



EDL-Generation Public Company

The First Semi-Annual Report

30 June 2018



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The First semi-annual Financial Report June 30, 2018

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 an 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 purchase shares of four Independence Power Producer (IPPs) from EDL. The four IPPs are 60% of shares in Theun Hinboun, 25% of shares in Nam Ngum 2, 20% of shares in Houay Ho and 10% of shares in Nam Lik 1-2 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 plant projects: Nam Khan 2 hydropower plant project with an installed capacity of 130 MW, Houay Lamphan Gnai hydropower plant project with an installed capacity of 88 MW and Nam Sana hydropower plant 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:**

1. Number one leading company in Lao PDR in ensuring a reliable electric power supplies for the socio-economic development of Lao PDR.
2. A leading 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 supplies to ASEAN community.
3. A leading company which provide operation and mantainance services to power producers in Lao PDR and ASEAN community.
4. A leading company which increase value for the shareholders.

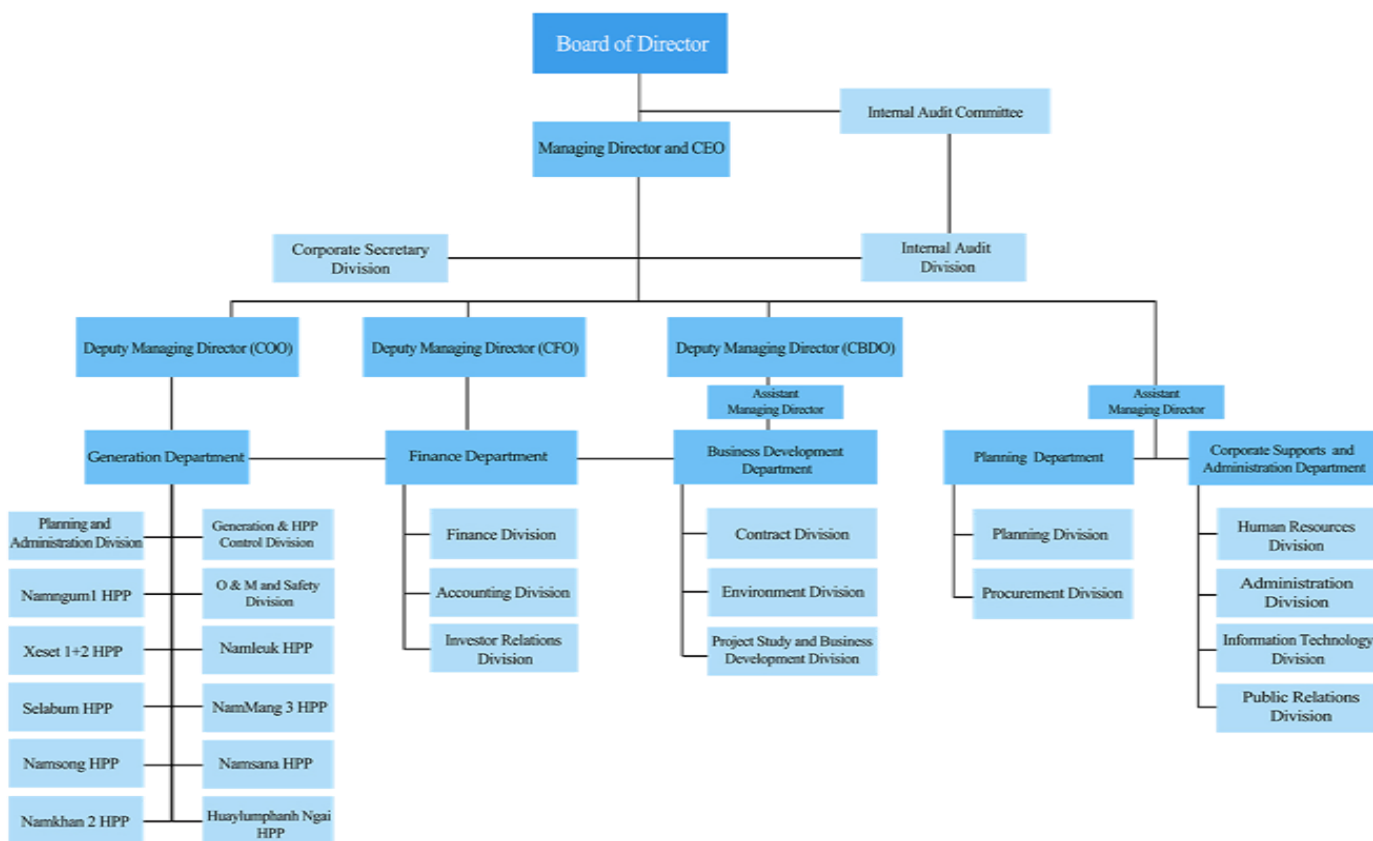
❖ **Mission:**

1. To stand side by side and coordinate closely with EDL on ensuring energy security in term of quality and quantity in order to support the socio-economic developement of Lao PDR as well as the development of ASEAN nations with reasonable price and also increasing value for the shareholder.
2. To supply electic power from clean alternative energy to ensure energy security substantially.
3. To invest in other interesting businesses and build up the value for shareholders through the funds and assets of the company handcoperates
4. To be fully responsible to the shareholders and stakeholder in the protection of company's assets.
5. To firmly build up the wealthy and value of shareholders in the long run.
6. To act principally and flexibly in accordance with the visions and missions cosidering the risk that is born and will be born in the future
7. To have transparent and accountable process of decision making staff
8. To equally, fairly and justly treat all involved parties and aviod the situations leading to the conflict of interest.
9. To increase continously the effectiveness of business management and electricity generation to be competitive with others through creative thinking and technology.
10. To enhance and develop the qualities and capacity of it staff at all level so as to encourage them to actively participate in the company development with the sense of pride, responsibility and ownership. Focus on human resouce development in the field of O&M service for energy producers in Laos and also in ASEAN community.
11. To take care of society, water sources and environment.

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 912 staffs, of whom 178 are females. It consists 633 permanent staffs, of whom 106 are female and it consists 279 contractual staffs, of whom 72 are female:

Details	Permanent staff				Temporary staff					
Head office	93	staff	Female	35	staff	23	staff	Female	13	staff
Nam Ngum 1	147	staff	Female	29	staff	63	staff	Female	20	staff
Nam Kham 2-3	52	staff	Female	4	staff	23	staff	Female	7	staff
Xe set 1-2	82	staff	Female	15	staff	57	staff	Female	8	staff
Houay Lamphan Ngai	39	staff	Female	1	staff	22	staff	Female	4	staff
Num Leuk	49	staff	Female	4	staff	25	staff	Female	5	staff
Num Mung 3	49	staff	Female	7	staff	10	staff	Female	3	staff
Xe set 3	24	staff	Female	3	staff	13	staff	Female	4	staff
Nam Sana	21	staff	Female	1	staff	12	staff	Female	2	staff
Nam Song	21	staff	Female	1	staff	10	staff	Female	2	staff
Selabam	37	staff	Female	4	staff	18	staff	Female	4	staff
Tadsaland	0	staff	Female	0	staff	3	staff	Female	0	staff
Staff in IPP & Joint-Ventures / Associates	13	staff	Female	2	staff	0	staff	Female	0	staff
Se Pian - Se Nam Noi (Project Staff)	6	staff	Female	0	staff	0	staff	Female	0	staff
Total	633	staff	Female	106	staff	279	staff	Female	72	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
Director



