EDL-Generation Public Company

The First Quarter Report

31 March 2018



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The First Quarter Financial Report March 31, 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 fromElectricité 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 hydropowerplants, with a installedcapacity of 387 MW. The technical staffs, who are working for the hydropower plants and some employees at EDL headquarter, have been transferred to EDL-Gen.

In the beginning, EDL-Gen has a registered capital with the total of 2.605.792.200.000 Kip or 651.448.050 in shares (4.000 Kip per share). EDL-Gen has approved the increase of its capital to 217.149.000 shares for the initial public offering (IPO). On 7 January 2011, the company had the registered capital with the total of 3.474.388.200.000 Kip, which amounts to 868.597.050 shares. On 11 January 2011, EDL-Gen was officially listed on the Lao Securities Exchange (LSX).

In the middle of 2012, EDL-Gen sold successfully Right offering and Public offering in order to purchased shares offour Independence Power Producer (IPPs) from EDL. The four IPPs are 60% of shares in Theun Hinboun, 25% of shares in Nam Ngum 2,20% of shares *in* Houay Ho and10% of sharesin Nam Lik 1-2 hydropower plants. The total installed capacity of these four IPPsamount 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:**

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

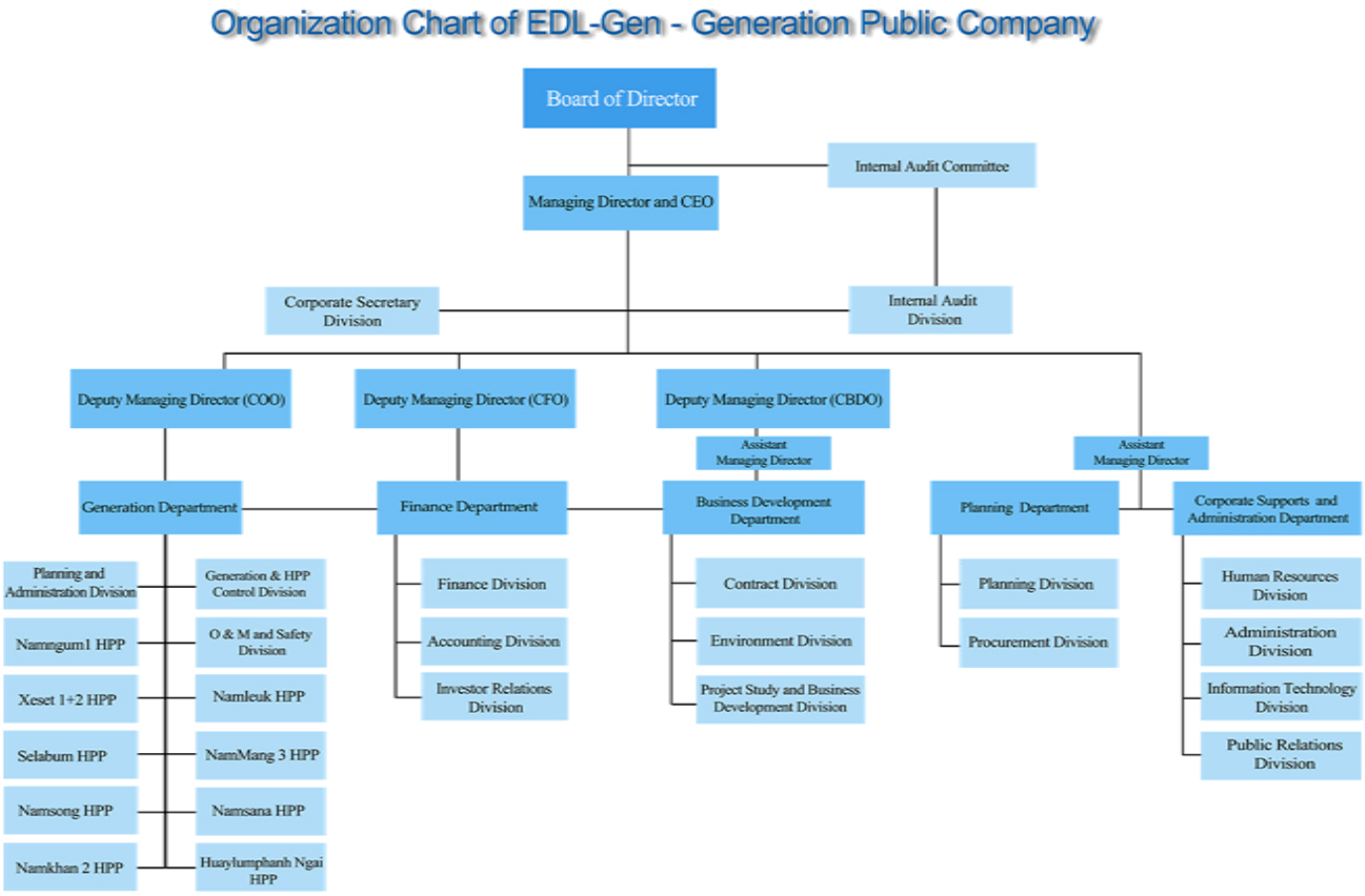
❖ **Mission:**

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

3. Organization;

3.1 Organization Chart.

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



EDL-Gen Staffs

EDL-GEN consists of 890 staffs, of whom 175 are females. It consists 608 permanent staffs, of whom 105 are female and it consists 282 contractual staffs, of whom 70 are female**:**

Details	Permanent staff				Temporary staff			
Head office	103 staff	Female	37 staff		24 staff	Female	13 staff	
Nam Ngum 1	128 staff	Female	28 staff		60 staff	Female	17 staff	
Nam Kham 2-3	53 staff	Female	4 staff		23 staff	Female	7 staff	
Xe set 1-2	76 staff	Female	15 staff		63 staff	Female	8 staff	
Houay Lamphan Ngai	40 staff	Female	1 staff		22 staff	Female	4 staff	
Num Leuk	50 staff	Female	4 staff		24 staff	Female	5 staff	
Num Mung 3	49 staff	Female	7 staff		11 staff	Female	3 staff	
Xe set 3	23 staff	Female	3 staff		13 staff	Female	4 staff	
Nam Sana	21 staff	Female	1 staff		13 staff	Female	3 staff	
Nam Song	21 staff	Female	1 staff		10 staff	Female	2 staff	
Selabam	29 staff	Female	4 staff		18 staff	Female	4 staff	
Tadsaland	9 staff	Female	0 staff		1 staff	Female	0 staff	
