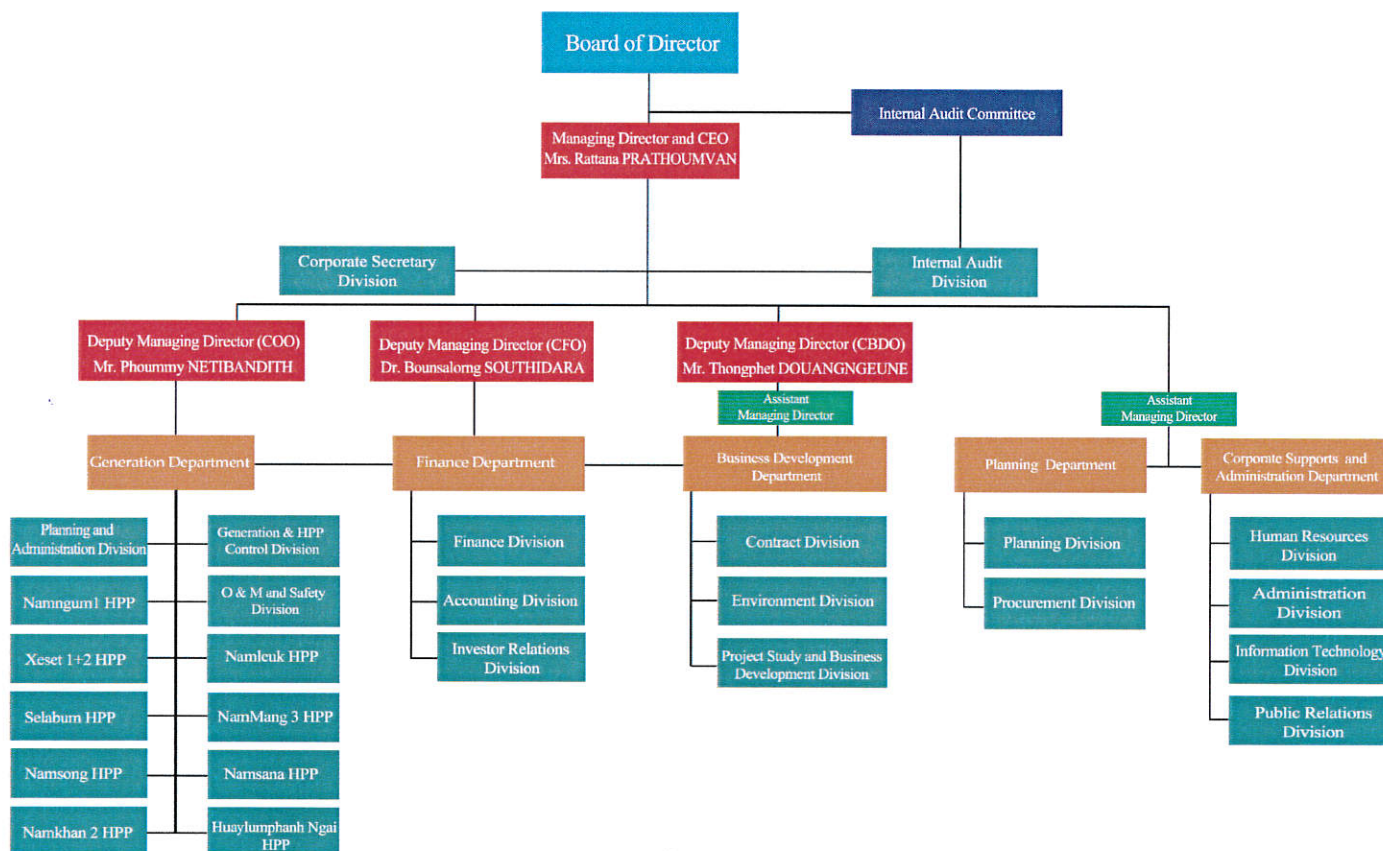
1. To be a number one leading company in electricity generating business to provide Lao PDR and neighboring nations, with sustainable power at a reasonable prices and to create the shareholder's value.
2. To stand side by side with EDL and coordinate closely with EDL in order to maintain power reliability and effectively respond to the needs of the social and economic development of Lao PDR as well as the ASEAN nations.
3. To upgrade and train its staff, so that they can actively participate in the development of the company with pride, responsibility and ownership.