Mr. Bounma MANIVONG
Director



Mrs. Vanida SAVADDY
Director



Mr. Sychath BOUTSAKITIRATH
Director



Assoc. Prof. Dr. Kongsy SENGMANY
Independent Director



Prof. Dr. Khamlusa NOUANSAVANH
Independent Director



Assoc. Prof. Khampheui PHOMACHANH
Independent Director

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. Committees

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)

In the first semi-annual 2018, Internal Audit Committee (IAC) held 4 meeting. Main issue of the meeting was as follows:

- On February 19th, the first ordinary meeting was held. The main issues of the meeting were the audit of Nam Ngum 1 HPP, Nam Mang 3 HPP and EDL-Gen headquarter, and working plan of the internal audit division.
- On March 07th, the first extraordinary meeting was held. The main issue of the meeting was discussion on a draft of annual financial statement year 2017. The statement was verified by external auditing company(KPMG).
- On May 09th, the second ordinary meeting was held. The main issue of the meeting was discussion on a draft of first quarter financial statement year 2018.
- On June 13th, the second extraordinary meeting was held. The main issues of the meeting were revision of the roles of the Audit Committee and the audit of Nam Sana.

2. Risk committee

In the first semi-annual 2018, Risk Committee held 1 meeting. Main issue of the meeting was as follows:

- The meeting held on 05/02/2018. The main objective was to analyse and discuss financial risks in the Company, particularly with respect to accounts receivable collection from EDL, working capital plan and fund raising and others.

3. Reimbursement Committee

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

4. Nomination Committee

Nomination committee reported the progress work during the first quarter 2018. The committee held 2 meeting on February 13th, 2018 and March 13th, 2018. The main issues of the meeting were as follows:

1. Certified the roles and responsibilities of the nomination committee.
2. Certified the a new set of board of directors to replace the old set of board of directors because of expiring from term of office
3. Assigned a new secretary of the nomination committee

5. Audit of Related Party Transaction Committee (ARPTC)

In the first semi-annual 2018, according to the shareholder and business operation information of EDL-Gen, there is no case of related transaction between company and individual/corporate so far. ARPTC is now preparing to hold the ARPTC meeting which would be held in third quarter 2018.

4.2 Managing Directors.

1. The Committee on Negotiation of Concession Agreement, Shareholder Agreement, and Power Purchase Agreement (CASAPPAC)

In the first semi-annual 2018, Committee on Negotiation of Concession Agreement, Shareholder Agreement, and Power Purchase Agreement worked on some tasks as follows:

- Carry on negotiation of the draft Concession Agreement of Nam Khan 2 and HouyLamphanNyai hydropower projects between the GOL (represented by Ministry Energy and Mine) and EDL-Gen

- On the 26 March 2018, completed the signing the Share Transfer Agreement of Nam Beng hydropower project between EDL and EDL-Gen.
- On the 26 March 2018, completed the signing the Share Transfer Agreement of Nam Long hydropower project between EDL and EDL-Gen

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

In the first semi-annual 2018 the PESC held 2 internal meeting on Procurement and signed contracts in 14 projects which were divided into 3 sectors as follows:

1. Work contracts in 5 projects
2. Goods supply contracts in 7 projects
3. Service contracts in 2 project

3. Honor Policy and Discipline Committee (HPDC)

In the first semi-annual 2018, Honor and Discipline Committee (HDC) held a meeting. Main issue of the meeting was as follows:

- Reviewed EDL-Gen regulation on traveling expenses
- Reviewed policies of internal control committee
- Reviewed policies of the committees who are under the Board of Directors
- Reviewed policies of EDL-Gen Divers
- Established minimum wage for EDL-Gen

5. Business Operation and Productivity

It has been the eight year since the company established in December 2010 to operate and wholesale the generating electricity to EDL. Meanwhile, the company had to improve the overall management to suit the laws and regulations of a public company set by the Lao Securities Exchange to ensure a healthy development of EDL-Gen and build trust amongst shareholders and international investors. The outcomes of our business operation in the first semi-annual 2018 are as followed:

5.1 Generation

In the first semi-annual 2018, the company owned 10 hydropower plants with a combined installed capacity of 1.131 MW. Since the weather condition in 2018 was supportive, enabling company’s generation reached 1.073,26 GWh which was 104,08% of the plan.

5.2 Revenue

In the first semi-annual 2018, the total revenue of EDL-Generation mainly came from selling electricity to EDL and its total revenue was 527.725 million Kip, which was below the plan by 9,35% including revenue from electricity sale totally 506.472 million Kip, equaled to 95,97% of the total revenue and other revenue 21.253 million Kip, equaled to 4,03% of the total revenue.

5.3 Expenses

In the first semi-annual 2018, EDL-Gen’s expense was 701.012 million Kip, Equivalent to 132,84% of the total revenue because of the increase of finance cost, operating cost

No.	Details	Million Kip	% of revenue
1	Cost of Sales	225.967	42,82%
2	Finance Cost	251.388	47,64%
3	Foreign exchange rate	147.943	28,03%
4	Operating Cost	75.714	14,35%
	Total	701.012	132,84%

5.4 Net Profits

The total Net Profits of EDL-Gen for the first semi-annual 2018 came from 2 main sources as follows:

1. Profit from business operation of EDL-Gen faced a deficit of 173.286 million Kip
2. Profit from share of associates and joint ventures amounted to 268.677 million Kip.

The total Net Profits of EDL-Gen for the first semi-annual 2018 was 95.391 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 Dividend Tax, Royalty Fee Personal income tax-salary-meeting premium tax, Value Added Tax. The total amount of tax for In the first semi-annual 2018 was 28.074 million kip and represents as below:

No.	Details	Million Kip
1	Dividend Tax	20.531
2	Royalty fee	2.857
3	Personal income tax-salary - meeting premium tax	2.693
4	Value Added Tax	1.993
	Total	28.074

The First Semi-Annual Financial Report

June 30, 2018

EDL-Generation Public Company and its subsidiaries

Condensed interim financial statements
for the six-month period ended 30 June 2018
and
Independent auditors' report on review of
condensed interim financial information



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Independent auditors’ report on review of condensed interim financial information

To Board of Directors of EDL-Generation Public Company

Introduction

We have reviewed the accompanying condensed consolidated and separate interim statements of financial position of EDL-Generation Public Company and its subsidiaries (the “Group”) and EDL-Generation Public Company (the “Company”), respectively, as at 30 June 2018, the condensed consolidated and separate interim statements of income, changes in equity and cash flows for the six-month period then ended, and notes to the condensed interim financial information (“the condensed interim financial information”). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the Group’s accounting policies as described in Note 2 in the condensed interim financial information. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the six-month period ended 30 June 2018 is not prepared, in all material respects, in accordance with the Group’s accounting policies as described in Note 2 in the condensed interim financial information.

KPMG Lao Co., Ltd.