Se Pian - Se Nam Noi (Project Staff)	6 staff	Female	0 staff		0 staff	Female	0 staff	
Total	608 staff	Female	105 staff		282 staff	Female	70 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 DOUANGNGEUNE
Deputy Managing Director (CBDO)



Dr. Bounsalong SOUTHIDARA
Deputy Managing Director (CFO)



Mr. Phoummy 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 quarter 2018, Internal Audit Committee (IAC) held 2 meeting. Main issue of the meeting was as follows:

- On February 19th, the 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 extraordinary meeting was held. The main issues of the meeting were discussion on a draft of annual financial statement year 2017. The statement were verified by external auditing company (KPMG).

2. Risk committee

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

- The meeting on 05/02/2018. The main objective was to analyse and discuss financial risks facing the Company, particularly with respect to accounts receivable collection that is below EDL-Gen's plan.

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 first quarter 2018, according to the shareholder and business operation information of EDL-Gen, there is no case of related transaction so far. ARPTC is now preparing to hold the ARPTC meeting which would be held in second quarter 2018.

4.2 Managing Directors.

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

In the first quarter 2018, Committee on Negotiation of Concession Agreement, Shareholder Agreement, and Power Purchasing Agreement worked on some tasks as follows:

- Carry onnegotiation 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 quarter 2018 the PESC held 4 internal meeting on Procurement and signed contracts in 10 projects which were divided into 3 sectors as follows:

1. Work contracts in **4** projects
2. Goods supply contracts in **3** projects
3. Service contracts in **3** project

3. Honor Policy and Discipline Committee (HPDC)

The Honor Policy and Discipline Committee didn't have any activity during the first quarter 2018

5. Business Operation and Productivity

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

1. Generation

In the first quarter 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 458,99 GWh which was 101,02% of the plan.

2. Revenue

In the first quarter 2018, the total revenue of EDL-Generation mainly came from selling electricity to EDL and its total revenue was 228.989 million Kip, which was below the plan by 6,07% including revenue from electricity sale totally 217.588 million Kip, equaled to 95,02% of the total revenue and other revenue equaled to 4,98% of the total revenue.

