



2022

ປຶດລາຍງານ ປະຈຳປີ
ANNUAL REPORT

Contents

I. Background of EDL-Generation Public Company	3
II. Message from Board of Director.....	4
1. Message from the Chairman of the Board of Directors	4
2. Message from the Acting Managing Director & Acting CEO.	5
3. Message from the Audit Committee	6
4. Message from the Risk Management Committee	7
5. Message from The Nomination and Remuneration Committee	8
6. Message from the Corporate Governance Committee.....	9
III. Background of EDL-Generation Public Company	10
1. Establishment and history of growth	10
2. EDL-Gen to invest 25% or more	12
IV. Business Operation and Productivity Performance	12
1. Electricity Generation	12
2. Financial Performance	13
3. Taxes.....	14
V. General and Crucial Information of the Company	14
VI. Capital Structure and Shareholders	14
VII. Organization Structure	16
VIII. Committees	26
1. Committees under Board of Directors	26
1.1 Secretary of Board Director	26
1.2 Audit Committee	29
1.3 Risk Management Committee	30
1.4 Nomination and Remuneration Committee	31
2. Committee of Managing Director	31
2.1 Procurement and Equipment's Supply Committee (PESC)	31
2.2 Honor Policy and Discipline Committee (HPDC)	31
IX. Business Expansion and Development	32
X. Independent Audits	32
XI. Corporate Governance.....	33
1. The Rights and Equitable Treatment of Shareholders	33
3. The Role of Stakeholders.....	33
4. Disclosure and Transparency	33
5. Responsibilities of Board of Directors.....	34
XII. Environmental, Social and Sports Activities.....	34
1. Environmental Activities	34

2. Social Contribution and Sports	35
XIII. Human Resource Development	35
XIV. The Company's Policy on Internal Control System.....	35
XV. The Risk Management Policy of EDL-Gen	36
1. Risk Management Policy	36

I. Background of EDL-Generation Public Company

❖ Vision

1. A leading company in Lao PDR in generating the stable electric power, to fulfil the demand of socio-economic development of Lao PDR and the region in line with the green and sustainable direction.
2. A leading company in providing the operation and maintenance services to power producers in Lao PDR and the region.
3. A leading company that creates the added values for Shareholders.

❖ Mission

1. To supply electric power from clean and renewable energy sources by taking the environment into account, ensuring the energy security and sustainability for Lao PDR and the region.
2. To comprise the clear, transparent and auditable decision-making process.
3. To collaborate closely with strategic partners and power distributors to supply electricity for domestic and regional socio-economic development.
4. To enhance the effectiveness and improve the company in all aspects, in order to become the producer and provider of the operation-maintenance service for power producers in Lao PDR and the region.
5. To invest in businesses which emphasis the creating of added values both short term and long term with highest returns continuously for Shareholders.

❖ Core Business Operations

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

II. Message from Board of Director

1. Message from the Chairman of the Board of Directors



Dear respected shareholders,

On behalf of the Board of Directors of EDL-Generation Public Company (“EDL-Gen” or the “Company”) and its employees, it is an honour to have this opportunity to express my view on the achievements of EDL-Gen’s 2022 business operation. These achievements would not have been possible without the guidance and leadership of all 11 members of the Board, who together have formulated clear and prudent strategic plan and governance, combined with dedication and solidarity from the executive management team and staffs at all levels across the Company in contributing their parts to the implementation of the Company’s plans and targets. The Board of Directors operates according to good corporate governance principles and the Board members have been further allocated to perform different duties in several committees, in order to consider solutions and provide guidance to EDL-Gen executive management team, thereby ensuring effectiveness of business operation in all respects. There are five committees under the Board of Directors, namely Risk Management Committee, Nomination - Remuneration Committee, Audit Committee and Management Committee. Throughout 2022, the Board of Directors performed their functions and duties with high level of care and responsibility to lead and oversee EDL-Gen executive management team to implement and realize the resolutions of the Company’s shareholders meeting and the Board of Directors meetings towards effective and successful outcomes.

In 2022, EDL-Gen operated its businesses with firm determination and generated the total revenues of 2,138,02 billion Lao Kip (LAK), these revenues consider a high level of Company’s business operation. This is due to normal level of sales of electricity to EDL and outstanding performance from export-oriented Independent Power Producers (IPPs) in which EDL-Gen invest. Such strong performance demonstrates the stability of energy business despite the business environment that is increasingly characterized by higher volatility, challenges, and difficulties in domestic, regional, and global economies. In addition, EDL-Gen continues to pay dividends to shareholders from the 2022 business performance. Furthermore, in 2022 EDL-Gen continued to boost investor confidence by continuing its study on expansion to new markets, in order to export electricity to nearby countries. This is consistent with our vision, mission, and shared goals in the Company’s long-term strategic plan to continuously grow enterprise value and develop the organization to be a leading business in energy supply from clean and renewable sources and thereby contribute to the energy security and sustainability for the country and this region.

For 2023, I believe that in parallel with revenue generation and continued business development of EDL-Gen, the executive management team and employees at all levels across the Company will continue to emphasize and prioritize the importance work on corporate social and environmental responsibilities by implementing a number of projects on the basis of community participation that help to progressively enhance the quality of life of local communities in surrounding areas of our hydropower plants. The success of all of these will continue to require high level of solidarity, commitment, and responsibility from members of the Board of Directors, executive management team and all staff members across EDL-Gen in performing their roles and duties as delegated by shareholders in order to accomplish targeted business outcomes.

Your sincerely,

Chairman of Board of directors



Dr. Bounleua Sinoxayvoravong

2. Message from the Acting Managing Director & Acting CEO.



Dear respected shareholders,

As the acting managing director of EDL-Generation Public Company (“EDL-Gen” or the “Company”), it is my honour to have this opportunity to represent the managing directors and all staffs to express view on the achievements of EDL-Gen’s 2022 business operation.

As recognized that 2022 is another challenging year as COVID-19 pandemic continued to pose challenges and detrimental impacts across the globe, including Lao PDR. Nevertheless, EDL-Gen business operation could still proceed with continuity and efficiency.

Specifically, EDL-Gen was able to meet its contractual obligations to Produce and deliver electricity to EDL, thereby strongly contributing to electrical power supply for national socio-economic development. In this

regard, I would like to congratulate EDL-Gen management team for continuing to put in place a proper plan and strict measures in Prevention and control of COVID-19 outbreak in compliance with measures from the Ministry and National Taskforce Committee for COVID-19 prevention and control.

EDL-Gen’s business operation this year has faced many challenges and difficulties which are the factors that affected the business operation and resulting in business operations not going according to plan, regardless of the economic situation at the macro level of Laos, regional economy as well as world economy which also facing many challenges, this occurred cause by external factors that is uncontrollable for the Company. Regardless, the difficulties the Company management team has been working with high level of responsibilities, and lead-advice all staffs in order to implement all the resolutions of the shareholders’ meeting and the board of directors’ meeting effectively and fruitfully for each period.

Throughout 1 year of EDL-Gen business plan implementation as planned in the Company’s annual plan which approved in the shareholders’ meeting. Overall, EDL-Gen be able to achieve the objectives that has been set especially create profits for the company and more importantly be able to provide the dividend to the shareholders every year continually which can be seen as:

In 2022, EDL-Gen has total installed capacity of 2.796,30 GWh equal 105,18% of its plan, this caused by the water inflow is more than anticipated and the generator conditions are good and ready to generate power. In 2022, EDL-Gen operated its businesses with firm determination and generated the total net profit of 2.138,02 million LAK.

For this successful outcome, I would like to express my gratitude to all the executive management team who always support and guide EDL-Gen throughout the years, thanks to the shareholders for the trustworthy on the company management, even though facing many difficulties as mentioned above. However, I believe that the executive management team and employees at all levels across the Company will continue to contribute their roles, duties fully, with high level of solidarity and commitment to accomplish targeted business outcomes as well as protect the benefits of all stakeholders.

