EDL-GENERATION PUBLIC COMPANY

CONSOLIDATED AND SEPARATE FINANCIAL STATMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

INDEPENDENT AUDITOR'S REPORT

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

Our opinion

In our opinion, the consolidated financial statements of EDL-Generation Public Company (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company prepared, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2019, and its consolidated and separate statement of income, change in equity and cash flows for the year then ended in accordance with the accounting policies described in Note 2 to this consolidated financial statements.

What we have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate statements income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Independence

We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with IESBA Code.

Emphasis of Matter - Basis of accounting and restriction on distribution and use

We draw attention to Note 2 to the consolidated financial statements, which describes the basis of accounting. The consolidated financial statements are prepared in accordance with accounting policies described in Note 2 to the consolidated financial statements. As a result, the consolidated financial statements may not be suitable for another purpose.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. The matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matters.

Key audit matter	How my audit addressed the key audit matter
Valuation of trade accounts receivable	
As at 31 December 2019, trade and other receivables were stated at LAK 565.802 million (2018: LAK 429.439 million), representing 2,55% of total assets (2018: 1,95%). There were significant long-outstanding balances including an overdue balance more than six months of LAK 219.454 million (2018: 100.373 million). Management focused on accounts receivables that were overdue more than twelve months and haven't been collected after the period ended. Management assessed the allowance based on the historical payment of accounts receivable and expectations regarding the collectability of accounts receivable. We focused on this area due to the significance of trade accounts receivable and allowance for doubtful accounts is a management's accounting estimate. The estimates are developed by management based on their judgment on assumptions concerning the customer's ability to repay and other related credit risks.	Our audit procedures in this area include the following: • understanding policies and process, methods and assumptions used to develop the estimate of the allowance for doubtful accounts, and write offs and verifying that the accounting policies were consistent with prior period, • obtaining a detailed analysis supporting the allowance for doubtful accounts, agreeing balances and testing mathematical accuracy, • assessing the reasonableness of management's assumptions used in the detailed analysis supporting the allowance for doubtful accounts, • testing the reliability of the reports accounts receivable detailed listing that would be used to assess the allowance for doubtful accounts, • challenging management on the collectability of these accounts and obtaining additional supporting information to verify that the allowance for doubtful accounts was appropriate at period end, • obtaining the movement schedule of the allowance for doubtful accounts including opening balance, write-offs, additional provision recognised and closing balance, agreeing balances and testing mathematical accuracy, • considering whether any extent of write-offs occurring during the period, and determining whether there were unusually high volumes that might indicate the potential for additional uncollectible amounts, and • testing the subsequent collection of significant accounts receivable up to the date of the auditor's report. As a result, we found that the management assumption was reasonable and consistent with historical collection data and supporting evidence.

Other information

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

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the those charge with governance and request that the correction be made.

Other matter

The consolidated and separate financial statements for the year ended 31 December 2018 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 18 March 2019.

Responsibilities of management for the consolidated and separate financial statements

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

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

Those charge with governance are responsibilities for overseeing the Group and the Company's financial reporting process.

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

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

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

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

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

We also provide the those charge with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

For PricewaterhouseCoopers (Lao) Sole Company Limited

By Apisit Thiengtrongpinyo
Partner
Vientiane, Lao PDR
Date:7 May 2020

EDL-Generation Public Company

Statement of financial position
As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2019	31 December 2018 Restated	31 December 2019	31 December 2018 Restated
		Million LAK	Million LAK	Million LAK	Million LAK
Assets					
Non-current assets					
Investments in subsidiaries	6	-	-	540.631	85.160
Investments in associates	7,1	4.901.466	1.774.819	4.901.466	1.774.819
Interests in joint ventures	7,2	2.689.126	2.034.455	2.689.126	2.034.455
Advance payment for investment	8, 24	2.217.880	6.298.672	2.375.604	7.104.200
Asset under concession - net	9	9.841.857	9.735.008	9.355.851	9.294.535
Intangible assets		863	-	863	-
Advance payment for interest rate swap		11.963	22.455	11.963	22.455
Swap contract receivable		178.689	26.617	178.689	26.617
Advance to suppliers for construction project		341.075	341.075	-	-
Deposits at financial institution pledged as collateral		101.581	97.801	101.581	97.801
Other non-current assets		2.461	4.488	2.461	4.488
Total non-current assets		**20.286.961**	**20.335.390**	**20.158.235**	**20.444.530**
Current assets					
Cash and cash equivalants	10	979.774	642.106	948.847	550.978
Short-term investments	11	26.604	110.994	26.604	110.994
Short-term loan to related party	24	454.042	486.666	454.042	486.666
Trade and other receivables	12, 24	565.802	429.439	534.595	415.524
Current portion of advance payment for interest rate swap		11.373	14.785	11.373	14.785
Spare parts and supplies - net		4.171	3.941	4.171	3.941
Other current assets		1.327.651	529.850	1.310.301	521.161
Total current assets		**3.369.417**	**2.217.781**	**3.289.933**	**2.104.049**
Total assets		**23.656.378**	**22.553.171**	**23.448.168**	**22.548.579**

RATTANA PRATHOUMVAN
Chief Executive Officer
Date: 7 May 2020

BOUNSALONG SOUTHIDARA
Chief Financial Officer
Date: 7 May 2020

The accompanying notes on pages 13 to 55 form an integral part of these consolidated and separate financial statements.