3. Expenses

In the first quarter 2018, EDL-Gen's expense was 352.564 million Kip, Equivalent to 153,97% of the total revenue because of the increase of finance cost, operating cost and costs of sales

No.	Details	Million Kip	% of revenue
1	Cost of Sales	118.043	51,55%
2	Finance Cost	144.160	22,12%
3	Foreign exchange rate	39.718	17,34%
4	Operating Cost	50.643	62,95%
Total		**352.564**	**153,96%**

4. Net Profits

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

1. Profit from business operation of EDL-Gen faced a deficit of 123.575 million Kip
2. Profit from share of associates and joint ventures amounted to 157.134 million Kip.

The total Net Profits of EDL-Gen for the first quarter 2018 was 33.559 million Kip.

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 Royalty Fee, Personal Income Tax, VAT and Meeting Premium Tax. The total amount of tax for the first quarter 2018 was 3.479 million kip and represents as below:

No.	Details	Million Kip
1	Royalty fee	1.554
2	Personal income tax- salary	1.104
3	VAT	758
4	Meeting Premium Tax	63
Total		3.479

The First Quarter Report
March 31, 2018

EDL-Generation Public Company and its subsidiaries

1st quarter financial information (Unaudited)
31 March 2018

EDL-Generation Public Company and its subsidiaries

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2018 (Unaudited)	31 December 2017	31 March 2018 (Unaudited)	31 December 2017
		(in million Kip)			
Assets					
Investments in subsidiaries	*4*	-	-	82.760	82.760
Investments in associates and joint ventures	*5*	2.884.577	2.606.394	2.884.577	2.606.394
Advance payment for assets under concession and investments	*6, 13*	4.415.471	4.436.159	5.172.237	5.101.121
Advance payment for interest rate collar contracts	*10*	36.058	36.058	36.058	36.058
Assets under concession	*7*	9.707.577	9.790.198	9.305.435	9.408.829
Long-term deposit		160.847	66.334	160.847	66.334
Swap contract receivable	*10*	73.131	-	73.131	-
Other non-current assets		254.843	190.218	5.295	6.538
Total non-current assets		**17.532.504**	**17.125.361**	**17.720.340**	**17.308.034**
Cash and cash equivalents		634.874	756.738	477.530	678.322
Current investments		955.301	955.301	955.301	955.301
Short-term loan to related party	*13*	463.392	463.392	463.392	463.392
Trade and other receivables	*13*	406.224	149.452	404.447	144.598
Current portion of advance payment for interest rate collar contracts	*10*	14.581	14.581	14.581	14.581
Spare parts and supplies		4.530	4.458	4.530	4.458
Other current assets		67.924	149.910	39.314	35.594
Total current assets		**2.546.826**	**2.493.832**	**2.359.095**	**2.296.246**
Total assets		**20.079.330**	**19.619.193**	**20.079.435**	**19.604.280**

RATTANA PRATHOUMVAN
Chief Executive Officer
Date : 10 May 2018

BOUNSALONG SOUTHIDARA
Chief Financial Officer
Date : 10 May 2018

EDL-Generation Public Company and its subsidiaries

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2018 (Unaudited)	31 December 2017	31 March 2018 (Unaudited)	31 December 2017
		(in million Kip)			
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		2.375	2.302	2.375	2.302
Retained earnings		1.074.203	1.040.000	1.076.006	1.042.447
Equity attributable to owners of the Company		9.243.358	9.209.082	9.245.161	9.211.529
Non-controlling interests		(228)	(263)	-	-
Total shareholders' equity		**9.243.130**	**9.208.819**	**9.245.161**	**9.211.529**
Liabilities					
Long-term borrowings	*8*	4.347.509	4.206.348	4.347.509	4.206.348
Debentures	*9*	4.265.113	4.152.882	4.265.113	4.152.882
Swap contract payables	*10*	-	3.856	-	3.856
Total non-current liabilities		**8.612.622**	**8.363.086**	**8.612.622**	**8.363.086**
Short-term borrowings	*8*	911.199	870.573	911.199	870.573
Current portion of long-term borrowings	*8*	641.628	529.912	641.628	529.912
Trade and other payables		498.624	535.079	497.475	517.911
Payables for assets under concession			-	-	-
Income tax payable			-	-	-
Accrued expenses		171.631	111.222	170.854	110.767
Other current liabilities		496	502	496	502
Total current liabilities		**2.223.578**	**2.047.288**	**2.221.652**	**2.029.665**
Total liabilities		**10.836.200**	**10.410.374**	**10.834.274**	**10.392.751**
Total equity and liabilities		**20.079.330**	**19.619.193**	**20.079.435**	**19.604.280**