KPMG Lao Co., Ltd.
 Vientiane
 22 August 2018



EDL-Generation Public Company and its subsidiaries
Condensed interim statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2018 (Unaudited)	31 December 2017	30 June 2018 (Unaudited)	31 December 2017
<i>(in million Kip)</i>					
Assets					
Investments in subsidiaries	4	-	-	85.160	82.760
Investments in associates and joint ventures	5	3.599.244	2.606.394	3.599.244	2.606.394
Advance payment for assets under concession and investments	6, 15	3.814.645	4.436.159	4.612.026	5.101.121
Advance payment for interest rate collar contracts	11	29.521	36.058	29.521	36.058
Assets under concession	7	9.853.176	9.790.198	9.426.379	9.408.829
Long-term deposit		95.952	66.334	95.952	66.334
Other non-current assets		348.372	190.218	7.298	6.538
Total non-current assets		17.740.910	17.125.361	17.855.580	17.308.034
Cash and cash equivalents		592.723	756.738	497.834	678.322
Current investments		129.239	955.301	129.239	955.301
Short-term loan to related party	15	394.941	463.392	394.941	463.392
Trade and other receivables	8, 15	576.196	149.452	567.305	144.598
Current portion of advance payment for interest rate collar contracts	11	14.581	14.581	14.581	14.581
Spare parts and supplies		4.664	4.458	4.664	4.458
Other current assets		42.422	149.910	36.623	35.594
Total current assets		1.754.766	2.493.832	1.645.187	2.296.246
Total assets		19.495.676	19.619.193	19.500.767	19.604.280



RATTANA PRATHOUMVAN

Chief Executive Officer

Date: 22 August 2018

BOUNSALONG SOUTHIDARA

Chief Financial Officer

Date: 22 August 2018

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

EDL-Generation Public Company and its subsidiaries
Condensed interim statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2018 (Unaudited)	31 December 2017	30 June 2018 (Unaudited)	31 December 2017
<i>(in million Kip)</i>					
Equity					
Share capital		6.717.215	6.717.215	6.717.215	6.717.215
Share premium		985.621	985.621	985.621	985.621
Legal reserve		463.944	463.944	463.944	463.944
Translation reserve		5.466	2.302	5.466	2.302
Retained earnings		830.408	1.040.000	835.562	1.042.447
Equity attributable to owners of the Company		9.002.654	9.209.082	9.007.808	9.211.529
Non-controlling interests		(2.559)	(263)	-	-
Total shareholders' equity		9.000.095	9.208.819	9.007.808	9.211.529
Liabilities					
Long-term borrowings	9	3.929.330	4.206.348	3.929.330	4.206.348
Debentures	10	4.250.599	4.152.882	4.250.599	4.152.882
Swap contract payables	11	6.524	3.856	6.524	3.856
Total non-current liabilities		8.186.453	8.363.086	8.186.453	8.363.086
Short-term borrowings	9	951.972	870.573	951.972	870.573
Current portion of long-term borrowings	9	562.367	529.912	562.367	529.912
Trade and other payables		683.415	535.079	682.160	517.911
Accrued expenses		110.677	111.222	109.311	110.767
Other current liabilities		697	502	696	502
Total current liabilities		2.309.128	2.047.288	2.306.506	2.029.665
Total liabilities		10.495.581	10.410.374	10.492.959	10.392.751
Total equity and liabilities		19.495.676	19.619.193	19.500.767	19.604.280



RATTANA PRATHOUMVAN
 Chief Executive Officer

Date: 22 August 2018

BOUNSA LONG SOUTHIDARA
 Chief Financial Officer

Date: 22 August 2018

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

EDL-Generation Public Company and its subsidiaries
Condensed interim statement of income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		For the six-month period ended 30 June		For the six-month period ended 30 June	
		2018	2017	2018	2017
<i>(in million Kip)</i>					
Continuing operation					
Sales	15	515.497	574.566	506.472	573.305
Costs of sales		<u>(231.291)</u>	<u>(222.462)</u>	<u>(225.967)</u>	<u>(222.044)</u>
Gross profit		284.206	352.104	280.505	351.261
Other income	15	21.253	13.029	21.253	13.029
Operating and administrative expenses		<u>(77.837)</u>	<u>(64.663)</u>	<u>(75.714)</u>	<u>(63.327)</u>
Net foreign exchange loss		<u>(154.524)</u>	<u>(45.646)</u>	<u>(147.943)</u>	<u>(45.090)</u>
Share of profit from investments in associates and joint ventures	5	<u>268.677</u>	<u>120.593</u>	<u>268.677</u>	<u>120.593</u>
Operating profit		341.775	375.417	346.778	376.466
Finance costs	15	<u>(251.388)</u>	<u>(239.875)</u>	<u>(251.388)</u>	<u>(239.875)</u>
Profit before income tax expense		90.387	135.542	95.390	136.591
Income tax expense		<u>-</u>	<u>(6.352)</u>	<u>-</u>	<u>(6.352)</u>
Profit for the period		90.387	129.190	95.390	130.239
Profit attributable to:					
Owners of parent		92.683	129.663	95.390	130.239
Non-controlling interests		<u>(2.296)</u>	<u>(473)</u>	<u>-</u>	<u>-</u>
Profit for the period		90.387	129.190	95.390	130.239
Earning per share					
Basis earning per share <i>(in Kip)</i>	12	<u>55,20</u>	<u>77,22</u>	<u>56,81</u>	<u>77,57</u>



ທ້າວ RATTANA PRATHOUMVAN

Chief Executive Officer

Date: 22 August 2018

BOUNSA LONG SOUTHIDARA

Chief Financial Officer

Date: 22 August 2018

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

EDL-Generation Public Company and its subsidiaries
Condensed interim statement of changes in equity (Unaudited)

		Consolidated financial statements							
		Attributable to owners of the Company				Non-			
	Note	Share capital	Share premium	Legal reserve	Translation reserve	Retained earnings	Total	controlling interests	Total equity
<i>(in million Kip)</i>									
Six-month period ended 30 June 2017									
Balance at 1 January 2017		6,717,215	985,621	416,729	(1,342)	1,068,179	9,186,402	-	9,186,402
Acquisition of subsidiary's non-controlling interest		-	-	-	-	-	-	1,000	1,000
Profit for the period		-	-	-	-	129,663	129,663	(473)	129,190
Currency translation differences		-	-	-	661	-	661	-	661
Dividends paid	13	-	-	-	-	(268,689)	(268,689)	-	(268,689)
Balance at 30 June 2017		6,717,215	985,621	416,729	(681)	929,153	9,048,037	527	9,048,564
Six-month period ended 30 June 2018									
Balance at 1 January 2018		6,717,215	985,621	463,944	2,302	1,040,000	9,209,082	(263)	9,208,819
Profit for the period		-	-	-	-	92,683	92,683	(2,296)	90,387
Currency translation differences		-	-	-	3,164	-	3,164	-	3,164
Dividends paid	13	-	-	-	-	(302,275)	(302,275)	-	(302,275)
Balance at 30 June 2018		6,717,215	985,621	463,944	5,466	830,408	9,002,654	(2,559)	9,000,095

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

EDL-Generation Public Company and its subsidiaries
Condensed interim statement of changes in equity (Unaudited)