EDL-Generation Public Company

Statement of financial position
As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2019	31 December 2018 Restated	31 December 2019	31 December 2018 Restated
		Million LAK	Million LAK	Million LAK	Million LAK
Equity					
Shareholders' equity					
Share capital	13	6.717.215	6.717.215	6.717.215	6.717.215
Share premium	13	985.621	985.621	985.621	985.621
Legal reserve	14	547.147	526.392	547.147	526.392
Translation adjustments		20.220	12.611	20.220	12.611
Retained earnings		1.014.989	1.111.354	1.035.607	1.117.498
Equity attributable to owners of the parent		**9.285.192**	**9.353.193**	**9.305.810**	**9.359.337**
Non-controlling interests		5.213	676	-	-
Total equity		**9.290.405**	**9.353.869**	**9.305.810**	**9.359.337**
Liabilities					
Non-current liabilities					
Long - term borrowings - net	15	3.361.782	3.678.445	3.184.156	3.678.445
Debentures - net	16	9.370.051	7.532.621	9.370.051	7.532.621
Swap contract payables - net		-	-	-	-
Total non-current liabilities		**12.731.833**	**11.211.066**	**12.554.207**	**11.211.066**
Current liabilities					
Trade and other payables		123.328	624.754	92.835	616.197
Current portion of long-term borrowings	15	946.856	588.286	932.049	588.286
Short - term borrowings - net	15	201.972	195.843	201.972	195.843
Debentures - net	16	-	401.145	-	401.145
Accrued expenses	17	360.701	176.496	360.369	175.887
Other current liabilities		1.283	1.712	926	818
Total current liabilities		**1.634.140**	**1.988.236**	**1.588.151**	**1.978.176**
Total liabilities		**14.365.973**	**13.199.302**	**14.142.358**	**13.189.242**
Total equity and liabilities		**23.656.378**	**22.553.171**	**23.448.168**	**22.548.579**

RATTANA PRATHOUMVAN
Chief Executive Officer

Date: 7 May 2020

BOUNSALONG SOUTHIDARA
Chief Financial Officer

Date: 7 May 2020

The accompanying notes on pages 13 to 55 form an integral part of these consolidated and separate financial statements.

EDL-Generation Public Company

Statement of income

For the year ended 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2019 Million LAK	31 December 2018 Restated Million LAK	31 December 2019 Million LAK	31 December 2018 Restated Million LAK
Revenue from sale		1.217.530	1.137.430	1.191.545	1.116.867
Cost of sales	18	(582.870)	(532.735)	(568.510)	(520.271)
Gross profit		634.660	604.695	623.035	596.596
Other income		31.270	26.476	35.422	26.476
Operating and administrative expenses	18	(154.849)	(169.215)	(140.443)	(162.360)
Foreign exchange gain/(loss), net		71.524	(29.050)	74.528	(24.848)
Share of profit from investments in associates and joint ventures	6	339.377	626.001	339.377	626.001
Profit before finance costs		**921.982**	**1.058.907**	**931.919**	**1.061.865**
Finance costs	19	(724.366)	(588.553)	(724.366)	(588.553)
Profit before income tax expense		**197.616**	**470.354**	**207.553**	**473.312**
Income tax expense	20	-	-	-	-
Profit for the year		**197.616**	**470.354**	**207.553**	**473.312**
Profit attributable to:					
Owners of the parents		193.079	469.455	207.553	473.312
Non-controlling interests		4.537	899	-	-
		197.616	**470.354**	**207.553**	**473.312**
Earnings per share					
Basic earnings per share (in LAK)	21	115,00	279,60	123,62	281,90

RATTANA PRATHOUMVAN
Chief Executive Officer
Date: 7 May 2020

BOUNSALONG SOUTHIDARA
Chief Financial Officer
Date: 7 May 2020

The accompanying notes on pages 13 to 55 form an integral part of these consolidated and separate financial statements.