RATTANA PRATHOUMVAN
Chief Executive Officer
Date : 10 May 2018

BOUNSALONG SOUTHIDARA
Chief Financial Officer
Date : 10 May 2018

EDL-Generation Public Company and its subsidiaries

Statement of income (Unaudited)

	Note	Consolidated financial statements For the three-month periods ended 31 March		Separate financial statements For the three-month periods ended 31 March	
		2018	2017	2018	2017
		(in million Kip)			
Continuing operation					
Sales	*13*	221.465	243.698	217.588	243.194
Costs of sales		(120.204)	(113.861)	(118.043)	(113.694)
Gross profit		101.261	129.837	99.545	129.500
Other income		11.401	5.381	11.401	5.381
Operating and administrative expenses		(51.231)	(22.214)	(50.643)	(21.680)
Net foreign exchange loss		(40.167)	(18.492)	(39.718)	(18.492)
Share of profit from investments in associates and joint ventures	*5*	157.134	15.919	157.134	15.919
Operating profit		**178.398**	**110.431**	**177.719**	**110.628**
Finance costs		(144.160)	(90.802)	(144.160)	(90.802)
Profit before income tax expense		**34.238**	**19.629**	**33.559**	**19.826**
Income tax expense		-	(3.660)	-	(3.660)
Profit for the period		**34.238**	**15.969**	**33.559**	**16.166**
Profit attributable to:					
Owners of parent		34.203	15.969	33.559	16.166
Non-controlling interests		35	-	-	-
Profit for the period		34.238	15.969	33.559	16.166
Earning per share					
Basis earning per share *(in Kip)*	*11*	20,37	9,51	19,98	9,63

RATTANA PRATHOUMVAN

Chief Executive Officer

Date : 10 May 2018

BOUNSALONG SOUTHIDARA

Chief Financial Officer

Date : 10 May 2018

EDL-Generation Public Company and its subsidiaries

Statement of changes in equity (Unaudited)

		Consolidated financial statements							
		Attributable to owners of the Company							
	Note	**Share capital**	**Share premium**	**Legal reserve**	**Currency translation differences**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
					(in million Kip)				
For the three-month period ended 31 March 2017									
Balance at 1 January 2017		6.717.215	985.621	416.729	(1.342)	1.042.217	9.160.440	-	9.160.440
Profit for the period		-	-	-	-	15.969	15.969	-	15.969
Currency translation differences	*4*	-	-	-	51	-	51	-	51
Balance at 31 March 2017		**6.717.215**	**985.621**	**416.729**	**(1.291)**	**1.058.186**	**9.176.460**	**-**	**9.176.460**
For the three-month period ended 31 March 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		-	-	-	-	34.203	34.203	35	34.238
Currency translation differences	*4*	-	-	-	73	-	73	-	73
Balance at 31 March 2018		**6.717.215**	**985.621**	**463.944**	**2.375**	**1.074.203**	**9.243.358**	**(228)**	**9.243.130**

EDL-Generation Public Company and its subsidiaries

Statement of changes in equity (Unaudited)

	Note	Share capital	Share premium	Legal reserve	Translation reserve	Retained earnings	Total equity
				(in million Kip)			
For the three-month period ended 31 March 2017							
Balance at 1 January 2017		6.717.215	985.621	416.729	(1.342)	1.070.927	9.189.150
Profit for the period		-	-	-	-	16.166	16.166
Currency translation differences	*4*	-	-	-	51	-	51
Balance at 31 March 2017		**6.717.215**	**985.621**	**416.729**	**(1.291)**	**1.087.093**	**9.205.367**
For the three-month period ended 31 March 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		-	-	-	-	33.559	33.559
Currency translation differences	*4*	-	-	-	73	-	73
Balance at 31 March 2018		**6.717.215**	**985.621**	**463.944**	**2.375**	**1.076.006**	**9.245.161**

RATTANA PRATHOUMVAN
Chief Executive Officer
Date : 10 May 2018

BOUNSALONG SOUTHIDARA
Chief Financial Officer
Date : 10 May 2018

EDL-Generation Public Company and its subsidiaries

Statement of cash flows (Unaudited)