Your sincerely,

Acting Managing Director & Acting CEO



Vanhseng VANNAVONG

3. Message from the Audit Committee

EDL-Gen's Audit Committee is honored to express the opinions and guidance on audit works of the Company, which EDL-Gen's Audit Committee consists of 4 members: 1. Mr. Khammoune VIPHONGXAY, Chairman of Audit Committee; 2. Mr. Somlath MEKAKATH, Vice-chairman of Audit Committee, 3. Mr. Khamkeo VISYSOMBATH, Member of Audit Committee, and 4. Mrs. Manivone PHONHAMATH, Member of Audit Committee, whose title is neither EDL-Gen's managing directors or staffs. Therefore, there is an Internal Audit Department which led by Mr. Bounkert XAYYASONE and acts as the leader of corporate secretary of audit committee.

Audit Committee has performed its duties according to the regulations and requirements of EDL-Gen, and in order to comply with its obligations as stipulated in the related regulations of Lao Securities Commission Office (LSCO) and Lao Securities Exchange (LSX) as assigned by the BOD in accordance to the Good Corporate Governance (CG). By review and encourage EDL-Gen to comply the CG principles, include risk management schemes and good internal control, and comply to the regulations. In order to ensure the transparency, the efficiently and effectively auditing. Ensure the connection of missions, visions and objectives of the company and the audit department, in order to strengthen the quality of the internal audit and create more sustainable value and profit to EDL-Gen. Therefore, taking into consideration of all the stakeholders of the company in all aspects and implement its duties as follow:

- a. Strengthen the good corporate governance, risk management and internal control, in order to increase the capacity and knowledge of the responsible staffs for the more accurate and careful performance. Including the proper review of related regulations in parallel with the management which in comply to the proper internal control.
- b. Increase the strength in internal audit works of EDL-Gen, with the internal audit guideline to follow for the effectiveness, trustable and professional works, increasing the role in giving advices, in order to add more value to EDL-Gen in accordance to the expectations of all stakeholders and together with the human resource development within the audit department, as well as the improvement of the implementation process by using technologies in audit works.
- c. Strengthen the level of follow up, resolve, and prevent any issue or findings of internal audit in each process systematically, quickly, and sustainably. Which the compliance division is assigned to responsible in re-assessment, follow up, to resolve the audit outcomes received by internal audit division. By encourage the auditees to resolve all findings accordingly to comply to the company's principles and regulations.

Overall, the audit committee will continue support, improve, and follow up to ensure that EDL-Gen has good corporate management, risk management and adequate internal control, to increase the credit, trustworthy, and added value sustainably to the company's shareholders.

Khammoune VIPHONGXAY
Chairman of Audit Committee

4. Message from the Risk Management Committee

EDL-Gen's Risk Management Committee consists of 3 independent directors, is responsible for controlling, studying, seeking solutions for monitoring, and assessing the risk of production, administration, and financial status of the company. These are efforts to ensure the business implementation of EDL-Gen as assigned by the Board of Directors (BOD), shareholders and related requirements.

In 2022, the Risk Management Committee researching the terms of authority in the operation of EDL-Gen, followed upon the fluctuation of Lao Kip against foreign currency, loan issuance as circulating fund from a few banks, debenture issuance, adjust the debt-to-equity ratio of EDL-Gen not to exceed 2,00 time, resolving the violation of the financial conditions of the debt ratio loan with interest burden on the loan, hiring the financial advisor and followed up the risks in electricity generation, the implementation of EDL-Gen's strategy plan from 2022-2023.

The Risk Management Committee has complied the requirements of the ordinary and extraordinary meetings to review and examine the result of previous risk management-related issues in EDL-Gen BOD's meetings. Thus, most of the risks that occurred and might occur in the future would be significantly resolved and reduced.

From now onwards, the Risk Management Committee will continually collaborate with other committees of EDL-Gen's BOD to resolve problems and create measurements against any potential risks that might be found from both internal and external factors, in order to guarantee the efficiency and effectiveness of the business operation.

Mr. Somphit KEOVICHIT

Chairman of Risk Management Committee

5. Message from The Nomination and Remuneration Committee

EDL-Gen's Nomination and Remuneration Committee consists of 4 members, one is the BOD's Vice Chairman- Chairman of Nomination and Remuneration Committee.

In 2022, The Nomination and Remuneration Committee generally performed its tasks according to the role and responsibility that stimulated in the Agreement of the Nomination and Remuneration No: 0729/EDL-Gen, dated on 21 March 2022, in which the company refers as a mandate.

Moreover, the Nomination and Remuneration Committee's members had completed 02 meetings of the year 2022. No. 01/2022 was convened on March 31, 2022, the meeting was agreed to approve the payment of the annual dividend in 2021 to the shareholders at the rate of 50 kip per share and approve the increase of index multiplier of the basic salary of the company's employees by presenting the agenda for consideration at the No. 02/2022 Extraordinary Board of Directors' meeting according to the regulations. No. 02/2022 meeting held on August 12, 2022 had considered the selection of personnel to be included in the positions of the new organizational structure in order to be appropriate and consistent with the regulations.

Chanthaboun SOUKALOUN

**Chairman of Nomination
and Remuneration Committee**

6. Message from Corporate Governance Committee

The Corporate Governance Committee consists of 4 members, with 1 vice-chairman of BOD, who appointed as chairman of Management Committee. The Management Committee is newly established according to the Extraordinary Board Directors' meeting 4/2022, to responsible for:

- Researching, creating, and improving policies on human resources and organization management.
- Researching, creating, and improving strategy plan, implementation plan, monthly, quarterly, and annual budgeting plan.
- Research the roles, rights, and duties between board of directors and EDL-Gen's management team.
- Research, follow up, resolve any dispute that related to EDL-Gen's benefits, in order to propose to the BOD to be considered.
- Report EDL-Gen's business operation outcomes to BOD.
- Disclose the annual report of business operation regarding lists of participants; number of meetings, assessment results and the summary of activities that the committees practiced.
- Practice the rights and duties in comply with the board of director agreement of Lao Securities Committee, EDL-Gen's regulations, related rules or according to the assignment of the BOD.

In 2022, there was 1 meeting of management committee organized, dated on 9 May 2022. The meeting has considered on the extension projects of Xeset 2 and Xelabam, as well as the report on the implementation of the policy of organization management and the implementation of EDL-Gen's business operation plan during the previous phrase.

Chanthaboun SOUKALOUN

Chairman of Corporate Governance Committee

III. Background of EDL-Generation Public Company

1. Establishment and history of growth

EDL-Generation Public Company (“EDL-Gen” or the “Company”) was incorporated as a public company with limited liability on 15 December 2010 through a corporate spinoff from Electricité Du Laos (“EDL”). EDL’s power generation assets, including Nam Ngum 1, Nam Mang 3, Nam Leuk, Xeset 1, Xeset 2, Selabam and Nam Song hydropower plants, with the total installed capacity of 387 Megawatts (MW), as well as technical staff of the hydropower plants and related employees at EDL headquarters were transferred to EDL-Gen.

EDL-Gen’s initial registered capital was 2.605.792.200.000 Kip, divided into 651.448.050 shares (4.000 Kip per share). EDL-Gen then approved the increase of its capital by issuing 217.149.000 shares for the initial public offering (IPO). On 7 January 2011, the company had the registered capital of 3.474.388.200.000 Kip, which amounted to 868.597.050 shares. On 11 January 2011, EDL-Gen was officially listed on the Lao Securities Exchange (LSX). As a result, EDL-Gen’s shareholding structure changed to 75% owned by EDL and 25% owned by the public investors.

In the middle of 2012, EDL-Gen successfully increased its capital through the Rights Offering (RO) and Public Offering (PO) in order to purchase equity stakes in four Independent Power Producers (IPPs) from EDL, namely Theun Hinboun (60%), Nam Ngum 2 (25%), Houay Ho (20%) and Nam Lik 1-2 (10%). These equity stakes represent a combined additional capacity of 494 MW. Consequently, the Company’s operating installed capacity increased to 881 MW. Therefore, at the end of 2012, EDL-Gen had the registered capital of 4.904.867.060.000 Kip and 1.226.216.765 shares. EDL was still maintained its 75% shareholding in EDL-Gen.