EDL-Generation Public Company

Statement of changes in equity
As at 31 December 2019

	Consolidated financial statements Attributable to owners of the parent							
	Issued and paid-up ordinary shares	Share premium	Legal reserve	Translation adjustments Restated	Unappropriated retained earnings Restated	Total	Non-controlling interests	Total equity
	Million LAK	Million LAK	Million LAK	Million LAK	Million LAK	Million LAK	Million LAK	Million LAK
For the year ended 31 December 2018								
As at 1 January 2018 - as previous report	6.717.215	985.621	463.944	2.302	1.040.000	9.209.082	(263)	9.208.819
- Change in accounting policy	-	-	15.118	771	136.227	152.116	40	152.156
As at 1 January 2018 (Restated)	6.717.215	985.621	479.062	3.073	1.176.227	9.361.198	(223)	9.360.975
Net profit for the year	-	-	-	-	66.959	66.959	(2.010)	64.949
Translation adjustments	-	-	-	9.456	-	9.456	-	9.456
Dividend paid	-	-	-	-	(486.998)	(486.998)	-	(486.998)
Transfer to legal reserve	-	-	7.479	-	(7.479)	-	-	-
- Change in accounting policy	-	-	39.851	82	362.645	402.578	2.909	405.487
Balance at 31 December 2018 (Restated)	**6.717.215**	**985.621**	**526.392**	**12.611**	**1.111.354**	**9.353.193**	**676**	**9.353.869**
For the year ended 31 December 2019								
As at 1 January 2019	6.717.215	985.621	526.392	12.611	1.111.354	9.353.193	676	9.353.869
Net profit for the year	-	-	-	-	193.079	193.079	4.537	197.616
Translation adjustments	-	-	-	7.609	-	7.609	-	7.609
Dividend paid	-	-	-	-	(268.689)	(268.689)	-	(268.689)
Transfer to legal reserve	-	-	20.755	-	(20.755)	-	-	-
Balance at 31 December 2019	**6.717.215**	**985.621**	**547.147**	**20.220**	**1.014.989**	**9.285.192**	**5.213**	**9.290.405**

RATTANA PRATHOUMVAN
Chief Executive Officer
Date: 7 May 2020

BOUNSALONG SOUTHIDARA
Chief Financial Officer
Date: 7 May 2020

The accompanying notes on pages 13 to 55 form an integral part of these consolidated and separate financial statements.

EDL-Generation Public Company

Statement of changes in equity
As at 31 December 2019

	Note	Separate financial statements					
		Issued and paid-up ordinary shares Million LAK	Share premium Million LAK	Legal reserve Million LAK	Translation adjustments Million LAK	Unappropriated retained earnings Million LAK	Total Million LAK
For the year ended 31 December 2018							
As at 1 January 2018 - as previous report		6.717.215	985.621	463.944	2.302	1.042.447	9.211.529
- Change in accounting policy	*3*	-	-	15.118	771	136.067	151.956
As at 1 January 2018 (Restated)		6.717.215	985.621	479.062	3.073	1.178.514	9.363.485
Net profit for the year		-	-	-	-	74.798	74.798
Translation adjustments		-	-	-	9.456	-	9.456
Dividend paid		-	-	-	-	(486.998)	(486.998)
Transfer to legal reserve		-	-	7.479	-	(7.479)	-
- Change in accounting policy	*3*	-	-	39.851	82	358.663	398.596
As at 31 December 2018 (Restated)		**6.717.215**	**985.621**	**526.392**	**12.611**	**1.117.498**	**9.359.337**
For the year ended 31 December 2019							
As at 1 January 2019		6.717.215	985.621	526.392	12.611	1.117.498	9.359.337
Net profit for the year		-	-	-	-	207.553	207.553
Translation adjustments		-	-	-	7.609	-	7.609
Dividend paid		-	-	-	-	(268.689)	(268.689)
Transfer to legal reserve		-	-	20.755	-	(20.755)	-
As at 31 December 2019		**6.717.215**	**985.621**	**547.147**	**20.220**	**1.035.607**	**9.305.810**

RATTANA PRATHOUMVAN
Chief Executive Officer
Date: 7 May 2020

BOUNSALONG SOUTHIDARA
Chief Financial Officer
Date: 7 May 2020

The accompanying notes on pages 13 to 55 form an integral part of these consolidated and separate financial statements.