	Note	Consolidated financial statements For the three-month period ended 31 March 2018	Consolidated financial statements For the three-month period ended 31 March 2017	Separate financial statements For the three-month period ended 31 March 2018	Separate financial statements For the three-month period ended 31 March 2017
		(in million Kip)			
Cash flows from operating activities					
Profit for the period		34.238	15.969	33.559	16.166
Adjustments :					
Depreciation	6	105.909	103.350	105.672	103.100
Finance costs		144.160	90.802	144.160	90.802
Unrealise loss on foreign exchange		40.278	35.798	40.278	35.798
Share of profit of associates and joint ventures	4	(157.134)	(15.919)	(157.134)	(15.919)
Income tax expense		-	3.660	-	3.660
		167.451	**233.660**	**166.535**	**233.607**
Changes in:					
Other non-current assets		(64.625)	(77.443)	1.243	(118.611)
Trade and other receivables		(209.320)	(234.337)	(212.397)	(230.131)
Spare parts and supplies		(72)	406	(72)	406
Other current assets		81.986	(25.936)	(3.720)	2.618
Trade and other payables		(23.304)	(38.558)	(7.285)	(40.178)
Accrued expenses		17.781	(48.008)	17.458	(48.313)
Other current liabilities		(6)	(31)	(6)	(31)
Cash used in operating activities		(30.109)	(190.247)	(38.244)	(200.633)
Income tax paid		-	(15.386)	-	(15.386)
Net cash used in operating activities		**(30.109)**	**(205.633)**	**(38.244)**	**(216.019)**
Cash flows from investing activities					
Advance payment for assets under concession and investments		-	-	(91.803)	-
Purchase of investment in associates and joint-ventures	6	(321.382)	(1.634)	(321.382)	(1.634)
Purchase of assets under concession		(36.439)	(504)	(15.429)	(504)
Increase in current investments		-	-	-	-
Dividend received from investment in associates and joint-ventures	6	176.995	-	176.995	-
Cash paid for long-term investment		(94.513)	-	(94.513)	-
Net cash used in investing activities		**(275.339)**	**(2.138)**	**(346.132)**	**(2.138)**

EDL-Generation Public Company and its subsidiaries

Statement of cash flows (Unaudited)

	Note	Consolidated financial statements For the three-month period ended 31 March		Separate financial statements For the three-month period ended 31 March	
		2018	2017	2018	2017
		(in million Kip)			
Cash flows from financing activities					
Finance costs paid		(101.589)	(84.109)	(101.589)	(84.109)
Cash paid for issuance cost		(3.312)	-	(3.312)	-
Proceeds from short-term borrowings	*13*	39.570	-	39.570	-
Proceeds from long-term borrowings	*13*	332.440	-	332.440	-
Repayment of long-term borrowings	*13*	(83.525)	(82.574)	(83.525)	(82.574)
Net cash from (used in) financing activities		**183.584**	**(166.683)**	**183.584**	**(166.683)**
Cash pledged as collateral					
Net cash from (used in) financing activities		(121.864)	(374.454)	(200.792)	(384.840)
foreign currencies at end of year		-	8.517	-	8.517
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		**634.874**	**1.883.698**	**477.530**	**1.858.957**
Non-cash transctions					
Dividend receivable		23.412	124.044	23.412	124.044
Payables on purchase of assets under concession		414.279	73.904	414.279	73.904
Dividend payable		90.480	-	90.480	-
Settlement of payables on purchase of assets under concession with long-term borrowing from related party		-	3.995.884	-	3.995.884
Receivable from decrease in advance payment for investment		23.976	-	23.976	-

RATTANA PRATHOUMVAN
Chief Executive Officer
Date : 10 May 2018

BOUNSALONG SOUTHIDARA
Chief Financial Officer
Date : 10 May 2018

EDL-Generation Public Company and its subsidiaries
Notes to the condensed interim financial information
For the three-month period ended 31 March 2018 (Unaudited)

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1 Reporting entity

EDL-Generation Public Company ("the Group" or "the Company") is a public company which is listed on the Lao Securities Exchange ("LSX") on 11 January 2011, and is incorporated and domiciled in the Lao Peoples' Democratic Republic ("Lao PDR"). The Company was incorporated and registered with the Ministry of Industry and Commerce on 15 December 2010 ("Incorporation Date"). The Company is a subsidiary of Electricite Du Laos ("EDL") with 75% shareholding.