	Note	Share capital	Share premium	Legal reserve	Translation reserve	Retained earnings	Total equity
<i>(in million Kip)</i>							
Six-month period ended 30 June 2017							
Balance at 1 January 2017		6.717.215	985.621	416.729	(1.342)	1.070.927	9.189.150
Profit for the period		-	-	-	-	130.239	130.239
Currency translation differences		-	-	-	661	-	661
Dividends paid	13	-	-	-	-	(268.689)	(268.689)
Balance at 30 June 2017		6.717.215	985.621	416.729	(681)	932.477	9.051.361
Six-month period ended 30 June 2018							
Balance at 1 January 2018		6.717.215	985.621	463.944	2.302	1.042.447	9.211.529
Profit for the period		-	-	-	-	95.390	95.390
Currency translation differences		-	-	-	3.164	-	3.164
Dividends paid	13	-	-	-	-	(302.275)	(302.275)
Balance at 30 June 2018		6.717.215	985.621	463.944	5.466	835.562	9.007.808

Balance at 30 June 2018



RATTANA PRATHOUMVAN

Chief Executive Officer

Date: 22 August 2018

BOUNSALONG SOUTHDARA

Chief Financial Officer

Date: 22 August 2018

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

EDL-Generation Public Company and its subsidiaries
Condensed interim statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements		
	For the six-month period ended 30 June		For the six-month period ended 30 June		
	Note	2018	2017	2018	2017
<i>(in million Kip)</i>					
Cash flows from operating activities					
Profit for the period		90.387	129.190	95.390	130.239
<i>Adjustments :</i>					
Depreciation and amortisation	7	225.469	204.052	206.721	203.552
Finance costs		251.388	239.875	251.388	239.875
Unrealise loss on foreign exchange		177.208	46.014	170.205	46.005
Share of profit from investments in associates and joint ventures	5	(268.677)	(120.593)	(268.677)	(120.593)
Income tax expense		-	6.352	-	6.352
		<u>475.775</u>	<u>504.890</u>	<u>455.027</u>	<u>505.430</u>
<i>Changes in:</i>					
Other non-current assets		(158.154)	(11.760)	(760)	(129.278)
Trade and other receivables		(539.270)	(464.570)	(535.233)	(463.388)
Spare parts and supplies		(206)	406	(206)	406
Other current assets		107.488	(4.677)	(1.029)	(5.009)
Trade and other payables		(35.178)	(2.116)	(19.265)	(1.943)
Accrued expenses		9.702	(5.411)	8.790	(6.496)
Other current liabilities		195	1.243	194	(4.070)
Cash from (used in) operating activities		<u>(139.648)</u>	<u>18.005</u>	<u>(92.482)</u>	<u>(104.348)</u>
Income tax paid		-	(27.663)	-	(27.663)
Net cash used in operating activities		<u>(139.648)</u>	<u>(9.658)</u>	<u>(92.482)</u>	<u>(132.011)</u>
Cash flows from investing activities					
Advance payment for assets under concession and investments		-	-	(125.415)	-
Cash paid for investments in subsidiaries	4	-	-	(2.400)	(1.500)
Cash proceed from non-controlling interest		-	1.000	-	-
Purchase of investment in associates and joint-ventures	5	(321.383)	(1.634)	(321.383)	(1.634)
Purchase of assets under concession		(104.454)	(207.578)	(40.278)	(139.955)
Decrease in current investments		826.062	-	826.062	-
Dividend received from investment in associates and joint-ventures	5	205.390	130.591	205.390	130.591
Cash paid for long-term investment		(29.618)	-	(29.618)	-
Net cash from (used in) investing activities		<u>575.997</u>	<u>(77.621)</u>	<u>512.358</u>	<u>(12.498)</u>

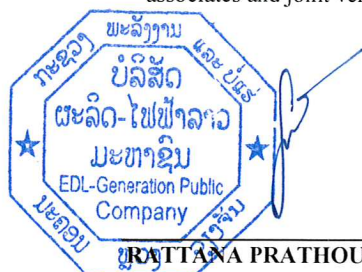
The accompanying notes are an integral part of these condensed interim financial information.

EDL-Generation Public Company and its subsidiaries
Condensed interim statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	For the six-month period ended 30 June		For the six-month period ended 30 June	
Note	2018	2017	2018	2017
<i>(in million Kip)</i>				
Cash flows from financing activities				
Finance costs paid	(258.160)	(283.176)	(258.160)	(283.176)
Cash paid for issuance cost	(7.461)	-	(7.461)	-
Dividends paid	(87.464)	(72.957)	(87.464)	(72.957)
Proceeds from short-term borrowings	9 107.105	-	107.105	-
Proceeds from long-term borrowings	9 332.440	12.676	332.440	12.676
Repayment of short-term borrowings	9 (42.075)	-	(42.075)	-
Repayment of long-term borrowings	9 (644.749)	(243.594)	(644.749)	(243.594)
Net cash used in financing activities	(600.364)	(587.051)	(600.364)	(587.051)
Net decrease in cash and cash equivalents	(164.015)	(674.330)	(180.488)	(731.560)
Effect of exchange rate change on balance held in foreign currencies at end of period	-	14.047	-	14.047
Cash and cash equivalents at beginning of the period	756.738	2.249.635	678.322	2.235.280
Cash and cash equivalents at end of period	592.723	1.589.352	497.834	1.517.767

Non-cash transactions

Payables on purchase of assets under concession	497.748	261.384	497.748	261.384
Offsetting dividend payment with trade and other receivables	115.999	160.731	115.999	160.731
Offsetting dividend payment with loan repayment	75.316	-	75.316	-
Offsetting loan repayment with trade and other receivables	115.990	19.369	115.990	19.369
Offsetting payable for assets under concession with long-term borrowing	-	3.957.400	-	3.957.400
Offsetting dividend payment with advance payment for assets under concession and investment	23.975	-	23.975	-
Transfer from advance payment for assets under concession and investments to investments in associates and joint ventures	605.016	-	605.016	-



PRATTANA PRATHOUMVAN
 Chief Executive Officer
 Date: 22 August 2018


BOUNSALONG SOUTHIDARA
 Chief Financial Officer
 Date: 22 August 2018

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

EDL-Generation Public Company and its subsidiaries
Notes to condensed interim financial information
For the six-month period ended 30 June 2018 (Unaudited)

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EDL-Generation Public Company and its subsidiaries
Notes to condensed interim financial information
For the six-month period ended 30 June 2018 (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 Group.

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 22 August 2018.

2 Basis of accounting

The condensed interim financial information was prepared in accordance with the Group's accounting policies as described more detail in the annual financial statements for the year ended 31 December 2017. The primary financial statements and the notes to the financial information are prepared in a condensed format. They do not include all of the information required for the annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2017.