On 12 December 2014, EDL-Gen officially issued debentures and successfully raised the targeted THB 6.500 million. This financial capital is for financing investments in 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 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 shares under RO and PO, raising 2.754 billion Kip. This amount of funds was used to finance a further business expansion of 386,2 MW, including 5 wholly-owned projects from EDL with a combined 277,9 MW, and 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 number of shares increased to 1.679.303.697 shares; EDL was still maintained its 75% shareholding in EDL-Gen.

On 24 December 2015, EDL-Gen completed the transfer of 3 hydropower projects from EDL, namely Nam Khan 2 hydropower plant with an installed capacity of 130 MW, HouayLamphanGnai hydropower plant with an installed capacity of 88 MW and Nam Sana hydropower plant with an installed capacity of 14 MW, which increased the total installed capacity of the Company to 1.131 MW.

EDL-Gen issued USD debentures valued USD 312 million in Thailand on September 2nd, 2016. The financial capital was planned for investments in 10 projects, which are Selabam Extension Project, Xeset 2 Extension Project, Nam Theun 1 Project, Pak Beng Project, Solar Farm Project Phase 1, Nam Dik 1 Project, Overhaul of Xeset 1-2 and Nam Mang 3 unit 2, Nam Phoun Project (Finance cost), and Nam Bi 1,2,3 Project (Finance cost).

EDL-Gen Operation and Maintenance Service Sole Co., Ltd was established on December 14, 2017.

On 18 January 2018, EDL-Gen completed the transfer of shares representing 10% or 3,4 MW in Nam Beng hydropower plant. On 4 February 2018, EDL-Gen successfully acquired 20% equity stake, equivalent to 52 MW, in Don Sahong hydropower plant. On 13 July 2018, EDL-Gen issued Thai Baht Debentures in Thailand valued at THB 13.660,4 Million. This fund was used to acquire shares of Xayabury and Donsahong hydropower plants. In the same year, 20 % share of Nam Long HPP, equivalent to equity capacity of 1 MW, was transferred to EDL-Gen. Moreover, a Solar farm with 19,2 MW of EDL-Gen equity megawatt ownership was built.

On 19 March 2019, EDL-Gen successfully acquired shares of Xayaburi Power Company Limited (20%) from EDL with an installed capacity of 257 MW. In May 2019, EDL-Gen completed the acquisitions of 10% shares of Nam Mang 1 Power Company Limited with an installed capacity of 6,4 MW, and 15% of Nam Ou 2, 5 and 6 with an installed capacity of 18 MW, 36 MW and 27 MW respectively. As a result, the total operating installed capacity of the Company rose to 1.643,2 MW.

In 2020, the total operating installed capacity of EDL-Gen was 1.682,75 MW, which includes 10 wholly owned hydropower projects with the total installed capacity of 699 MW (including Nam ngeum-1 extension Project), and 16 Independent Power Producer (IPPs) that EDL-Gen invested in equity stakes with the total installed capacity by stake of 983,75 MW, in which 15 hydropower projects and 1 solar power project.

On 19 February 2021, Transfer of 24% EDL-Gen shares from Electricite Du Laos (“EDL”) to Phongsubthavy Road-Bridge, Building and Irrigation Construction Sole Co., Ltd (“PGC”).

In the year 2022, the total operating installed capacity of EDL-Gen was 1.789,7 MW, which includes 10 wholly owned hydropower projects with the total installed capacity of 699MW (including Nam ngeum-1 extension Project), and 18 Independent Power Producer (IPPs) that EDL-Gen invested in equity stakes with the total installed capacity by stake of 1.090,7 MW.

2. EDL-Gen to invest 25% or more

Project Name	Share of EDL-Gen(%)	Shareholders
Theun-Hinboun Power Company(THPC)	60	1) EDL-GEN: 60% 2) GMS International Pte., Limited: 20% 3) Nordic Hydropower AB: 20%
Nam Ngum 2 Power Company (NN2PC)	25	1) SouthEast Asia Energy Limited: 75% 2) EDL-GEN: 25%
Lower HouayLamphan	60	1) EDL-Gen: 60% 2) Vientiane Automation and Solution Engineering Co., Ltd.: 40%
Nam Dik 1	70	1) EDL-Gen: 70% 2) National Consulting Group (NCG): 30%
Nam Bi Power Co.,Ltd 1-2-3	80	1) EDL-Gen: 80% 2) Chanthavone Road and Bridge Construction and Maintenance Company: 20%
Nam Phoun	51	1) EDL-Gen: 51% 2) SOK Corporation Co., Ltd.: 49%
EDL-GEN SOLAR	60	1) EDL-Gen: 60% 2) Patthana Energy Absolute Sole Co., Ltd.: 40%

IV. Business Operation and Productivity Performance

1. Electricity Generation

In 2022, EDL-Gen was able to generate electricity with a total energy of 7.629,57 GWh, equivalent to 98,99% of plan and 105,38% of the last year's actual generation. More details are followed:

All Hydro Power Plants (HPPs) that are wholly owned by EDL-Gen generated electricity of 2.796,30 GWh, which was 105,22% of the company's plan, and equal to 122,00% compared to the year 2021.

The power production of 18 Independent Power Producers (IPPs) according to EDL-Gen shareholding proportion achieved 4.833,27 GWh, equal to 95,71% of plan and 97,67% in comparison to last year.

Description (Unit: GWh)	2022			2021	
	Actual Implementation	Planning	Comparison of Planning	Actual Implementation	Comparison of 2021
EDL-Gen HPPs	2.796,30	2.657,50	105,22%	2.292,04	122,00%
IPPs	4.833,27	5.049,87	95,71%	4.948,32	97,67%
Total	7.629,57	7.707,37	98,99%	7.240,36	105,38%

2. Financial Performance

In 2022, the revenue, expenses and profit (loss) are reported in the table below:

Unit: Million LAK

Description	Actual 2022	Plan 2022	Changes	Comparison of 2022's Plan	Actual 2021	Changes	Comparison of 2021
	1	2	3=1-2	4=3/2	5	6=1-5	7=6/5
Revenue	6.733.987	2.107.937	4.626.050	219,46%	2.212.671	4.521.316	204,34%
Revenue from sale	1.267.355	1.225.759	41.596	3,39%	1.196.664	70.691	5,91%
Other income	4.027.326	20.892	4.006.434	19176,88%	55.292	3.972.034	7183,74%
Net Foreign Exchange Gain	-	-	-	N/A	-	-	N/A
Share of profit from investment in associates and joint ventures	1.439.306	861.286	578.020	67,11%	960.715	478.591	49,82%
Expenses	4.595.974	1.859.350	2.736.624	147,18%	2.208.789	2.387.185	108,08%
Cost of sale	632.991	585.071	47.920	8,19%	585.971	47.020	8,02%
Operating and administrative expenses	210.120	247.883	-37.763	-15,23%	154.090	56.030	36,36%
Financial costs	1.049.068	808.262	240.806	29,79%	855.815	193.253	22,58%
Net Foreign Exchange Loss	2.623.348	218.134	2.405.214	1102,63%	612.913	2.010.435	328,01%
Income Tax expense	80.447	-	80.447	N/A	-	-	N/A
Net Profit	2.138.013	248.587	1.889.426	760,07%	3.882	2.134.131	54975,04%

- **Revenue:** EDL-Gen's total revenue comprises of revenue from electricity sales to EDL, share of profits from investments in joint ventures and associates (IPPs) and other income, details of which are as below:
 - Revenue from sales of electricity to EDL: LAK 1.267.355 Million.
 - Share of profits from investments in IPPs: LAK 1.439.306 Million.
 - Other income: LAK 4.027.326 Million.
 Therefore, the total revenue was LAK **6.733.987 Million**.
- **Expenses:** the expenses incurred for business operation include costs of sales, operating and administrative expenses, net foreign exchange loss, finance costs and profit tax expense, details of which are as below:
 - Costs of sales: LAK 632.991 Million.
 - Operating and administrative expenses: LAK 210.120 Million.
 - Net foreign exchange loss: LAK 2.623.348 Million.
 - Finance costs: LAK 1.049.068 Million.
 - Income tax expense: LAK 80.447 Million.
 Therefore, the total expenses were LAK **4.595.974 Million**.