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

On 15 December 2010, Incorporation Date, EDL transferred the Existing Generation Assets and related liabilities of 7 hydropower dams, Nam Ngum 1, Nam Leuk, Nam Mang 3, Nam Song, Xeset1, Xeset 2, and Xelabam, based on the net book value as at 20 October 2010, to the Company of Kip 2.605.792 million. EDL will continue its activities on the transmission and distribution of electricity generated by the Existing Generation Assets to end-users. Since 15 December 2010, the Company has commenced its electricity generation operation mainly based on such transferred assets to supply the electricity generated back to EDL according to terms and conditions specified in Power Purchase Agreements ("PPA").

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

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

These condensed interim financial information was authorised for issue by the Board of Directors on 10 May 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 (i.e. statement of financial position, statements of income, cash flows and changes in equity) is prepared in the full format. The notes to the financial information are prepared in a condensed format.

The 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.

There is no comprehensive set of accounting standards in Laos ("LAS"). LAS is currently under development by the Accounting Department and Lao Chamber of Professional Accountants and Auditors (LCPAA). At present, companies apply Lao Accounting Manual (LAM) issued by the Ministry of Finance. LAM is a set of instructions based on accrual basis of accounting. Accordingly, there are significant differences between LAM and the International Financial Reporting Standards (IFRS). These areas of significant differences are, for example service concession agreements, revenue recognition, property, plant and equipment, leases, employee benefit, the effects of changes in foreign exchange rate, income tax and deferred income tax, financial instruments, consolidated and separate financial statements, associates, joint ventures and pre-operation cost. The accounting principles applied may materially differ from the generally accepted accounting principles including the International Financial Reporting Standards ("IFRS") adopted in certain countries and jurisdictions.

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

3 Investments in associates and joint ventures

	Consolidated/Separate financial statements	
Three-month periods ended 31 March	2018	2017
	(in million Kip)	
At 1 January	2.606.394	2.297.166
Share of net profit of associates and joint ventures	157.134	15.919
Dividend income	(200.407)	(124.043)
Addition	321.383	1.634
Currency translation differences	73	51
At 31 March	**2.884.577**	**2.190.727**

During the three-month period ended 31 March 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, a joint venture which incorporated in Lao PDR, with cash consideration at 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, a joint venture which incorporated in Lao PDR, with cash consideration at Kip 665 million. The Company's interest in this joint venture remains the same.

Lower Houay Lamphanh Co., Ltd.

The Company has additional investment in Lower Houay Lamphanh Co.,Ltd a joint venture which incorporated in Lao PDR, totaling USD 0,2 million or equivalent to Kip 1.491 million. The Company's interest in this joint venture remains the same.

Investments in associates and joint ventures as at 31 March 2018 and 31 December 2017, and dividend income for the three-month periods ended 31 March 2018 and 2017 were as follows:

	Consolidated/Separate financial statements												
	Ownership interest			Cost		Impairment		Cost - net		Equity		Dividend income	
	31 March 2018	31 December 2017	Type of business	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 March 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	399.510	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	77.564	75.675	-	-
Nam Ngum 5 Power Co., Ltd. ("Nam Ngum 5")	15	15	Electricity generation	80.022	80.022	-	-	80.022	80.022	97.061	95.299	-	-
Nam Thuen 1 Power Co., Ltd. ("Nam Thuen 1")	15	15	Electricity generation	497.163	177.936	-	-	497.163	177.936	493.692	175.565	-	-
Total				**1.064.167**	**744.940**	**-**	**-**	**1.064.167**	**744.940**	**1.067.827**	**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	1.733.660	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	19.516	16.972	-	-
Lower Houay Lamphanh Co., Ltd. ("LHPC")	60	60	Electricity generation	11.251	9.760	-	-	11.251	9.760	7.939	6.448	-	-
Nam Dik 1 Hydro Power Co., Ltd. ("Nam Dik 1")	70	70	Electricity generation	54.942	54.942	-	-	54.942	54.942	54.130	54.130	-	-
Nam Phoun Power Co., Ltd. ("NPPC")	51	51	Electricity generation	1.902	1.237	-	-	1.902	1.237	1.505	840	-	-
Total				**1.189.962**	**1.187.806**	**-**	**-**	**1.189.962**	**1.187.806**	**1.816.750**	**1.836.902**	**176.995**	**87.269**
Grand Total				**2.254.129**	**1.932.746**	**-**	**-**	**2.254.129**	**1.932.746**	**2.884.577**	**2.606.394**	**200.407**	**124.043**

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.