Statement of cash flows
For the year ended 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2019 Million LAK	31 December 2018 (Restated) Million LAK	31 December 2019 Million LAK	31 December 2018 (Restated) Million LAK
Cash flow from operating activities					
Profit before income tax expenses for the year		197.616	470.354	207.553	473.312
Adjustments for:					
Depreciation	8	541.644	483.929	530.767	474.511
Amortisation of debenture issuance costs		34.986	-	34.986	-
Unrealised loss(gain) on exchange rate		-	-	-	-
Finance costs		724.366	588.553	724.366	588.553
Share of profit from investments in associates and joint ventures	6	(339.377)	(626.001)	(339.377)	(626.001)
(Gain) loss on disposal of property, plant and equipment		277	40	277	40
Changes in working capital:		1.159.512	916.875	1.158.572	910.415
Decrease (increase) in					
Other non-current assets		2.027	(183.524)	2.027	(26.129)
Trade and other receivables		(136.363)	(411.077)	(119.071)	(378.041)
Spare parts and supplies		(230)	517	(230)	517
Other current assets		(150.868)	31.154	(161.666)	(87.171)
Trade and other payables		(519.378)	(27.244)	(523.668)	(18.633)
Accrued expenses		184.205	(7.382)	184.482	(7.537)
Other current liabilities		(429)	1.210	108	316
Cash generated from operations		538.476	320.529	540.554	393.737
Income tax paid		(7.837)	-	(7.837)	-
Net cash inflow from operating activities		**530.639**	**320.529**	**532.717**	**393.737**
Cash flow used in investing activities					
Advance payment for assets under concession and investments		-	(2.428.251)	(9.637)	(2.580.293)
Cash paid for investments in subsidiaries		-	-	-	(2.400)
Cash received from advance payment for subsidiaries		-	-	214.290	-
Purchases of investments in associates and joint ventures		(124.766)	(332.282)	(124.766)	(332.282)
Cash paid for advance payment for investment		-	-	-	-
Purchases of assets under concession		(142.154)	(226.917)	(103.390)	(158.395)
Purchase of intanginle asset		(557)	-	(557)	-
Decrease (Increase) in short-term investments		84.390	847.700	84.390	847.700
Cash received from short-term loan to related party		171.021	-	171.021	-
Cash paid for short-term loan to related party		(120.832)	(296.598)	(120.832)	(296.598)
Dividend received from investment in associates and joint ventures	6	300.314	492.116	300.314	492.116
Dividend received from investment in subsidairies		-	-	6.709	-
Net cash outflow from investment activities		**167.416**	**(1.944.232)**	**417.542**	**(2.030.152)**

ບໍລິສັດ ຜະລິດ-ໄຟຟ້າລາວ ມະຫາຊົນ EDL-Generation Public Company

RATTANA PRATHOUMVAN
Chief Executive Officer
Date: 7 May 2020

BOUNSALONG SOUTHIDARA
Chief Financial Officer
Date: 7 May 2020

Statement of cash flows
For the year ended 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
		Million LAK	Million LAK	Million LAK	Million LAK
Cash flow from financing activities					
Finance costs paid		(595.708)	(508.471)	(595.708)	(508.471)
Cash paid for debentures issuance cost		(21.659)	(66.163)	(21.659)	(66.163)
Dividend paid to shareholders		(268.689)	(208.466)	(268.689)	(208.466)
Proceeds from short-term borrowings	15	228.389	302.621	228.389	302.621
Repayments of short-term borrowings	15	(225.463)	(995.875)	(225.463)	(995.875)
Proceeds from long-term borrowings	15	192.432	332.440	-	332.440
Repayments of long-term borrowings	15	(306.006)	(917.517)	(306.006)	(917.517)
Proceeds from debentures issuance	16	1.063.992	3.532.989	1.063.992	3.532.989
Repayments of debentures	16	(404.590)	-	(404.590)	-
Net cash inflow from financing activities		**(337.302)**	**1.471.558**	**(529.734)**	**1.471.558**
Net increase (outflow) in cash and cash equivalent		360.753	(152.145)	420.525	(164.857)
Cash and cash equivalent at the beginning of the year		642.106	756.738	550.978	678.322
Effect of exchange rate changes on cash and cash equivalent		(23.085)	37.513	(22.656)	37.513
Cash and cash equivalent at the end of the year		**979.774**	**642.106**	**948.847**	**550.978**
None cash transactions:					
Payable on investment in Nam Long		-	5.537	-	5.537
Offsetting advance payment for assets under concession and investments with					
- short-term loan to related party		-	42.230	-	42.230
- dividend payment		-	23.976	-	23.976
Payables on purchase of assets under concession		17.646	602.819	-	602.819
Offsetting trade and other receivables with					
- dividend payment		201.516	116.000	201.516	116.000
- long-term loan from related party		39.019	11.027	39.019	11.027
Offsetting short term loan to related party with					
- dividend payment		-	253.012	-	253.012
Transfer from advance payment for investment to investment in subsidiaries		-	-	455.471	-
Transfer from advance payment for investment to investment in associates		3.172.963	-	3.172.963	-
Transfer from advance payment for investment to investment in other investments		436.916	-	436.916	-
Transfer from advance payment for investment to assets under concession		488.810	-	488.810	-

RATTANA PRATHOUMVAN
Chief Executive Officer
Date: 7 May 2020

BOUNSALONG SOUTHIDARA
Chief Financial Officer
Date: 7 May 2020

1 Reporting entity

EDL-Generation Public Company (the Company) is a public company which is listed on the Lao Securities Exchange (LSX) on 11 January 2011 and is incorporated and domiciled in the Lao Peoples' Democratic Republic (Lao PDR). The Company is a subsidiary of Electricite Du Laos (EDL) with 75% shareholding.

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

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

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

Company's subsidiaries as at 31 December 2019 and 2018 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2019	2018
Direct subsidiaries				
EDL-GEN Solar Power Co., Ltd	Electricity generation	Lao PDR	60	60
Nam Bi Power Co., Ltd	Electricity generation	Lao PDR	80	80
EDL-GEN Operation and Maintenance Sole Co., Ltd	Electricity generation	Lao PDR	100	100

These consolidated and separate financial information was authorised for issue by the Board of Directors on 7 May 2020.