3. Organization;

3.1 Organization Chart.

The organization chart of EDL-Gen consists of general meeting of shareholders, the board of directors consist of 9 directors (herein are 3 independent directors), 4 managing directors, 2 Assistant Managing Directors, 5 departments, 15 offices, and 10 hydropower plants.

Organization Chart of EDL-Gen - Generation Public Company



EDL-Gen Staffs

EDL-GEN consists of 767 staffs, of whom 150 are females. It consists 563 permanent staffs, of whom 97 are female and it consists 204 contractual staffs, of whom 53 are female:

Details	Permanent staff						Temporary staff					
Head office	83	staff	Female	29	staff		17	staff	Female	7	staff	
Nam Ngum 1	123	staff	Female	30	staff		53	staff	Female	12	staff	
Nam Khan 2-3	52	staff	Female	5	staff		15	staff	Female	5	staff	
Xe set 1-2	73	staff	Female	16	staff		56	staff	Female	8	staff	
Houay Lamphan Ngai	33	staff	Female	1	staff		4	staff	Female	0	staff	
Num Leuk	50	staff	Female	4	staff		14	staff	Female	5	staff	
Num Mung 3	48	staff	Female	4	staff		15	staff	Female	9	staff	
Xe set 3	24	staff	Female	3	staff		0	staff	Female	0	staff	
Nam Sana	20	staff	Female	0	staff		9	staff	Female	3	staff	
Nam Song	21	staff	Female	1	staff		5	staff	Female	2	staff	
Selabam	30	staff	Female	4	staff		12	staff	Female	2	staff	
Tadsaland	6	staff	Female	0	staff		4	staff	Female	0	staff	
Total	563	staff	Female	97	staff		204	staff	Female	53	staff	

* Remark : EDL-Gen provided Operation and Maintenance Service at Nam Khan 3 Hydro power plant
Xeset 3 Hydro power plant, Tadsaland Hydro power plant.

Board of Directors



Dr. Khammany INTHIRATH
Chairman



Mr. Boun Oum SYVANPHENG
Vice Chairman



Mrs. Rattana PRATHOUMVANH
Member



Mr. Bounma MANIVONG
Member



Mrs. Vanida SAVADDY
Member



Mr. Sychath BOUTSAKITIRATH
Member



Assoc. Prof. Dr. Kongsy SENGMANY
Independent Member



Prof. Dr. Khamlusa NOUANSAVANH
Independent Member



Assoc. Prof. Khampheui PHOMACHANH
Independent Member

Managing Directors of EDL-Gen



Mrs. Rattana PRATHOUMVANH
Managing Director (CEO)



Mr. Thongphet DOUANGNEUNE
Deputy Managing Director (CBDO)



Dr. Bounsalong SOUTHIDARA
Deputy Managing Director (CFO)



Mr. Phoumy NETIBANEDITH
Deputy Managing Director (COO)



Mr. Viratha PHONEKEO
Assistant Managing Director
Director of Business Development



Mrs. Souksanh PHONGPHILA
Assistant Managing Director
Director of Planning Department

4. Committee

In order to secure the quality and the regulations of the company, the board of directors appointed a number of committees which some were under the managing director and some were under the board of director.

4.1 Committees of Board of Directors

1. Audit Committee (AC)

IAC has been established by Managing Directors of EDL-Gen, according to the Board of Directors of EDL-Gen approval letter, No. 0038/EDL-Gen dated 06/01/2017. 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.

AC had been held 2 meetings in the first quarter 2017 as follows:

- On February 3rd, the ordinary meeting was held. The main issues of the meeting were appointment of new president, discussion on the works of auditing division and IAC in year 2016, and their future work in 2017.
- On March 31st, the extraordinary meeting was held. The main issues of the meeting were discussing on a draft of annual financial statement year 2016. The statement were verified by external auditing company (KPMG).

2. Risk committee

The Risk committee is appointed by board of director regarding on document numbered 0039/EDL-Gen. dated January 6, 2017. The committee currently has been preparing for action.