- **Net Profit/(Loss):** In 2022, EDL-Gen's total revenue was **6.733.987** Million and total expenses were **LAK 4.595.974** Million. Therefore, the net profit was **LAK 2.138.013** Million.

3. Taxes

EDL-Gen is a public company listed in the Lao Securities Exchange and operates its business under the laws of the Lao PDR. Therefore, EDL-Gen obligates to pay taxes to the Government of Laos, including VAT, dividend tax, royalty fee, personal income tax-salary-meeting, profit tax and other applicable taxes. In 2022, the total amount of paid taxes was 29.480 million LAK, equivalent to 33,22% compared to last year, details of which are presented below:

Description (Unit: Million LAK)	2022	2021	Compared to 2021
Value Added Tax (VAT)	16.123	64.750	24,90%
Dividend Tax		12.950	
Royalty Fee	7.740	6.810	113,66%
Personal Income Tax-Meeting	5.617	4.240	132,48%
Profit Tax	-	-	-
Total	29.480	88.750	33,22%

V. General and Crucial Information of the Company

EDL-Gen located at Lao-Thai Friendship Road, ThongKang Village, Sisattanak District, Vientiane Capital, P.O. Box: 2392, Tel: (856-21) 316142 ; Fax: (856-21) 316141 ; E-mail: edlgenhq@edlgen.com.la, Website: www.edlgen.com.la. There are wholly owned 10 HPPs by EDL-Gen, 18 Projects that EDL-Gen invest in IPPs. In addition to investment in energy generation projects, EDL-Gen provides the operation and maintenance services to power producers in Lao PDR and foreign countries by providing services in the field of personnel, experts, production management consultants, power production management, repair and maintenance of large-small HPPs and power stations of public and private sectors.

VI. Capital Structure and Shareholders

1. Capital Structure

- Registered capital: 6.717.214.788.000 KIP
- The Total Number of Shares: 1.679.303.697 Shares

2. Shareholders' Structure

Shareholders who hold more than 5% of the total number of shares as of 10 March 2023 (Record date).

- 1) Electricite du Laos (EDL) holds 856.444.886 shares, equivalent to 51% of EDL-Gen's total number of shares.
- 2) Phongsubthavy Road-Bridge, Building and Irrigation Construction Sole Co., Ltd holds 403.032.887 shares, equivalent to 24% of EDL-Gen's total number of shares.

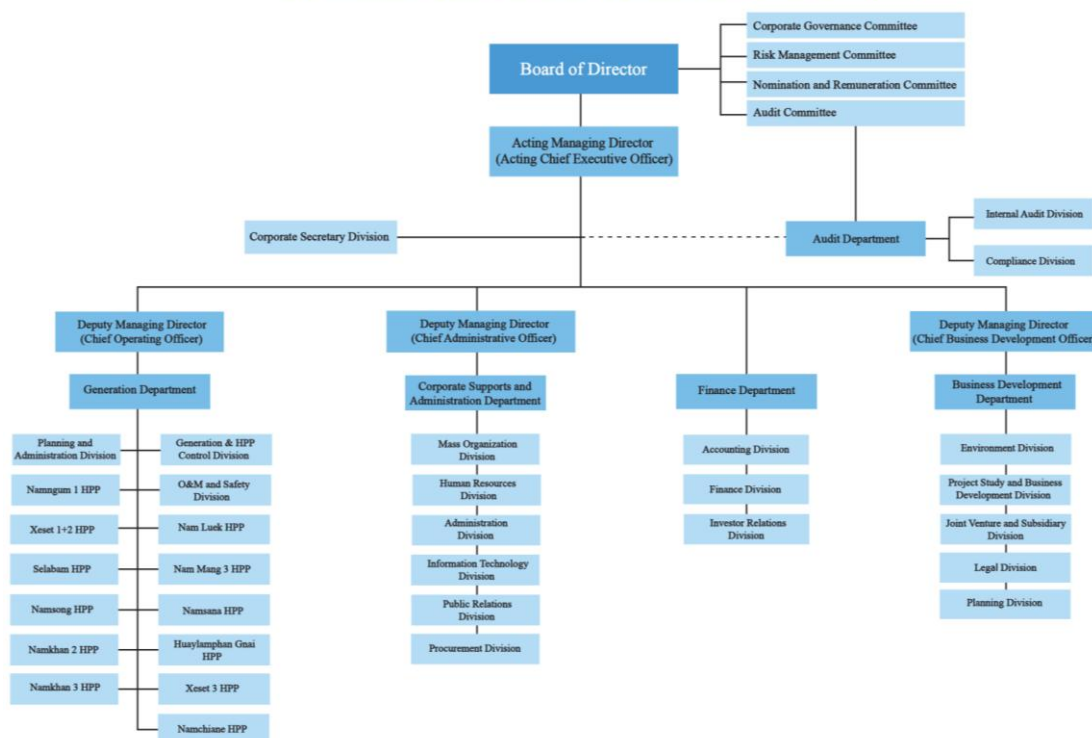
- 3) RATCH-Lao Services Company Limited holds 94.848.324 shares, equivalent to 5,65% of EDL-Gen's total number of shares.
- 4) Domestic investors (including EDL-Gen Staff, Individuals and Corporates) and Foreign investors (Individuals and Corporates) hold 324.977.600 shares, equivalent to 19,35% of EDL-Gen's total number of shares.

VII. Organization Structure

The organization chart of the EDL-Generation Public Company consists of:

As of December 31, 2022 The organization chart of EDL-Gen consists of the board of directors with 11 members, 3 of which are independent directors; 4 members of executive management team, 5 departments, 20 divisions, and 13 hydropower plants.

Organization Chart of EDL-Generation Public Company



❖ EDL-Gen Staff

EDL-Gen and Subsidiaries have 803 staffs, of whom 139 are females.

Details	Permanent staff	
	Total of staff	Female
Head office	135	62
Nam Ngum 1	118	21
Nam Kham 2-3	67	7
Xeset 1-2	67	12
HouayLamphanGnai	38	2
Nam Leuk	59	3
Nam Mung 3	58	9
Xeset 3	27	3
Nam Sana	31	4
Nam Song	24	-
Selabam	33	5
Nam Chain	33	2
Staff in IPP & Joint-Ventures / Associates	108	9
Staff in Xepien-Xenamnoy Project	5	-
Total	803	139

Board of Directors

- * Date of Birth: 24/11/1966
- * Nationality: Lao
- * Position : Governor of the Bank of the Lao PDR
- * Education:
 - PhD in Economics from the Australian National University, Canberra, ACT, Australia. Masters of Business Administration from Thammasat University Bangkok, Thailand. Bachelor and Master of Science in Physics and Mathematics from Moscow Pedagogical University, Moscow, Russia.



Dr. Bounleua SINXAYVORAVONG
Chairman

- * Date of Birth: 03/05/1973
- * Nationality: Lao
- * Position: Managing Director of Electricite Du Laos (EDL)
- * Education: Master of Business Administration, emphasis in Finance, Avila University, Kansas City, the United States. Bachelor of Science Degree in Electrical Engineering, National University of Laos.



Mr. Chanthaboun SOUKALOUN
Vice Chairman

- * Date of Birth: 30/03/1974
- * Nationality: Lao
- * Position: Acting Managing Director & Acting CEO (EDL-GEN)
- * Education: Master of Accounting at the National University of Laos



Mr. Vanhseng VANNAVONG
Director

- * Date of Birth: 01/05/1968
- * Nationality: Lao
- * Position: Director General of Energy Business Department, Ministry of Energy and Mines
- * Education: Bachelor of Mechanical Engineering, National University of Laos



Mr. Somphith KEOVICHITH
Director

- * Date of Birth: 10/10/1978
- * Nationality: Lao
- * Position: Chairman of Board of Directors and President of Phongsubthavy Road, Building and Irrigation Construction Sole Co., Ltd.
- * Education: Sengsavanh Business Management University



Mr. Phongsavath SENAPHUAN
Director

- * Date of Birth: 21/07/1972
- * Nationality: Lao
- * Position: Managing Director of Phongsubthavy Road, Building And Irrigation Construction Sole Co., Ltd.
- * Education: Master of Public Administration, Tsinghua University, China.