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 and its subsidiaries
Notes to condensed interim financial information
For the six-month period ended 30 June 2018 (Unaudited)

There is no comprehensive set of accounting standards in Laos (“LAS”). LAS is currently under development by the Accounting Department and Lao Chamber of Professional Accountants and Auditors (LCPAA). At present, companies apply Lao Accounting Manual (LAM) issued by the Ministry of Finance. LAM is a set of instructions based on accrual basis of accounting. Accordingly, there are significant differences between LAM and the International Financial Reporting Standards (IFRS). These areas of significant differences are, for example property, plant and equipment, leases, employee benefit, the effects of changes in foreign exchange rate, income tax and deferred income tax, financial instrument, 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 condensed interim financial information 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 condensed interim financial information 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 Segment information

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

- Segment 1 Electricity generation
- Segment 2 Other businesses

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

EDL-Generation Public Company and its subsidiaries
Notes to condensed interim financial information
For the six-month period ended 30 June 2018 (Unaudited)

For the six-month period ended 30 June 2018

	Segment 1	Segment 2	Elimination	Total
	<i>(in million Kip)</i>			
Sales	515.497	-	-	515.497
Costs of sales	<u>(231.291)</u>	<u>-</u>	<u>-</u>	<u>(231.291)</u>
Segment result	284.206	-	-	284.206
Other income	21.253	-	-	21.253
Operating and administrative expenses	(77.837)	-	-	(77.837)
Net foreign exchange loss	(154.524)	-	-	(154.524)
Share of profit from investment in associates and joint ventures	<u>-</u>	<u>268.677</u>	<u>-</u>	<u>268.677</u>
Operating profit	73.098	268.677	-	341.775
Finance costs	<u>(251.388)</u>	<u>-</u>	<u>-</u>	<u>(251.388)</u>
Net profit (loss) before income tax expense	(178.290)	268.677	-	90.387
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net profit (loss) for the period	<u>(178.290)</u>	<u>268.677</u>	<u>-</u>	<u>90.387</u>

For the six-month period ended 30 June 2017

	Segment 1	Segment 2	Elimination	Total
	<i>(in million Kip)</i>			
Sales	574.566	-	-	574.566
Costs of sales	<u>(222.462)</u>	<u>-</u>	<u>-</u>	<u>(222.462)</u>
Segment result	352.104	-	-	352.104
Other income	13.029	-	-	13.029
Operating and administrative expenses	(64.663)	-	-	(64.663)
Net foreign exchange loss	(45.646)	-	-	(45.646)
Share of profit from investment in associates and joint ventures	<u>-</u>	<u>120.593</u>	<u>-</u>	<u>120.593</u>
Operating profit	254.824	120.593	-	375.417
Finance costs	<u>(239.875)</u>	<u>-</u>	<u>-</u>	<u>(239.875)</u>
Net profit before income tax expense	14.949	120.593	-	135.542
Income tax expense	<u>(6.352)</u>	<u>-</u>	<u>-</u>	<u>(6.352)</u>
Net profit for the period	<u>8.597</u>	<u>120.593</u>	<u>-</u>	<u>129.190</u>

EDL-Generation Public Company and its subsidiaries
Notes to condensed interim financial information
For the six-month period ended 30 June 2018 (Unaudited)

4 Investments in subsidiaries

	Separate financial statements	
	2018	2017
	<i>(in million Kip)</i>	
Balance as at 1 January	82.760	81.260
Addition	2.400	1.500
Balance as at 30 June	<u>85.160</u>	<u>82.760</u>

During the period ended 30 June 2018, there were increasing in investment in subsidiaries as follows:

Nam Bi Power Company Limited

During 2018, the Company has additional investments in Nam Bi Power Company Limited, totalling Kip 91.803 million, which has not yet been registered and presented in advance payment for assets under concession and investments, in Note 6.

EDL-Gen Solar Power Company Limited

During 2018, the Company has additional investments in EDL-Gen Solar Power Company Limited, totalling Kip 33.612 million, which has not yet been registered and presented in advance payment for assets under concession and investments, in Note 6.

EDL-Gen Operation and Maintenance Service Sole Co., Ltd.

On 2 April 2018, the Company has paid for investment in share capital of EDL-Gen Operation and Maintenance Service Sole Co., Ltd, a subsidiary incorporated in Lao PDR, at the amount of Kip 2.400 million.

EDL-Generation Public Company and its subsidiaries
Notes to condensed interim financial information
For the six-month period ended 30 June 2018 (Unaudited)

Investments in subsidiaries as at 30 June 2018 and 31 December 2017, and dividend income from these investments for the six-month periods ended 30 June 2018 and 2017 were as follows:

	Ownership interest		Type of business	Paid-up capital		Separate financial statement				Cost - net		Dividend income		
	30	31		30	31	Cost		Impairment		30	31	30	30	
	June	December		June	December	June	December	June	December	June	December	June	June	
	2018	2017		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	
	(%)						<i>(in million Kip)</i>							
EDL-Gen Solar Power Co., Ltd. ("Solar")	60	60	Electricity generation	2.500	2.500	1.500	1.500	-	-	1.500	1.500	-	-	
Nam Bi Power Co., Ltd. ("Nam Bi")	80	80	Electricity generation	80.000	80.000	81.260	81.260	-	-	81.260	81.260	-	-	
EDL-Gen Operation and Maintenance Sole Co., Ltd. ("EDL-GEN O&M")	100	-	Maintenance service	2.400	-	2.400	-	-	-	2.400	-	-	-	
Total						85.160	82.760	-	-	85.160	82.760	-	-	

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

EDL-Generation Public Company and its subsidiaries
Notes to the condensed interim financial information
For the six-month period ended 30 June 2018 (Unaudited)

5 Investments in associates and joint ventures

<i>Six-month periods ended 30 June</i>	<i>Note</i>	Consolidated and Separate financial statements	
		2018	2017
		<i>(in million Kip)</i>	
Associates			
At 1 January		769.492	606.728
Share of net profit of associates		15.803	10.215
Dividend income		(23.412)	(36.774)
Addition		319.227	-
Transfer from advance payment for assets under concession and investments	6	605.016	-
Currency translation differences		(132)	96
At 30 June		<u>1.685.994</u>	<u>580.265</u>
Joint ventures			
At 1 January		1.836.902	1.690.438
Share of net profit of joint ventures		252.874	110.378
Dividend income		(181.978)	(93.817)
Addition		2.156	1.634
Currency translation differences		3.296	565
At 30 June		<u>1.913.250</u>	<u>1.709.198</u>
Total			
At 1 January		2.606.394	2.297.166
Share of net profit of associates and joint ventures		268.677	120.593
Dividend income		(205.390)	(130.591)
Addition		321.383	1.634
Transfer from advance payment for assets under concession and investments	6	605.016	-
Currency translation differences		3.164	661
At 30 June		<u>3.599.244</u>	<u>2.289.463</u>

EDL-Generation Public Company and its subsidiaries
Notes to the condensed interim financial information
For the six-month period ended 30 June 2018 (Unaudited)

During the six-month period ended 30 June 2018, there were increasing in investment in associates and joint ventures as follow:

Nam Thuen 1 Power Company Limited

The Company has additional investment in Nam Thuen 1 Power Company Limited, totalling USD 38,59 million or equivalent to Kip 319.227 million. The Company's interest in this joint venture remains the same.

Nam Phoun Power Company Limited

The Company has additional investment in Nam Phoun Power Company Limited, totalling Kip 665 million. The Company's interest in this joint venture remains the same.

Lower Houay Lamphanh Co., Ltd.

Lower Houay Lamphanh Co., Ltd. has increased its share capital and the Company paid addition investment totaling USD 0,18 million or equivalent to Kip 1.491 million. The Company's interest in this joint venture remains the same.

Don Sahong Power Co., Ltd.

During 2018, 20% of shares in Don Sahong Power Co., Ltd. has been transferred to the Company for cash consideration of USD 72 million, refer to Share Transfer Agreement as disclosed in Note 6. Don Sahong Power Co., Ltd. is a hydropower plant under construction. As at 30 June 2018, novation of shareholder agreement is under preparation.