3. Reimbursement Committee

The Reimbursement committee is appointed by board of director regarding on document numbered 0041/EDL-Gen. dated January 6, 2017. The committee currently has been preparing for action.

4. Nomination Committee

The nomination committee is appointed by board of director regarding on document numbered 0042/EDL-Gen. dated January 6, 2017. The committee currently has been preparing for action.

5. Audit of Related Party Transaction Committee (ARPTC)

The ARPTC is appointed by board of director regarding on document numbered 0040/EDL-Gen. dated January 6, 2017. The committee currently has been preparing for action.

4.2 Managing Directors.

1. 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. 3280/EDL-Gen dated 13 December 2016. CASAPPAC's works collaboration with the Legal Division of EDL-Gen and Independent contract Consultant in preparation and negotiation of Concession Agreement, Shareholder Agreement, and Power Purchasing. In the first quarter 2017 as below:

- Signed Power Development Agreement of Nam Sana Hydropower Project with provincial authorities on March 28th, 2017.
- Negotiated Shareholder Agreement of Nam Thuen 1 with Phonesak Group and EGCO company.

2. Procurement and Equipment's Supply Committee (PESC).

PESC had been established by CEO of EDL-Gen, according to the letter no. 3281/EDL-Gen approval letter, dated 13 December 2016. PESC's works collaboration with Procurement and Equipment Division of EDL-Gen, to inspect and approve the bid documents, procurement documents and ensures it abide by the regulations of the company. In the first quarter 2017 the PESC held 1 meeting on Procurement and signed contracts in 5 projects as follows:

- | | |
|------------------------------|------------|
| 1. Work contracts in | 2 projects |
| 2. Goods supply contracts in | 2 projects |
| 3. Service contracts in | 1 project |

3. Honor Policy and Discipline Committee (HPDC)

HPDC has been established by Managing Directors of EDL-Gen, according to the CEO of EDL-Gen approval letter, No. 402/EDL-Gen dated 19/04/2011. HPDC's role is to improve the rules and regulations of EDL-Gen, consider the requirements requested by employees, the retirement and commendation policies and others.

In the first quarter 2017, the HPDC held discussed some important issues as follows:

1. Reviewed the adjustment of an obligation on HPDC appointment
2. Reviewed on Bonus distribution in year 2016
3. Edited an obligations and policies on EDL-Gen staff
4. Adjusted obligation on traveling expense
5. Reviewed procure of employee recruitment

5. Business Operation and Productivity.

It has been the seven year since the company established in December 2010 to operate and wholesale the generating electricity to EDL. Meanwhile, the company had to improve the overall management to suit the laws and regulations of a public company set by the Lao Securities Exchange to ensure a healthy development of EDL-Gen and build trust amongst shareholders and international investors. The outcomes of our business operation in the first quarter 2017 are as followed:

5.1. Generation

In the first quarter report 2017, the company owned ten hydropower plants with a combined installed capacity of 1.131 MW. Since the weather condition in 2017 was supportive, enabling company's generation reached 523,24 GWh which was 100,87% of the plan.

5.2. Revenue

In the first quarter report 2017, the total revenue of EDL-Generation mainly came from selling electricity to EDL and its total revenue was 248.575 million Kip, which was below the plan by 2,19% including revenue from electricity sale totally 243.194 million Kip, equaled to 97,84% of the total revenue and other revenue equaled to 2,16% of the total revenue.

5.3. Expenses

In the first quarter report 2017, EDL-Generation has the total expenses in the amount of 248.328 million Kip, equivalent to 99,90% of total revenue.