Mr. Somlath MEKAKATH
Director

- * Date of Birth: 23/03/1980
- * Nationality: Lao
- * Position: Deputy Director General, Public Debt Management Department, Ministry of Finance.
- * Education: Master of Public Administration, Flinders University, Australia



Ms. Manivone PHONHAMATH
Director

- * Date of Birth: 12/03/1978
- * Nationality: Thai
- * Position: Board of Director, Hongsa Power Co., Ltd and
Phufai Mining Company Limited
Managing Director of Ratch-Lao Service Co., Ltd
Managing Director of Asia Water Company Limited CEO
of Forest Renewable Development
- * Education:
 - Master of Science (Banking and Finance), (English Program),
Chulalongkorn University, Thailand
 - Master of Engineering (Electrical Engineering), Chulalongkorn University,
Thailand



Mr. Chollawit WINITCHAI
Director

- * Date of Birth: 29/12/1975
- * Nationality: Lao
- * Position: Director General of Banking Operation Department,
Bank of Lao PDR.
- * Education: Master of Economics, Australia



Mr. Khamkeo VISISOMBATH
Independent Director

- * Date of Birth: 13/02/1958
- * Nationality: Lao
- * Position: Committee of Lao Securities Commission.
- * Education: Master of Law and Public Administration.



Mr. Khammoune VIPHONGXAY
Independent Director

- * Date of Birth: 22/08/1979
- * Nationality: Lao
- * Position: Deputy Director General of Research and General Affairs
Department, Office of the Party Central Committee.
- * Education: PhD in Economics, Kobe University, Japan.



Dr. Phanhpakit ONPHANDALA
Independent Director

Managing Directors of EDL-Gen



Vanhseng VANNAVONG
Acting Managing Director & Acting CEO



Vongsakoun YINGYONG
Deputy Managing Director,
COO



Souksanh PHONGPHILA
Deputy Managing Director,
CAO



Dr. Kounlaphanh VONGNATHI
Deputy Managing Director,
CBDO

❖ Brief biographies of Managing directors



1. Mr. Vanhseng VANNAVONG

- Date of Birth: 30/03/1974
- Nationality: Lao

❖ Education, Training and Experience:

- **Education Background:** Master of Accounting at the National University of Laos

- **Training:**

1999	Technical degree, at Pakpasack Vocational School
2002	Accounting Consultant at LCPA, Lao accounting professional.
2008	Bachelor degree of Finance and Banking at Rattana Institute of Business Administration.
2010	Political Theory for 05 Months, at National Academy of Political and Public Administration.
2013	Master of accounting degree, at the University of Lao
2014	Borad of director (Director Certification Program), at IOD in Thailand.
2019	Capital Market Institute (CMA-GMS) Capital Market Academy
2022	Training: “Company Reporting Program (CRP Online)” at IOD Bangkok, Thailand.

- **Experience:**

1993-1997	Teacher assistants at vocational schools N.E.C
1997-2010	Deputy Head of Accounting Office of EDL.
2010-2016	Acting Director of finance department of EDL-Gen.
2016-2020	Director of finance department of EDL-Gen
2020-2022	Deputy Managing Director of EDL-Gen
20/5/2022	Acting Managing director of EDL-Gen
Present	Acting Managing director of EDL-Gen



2. **Mr. Vongsakoun YINGYONG**

- Date of Birth: 05/10/1964
- Nationality: Lao

❖ **Education, Training and Experience:**

- **Education Background:** Master's Degree of Hydropower and Operating Systems, at University of Mechanical Engineering, in Soviet Union.
- **Training:**

1991-1993	Department of Hydropower Repair and Maintenance at the University of Mechanical Engineering, Soviet Union.
1995	Electrification of generators and generators at University of IKATAM, In Malaysia.
2001	Marketeconomy management by Price WaterHouseCoppers.
2001	Account management at Managing Hydropower.
2007	Small Scale and Clean Energy Power (Solar and Wine Power) at TEPCO JAPAN.
- **Experience:**

1993-1999	Head of Mechanical Division, Construction Division and Head of Shalabam Hydropower Management Division of EDL.
1999-2000	Head of Chalabam project.
2003-2010	Deputy Head of Xeset Hydropower Plant 1-2.
2010-2011	Head of Huay Lamphan Yai Hydropower Project.
2013-2017	Deputy Head of Dam Construction, as well as Chief of Nam Ngum 3 Hydropower Project.
2011-2020	Deputy Head of Dam Construction and Joint Venture Management.
2020-Present	Deputy Managing Director of EDL-Gen.



3. Mrs. Souksanh PHONGPHILA

- Date of Birth: 04/12/1965
- Nationality: Lao

❖ Education, Training and Experience:

- **Education Background:** International Master of Business Administration at National Academy of Politics and Public Administration (NAPPA)
- **Training:**
 - 1991 Telecommunications by TATA Consulting Engineers, at Vientiane Capital City.
 - 1992 Electrical equipment industry in Indian Institute for Foremen Training, India
 - 1996 basic management by Tenaga Nasional Berhad, IKATAN, Malaysia
 - 1998 English for Lao youth at Regional Language Centre, Language Teaching Institute Singapore, Southeast Asian Ministers of Education Organization, in Singapore.
 - 2003 Environmental Impact Assessment for Power, Mining and Highway Development Projects in Lao PDR Organized by the Organization for Science, Technology and the Environment and supplied by CEDA, in Sweden.
 - 2006 Small-scale power development in Indian Institute of Technology, Alternate Hydro Energy Centre, Roorkee, in India.
 - 2011 BCP-2 Business finance and capital markets for professional executives (Business Finance in Capital Market for Professional Executive at Boudviseth University).
 - 2011 Social Impact Assessment in International Centre for Hydropower, in Norway.
 - 2013 HAPUA Working Group No. 5 – Human Resource workshop on Leadership Development Model, Leadership Assessment and Talent Development, at National Transmission Corporation, in Philippine.

2015	Organizational and HR Flexibility Workshop, by HAPUA Working Group No. 5 on Human Resource in Malaysia.
2017	ASEAN Government Leadership (ASEAN Government Leadership Program), at GE Crotonville, in USA.

-Experience:

1987-1994	Responsibilities of transmission system management.
1994-1997	Responsibilities of managingdirector'sofficer.
1997-1999	Head of Ministration Department of EDL.
1999-2002	Head of Office of the Director's assistant of EDL
2002-2006	Responsibilities of environmental and social of EDL
2006-2011	Head of Ministration division of EDL.
2011-2016	Director of Corporates supports and Administration department.
2016-2020	Director's assistant /Director of planning department.
2020-Present	Deputy Managing Director of EDL-Gen.



4. Dr. Khounlaphanh VONGNATHI

- Date of Birth: 28/08/1966
- Nationality: Lao

❖ Education, Training and Experience:

- **Education Background:** PhD in Economics, at Moscow State University Of Economics, Statistics and Informatics, in Russia Union of 2000.
- **Experience:**

2001-2008	Responsible of Administration department, at Entreprises des Postes et Telecommunications Lao (EPTL).
2001-2008	Establish and manage tourism and tourism businesses Domestic and international hotels.
2009-2020	Deputy Managing Director of Phongsubthavy Road-Bridge, Building and Irrigation Construction Sole Co., Ltd.
2020-Present	Deputy Managing Director of EDL-Gen.

VIII. Committees

In order to secure the quality and the regulations of the company, the board of directors appointed a number of committees, consisting of committees under Board of Directors and under the Managing Directors.