2. Accounting policies

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

2.1 Basis of accounting

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

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

2 Accounting policies (Continued)

2.1 Basis of accounting (Continued)

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

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

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

2.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns though its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

2.2.2 Non-controlling interests

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

2.2.3 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting. A list of the Company's principal associates is set out in (Note 6).

2 Accounting policies (Continued)

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

2.2.4 Joint ventures

Interests in venture are all entities over which the Group jointly controls, but which it does not control. Interests in joint ventures are accounted for by the equity method of accounting. A list of the Company's principal joint ventures is set out in (Note 6).

2.2.5 Accounting under equity method

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

2.2.6 Separate financial statements

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

2.2.7 General investments

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

2.3 Foreign currency translation

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

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

2 Accounting policies (Continued)

2.3 Foreign currency translation (Continued)

Monetary non-current assets and liabilities (Note 3)

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

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

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

2.4 Spare parts and supplies

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

2.5 Assets under concession

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

Recognition

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

2 Accounting policies (Continued)

2.5 Assets under concession (Continued)

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

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

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

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

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

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

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

2.6 Impairment of assets

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

2 Accounting policies (Continued)

2.7 Borrowings

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

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

2.8 Debentures

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

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

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

2.9 Leases - where a Company is the lessee

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

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

2.10 Employee benefits

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

2.11 Provisions

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

2 Accounting policies (Continued)

2.12 Cash and cash equivalents

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

2.13 Short-term investment

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

2.14 Revenue recognition

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

Sales of electricity

The Group accounts for sales when:

- Power Purchase Agreements ("PPA") exists;
- Delivery has taken place;
- A quantifiable price has been established or can be determined;
- Related receivables are likely to be recovered.

Delivery takes place when the risks and benefits associated with ownership are transferred to the buyer. Generally, the sales of electricity are measured from the agreed meters at the point of delivery multiplied by the rates as agreed and stipulated in the PPA.

Other services

Other services primarily include installation fee which is recognised at the time of delivery completion.

Dividend income

Dividend income is recognised when the right to receive payment by the Group is established which is normally at the point where the shareholder's right to receive payment is established.

2.15 Derivatives

Cross currency

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

2 Accounting policies (Continued)

2.15 Derivatives (Continued)

Interest rate collar contracts

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

2.16 Related parties

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

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

2.17 Operating segments

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

2.18 Intangible assets

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

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

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

2 Accounting policies (Continued)

2.19 Taxation

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

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

3 Change in accounting policy

According to notification no. 1137/MoF, dated 27 April 2020, issued by Ministry of Finance, the Public Interest Entity (PIE) should be fully adopt International Financial Reporting Standard (IFRS) within 20 March 2026, which is postpone from 31 December 2021.

During the transitional period, PIE should be considering the suitable accounting policy issued by MoF, Accounting Department, and set up development plan to adopt IFRS and shared with Accounting Department for monitor.

Management considered that the accounting policy for unrealise gain/(loss) on exchange rate issued by Accounting Department in 2009 are applicable and suitable with the Company, therefore, management made decision to change accounting policy for recognise unrealise gain/(loss) on exchange rate in 2019 (Note 2.3).

The changing new accounting policies has been revised by restating each of the affected financial statement line items for the prior year as follows.

3 Change in accounting policy (Continued)

3.1 Separate financial statements:

	As at 31 December 2018		
	Originally stated	Increase/ (decrease)	Restated
	Million LAK	Million LAK	Million LAK
Statement of financial position (extract)			
Non-current assets			
Investments in associates	1.771.824	2.995	1.774.819
Interests in joint ventures	1.933.465	100.990	2.034.455
Current assets			
Other current assets	74.594	446.567	521.161
Equity			
Legal reserve	471.423	54.969	526.392
Translation adjustments	11.758	853	12.611
Retained earnings	622.768	494.730	1.117.498

	For the year ended 31 December 2018		
	Originally stated	Increase/ (decrease)	Restated
	Million LAK	Million LAK	Million LAK
Statement of income (extract)			
Foreign exchange gain/(loss), net	(417.919)	393.071	(24.848)
Share of profit from investments in Associates and joint ventures	620.558	5.443	626.001

3 Change in accounting policy (Continued)

3.2 Consolidated financial statements

	As at 31 December 2018		
	Originally stated	Increase/ (decrease)	Restated
	Million LAK	Million LAK	Million LAK
Statement of financial position (extract)			
Non-current assets			
Investments in associates	1.771.824	2.995	1.774.819
Interests in joint ventures	1.933.465	100.990	2.034.455
Current assets			
Other current assets	76.192	453.658	529.850
Equity			
Legal reserve	471.423	54.969	526.392
Translation adjustments	11.758	853	12.611
Retained earnings	612.482	498.872	1.111.354
Equity attributable to owners of the parent			
Non-controlling interests	(2.273)	2.949	676

	For the year ended 31 December 2018		
	Originally stated	Increase/ (decrease)	Restated
	Million LAK	Million LAK	Million LAK
Statement of income (extract)			
Foreign exchange gain/(loss), net	(429.012)	399.962	(29.050)
Share of profit from investments in Associates and joint ventures	620.558	5.443	626.001
Profit attributable to:			
Owners of the parents	66.959	402.496	469.455
Non-controlling interests	(2.010)	2.909	899

4 Financial risk management

Financial risk factors

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

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

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

Foreign exchange risk

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

The Group uses swap contracts to hedge their exposure to foreign currency risk in connection with the outstanding debentures of Baht 5,000 million (Note 15).