No.	Details	Million Kip	% of revenue
1	Cost of Sales	113.694	45,74%
2	Interest	90.802	36,53%
3	Operating Cost	21.680	8,72%
4	Foreign exchange rate	18.492	7,44%
4	Corporate Tax	3.660	1,47%
Total		248.328	99,90%

5.4. Net Profits.

The total Net Profits of EDL-Gen for the first quarter report 2017 came from 2 main sources as follows:

1. Profit from business operation of EDL-Gen, amounted to 247 million Kip.
2. Profit from share of associates and joint ventures, amounted to 15.919 million Kip

The total Net Profits of EDL-Gen for the first semi the first quarter 2017 was 16.166 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, Income Tax, Value Added Tax, Incentive Tax and Meeting Premium Tax. The total amount of tax for the first quarter report 2017 was 67.924 million kip and represents as below:

No.	Details	Million Kip
1	Advance Income Tax	54.784
2	Profit Tax	9.988
3	Royalty fee	2.046
4	Personal income tax- salary	1.074
5	Meeting Premium Tax	32
Total		67.924

The First Quarter Report

March 31, 2017

EDL-Generation Public Company

1st quarter financial information (Unaudited)
31 March 2017

EDL-Generation Public Company
Condensed Statement of financial position

		31 March (Unaudited) 2017	31 December (Audited) 2016
	<i>Note</i>		
<i>(in million Kip)</i>			
Assets			
Investments in subsidiaries	3	81.260	81.260
Investments in associates and joint ventures	4	2.190.727	2.297.166
Advance payment for investments	5	3.136.788	3.133.596
Assets under concession	6	9.309.667	9.412.504
Other non-current assets		272.318	153.707
Total non-current assets		14.990.760	15.078.233
Cash and cash equivalents		1.858.957	2.235.280
Current investments		921.241	918.603
Trade and other receivables		846.783	491.469
Spare parts and supplies		4.359	4.765
Other current assets		6.208	8.826
Total current assets		3.637.548	3.658.943
Total assets		18.628.308	18.737.176

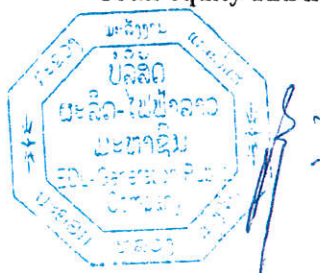


Thongphet DOUANGNGEUNE
 Deputy Managing Director
 10 May 2017

Bounsalong SOUTHDARA
 Chief Financial Officer
 10 May 2017

EDL-Generation Public Company
Condensed Statement of financial position

		31 March (Unaudited) 2017	31 December (Audited) 2016
	<i>Note</i>		
		<i>(in million Kip)</i>	
Equity			
Share capital		6.717.215	6.717.215
Share premium		985.621	985.621
Legal reserve		416.729	416.729
Translation reserve		(1.291)	(1.342)
Retained earnings		1.087.093	1.070.927
Total equity		9.205.367	9.189.150
Liabilities			
Long-term borrowings	7	4.480.587	844.299
Debentures	8	4.055.874	3.985.936
Swap contract payables	9	89.352	145.676
Total non-current liabilities		8.625.813	4.975.911
Trade and other payables		189.752	228.730
Payables for assets under concession		-	3.957.400
Current portion of long-term borrowings	7	485.529	214.484
Income tax payable		512	12.238
Accrued expenses		120.991	158.888
Other current liabilities		344	375
Total current liabilities		797.128	4.572.115
Total liabilities		9.422.941	9.548.026
Total equity and liabilities		18.628.308	18.737.176

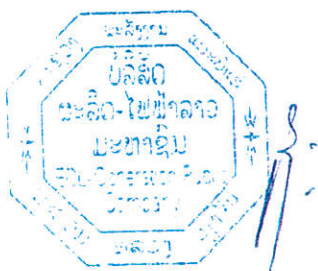


Thongphet DOUANGNEUNE
Deputy Managing Director
10 May 2017


Bounsalong SOUTHIDARA
Chief Financial Officer
10 May 2017

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

	Three-month period ended 31-Mar	
Note	2017	2016
	<i>(in million Kip)</i>	
Continuing operation		
Sales	243.194	286.318
Costs of sales	<u>(113.694)</u>	<u>(139.444)</u>
Gross profit	129.500	146.874
Other income	5.381	3.388
Operating and administrative expenses	(21.680)	(22.720)
Foreign exchange loss	(18.492)	4.964
Share of profit from investments in associates and joint ventures	⁴ <u>15.919</u>	<u>(18.865)</u>
Operating profit	110.628	113.641
Finance costs	<u>(90.802)</u>	<u>(28.477)</u>
Profit before income tax expense	19.826	85.164
Income tax expense	<u>(3.660)</u>	<u>(10.442)</u>
Profit for the year	<u>16.166</u>	<u>74.722</u>
Earning per share		
Basis earning per share <i>(in Kip)</i>	<u>9,63</u>	<u>44,50</u>