EDL-Generation Public Company and its subsidiaries
Notes to the condensed interim financial information
For the six-month period ended 30 June 2018 (Unaudited)

Investments in associates and joint ventures as at 30 June 2018 and 31 December 2017, and dividend income from those investments for the six-month periods ended 30 June 2018 and 2017 were as follows:

Consolidated and Separate financial statements													
Ownership interest			Cost		Impairment		Cost - net		Equity		Dividend income		
	30 June 2018	31 December 2017	Type of business	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	30 June 2017
	(%)							(in million Kip)					
Associates													
Nam Ngum 2 Power Co., Ltd. (“Nam Ngum 2”)	25	25	Electricity generation	454.742	454.742	-	-	454.742	454.742	409.483	422.953	23.412	36.774
Nam Lik 1-2 Power Co., Ltd. (“Nam Lik 1-2”)	10	10	Electricity generation	32.240	32.240	-	-	32.240	32.240	79.605	75.675	-	-
Nam Ngum 5 Power Co., Ltd. (“Nam Ngum 5”)	15	15	Electricity generation	80.022	80.022	-	-	80.022	80.022	98.063	95.299	-	-
Nam Thuen 1 Power Co., Ltd. (“Nam Thuen 1”)	15	15	Electricity generation	497.163	177.936	-	-	497.163	177.936	493.827	175.565	-	-
Don Sahong Power Company Ltd.	20	-	Electricity generation	605.016	-	-	-	605.016	-	605.016	-	-	-
Total				1.669.183	744.940	-	-	1.669.183	744.940	1.685.994	769.492	23.412	36.774
Joint ventures													
Theun-Hinboun Power Co., Ltd. (“THPC”)	60	60	Electricity generation	1.120.696	1.120.696	-	-	1.120.696	1.120.696	1.832.570	1.758.512	176.995	87.269
Houay Ho Power Co., Ltd. (“HHPC”)	20	20	Electricity generation	1.171	1.171	-	-	1.171	1.171	19.136	16.972	4.983	6.548
Lower Houay Lamphanh Co., Ltd. (“LHPC”)	60	60	Electricity generation	11.251	9.760	-	-	11.251	9.760	7.230	6.448	-	-
Nam Dik 1 Hydro Power Co., Ltd. (“Nam Dik 1”)	70	70	Electricity generation	54.942	54.942	-	-	54.942	54.942	53.692	54.130	-	-
Nam Phoun Hydro Power Co., Ltd. (“NPPC”)	51	51	Electricity generation	1.902	1.237	-	-	1.902	1.237	622	840	-	-
Total				1.189.962	1.187.806	-	-	1.189.962	1.187.806	1.913.250	1.836.902	181.978	93.817
Total associates and joint-ventures				2.859.145	1.932.746	-	-	2.859.145	1.932.746	3.599.244	2.606.394	205.390	130.591

EDL-Generation Public Company and its subsidiaries
Notes to the condensed interim financial information
For the six-month period ended 30 June 2018 (Unaudited)

With respect to Nam Lik 1-2, Nam Ngum 5 and Nam Thuen 1, the Company has obtained voting rights and Board of Directors' seats and has abilities to make certain key decisions in finance and operations (but not as much as a joint controlled party) as stipulated in related shareholders' agreements concerned. Management therefore concludes this investment as an associate.

With respect to THPC, HHPC, LHPC, Nam Dik 1 and NPPC, although the Company has its interest in those companies more or less than 50% but according to the conditions in joint venture agreements the Company has obtained voting rights and Board of Directors' seats and has abilities to make only certain key decisions in finance and operations (but not as much as a controlling party). Management therefore concludes these are interest in joint ventures.

None of the Company's associates and joint-ventures are publicly listed and consequently do not have published price quotations.

6 Advance payment for assets under concession and investments

		Consolidated		Separate	
		financial statement		financial statement	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in million Kip)</i>			
At 1 January		4.436.159	3.133.596	5.101.121	3.133.596
Additions		-	-	125.415	-
Decrease		(23.976)	-	(23.976)	-
Transfer to investment					
in associates	5	(605.016)	-	(605.016)	-
Finance costs		7.478	5.879	7.478	5.879
Currency translation difference		-	-	7.004	-
At 30 June		<u>3.814.645</u>	<u>3.139.475</u>	<u>4.612.026</u>	<u>3.139.475</u>

EDL-Generation Public Company and its subsidiaries
Notes to the condensed interim financial information
For the six-month period ended 30 June 2018 (Unaudited)

Advance payment for investments as at 30 June 2018 and 31 December 2017 were as follows:

	Type	Consolidated financial statement		Separate financial statement	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		<i>(in million Kip)</i>		<i>(in million Kip)</i>	
Nam Bi	Subsidiary	-	-	455.471	363.668
EDL-Gen Solar	Subsidiary	-	-	341.910	301.294
Nam Khan 3	Assets	322.894	315.416	322.894	315.416
Nam Chiean 1	Assets	678.504	678.504	678.504	678.504
Nam Hinboun	Assets	205.955	205.955	205.955	205.955
Xeset 3	Assets	149.418	149.418	149.418	149.418
Nam Ngum 1 Ext DFE	Assets	488.494	488.494	488.494	488.494
Nam Ngum 1 Ext Unit 6	Assets	242.231	242.231	242.231	242.231
Nam Ou 2.5.6	IPP	364.640	364.640	364.640	364.640
Nam Ngiep 2	IPP	111.470	111.470	111.470	111.470
Nam Beng	IPP	18.162	42.138	18.162	42.138
Xekamam 3	IPP	232.163	232.163	232.163	232.163
Nam Lik 1	IPP	34.680	34.680	34.680	34.680
Nam Mang 1	IPP	37.596	37.596	37.596	37.596
Nam Tha 1	IPP	244.474	244.474	244.474	244.474
Xayaburi	IPP	683.964	683.964	683.964	683.964
Don Sahong	IPP	-	605.016	-	605.016
Total		<u>3.814.645</u>	<u>4.436.159</u>	<u>4.612.026</u>	<u>5.101.121</u>

Share transfer Agreement (“Agreement”) of Nam Beng Power Company Limited

On 26 March 2018, the Company and EDL signed an agreement for the transfer of equity shareholdings of Nam Beng Power Company Limited.

Under this agreement, EDL agrees to transfer 10% of shareholding in Nam Beng Power Company Limited to the Company at the amount of USD 2,3 million or equivalent to Kip 18.162 million, in which after deduction of advance payment for investment, EDL shall return USD 2,9 million, equivalent to Kip 23.976 million to the Company. The transaction is expected to be completed in 2018.

Share transfer Agreement (“Agreement”) of Xayaburi Power Company Limited and Don Sahong Power Company Limited

On 11 June 2018, the Company and EDL signed an agreement for the transfer of equity shareholdings of Xayaburi Power Company Limited and Don Sahong Power Company Limited.

Under this agreement, EDL agrees to transfer 20% of shareholding in Xayaburi Power Company Limited and 20% of shareholding Don Sahong Power Company Limited to the Company at the amount of USD 450 million. As at 30 June 2018, the Company has paid USD 156 million and shareholding in Don Sahong Power Company Limited has been transferred as disclosed in Note 5. The remaining balance at USD 84 million or equivalent to Kip 683.964 million is presented as advance payment for investment in Xayaburi Power Company Limited.