As at 31 December 2019, except for the above, management had no formal policies and had not used any financial instruments or derivatives to manage their foreign exchange risk from borrowings. However, management has monitored the movements of foreign exchange rates on a timely basis and may use financial instruments or derivatives to manage this risk if management sees that it is necessary. Consequently, significant fluctuations in exchange rates could have a material adverse effect on the Group's business, results of operations, financial conditions and prospects.

Interest rate risk

The interest risk mainly arises from borrowings and debentures.

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

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

As at 31 December 2019, the Company has SWAP contracts as below:

4 Financial risk management (Continued)

Interest rate swap contracts

Series	Principal			Interest rate (per annum)		
	Issued amount (million Baht)	Swapped amount (million USD)	Term of payments	Original rate	Swap rate	Term of payments
1	2.000	60,79	12 December 2021	5,20%	Libor 6 months+ 3,61%	Semi-annually starting from 12 June 2015 to 12 December 2021
2	3.000	91,18	12 December 2024	5,45%	Libor 6 months+ 3,795%	Semi-annually starting from 12 June 2015 to 12 December 2024
Total	**5.000**	**151,97**				

Interest rate collar contracts

The Group has interest collar contracts with Thai institutions which the purpose is to manage the risk from fluctuation on interest rate of debentures with notional amount of USD 151,97 million which reference rate is 6-month-LIBOR whereby the Group shall pay and receive interest as specified in the contracts on semi-annual basis. The contract shall be expired from December 2021 to December 2024. A counter party required the Group to deposit advance payment which will be settled on each settlement date.

Credit risk

The Group mainly sells its products to EDL, major shareholder, and EDL is a key state own enterprise operated under the Ministry of Finance (MOF) and is only a key customer. Although the credit risk is considered as concentrate or dependent to one customer, management considers the credit risk as low and manageable.
Cash and cash equivalents are deposited with reputable banks which have a good credit history.

Liquidity risk

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

Capital risk management

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

5 Segment information

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

The strategic divisions offer difference of type of business. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Electricity generation
- Segment 2 Other businesses

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

	For the year ended 31 December 2019			
	Segment 1	**Segment 2**	**Eliminate**	**Total**
	Million LAK			
Revenue from sale	1.217.530	-	-	1.217.530
Cost of sales	(582.870)	-	-	(582.870)
Segment result	**634.660**	**-**	**-**	**634.660**
Other income	31.270	-	-	31.270
Operating and administrative expenses	(154.849)	-	-	(154.849)
Foreign exchange gain, net	71.524	-	-	71.524
Share of profit from investments in associate and joint ventures	-	339.377	-	339.377
Operating profit	**582.605**	**339.377**	**-**	**921.982**
Finance costs	(724.366)	-	-	(724.366)
Profit /(loss)before income tax expense	(141.761)	339.377	-	197.616
Income tax expense	-	-	-	-
Profit/(loss) for the year	**(141.761)**	**339.377**	**-**	**197.616**

5 Segment information (Continued)

	For the year ended 31 December 2018 Restated			
	Segment 1	**Segment 2**	**Eliminate**	**Total**
	Million LAK			
Revenue from sale	1.137.430	-	-	1.137.430
Cost of sales	(532.735)	-	-	(532.735)
Segment result	**604.695**	**-**	**-**	**604.695**
Other income	26.476	-	-	26.476
Operating and administrative expenses	(169.215)	-	-	(169.215)
Foreign exchange loss, net	(29.050)	-	-	(29.050)
Share of profit from investments in associate and joint ventures	-	626.001	-	626.001
Operating profit	**432.906**	**626.001**	**-**	**1.058.907**
Finance costs	(588.553)	-	-	(588.553)
Profit/(loss) before income tax expense	(155.647)	626.001	-	470.354
Income tax expense	-	-	-	-
Profit/(loss) for the year	**(155.647)**	**626.001**	**-**	**470.354**

6 Investments in subsidiaries

	Separate financial statements	
	2019	**2018**
	Million LAK	
Balance as at 1 January	85.160	82.760
Addition	455.471	2.400
Total	**540.631**	**85.160**

During 2019, additional is from investment in Nam Bi Power Co., Ltd at the amount of LAK 455.471 million.