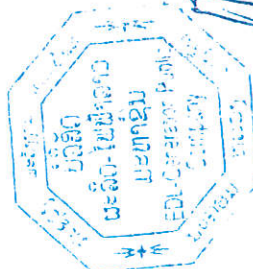


Thongphet DOUANGNEUNE
Deputy Managing Director
10 May 2017

Bounsalong SOUTHIDARA
Chief Financial Officer
10 May 2017

EDL-Generation Public Company
Condensed Statement of changes in equity (Unaudited)

	Note	Share capital	Share premium	Legal reserve	Translation reserve	Retained earnings	Total equity
<i>(in million Kip)</i>							
Three-months period ended 31 March 2017							
Balance at 1 January 2017		6,717,215	985,621	416,729	(1,342)	1,070,927	9,189,150
Profit for the year							
Translation reserve	4				51	16,166	16,166
Balance at 31 March 2017		6,717,215	985,621	416,729	(1,291)	1,087,093	9,205,367
Three-months period ended 31 March 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							
Translation reserve	4					74,722	74,722
Balance at 31 March 2016		6,717,215	985,621	361,294	(2,011)	1,116,939	9,179,058



Thongphet DOUANGNEUNE
Deputy Managing Director
10 May 2017

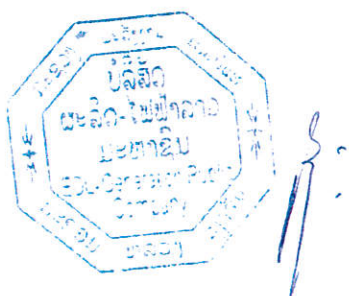
Bounsalong SOUTHIDARA
Chief Financial Officer
10 May 2017

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

		Three-month period ended	
		31-Mar	
	Note	2017	2016
<i>(in million Kip)</i>			
Cash flows from operating activities			
Profit for the year		16.166	74.722
<i>Adjustments :</i>			
Depreciation	6	103.100	131.526
Finance costs		90.802	28.477
Unrealise (gain) loss on foreign exchange	4	35.798	(5.319)
Share of (net) profit of associates and joint ventures		(15.919)	18.865
Income tax expense		3.660	10.442
		<u>233.607</u>	<u>258.713</u>
<i>Changes in:</i>			
Trade and other receivables		(230.131)	(304.893)
Spare parts and supplies		406	(159)
Other current assets		2.618	1.856
Other non-current assets		(118.611)	361
Trade and other payables		(40.178)	4.678
Accrued expenses		(48.313)	(50.358)
Other current liabilities		(31)	12
Cash generated from operating activities		<u>(200.633)</u>	<u>(89.790)</u>
Income tax paid		<u>(15.386)</u>	<u>(11.349)</u>
Net cash from operating activities		<u>(216.019)</u>	<u>(101.139)</u>
Cash flows from investing activities			
Cash paid for advance payment for investments	6	-	(80.365)
Purchase of assets under concession		(504)	(35.137)
Purchase of investments in joint ventures		<u>(1.634)</u>	<u>-</u>
Net cash used in investing activities		<u>(2.138)</u>	<u>(115.502)</u>

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

	Three-month period ended 31-Mar	
	2017	2016
	<i>(in million Kip)</i>	
Cash flows from financing activities		
Finance costs paid	(84.109)	(8.865)
Repayment of long-term borrowings	(82.574)	(78.615)
Net cash from financing activities	(166.683)	(87.480)
Net increase (decrease) in cash and cash equivalents	(384.840)	(304.121)
Effect of exchange rate change on balance held in foreign currencies at end of the period	8.517	428
Cash and cash equivalents at 1 January	2.235.280	1.213.770
Cash and cash equivalents at 31 December	1.858.957	910.077
Non-cash transactions		
Dividend receivable	124.044	



Thongphet DOUANGNEUNE
Deputy Managing Director
10 May 2017

Bounsalong SOUTHIDARA
Chief Financial Officer
10 May 2017

EDL-Generation Public Company
Notes to the condensed interim financial information
For the three-month period ended 31 March 2017 (Unaudited)

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EDL-Generation Public Company
Notes to the condensed interim financial information
For the three-month period ended 31 March 2017 (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 10 May 2017.