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.

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

4 Advance payment for assets under concessions and investments

	Consolidated financial statement		Separate financial statement	
	2018	2017	2018	2017
	(in million Kip)			
At 1 January	4.436.159	3.133.596	5.101.121	3.133.596
Additions	-	-	91.803	-
Decrease	(23.976)	-	(23.976)	-
Finance costs	3.288	3.192	3.288	3.192
At 31 March	**4.415.471**	**3.136.788**	**5.172.236**	**3.136.788**

These related to the advance payment paid to EDL for the costs occurred from the project assets under related MOU. The Company has advance payment for investments under MOU as at 31 March 2018 and 31 December 2017 as follows:

		Consolidated financial statement		Separate financial statement	
	Type	31 March 2018	31 December 2017	31 March 2018	31 December 2017
		(in million Kip)			
Nam Bi	Subsidiary	-	-	455.471	363.668
EDL-Gen Solar	Subsidiary	-	-	301.294	301.294
Nam Khan 3	Assets	318.704	315.416	318.704	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 and Donsahong	IPP	1.288.980	1.288.980	1.288.980	1.288.980
Total		**4.415.471**	**4.436.159**	**5.172.236**	**5.101.121**

Share Transferred Agreement

Share transfer Agreement ("the 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, in which after deduction of advance payment for investment, EDL shall return USD 2,9 million to the Company. The transaction is expected to be completed in 2018.

5 Assets under concessions

Three-month periods ended 31 March	Consolidated financial statements 2018	Consolidated financial statements 2017	Separate financial statements 2018	Separate financial statements 2017
	(in million Kip)			
At 1 January	9.790.198	9.435.337	9.408.829	9.412.504
Additions	23.288	242.162	2.279	263
Depreciation charge	(105.909)	(103.350)	(105.673)	(103.100)
At 31 March	**9.707.577**	**9.574.149**	**9.305.435**	**9.309.667**

6 Trade and other receivables

	Note	Consolidated financial statements 31 March 2018	Consolidated financial statements 31 December 2017	Separate financial statements 31 March 2018	Separate financial statements 31 December 2017
		(in million Kip)			
Trade accounts receivable from related party	*12*	350.381	142.172	346.730	137.316
Other receivables from related parties	*12*	54.789	2.140	55.277	2.142
Others		1.054	5.140	2.440	5.140
Total		**406.224**	**149.452**	**404.447**	**144.598**

7 Interest-bearing liabilities

	Consolidated/Separate financial statement 31 March 2018	Consolidated/Separate financial statement 31 December 2017
	(in million Kip)	
Short-term borrowing	911.199	870.573
Current portion of long-term borrowings		
- Long-term borrowing from related party	443.711	442.848
- Long-term borrowing from financial institution	197.917	87.064
Total current interest-bearing liabilities	**1.552.827**	**1.400.485**
Non-current portion of long-term borrowings		
- Long-term borrowing from related party	3.668.657	3.710.946
- Long-term borrowing from financial institution	685.833	499.590
Less: deferred borrowing costs	(6.981)	(4.188)
Total non-current interest bearing liabilities	**4.347.509**	**4.206.348**
Total interest-bearing liabilities	**5.900.336**	**5.606.833**

Movements in interest-bearing liabilities for the three-month periods ended 31 March 2018 and 2017 as follow:

	Consolidated/Separate financial statement	
Three-month periods ended 31 March	2018	2017
	(in million Kip)	
At 1 January	5.606.833	1.058.783
Additions	372.010	3.972.056
Repayments	(83.525)	(82.574)
Effect from currency translation	6.759	18.255
Net change in deferred borrowing costs	(1.741)	(404)
At 31 March	**5.900.336**	**4.966.116**

Short-term borrowing

During the three-month period ended 31 March 2018, the Company has addition drawn down from Vietin Bank Lao Limited amounting to USD 4,7 million or equivalent to Kip 39.570 million.

Long-term loan agreement

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.