6 Investments in subsidiaries (continued)

Investments in subsidiaries as at 31 December 2019 and 2018, and dividend income for the years ended 31 December 2019 and 2018 were as follows:

				Separate financial statements									
	Ownership interest		Type of business	Paid-up share		Cost		Impairment		Cost – net		Dividend income	
	2019	2018		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(%)			***Million LAK***									
Subsidiaries													
EDL-GEN Solar Power Co., Ltd (Solar)	60	60	Electricity generation	1.500	1.500	1.500	1.500	-	-	1.500	1.500	6.709	-
Nam Bi Power Co., Ltd. (Nam Bi)	80	80	Electricity generation	536.731	81.260	536.731	81.260	-	-	536.731	81.260	-	-
EDL-Gen Operation and Maintenance Sole Co., Ltd. (O&M)	100	100	Maintenance service	2.400	2.400	2.400	2.400	-	-	2.400	2.400	-	-
Total				**540.631**	**85.160**	**540.631**	**85.160**	**-**	**-**	**540.631**	**85.160**	**6.709**	**-**

7 Investments in associates and joint ventures

	Note	Consolidated and separate financial statements	
		2019	2018 Restated
		Million LAK	
Associates			
At 1 January		1.774.819	771.706
Share of net profit of associates		35.113	109.925
Dividend income	7.1	(82.682)	(55.913)
Addition		-	324.764
Transfer from advance payment for assets under concession and investments	7.1	3.172.963	623.178
Currency translation differences		1.253	1.159
Closing amount		**4.901.466**	**1.774.819**
Joint ventures			
At 1 January		2.034.455	1.933.148
Share of net profit of joint venture		304.264	516.076
Dividend income	7.2	(217.631)	(436.203)
Addition		124.766	13.055
Transfer from advance payment for assets under concession and investments	7.2	436.916	-
Currency translation differences		6.357	8.379
Closing amount		**2.689.126**	**2.034.455**

7 Investments in associates and joint ventures (Continued)

During the year ended 31 December 2019, there were increases in investment in associates and joint ventures as follow:

Associates

Xayaburi Power Co., Ltd.

On 19 March 2019, the Company paid additional advance investment in Xayaburi Power Co., Ltd (Xayaburi) amounting Thai Baht 61.544 million or equivalent to LAK 16.953 million included in investment's amount.

In addition, 20% of shares in Xayaburi Power Co., Ltd (Xayaburi) has been transferred to the Company at the amount of LAK 3.172.963 million. The associate's businesses are electricity production and distribution

Joint ventures

Nam Phoun Power Co., Ltd

On 26 February 2019, The Company has additional investment in Nam Phoun Power Co., Ltd. (Nam Phoun*)*, totalling LAK 1.544 million.

EDL-GEN RED CO., LTD

On 22 March 2019, the Company entered to joint venture shareholder agreements with business partner and established EDL-GEN RED CO., LTD on 21 May 2019, with registered capital LAK 154.800 million. The Company contributed in-kind (Land) capital USD 14,4 million.

Nam Mang 1 Power Co., Ltd

On 13 May 2019, the Company invested 10% of shares in Nam Mang 1 Power Co., at the amount LAK 37.596 million.

Nam Lik 1 Power Co., Ltd

On 16 August 2019, the Company invested 10% of shares in Nam Lik 1 Power Co., Ltd at the amount LAK 34.680 million.

Nam Ou River Basin Hydropower Co., Ltd

On 23 May 2019, the Company invested 15% of shares in Nam Ou River Basin Hydropower Co., Ltd at the amount LAK 364.640 million.

7 Investments in associates and joint ventures (Continued)

7.1 Investments in associates

Investments in associates as at 31 December 2019 and 2018, and dividend income for the years ended 31 December 2019 and 2018 were as follows:

	Ownership interest		Type of Business	Consolidated and separate financial statements									
				Cost		Impairment		Cost - net		Equity		Dividend income	
	2019	2018		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(%)			***Million LAK***									
Associates													
Nam Ngum 2 Power Co., Ltd.	25	25	Electricity generation	454.742	454.742	-	-	454.742	454.742	457.020	467.831	67.166	55.913
Nam Lik 1-2 Power Co., Ltd.	10	10	Electricity generation	32.240	32.240	-	-	32.240	32.240	70.952	84.664	15.516	-
Nam Ngum 5 Power Co., Ltd.	15	15	Electricity generation	80.022	80.022	-	-	80.022	80.022	103.978	100.137	-	-
Nam Thuen 1 Power Co., Ltd.	15	15	Electricity generation	497.163	497.163	-	-	497.163	497.163	491.357	491.942	-	-
Don Sahong Power Co., Ltd.	20	20	Electricity generation	605.016	605.016	-	-	605.016	605.016	602.070	602.604	-	-
Nam Beng Power Co., Ltd.	10	10	Electricity generation	18.162	18.162	-	-	18.162	18.162	25.145	22.032	-	-
Nam Long Power Co., Ltd.	20	20	Electricity generation	5.537	5.537	-	-	5.537	5.537	7.618	5.609	-	-
Xayaburi Power Co., Ltd.	20	-	Electricity generation	3.172.963	-	-	-	3.172.963	-	3.143.326	-	-	-
Total associates				**4.865.845**	**1.692.882**	**-**	**-**	**4.865.845**	**1.692.882**	**4.901.466**	**1.774.819**	**82.682**	**55.913**