- Committees under Board of Directors

Committees to the Board of Directors comprises of 5 committees and each committee includes members. The details are as follows:

Audit Committee

1. Mr. Khammoune VIPHONGXAY	Independent Director	Chairman
2. Mr. Somlath MEK AKATH	Director	Vice Chairman
3. Mr. Khamkeo VISISOMBATH	Independent Director	Member
4. Ms. Manivone PHONH AMATH	Director	Member

Risk Management Committee

1. Mr. Somphith KEOVICHITH	Director	Chairman
2. Mr. Phongsavath SENAPHUAN	Director	Vice Chairman
3. Dr. Phanhpakit ONPHANDALA	Independent Director	Member
4. Ms. Manivone PHONH AMATH	Director	Member

Nomination and Remuneration Committee

1. Mr. Chanthaboun SOUKALOUN	Vice Chairman	Chairman
2. Mr. Phongsavath SENAPHUAN	Director	Vice Chairman
3. Dr. Bounleua SINXAYVORAVONG	Chairman	Member
4. Mr. Chollawit WINTCHAI	Director	Member

Corporate Governance Committee

1. Mr. Chanthaboun SOUKALOUN	Vice Chairman	Chairman
2. Mr. Somphith KEOVICHITH	Director	Vice Chairman
3. Mr. Somlath MEK AKATH	Director	Member
4. Mr. Vanhseng VANNAVONG	Director	Member

Hydropower Project Transfer and Shares in IPPs Transfer from EDL to EDL-GEN Committee

1. Mr. Chanthaboun SOUKALOUN	Vice Chairman	Chairman
2. Mr. Phongsavath SENAPHUAN	Director	Vice Chairman
3. Mr. Chollawit WINTCHAI	Director	Member
4. Ms. Manivone PHONH AMATH	Director	Member
5. Mr. Vanhseng VANNAVONG	Director	Member

1.1 Secretary of Board Director

In 2022, the EDL-Gen Board of Director has considered and approve fundamental issues, upon 8 meetings, 4 of which were ordinary, and 4 were extraordinary meetings, as the details below:

- Board Director extraordinary meeting1/2022, dated on 14 Feb 2022, in the absence of 1 member: Mr. Chanthaboun SOUKALOUN, the vice chairman, on the occurrence of the urgent mission, thus has appointed Mr. Souksavath SOSOUPHANH, the director of Finance and Planning department of EDL, to participate in the meeting (former board member)

- After the appointment agreement of the new board of directors, the Board Director meeting 1/2022 has been organized, dated on 18 Mar 2022, in the absence of 2 members: Mr. Somphit KEOVICHIT, director and Dr. Phanpakit ONPHANDALA, independent director, who were on the mission in other provinces, with important issue as follow:
 - EDL-Gen's Business operation report and financial report for the year 2021.
 - Selection and determination of hiring external auditors from 2023-2025.
 - Appointed board members and other committees.
 - According to the meeting dated on 18 Mar 2022, as it set forth that technical seminar about business operation plan for year 2022, therefore the meeting was organized on 24 Mar 2022 in the absence of 1 member: Mr. Khamkeo VISYSOMBATH, independent director, who was on the necessary mission.
- Board Director extraordinary meeting 2/2022, dated on 05 April 2022 in the absence of 1 member, who was on the mission, with important issue as follow:
 - Report company's anticipated financial liquidity in 2022 and propose a solution plan.
 - Investment plan in IPP projects until to 2025.
- the Board Director meeting 2/2022, dated on 12 May 2022 in the absence of 1 member: Mr. Chanthaboun SOUKALOUN, the vice chairman, who was on the mission, with the important issues as follow:
 - Analyze the financial conditions of wholly owned hydropower projects and some other projects.
 - EDL-Gen's business operation report included the financial report of quarter 1 of the year 2022.
- Board Director extraordinary meeting 3/2022, dated 31 May 2022 in the absence of 4 members: Mr. Somphit KEOVICHIT, Mr. Somlath MEKAKATH, Mr. Khamkeo VISYSOMBATH and Dr. Phanpakit ONPHANDALA, who were on the mission, with important issue as follow:
 - Approvement of the appointment the acting managing director in order to continue the operation of the company, in the replacement of the former director who was appointed to the new position.
- Board Director extraordinary meeting 4/2022, dated on 30 June 2022, with important issue as follow:
 - Appointed new board members in replace of former members, who were appointed to the new positions, the term of board committees and revised the regulation of the company, particularly the Article 9 – Board committees.
 - The extraordinary shareholders' meeting 1/2022.
- the Board Director meeting 3/2022, dated on 19 Aug 2022, with important issue as follow:
 - The company's business operation report for the first 06 months of the year 2022.
 - Financial report for the first 06 months of the year 2022.
 - The dividend payment for the first 06 months of the year 2022.
 - The issuance of debentures aboard to repay the debentures that due in the year 2022.

- the Board Director meeting 4/2022, dated on 14 Nov 2022, with important issue as follow:
 - The company's business operation report for the quarter 3 of the year 2022
 - Financial report for the quarter 3 of the year 2022
 - The company's anticipated business operation report for the year 2022 (the actual operation of 9 months with the plan of the quarter 4/2022) and the company's business operation plan of the year 2023.
 - finding the financing sources through the manners of issuing debentures and/or requesting loans from financial institutions.

❖ **Meeting Participation of Board of Directors' Meetings**

Name and Surname	Position	Absence
Dr. Bounleua SINXAYVORAVONG	Chairman	0
Mr. Chanthaboun SOUKALOUN	Vice Chairman	0
Mr. Vanhseng VANNAVONG	Director/ acting CEO	0
Mr. Somphit KEOVICHIT	Director	2
Mr. Phongsavath SENAPHUAN	Director	1
Mr. Somlath MEKAKATH	Director	1
Mrs. Manivone PHONHAMATH	Director	0
Mr. Chollawit WINITCHAI	Director	0
Mr. Khamkeo VISYSOMBATH	Independent Director	1
Mr. Khammoune VIPHONGXAY	Independent Director	0
Dr. Phanpakit ONPHANDALA	Independent Director	2

❖ **EDL-Generation Public company's shares held by the BOD's members**

1. BOD's Member

No.	Name and Surname	Position	Shares	Note
1	Dr. Bounleua SINXAYVORAVONG	Chairman	40.100	
2	Mr. Chanthaboun SOUKALOUN	Vice Chairman	-	
3	Mr. Vanhseng VANNAVONG	Director/ acting CEO	232.700	
4	Mr. Somphit KEOVICHIT	Director	-	
5	Mr. Phongsavath SENAPHUAN	Director	403.032.887	Share holding on behalf of Phongsubthavi group
6	Mr. Somlath MEKAKATH	Director	-	
7	Mrs. Manivone PHONHAMATH	Director	-	
8	Mr. Chollawit WINITCHAI	Director	-	
9	Mr. Khamkeo VISYSOMBATH	Independent Director	-	
10	Mr. Khammoune VIPHONGXAY	Independent Director	-	
11	Dr. Phanpakit ONPHANDALA	Independent Director	-	

2. Boad of management (Directors)

No.	Name and Surname	Position	Shares	Note
1	Mr. Vanhseng VANNAVONG	Acting Managing Director & Acting CEO	232.700	
2	Mr. Vongsakoun YINGYONG	Deputy Managing Director, COO	99.500	
3	Mrs. Souksanh PHONGPHILA	Deputy Managing Director, CAO	124.200	
4	Dr. Kounlaphanh VONGNATHI	Deputy Managing Director, CBDO	-	

1.2 Audit Committee

In 2022, the Audit Committee successfully performed their tasks and held annual meetings as follows:

❖ The significant works of the audit committee in 2022

- Review the financial report:

Reviewed the appropriateness and accuracy of the quarterly, half-yearly, and annually financial statements of the Company and subsidiaries to ensure that the statements complied with the Company's accounting principle. All ambiguous issues were questioned, meanwhile, external auditors were requested to provide feedback and confirmation on such issues to ensure that the financial statements

were in line with the accounting regulations and the standard of financial statements before submitting them to the Company's Board of Directors.