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7 Assets under concession

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Kip)</i>			
At 1 January	9.790.198	9.435.337	9.408.829	9.412.504
Additions	288.447	233.798	224.271	166.137
Depreciation charge	(225.469)	(203.855)	(206.721)	(203.355)
At 30 June	<u>9.853.176</u>	<u>9.465.280</u>	<u>9.426.379</u>	<u>9.375.286</u>

8 Trade and other receivables

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		<i>(in million Kip)</i>			
Trade accounts receivable from related party	15	567.341	142.172	563.407	137.316
Other receivables from related parties	15	-	2.140	488	2.142
Others		8.855	5.140	3.410	5.140
Total		<u>576.196</u>	<u>149.452</u>	<u>567.305</u>	<u>144.598</u>

9 Borrowings

	Consolidated/Separate financial statement	
	30 June 2018	31 December 2017
	<i>(in million Kip)</i>	
Short-term borrowing	951.972	870.573
Current portion of long-term borrowings		
- Long-term borrowing from related party	449.834	442.848
- Long-term borrowing from financial institution	112.533	87.064
Total current interest-bearing liabilities	<u>1.514.339</u>	<u>1.400.485</u>
Non-current portion of long-term borrowings		
- Long-term borrowing from related party	3.542.817	3.710.946
- Long-term borrowing from financial institution	391.494	499.590
Less: deferred borrowing costs	(4.981)	(4.188)
Total non-current interest bearing liabilities	<u>3.929.330</u>	<u>4.206.348</u>
Total interest-bearing liabilities	<u>5.443.669</u>	<u>5.606.833</u>

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For the six-month period ended 30 June 2018 (Unaudited)

Movements in interest-bearing liabilities for the six-month periods ended 30 June 2018 and 2017 as follows:

<i>Six-month periods ended 30 June</i>	Consolidated/Separate financial statement	
	2018	2017
	<i>(in million Kip)</i>	
At 1 January	5.606.833	1.058.783
Additions	439.545	3.970.076
Repayments	(686.824)	(262.963)
Effect from currency translation	84.908	41.520
Net change in deferred borrowing costs	(793)	(2.359)
At 30 June	<u>5.443.669</u>	<u>4.805.057</u>

Short-term borrowing

During the six-month period ended 30 June 2018, the Company has addition drawn down from Viettin Bank Lao Limited amounting to USD 12,83 million or equivalent to Kip 107.105 million.

Long-term borrowings

On 20 December 2017, the Company signed credit facility agreement with Industrial and Commercial Bank of China Vientiane branch (“ICBC”) for credit facility amounting to USD 40 million for the purpose of additional working capital. This borrowing has an interest rate of LIBOR 6 months+3,20%, which consist of Tranche A Facility amount of USD 30 million and Tranche B Facility amount of USD 10 million. The Company received both facilities A and B totaling USD 40 million, equivalent to Kip 332.440 million, on 2 January 2018 and the borrowing shall be due 3 year after the drawdown.

Long-term borrowings as at 30 June 2018 and 31 December 2017 were denominated in foreign currency as follows:

	Consolidated/Separate financial statements	
	30 June 2018	31 December 2017
	<i>(in million Kip)</i>	
U.S. Dollars	4.288.870	4.523.237
Euro	164.211	168.185
Japanese Yen	38.616	44.838
Total	<u>4.491.697</u>	<u>4.736.260</u>

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The aging analysis of these borrowings is as follows:

	Consolidated/Separate financial statements	
	30 June 2018	31 December 2017
	<i>(in million Kip)</i>	
Less than 1 year	562.367	529.912
More than 1 year but less than 5 years	1.851.157	1.965.362
More than 5 years	2.078.173	2.240.986
Total	<u>4.491.697</u>	<u>4.736.260</u>

10 Debentures

	Consolidated/Separate financial statements	
	30 June 2018	31 December 2017
	<i>(in million Kip)</i>	
Debentures	4.317.300	4.222.933
Deferred finance costs	(66.701)	(70.051)
Net	<u>4.250.599</u>	<u>4.152.882</u>

Movements in debentures for the six-month periods ended 30 June 2018 and 2017 were as follows:

	Consolidated/Separate financial statements	
	2018	2017
	<i>(in million Kip)</i>	
At 1 January	4.152.882	3.985.936
Amortisation of deferred financing fee	3.350	1.677
Effect from currency translation	94.367	108.316
At 30 June	<u>4.250.599</u>	<u>4.095.929</u>

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Summary key terms and conditions of the debentures issued during the third quarter of 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

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
Issue amount	1.500.000 units	2.000.000 units	3.000.000 units
Interest rate	Fixed rate 4,95% per annum	Fixed rate at 5,20% per annum	Fixed rate at 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

11 Derivatives

(a) Cross currency swap contracts

	Consolidated/Separate financial statements	
	30 June 2018	31 December 2017
	<i>(in million Kip)</i>	
Swap contract payable	1.667.477	1.642.584
Swap contract receivable	(1.671.800)	(1.650.805)
Deferred gain on swap contract	10.847	12.077
Net	6.524	3.856

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Key terms of cross currency swap contracts are summarised as below:

Series	Issued amount (million Baht)	Swap amount (million USD)	Payment term	Original rate	Swap rate	Payment term
1	1.500	45,59	December 2019	4,95%	Libor 6 months + 3,36%	Semi-annually from June 2015 to December 2019
2	2.000	60,79	December 2021	5,20%	Libor 6 months + 3,61%	Semi-annually from June 2015 to December 2021
3	3.000	91,18	December 2024	5,45%	Libor 6 months + 3,795%	Semi-annually from June 2015 to December 2024

(b) Interest rate collar contracts

During 2017, the Company entered into interest rate collar contracts with Thai financial institutions. The purpose is to manage the risk from fluctuation on interest rate of debentures. The notional amount is of USD 198 million or equivalent to Kip 1.642.584 million which the reference interest rate is 6 month-LIBOR (“LIBOR”) whereby the Company shall pay and receive interest according to conditions specified in the contracts on semi-annual basis. The contracts shall be expired from December 2019 to December 2021. A counter party required the Company to deposit advance payment, which will be settled on settlement date.

12 Basic earnings per share

The calculations of basic earnings per share for the six-month periods ended 30 June 2018 and 2017 were based on the profit for the period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the period as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit attributable to ordinary shareholders of the Company (in million Kip)	92.683	129.663	95.390	130.239
Number of ordinary shares outstanding (in million shares)	1.679	1.679	1.679	1.679
Basic earnings per share (in Kip)	55,20	77,22	56,81	77,57

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13 Dividends

The annual general meeting of Shareholders, held on 6 April 2018, has approved interim dividend payment in respect of net profit for the six-month period from 1 July to 31 December 2017 of Kip 180 per share amounting to a total of Kip 302.275 million. This dividend was paid during May 2018.

The annual general meeting of Shareholders, held on 4 April 2017, has approved interim dividend payment in respect of net profit for the six-month period from 1 July to 31 December 2016 of Kip 160 per share amounting to a total of Kip 268.689 million. This dividend was paid during April 2017.