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 2016. 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 2016.

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 three-month period ended 31 March 2017 (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 service concession agreements, revenue recognition, property, plant and equipment, leases, employee benefit, the effects of changes in foreign exchange rate, income tax and deferred income tax, financial instruments, consolidated and separate financial statements, associates, joint ventures and pre-operation cost. The accounting principles applied may materially differ from the generally accepted accounting principles including the International Financial Reporting Standards (“IFRS”) adopted in certain countries and jurisdictions.

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 Investment in subsidiaries

Three-month periods ended 31 March

	2017	2016
	<i>(in million Kip)</i>	
At 1 January	81.260	-
Addition	-	-
At 31 March	81.260	-

The Company’s management does not present consolidated interim financial information since the Subsidiaries has no significant transactions which impact the condensed interim financial information as at 31 March 2017.

4 Investments in associates and joint ventures

Three-month periods ended 31 March

	2017	2016
	<i>(in million Kip)</i>	
At 1 January	2.297.166	2.268.922
Share of net profit (loss) from interests in associates and joint-ventures	15.919	(18.865)
Dividend income	(124.043)	-
Addition	1.634	-
Currency translation differences	51	108
At 31 March	2.190.727	2.250.165

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

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Investments in associates and joint ventures as at 31 March 2017 and 31 December 2016, and dividend income for the three-month periods ended 31 March 2017 and 2016 were as follows:

	Ownership interest		Type of Business	Cost		Impairment		Cost - net		Equity		Dividend income	
	31 March 2017	31 December 2016		31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 March 2016
(in thousand Kip)													
Joint ventures													
Theun-Hinboun Power Co., Ltd.	60	60	Electricity generation	1,120.696	1,120.696	-	-	1,120.696	1,120.696	1,588.584	1,666.995	87,269	-
Houay Ho Power Co., Ltd.	20	20	Electricity generation	1,171	1,171	-	-	1,171	1,171	18,029	15,820	-	-
Lower Houay Lamphanh Co., Ltd.	60	60	Electricity generation	9,760	9,760	-	-	9,760	9,760	7,623	7,623	-	-
Nam Dik 1 hydro Power Co., Ltd.	70	-	Electricity generation	1,634	-	-	-	1,634	-	1,634	-	-	-
Total				1,133,261	1,131,627	-	-	1,133,261	1,131,627	1,615,870	1,690,438	87,269	-
Associates													
Nam Ngum 2 Power Co., Ltd.	25	25	Electricity generation	454,742	454,742	-	-	454,742	454,742	416,660	451,954	36,774	-
Nam Lik 1-2 Power Co., Ltd.	10	10	Electricity generation	32,240	32,240	-	-	32,240	32,240	66,993	65,281	-	-
Nam Ngum 5 Power Co., Ltd.	15	15	Electricity generation	80,022	80,022	-	-	80,022	80,022	91,204	89,493	-	-
Total				567,004	567,004	-	-	567,004	567,004	574,857	606,728	36,774	-
Total joint-ventures and associates													
				1,700,265	1,698,631	-	-	1,700,265	1,698,631	2,190,727	2,297,166	124,043	-

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With respect to Nam Dik 1 Power Co., Ltd., although the Company has its interest in this company more than 50% but according to the conditions in joint venture agreements, the Company has obtained voting rights and Board of Directors' seat and has abilities to make only certain key decisions in finance and operations (but not as much as a controlling party). Management therefore concludes this is an interest in joint ventures.