- Review the risk management process:
Reviewed the policies, and guidelines on risk management by arranging a meeting with managing directors, department managers and division heads of the Company, in order to find the solutions for all the risks.
 - Review the internal control process:
Reviewed and evaluated the adequacy of the Company's internal control system to match with the actual operation of the Company and ensure that it can operate efficiently and effectively and achieve its desired outcomes. The Audit Committees proposed the Board of Directors to upgrade the internal audit and contract department into the internal audit department, which directly report to managing director and audit committee.
 - Supervision of the internal audit works:
Directly supervise the internal audit department, to ensure that it can operate efficiently and effectively. By giving the opinions about annual audit plan, audit report, the adequate internal control or reduce the possible risk. Additionally, also propose the guideline on operation, assessment, following up and consider the appropriate in spending the budget, amount, and human resource development of the internal audit department.
- ❖ Organized 5 internal meetings in 2022
- First meeting, 1st extraordinary meeting, dated on 04 April 2022, to discuss on the roles and duties, previous audit committee report and audit committee implementation plan for the year 2022.
 - Second meeting, 1st ordinary meeting, dated on 06 May 2022, in order to discuss about financial report for the first quarter of the year 2022. Which has given opinion on that financial report and drafted letter and submitted to secretary of Board Directors to be approved in the meeting before the disclosure at LSX.
 - Third meeting, 2nd ordinary meeting, dated on 12 Aug 2022, to discuss on the financial report for the first 6 months of the year 2022. Which audited by the external auditor (PwC), the opinions have been given on this financial report and drafted letter and submitted to secretary of Board Directors to be approved in the meeting before the disclosure at LSX.
 - Fourth meeting, 3rd ordinary meeting, dated on 7 Nov 2022 to discuss on financial report for the third quarter of the year 2022. Which opinions has been given on that financial report and drafted letter and submitted to secretary of Board Directors to be approved in the meeting before the disclosure at LSX.
 - Fifth meeting, 4th ordinary meeting, dated on 13 Mar 2023 to discuss on the financial report of the year 2022. Which audited by the external auditor (PwC), opinions have been given on this financial report and drafted letter and submitted to secretary of Board Directors to be approved in the meeting before the disclosure at LSX.

1.3 Risk Management Committee

In 2022, the Risk Management Committees held 5 meetings; 2 of which were ordinary and the other 3 was extraordinary. The meetings considered and approved the following matters:

- Researching the terms of authority in the operation of EDL-Gen
- Risk from the fluctuation of Lao Kip against the foreign currency

- The progress of an approval of debenture issuance in Thai Baht currency
- Risk assessment in EDL-Gen's strategy plan implementation from year 2022-2030
- Risk and solutions for violation of the financial conditions of debt ratio loans with interest burden (Interest Bearing Debt to Equity Ratio or "IBD/E").
- Adjust the ratio of debt to equity of EDL-Gen not to exceed 2.00 times.
- Consider hiring Ernst and Young (EY) Singapore on Capacity Management Proposal for EDL-Gen in the future.
- Report the progress in proposal to get the loan to be the source of circulating fund from the Agricultural Promotion Bank Co.,Ltd
- Generation, water management and loss of generation opportunities during the flood period in 2022.

1.4 Nomination and Remuneration Committee

In 2022, the Remuneration Committee paid attention to developing and adopting policies to ensure the benefits of the Company and its shareholders. A meeting that was held by the committee to discuss about updating the new organizational structure as well as the propose of appointment of managing team, provision of allowances for senior management retirees, who were the board committee members and dividend payment for the shareholders.

2. Committee of Managing Director

2.1 Procurement and Equipment's Supply Committee (PESC)

In 2022, the Procurement and Equipment's Supply Committee held meetings on procurement to negotiate and consult with suppliers/contractors and signed 57 projects which were divided into three sections as follows:

- | | |
|---------------------------|-------------|
| 1. Work Contracts | 13 projects |
| 2. Goods Supply Contracts | 37 projects |
| 3. Service Contracts | 07 projects |

2.2 Honor Policy and Discipline Committee (HPDC).

Through the operation in 2022, the Honor Policy and Discipline Committee held seven meetings to address business operations within the EDL-Gen as follows:

Twelve sections were considered as below :

1. Provisions on the management and use of vehicles (2nd revision).
2. Recruitment policy (1st revision).
3. Rules governing compensation in the event of death, injury, or illness attributable to the performance of official duties on behalf of EDL-Gen (3rd revision).
4. Regulation on vehicles and fuel for employees (3rd revision).
5. Staff evaluations (1st revision).
6. Regulations on treasury management (2nd revision).
7. Electronic documents regulations.
8. Regulations on proficiency assessment (2nd revision).
9. Regulations on treasury management (3rd revision).
10. Regulations on temporary staff members of EDL-Gen (4th revision).
11. IT policy (1st revision).
12. Domestic allowances and expenses (4th revision).

IX. Business Expansion and Development

In 2022, EDL-Gen continued monitoring the construction of Nam Ngum 1 Extension Unit 6.

EDL-Gen has continued to proceed on documentations of transfer of target projects from EDL to EDL-Gen has invested in, such as Hinboun hydropower project (HPP) with an installed capacity of 30 MW, Nam Khan 3 HPP with an installed capacity of 60 MW, Xeset 3HPP with an installed capacity of 23 MW, and Nam Chiane HPP with an installed capacity of 104 MW.

EDL-Gen has continued the transfer of shares, including 10% share in Nam Lik 1 Project (installed capacity of 64 MW) with an equity capacity of 6,4 MW, 60% share in Lower Houay Lamphan Project (installed capacity of 15 MW) with an equity capacity of 9 MW, and 15% share in Xekaman 3 Project (installed capacity of 250 MW) with an equity capacity of 37,5 MW.

EDL-Gen has its investment in projects and co-invest in IPPs, namely Nam Bi 1, 2, 3 Project (installed capacity of 135 MW) with 80% shareholding or 108 MW, Nam Dik 1 Project (installed capacity of 15 MW) with 70% shareholding or 10,5 MW, Nam Phoun Project (installed capacity of 45 MW) with 51% shareholding or 22,95 MW, Nam Theun 1 Project (installed capacity of 650 MW) with 15% shareholding or 97,5 MW. In addition, EDL-Gen is under negotiation process with our partners for co-investing in the projects, namely 19% share in Pak Beng Project (installed capacity of 912 MW) or equal to 173,3 MW, 19% share in Xanakham Project (installed capacity of 660 MW) or equal to 125,4 MW, 20% share in Xekong 5 Project (installed capacity of 330 MW) or equal to 66 MW, 15% share in Thadsakoi Project (installed capacity of 30 MW) or equal to 4,5 MW.

EDL-Gen has considered the development of hydropower project aimed to be exported to Vietnam, which 3 co-investing projects with the expected commercial date before 2025, include: lower Nam Nern Project (installed capacity of 14,8 MW) with 51% shareholdings or 7,548 MW, Nam Lan 1 Project (installed capacity of 14 MW) with 51% shareholdings or 7,14 MW and Nam Lan 2 Project (installed capacity of 7 MW) with 51% shareholdings or 3,57 MW. Which is recently under the PPA negotiation process. Additionally, EDL-Gen also plans to invest in many projects which will be exported to Vietnam base on the suitable timeline.

Apart from investment in energy generation projects, EDL-Gen provides a range of services, including the operation and maintenance of small and large hydropower plants through EDL-Gen O&M Sole Co., Ltd, maintenances of equipment under water by diving team, meeting hall renting service and other services.

X. Independent Audits

1. Fees and Services

The shareholders' meeting for the year 2019 held on 29 May 2020 appointed PwC (PricewaterhouseCoopers) the independent auditor of EDL-Gen from 2020-2022 for 3 years with remuneration of LAK 2.167.764.000. The service included the audits in accordance with IFRS and Lao accounting standard, financial status review and annual finance statements in Lao and English languages.

XI. Corporate Governance

Corporate Governance is one of tasks that EDL-Gen emphasis its importance and pays attention to improve and standardize this work to become a more universal standard, relevant to the LSCO's guidelines on Corporate Governance for Listed Companies, and consequently makes EDL-Gen complete each organizational practices at the international level, thus the important details are summarized as follow:

1. The Rights and Equitable Treatment of Shareholders

EDL-Gen attaches importance to conduct a shareholders' scheme ensuring the right utilization and fair treatment for all shareholders. This has been shown in kinds of actions whenever EDL-Gen releases notifications to allow their shareholders attending-voting in Shareholders' Meetings, receiving dividend, accessing any information related to business operation and financial statements, as much as acknowledging minutes of ordinary and extraordinary meetings of Board of Directors/Shareholders.