14 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	<i>(in million Kip)</i>			
Capital commitments				
<i>Contracted but not provided for:</i>				
Design, construction and installment for machinery and equipment and project construction	2.386.776	2.500.879	276.776	483.555
Non-cancellable operating lease commitments				
Within one year	1.079	262	279	262
After one year but within five years	4.876	1.100	1.185	1.100
After five years	25.183	6.506	6.721	6.506
Total	<u>31.138</u>	<u>7.868</u>	<u>8.185</u>	<u>7.868</u>

Land lease agreement

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

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

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15 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group 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 Group 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	Laos	Parent company
Nam Bi Power Company Limited	Laos	Subsidiary
EDL-Gen Solar Power Company Limited	Laos	Subsidiary

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

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

Significant transactions for the six-month periods ended 30 June 2018 and 2017 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	<i>(in million Kip)</i>			
Parent company				
Sales	515.497	574.566	506.472	573.305
Interest expense	101.329	168.920	101.329	168.920
Interest income	10.650	526	10.650	526

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Balances as at 30 June 2018 and 31 December 2017 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	<i>(in million Kip)</i>			
<i>Advance payment for assets under concession and investments</i>				
Parent company				
Electricite Du Laos	3.783.248	4.398.656	3.783.248	4.398.656
Subsidiary				
Nam Bi Power Company Limited	-	-	455.470	363.668
EDL-Gen Solar Power Company Limited	-	-	341.911	301.295
	<u>3.783.248</u>	<u>4.398.656</u>	<u>4.580.629</u>	<u>5.063.619</u>

	Consolidated financial statements		Separate financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	<i>(in million Kip)</i>			
<i>Short-term loan to related party</i>				
Parent company				
Electricite Du Laos	394.941	463.392	394.941	463.392
<i>Trade and other receivables</i>				
Parent company				
Electricite Du Laos	567.341	144.312	563.407	138.970
Subsidiary				
Nam Bi Power Company Limited	-	-	488	488
Total	<u>567.341</u>	<u>144.312</u>	<u>563.895</u>	<u>139.458</u>

Long-term borrowings

Parent company				
Electricite Du Laos				
- Current portion	449.834	442.848	449.834	442.848
- Long-term portion	3.542.817	3.710.946	3.542.817	3.710.946
Total	<u>3.992.651</u>	<u>4.153.794</u>	<u>3.992.651</u>	<u>4.153.794</u>

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Significant agreements with related parties

Concession Agreement (“CA”)

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

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

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

Memorandum of Understanding of Electricity Sales and Purchase for Nam Khan 2 and Houay Lamphanh Ngai Projects (“MOU”)

During 2016, the Company has signed an MOU with EDL for sale and purchase of electricity generated from Nam Khan 2 and Houay Lamphanh Ngai hydro power projects with selling price, terms and conditions as stipulated in the MOU. The Company has rights over the electricity distributed to EDL prior to the MOU date.

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

Memorandum of Understanding for the Solar Farm Power Projects (“MOU”)

On 15 January 2016, a subsidiary signed an MOU with EDL regarding EDL-Gen Solar Power Plant Projects (“the Projects”). Pursuant to the MOU, EDL agreed to support the Projects by purchasing the electricity generated from the Projects with the total installed capacity of 100 MW for the period of 25 years with terms and conditions as stipulated in the MOU.

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

Purchase Power Agreement (“PPA”)

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

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

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

On 7 November 2016, and revised on 28 March 2017, the Company entered into Power Purchase Agreement (“PPA”) with EDL for the transfer of the project assets of Nam Sana Hydro Project. The PPA provides for a term of 30 years, together with a renewal period, the PPA defined a term of extension as may be extended in accordance with the terms of the CA.

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

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

Memorandum of Understanding (“MOU”) for the share transfer of project assets of Nam Ou Power Company Limited

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

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

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

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

No	Project name	Location	Stake	MW
Assets				
1	Nam Chiean 1	Xiengkouang	100%	104
2	Nam Hinboun	Khammouan	100%	30
3	Xeset 3	Champasack	100%	24
4	Nam Ngum 1 Ext DFE	Vientiane	100%	80
5	Nam Ngum 1 Ext Unit 6	Vientiane	100%	40
	Total			278
Shares IPPs				
1	Nam Ngiep 2	Xiengkouang	10%	18
2	Nam Beng	Oudomxay	20%	6,8
3	Xekamam 3	Sekong	15%	37,5
4	Nam Lik 1	Vientiane	10%	6
5	Nam Mang 1	Bolikhamxay	10%	6,4
6	Nam Tha 1	Louangnamtha Bokeo	20%	33,6
	Total			108,3

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

Employees transferred from EDL

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

Nam Long Share Purchase Agreement (“the Agreement”)

On 26 March 2018, the Company entered into Share Purchase Agreement with EDL to purchase 20% of equity shareholding in Nam Long Power Company Limited, with cash consideration at USD 650.000 or equivalent to Kip 5,49 million.

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16 Events after the reporting period

Issuance of unsubordinated and unsecured debentures in Thailand

On 13 July 2018, the Company issued 3-15 years fixed rate unsubordinated and unsecured debentures which consist of six Tranches, at Baht 1.000 face value per unit totaling 13,66 million units with a total value of Baht 13.660,4 million, equivalent to Kip 3.532.989 million. The debentures bear interest at 3,90%-6,25% per annum. The debentures were offered in Thailand through private placement method to a high net worth investors and institutional investors.

Dividend declaration

The Board of Directors meeting, held on 22 August 2018, has approved interim dividend payment in respect of net profit for the six-month period from 1 January to 30 June 2018 of Kip 110 per share amounting to Kip 184,72 billion. This dividend will be paid on 3 October 2018.

Nam Phoun Power Company Limited

On 5 July 2018, the Company has additional investment in Nam Phoun Power Company Limited, totalling Kip 1.512 million. The Company's interest in this joint venture remains the same.

Additional payment for Share Transfer Agreement ("Agreement") of Xayaburi Power Company Limited and Don Sahong Power Company Limited

The Company has additional payment to EDL for the acquisition under the Agreement during subsequent period amounting to USD 114 million, which USD 109 million has been paid in cash and USD 5 million has been settled with short-term loan to related party.

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17 Supplementary information

The Group presents the unaudited condensed interim statement of income for the three-month period ended 30 June 2018 under this note to the condensed interim financial information. This is in accordance with the reporting and disclosure regulation issued by Lao Securities and Exchange Commission Office.

Summary of statement of income (Unaudited)
For the three-month period ended 30 June 2018

	Consolidated financial statements 30 June 2018	Separate financial statements 30 June 2018
	<i>(in million Kip)</i>	
Sales	294.032	288.884
Cost of sales	(111.087)	(107.924)
Gross profit	<u>182.945</u>	<u>180.960</u>
Other income	9.852	9.852
Operating and administrative expenses	(26.606)	(25.071)
Net foreign exchange loss	(114.357)	(108.225)
Share of profit from investments in associates and joints ventures	<u>111.543</u>	<u>111.543</u>
Operating profit	<u>163.377</u>	<u>169.059</u>
Finance costs	(107.228)	(107.228)
Profit before income tax expense	<u>56.149</u>	<u>61.831</u>
Income tax expense	-	-
Net profit for the period	<u><u>56.149</u></u>	<u><u>61.831</u></u>

Managing Director:

(Signature) Rattana PRATHOUMVAN

Accounting Division Manager:

(Signature) Khambay LUANGXAY

Deputy Manager of Audit Committee:

(Signature) Manivanh NHOTKONGMY