8 Debentures

	Consolidated/Separate financial statement	
	31 March 2018	31 December 2017
	(in million Kip)	
Debentures	4.334.083	4.222.933
Deferred finance costs	(68.970)	(70.051)
Net	**4.265.113**	**4.152.882**

Movements in debentures for the three-month periods ended 31 March 2018 and 2017 were as follow:

	Consolidated/Separate financial statement	
Three-month periods ended 31 March	2018	2017
	(in million Kip)	
At 1 January	4.152.882	3.985.936
Amortisation of deferred financing fee	1.081	2.359
Effect from currency translation	111.150	67.579
At 31 March	**4.265.113**	**4.055.874**

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

Description	Series 1	Series 2	Series 3
Type	Unsubordinated unsecured debentures	Unsubordinated unsecured debentures	Unsubordinated unsecured debentures
Repayment	Principal repayment at the maturity date	Principal repayment at the maturity date	Principal repayment at the maturity date
Total offering price Issue amount	USD 51 million 51.000 units	USD 166 million 166.000 units	USD 95 million 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 Issue amount	Baht 1.500 million 1.500.000 units	Baht 2.000 million 2.000.000 units	Baht 3.000 million 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

9 Derivatives

(a) Cross currency swap contracts

	Consolidated/Separate financial statements	
	31 March 2018	31 December 2017
	(in million Kip)	
Swap contract receivable	1.727.180	1.650.805
Swap contract payable	(1.642.584)	(1.642.584)
Deferred gain on swap contract	(11.465)	(12.077)
Net	**73.131**	**(3.856)**

Key term and conditions is 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.

10 Accrued expenses

	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	(in million Kip)			
Accrued interest expense	129.788	87.160	129.788	87.160
Accrued royalty fees and other tax	11.628	16.489	10.852	16.151
Others	30.215	7.573	30.214	7.456
Total	**171.631**	**111.222**	**170.854**	**110.767**

11 Basic earnings per share

The calculations of basic earnings per share for the three-month periods ended 31 March 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)*	34.203	15.969	33.559	16.166
Number of ordinary shares outstanding *(in million shares)*	1.679	1.679	1.679	1.679
Basic earnings per share *(in Kip)*	**20,37**	**9,51**	**19,98**	**9,63**

12 Related parties

Relationships with related parties were as follows:

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
Houay Ho Power Company Limited	Laos	Joint venture

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

Transactions	Pricing policies
Sale of goods	Contract price
Interest income / Interest expense	Contract rate

Significant transactions for the three-month periods ended 31 March 2018 and 2017 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in million Kip)			
Parent company				
Sales	221.465	243.698	217.588	243.194
Interest expense	49.685	49.492	49.685	49.492
Interest income	5.198	635	5.198	635

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

	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	(in million Kip)			
Advance payment for assets under concession and investments				
Parent company				
Electricite Du Laos	3.126.491	4.398.656	3.126.491	4.398.656
Subsidiary				
Nam Bi Power Company Limited	-	-	455.472	363.668
EDL-Gen Solar Power Company Limited	-	-	301.295	301.295
Total	**3.126.491**	**4.398.656**	**3.883.258**	**5.063.619**
Short-term loan to related party				
Parent company				
Electricite Du Laos	463.392	463.392	463.392	463.392
Trade and other receivables				
Parent company				
Electricite Du Laos	405.170	144.312	401.519	138.970
Subsidiary				
Nam Bi Power Company Limited	-	-	488	488
Total	**405.170**	**144.312**	**402.007**	**139.458**
Long-term borrowings				
Parent company				
Electricite Du Laos				
- Current portion	443.711	442.848	443.711	442.848
- Long-term portion	3.668.657	3.710.946	3.668.657	3.710.946
Total	**4.112.368**	**4.153.794**	**4.112.368**	**4.153.794**

Significant agreement with related parties

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

13 Event after the reporting period

At the annual general meeting of shareholders held on 6 April 2018, the meeting approved dividend payment from the net profit of six-month period from 1 July to 31 December 2017 at Kip 180 per share, totalling of Kip 302.270 million. This dividend was paid on 9 May 2018.

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

Managing Director: (Signature) Rattana PRATHOUMVAN

Accounting Division Manager: (Signature) Khambay LUANGXAY

Deputy Manager of Audit Committee: (Signature) Manivanh NHOTKONGMY