2. The Role of Stakeholders.

EDL-Gen fully protects the rights and advantages of those who are involved in the benefits of the company such as employees, customers, creditors, suppliers, community, and related authorities. EDL-Gen has ensured the stability of power generation in comply to social and environmental standards both locally and internationally. Meanwhile, EDL-Gen continually take care of the rights and benefits of all stakeholders regularly, such as the customer service, which is EDL, which is continually supply the stable electricity power. Therefore, for the environment and social contribution works, there is paticular responsible unit to monitor and report any incidents occurred, in order to maintain the sustainable business operation.

3. Disclosure and Transparency

EDL-Gen attaches a crucial act of disclosure to shareholders, in the manner of accuracy, completeness, conciseness and timeliness to information disclosed as stipulated in the regulation of disclosure of Laos Securities Exchange, meanwhile, all forms of disclosure supervised by the company's disclosure committee. Thus, the company secures an equal and fair access of information to shareholders by several disclosures which are vital and necessary. In 2022, EDL-Gen disclosed information in total of 25 times as follows:

Disclosure type	The year 2022
Timely Disclosure	17
Periodical Disclosure	6
Voluntary Disclosure	2
Inquired Disclosure	0
Total	25

4. Responsibilities of Board of Directors

The Board of Directors of EDL-Gen is structured by a range of individuals with appropriate knowledge, capability, and experience from various fields, aiming to the ability to protect shareholders' rights and benefits and elected by the Board of Directors' Committees. In 2022, EDL-Gen have 11 board members. In the board members, there were 1 female and 3 independent directors.

Furthermore, in 2022, the Board of Directors' Meeting was held in the total amount of 8 times, the Ordinary Meeting- 4 times, and Extraordinary Meeting- 4 times. Those meetings generally focused on and were considered on significant business operation in terms of the business performance regularly, such as the financial adjustment and any potential risks as well as the investment monitoring plan and the company development strategy.

XII. Environmental, Social and Sports Activities

1. Environmental Activities

- 1) Had carried out the monitoring and organizing the meeting with local authorities of Thateng district, Xekong province to discuss and evaluate the implementation of environmental work as well as the livelihood development plan for the villagers at Ban HuayDamMai, which is the resettlement village of HLPG HPP.
- 2) Conducted the monitoring and hosted the meeting with local authorities of Xiengngern district, Luangprabang province to discuss and evaluate the implementation of environmental-social work as well as the livelihood development plan for the villagers at Ban Phouxang, which is the resettlement village of NK2 HPP.
- 3) EDL-Gen had held the local stakeholder consultation meeting for seven hydropower projects (Nam Khan 2, Nam Ngum 1 Extension, HouayLamphanhGnai, Nam Khan 3, Xeset 3, Xeset 2 Extension and Nam Chiane Hydropower project). The meeting aims to distribute information about the carbon credit trading and Clean Development Mechanism (CDM) and to discuss the development and benefits of this project and also to understand the concerns and opinion of the stakeholders.
- 4) Provided budget and small plants for local villagers living nearby NamKhan 2 and HLPG Hydropower plants. Therefore, it aims to promote the abundance of forestry and reafforestation after the impoundment. 22 million kip was set for each project.
- 5) Implement the environmental monitoring and organized the meeting with related local authorities at NamChiane hydropower plant to discuss on previous environmental and social work, as well as to share the ideas on the further improvement and address all the local needs.
- 6) On 06/09/2022 at NamKhan 2-3 hydro power plant, EDL-GEN successfully paid the compensations to the affected households, who had adverse impacts from NK3 project, with the total amount of 5,849,241,000LAK for 341 families in 10 villages.
- 7) EDL-Gen has monitored the water level, examine the water qualities and reservoir's surface clearance, meanwhile surveying surrounded area of its HPPs, observed its environment and contributed in the abundance of the biodiversity monthly/quarterly/annually.

2. Social Contribution and Sports

EDL-Gen is the first public company for energy producer in Lao P.D.R. To fulfil the role of the Company along with the business operation, EDL-Gen, since its establishment, has focused on social contribution and development, especially the communities surrounding HPPs according to the guidelines on sustainable energy development and social involvement. In 2022, EDL-Gen carried out various activities as follows:

- 1) Organized the technical training on how to grow mushroom and feeding grass for the villagers at Ban HuayDamMai which is the resettlement village of HPLPG HPP. Meanwhile, the HPP had provided the barbed wire fence for Health center at Ban ThonNoy, Thateng district, Xekong province.
- 2) During 09-12/08/2022, EDL-GEN has organized the public awareness raising event together with the local villagers nearly Xeset3 hydropower plant with the total amount of 29 million kip. This event was aimed to promote knowledge and better understanding on hydropower generation and the importance of water resource-upstream forest conservation.
- 3) Approved budget of 126million kip, for the maintenance, repair and renovation of seedling farm/agricultural center at NamMang 3 hydropower plant.
- 4) Organize the training for EDL-GEN environmental staffs, who responsible for the social and environmental works at the headquarter and sites, in order to increase the personal capacity and experience at their works.
- 5) EDL-Gen has prioritized the concerns the CSR works and keep contributing to its community in all possible sectors, especially in promoting local livelihood and education of unfortunate young generations, as well as providing and maintenance the infrastructures to the local communities.

XIII. Human Resource Development

EDL-Gen continued its role in implementing the policy on human resource development to enhance the experience and increase the knowledge and capacity of employees in a wide range of disciplines related to the Company's professional work.

In 2022 EDL-Gen has selected 11 Professional officers on operation and maintenance, supporting staffs for training both in domestic and foreign in the total of 339 people.

XIV. The Company's Policy on Internal Control System

EDL-Gen paid great emphasis to this work to ensure that the Company possesses appropriate and adequate internal control to drive the organization to achieve its goals. This is reflected in the implementation of the work based on compliance with the adopted policies, regulations and instructions set out in each sector. To strengthen the internal control system, EDL-Gen has also established five committees under the Board of Directors: 1) Audit Committee, 2) Risk Management Committee, 3) Nomination and Remuneration Committee, 4) Corporate Governance Committee and 5) Project asset transfer and share transfer from EDL to EDL-Gen Committee.

XV. The Risk Management Policy of EDL-Gen

1. Risk Management Policy

- 1.1 The Company will develop a risk management system and procedures throughout the Company and its subsidiaries to be in line with the business strategy and goals by applying international standards. The risk assessment must cover the following seven areas:
 - 1) Strategic risk and reputation of the Company
 - 2) Risks in generating and supplying electricity to customers.
 - 3) Financial risk and liquidity.
 - 4) Compliance risk
 - 5) Technology risk.
 - 6) Emerging risk/management or response to emergencies.
 - 7) Sustainability risk.
- 1.2 All executives and staff members of the Company are the owner of the risks and are responsible for identifying and assessing the risks of their respective working units, as well as taking appropriate measures to manage the risks. The Company will manage the risks to the acceptable level (Risks Appetite) or to the level of deviation that the Company can accept (Risk Tolerance).
- 1.3 The Risk Management Committee, in cooperation with the Board of Directors of the Company, formulates the policies, guidelines and the scope of risk management, as well as the acceptable level of risk of the Company; while the departments, HPPs, and divisions of the Company implement them.

The Secretariat of the Risk Management Committee assists in all risk management activities, including consolidating risk information and risk management guidelines from the Risk Management Committee, then analysing and making a report on risks, progress on risks of all activities of the Company to the Committee.
- 1.4 Risks affecting the achievement of the Company's objectives need to be managed as follows:
 - Identifying risks promptly.
 - Assessing the possibility of risks and impacts if such an event occurs.
 - Managing risks following defined risk management principles, taking into account the relevant expenses and benefits that will be derived from such risk management.
 - Monitoring the results and reviewing the risk management regularly to ensure that the risks confronting the Company are managed properly.
- 1.5 Risks, at a high and very high level, that may affect the Company's business plan and strategy must be reported to the Risk Management Committee, the Audit Committee and the Board of Directors of the Company.

Acting Managing Director:

(Signature) Vanhseng VANNAVONG