5 Advance payment for investments

<i>Three-month periods ended 31 March</i>	<i>Note</i>	<i>2017</i>	<i>2016</i>
		<i>(in million Kip)</i>	
At 1 January		3.133.596	3.690.647
Additions		-	77.264
Finance costs		3.192	3.101
Transferred to assets under concession	6	-	(686.379)
At 31 March		3.136.788	3.084.633

Advance payment for investments as at 31 March 2017 and 31 December 2016 were as follows:

	<i>Type</i>	<i>31 March 2017</i>	<i>31 December 2016</i>
		<i>(in million Kip)</i>	
Nam Khan 3	Assets	305.025	301.833
Nam Chiean 1	Assets	678.504	678.504
Nam Hinboun	Assets	205.955	205.955
Xeset 3	Assets	149.418	149.418
Nam Ngum 1 Ext DFE	Assets	488.494	488.494
Nam Ngum 1 Ext Unit 6	Assets	242.231	242.231
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	34.680
Nam Mang 1	IPP	37.596	37.596
Nam Tha 1	IPP	244.474	244.474
Total		3.136.788	3.133.596

6 Assets under concession

<i>Three-month periods ended 31 March</i>	<i>2017</i>	<i>2016</i>
	<i>(in million Kip)</i>	
At 1 January	9.412.504	4.342.731
Additions	263	5.254.209
Transferred from advance payment for investments	-	686.379
Depreciation charge	(103.100)	(131.106)
At 31 March	9.309.667	10.152.213

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The additions during three-month period ended 31 March 2016 mainly consisted of the new projects transferred from EDL which are Nam Khan 2, Houay Lamphanh Ngai and Nam Sana amounting to Kip 2.821.346 million, Kip 1.911.721 million, Kip 267.051 million, respectively. The Company has finalised assessing component of new assets in the last quarter of 2016, as a result, depreciation charge from these projects was estimated by management. The difference between estimate and actual depreciation charge is not material to the condensed interim financial information.

7 Long-term borrowings

	31 March 2017	31 December 2016
	<i>(in million Kip)</i>	
Current portion of long-term borrowings		
- Long-term borrowing from related party	438.519	132.173
- Long-term borrowing from financial institution	47.010	82.311
Total current portion of long-term borrowings	485.529	214.484
Non-current portion of long-term borrowings		
- Long-term borrowing from related party	4.068.692	444.651
- Long-term borrowing from financial institution	411.895	399.648
Total non-current portion of long-term borrowings	4.480.587	844.299
Total long-term borrowings	4.966.116	1.058.783

On 3 February 2017, the Company entered into the additional Debt Repayment Agreement (“the Agreement”) totalling USD 482 million or equivalent to Kip 3.957.400 million with the EDL. EDL is a borrower pursuant to Nam Khan 2 and Houay Lamphanh Ngai Power Project under Sub-Loan Agreement No. 0227/EDL and 0220/EDL, dated 21 January 2013 with the Government of Lao PDR (“GOL”) in which the original fund is provided from Export-Import Bank of China (the lender) and made through the GOL. In addition to the assets transfer, both parties agreed that the Company will make payments to EDL equal to payments due by EDL to the GOL, for the GOL’s further repayments to the lender pursuant to the original borrowing agreements. These borrowings are unsecured and no other obligations other than the repayments required as per agreed schedules.

Movements in long-term borrowings for the three-month periods ended 31 March 2017 and 2016 were as follow:

<i>Three-month periods ended 31 March</i>	2017	2016
	<i>(in million Kip)</i>	
At 1 January	1.058.783	1.019.464
Additions	3.972.056	-
Repayments	(82.574)	(78.615)
Effect from currency translation	17.851	1.124
At 31 March	4.966.116	941.973

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8 Debentures

	31 March 2017	31 December 2016
	<i>(in million Kip)</i>	
Debentures	4.129.580	4.060.173
Transaction costs	(73.706)	(74.237)
Net	<u>4.055.874</u>	<u>3.985.936</u>

Movements in debentures for the three-month periods ended 31 March 2017 and 2016 were as follow:

<i>Three-month periods ended 31 March</i>	2017	2016
	<i>(in million Kip)</i>	
At 1 January	3.985.936	1.452.163
Amortisation of deferred financing fee	2.359	321
Effect from currency translation	67.579	30.875
At 31 March	<u>4.055.874</u>	<u>1.483.359</u>

Summary Key terms and conditions of the debentures issued during 2016 is outlined in the below table:

Description	Series 1	Series 2	Series 3
Type	Unsubordinated unsecured debentures	Unsubordinated unsecured debentures	Unsubordinated unsecured debentures
Repayment	Principal repayment at the maturity date	Principal repayment at the maturity date	Principal repayment at the maturity date
Total offering price	USD 51.000 million	USD 166.000 million	USD 95.000 million
Issue amount	51.000 units	166.000 units	95.000 units
Interest rate	Fixed rate at 5% per annum	Fixed rate at 5,59% per annum	Fixed rate at 5,98% per annum
Effective interest rate	5,24% per annum	5,85% per annum	6,26% per annum
Interest due	Semi-annually, 2 March and 2 September	Semi-annually, 2 March and 2 September	Semi-annually, 2 March and 2 September
Period	7 years	10 years	12 years
Maturity date	2 September 2023	2 September 2026	2 September 2028

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Summary Key terms and conditions of the debentures issued in 2014 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

9 Swap contract payables

	31 March 2017	31 December 2016
	<i>(in million Kip)</i>	
Swap contract payable	1.625.988	1.620.851
Swap contract receivable	(1.550.575)	(1.489.735)
Deferred gain on swap contract	13.939	14.560
Net	89.352	145.676

10 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 Company Limited	Lao PDR	Joint venture
EDL-Gen Solar Power Company Limited	Lao PDR	Subsidiary

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

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

Significant transactions for the three-month periods ended 31 March 2017 and 2016 with related parties were as follows:

	2017 (in million Kip)	2016
Parent company		
Sales of electricity	243.194	286.318

Balances as at 31 March 2017 and 31 December 2016 with related parties were as follows:

	31 March 2017 (in million Kip)	31 December 2016
Advance payment for investments		
Parent company		
Electricite Du Laos	3.109.676	3.109.676
Other non-current assets		
Parent company		
Electricite Du Laos	35.000	35.000
Subsidiary		
EDL-Gen Solar Power Company Limited	35.955	35.955
Joint venture		
Houay Ho Power Co., Ltd.	-	3.232
Total	<u>70.955</u>	<u>74.187</u>
Trade and other receivables		
Parent company		
Electricite Du Laos	703.789	486.630

Aging analysis of trade accounts receivables from related party is as below:

Not due	266.330	197.221
Overdue		
- Less than 3 months	187.691	159.305
- 3 - 6 months	249.768	130.104
	<u>703.789</u>	<u>486.630</u>
Less allowance for doubtful accounts	-	-
Net	<u>703.789</u>	<u>486.630</u>

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	31 March 2017	31 December 2016
	<i>(in million Kip)</i>	
<i>Payables for assets under concession *</i>		
Parent company		
Electricite Du Laos	-	3.957.400

Pursuant to the MOU for the transfer of the project assets of Nam Khan 2 and Houay Lamphan Ngai hydro Power Projects between the Company and EDL, the Company recognised those assets under concession in the financial statement for the year ended 31 December 2016. Prior to the assets transfer date, the Company has made advance payment to investments amounting to Kip 664.721 million. The remaining cost of assets is recognised as payable for assets under concession.

During February 2017, the Debt Repayment Agreement (“the Agreement”) among the Company, EDL and lender has been finalised. The agreement transferred obligation to repay long-term loan relevant to the aforementioned Hydro Power Projects from EDL to the Company.

	31 March 2017	31 December 2016
	<i>(in million Kip)</i>	
<i>Long term borrowings</i>		
Parent company		
Electricite Du Laos		
- Current Portion	438.519	132.173
- Long-term Portion	4.068.692	444.651
Total	4.507.211	576.824

11 Event after the reporting period

At the annual general meeting of shareholders meeting held on 6 April 2017, the meeting approved dividend payment from the net profit of six-month period from 1 June to 31 December 2016 at Kip 160 per share, totalling of Kip 268.690 million. This dividend was paid on 28 April 2017.

Deputy Managing Director:

(Signature) Thongphet DOUANGNGEUN

Accounting Division Manager:

(Signature) Khambay LUANGXAY

Deputy Manager of Audit Committee :

(Signature) Manivanh NHOTKONGMY