7 Investments in associates and joint ventures (Continued)

7.2 Investments in joint ventures

Investments in joint ventures as at 31 December 2019 and 2018, and dividend income for the years ended 31 December 2019 and 2018 were as follows:

	Consolidated and separate financial statements											
	Ownership interest		Type of Business	Cost		Impairment		Cost - net		Equity		Dividend income	
	2019	2018		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(%)			***Million LAK***									
Joint ventures													
Theun-Hinboun Power Co., Ltd.	60	60	Electricity generation	1.120.696	1.120.696	-	-	1.120.696	1.120.696	2.031.605	1.946.005	204.595	424.425
Houay Ho Power Co., Ltd.	20	20	Electricity generation	1.171	1.171	-	-	1.171	1.171	23.674	17.922	13.036	11.778
Lower Houay Lamphanh Co., Ltd.	60	60	Electricity generation	19.785	19.785	-	-	19.785	19.785	12.958	14.909	-	-
Nam Dik 1 Hydro Power Co., Ltd.	70	70	Electricity generation	54.942	54.942	-	-	54.942	54.942	52.703	53.265	-	-
Nam Phoun Power Co., Ltd.	51	51	Electricity generation	5.811	4.267	-	-	5.811	4.267	2.485	2.354	-	-
E&E Engineering and Service Co., Ltd. (joint venture of O&M)	60	60	Maintenance Service	-	-	-	-	-	-	(253)	-	-	-

7 Investments in associates and joint ventures (Continued)

7.2 Investments in joint ventures

	Ownership interest		Type of Business	Consolidated and separate financial statements									
				Cost		Impairment		Cost - net		Equity		Dividend income	
	2019	2018		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(%)			***Million LAK***									
Joint ventures													
EDL-GEN RED CO., LTD	80	-	Service	123.222	-	-	-	123.222	-	122.811	-	-	-
Nam Ou River Basin Hydropower Co., Ltd	15	-	Electricity generation	364.640	-	-	-	364.640	-	368.028	-	-	-
Nam Mang 1 Power Co., Ltd	10	-	Electricity generation	37.596	-	-	-	37.596	-	38.707	-	-	-
Nam Lik 1 Power Co., Ltd	10	-	Electricity generation	34.680		-	-	34.680	-	36.408	-	-	-
Total joint ventures				**1.762.542**	**1.200.861**	**-**	**-**	**1.762.542**	**1.200.861**	**2.689.126**	**2.034.455**	**217.631**	**436.203**
Total associates and joint-ventures				**6.628.387**	**2.893.743**	**-**	**-**	**6.628.387**	**2.893.743**	**7.590.592**	**3.809.274**	**300.313**	**492.116**

8 Advance payment for assets under concessions and investments

	Consolidated financial statements		Separate financial statements	
	2019	**2018**	**2019**	**2018**
	Million LAK			
At 1 January	6.298.672	4.436.159	7.104.200	5.101.121
Additions	-	2.494.457	9.637	2.622.525
Decrease	-	(23.976)	(214.290)	(23.976)
Transfer to investments in subsidiary, associates, joint ventures and assets	(4.098.688)	(623.178)	(4.554.159)	(623.178)
Finance costs	17.896	15.210	17.896	15.210
Currency translation difference	-	-	12.320	12.498
Total	**2.217.880**	**6.298.672**	**2.375.604**	**7.104.200**

These related to the advance payment paid to EDL for the costs occurred from the project assets under related MOU. The Group has advance payment for investments under MOU as at 31 December 2019 and 2018 were as follows:

	Type	Consolidated financial statements		Separate financial statements	
		2019	**2018**	**2019**	**2018**
		Million LAK			
Nam Bi	Sub	-	-	-	455.471
EDL-Gen Solar	Sub	-	-	145.434	347.404
EDL-GEN O&M	Sub	-	-	12.290	2.653
Nam Khan 3	Assets	348.522	330.626	348.522	330.626
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	-	488.809	-	488.809
Nam Ngum 1 Ext Unit 6	Assets	247.374	247.374	247.374	247.374
Nam Ou 2,5,6	IPP	-	364.640	-	364.640
Nam Ngiep 2	IPP	111.470	111.470	111.470	111.470
Xekamam 3	IPP	232.163	232.163	232.163	232.163
Nam Lik 1	IPP	-	34.680	-	34.680
Nam Mang 1	IPP	-	37.596	-	37.596
Nam Tha 1	IPP	244.474	244.474	244.474	244.474
Xayaburi	IPP	-	3.172.963	-	3.172.963
Total		**2.217.880**	**6.298.672**	**2.375.604**	**7.104.200**

8 Advance payment for assets under concessions and investments (Continued)

During 2019, there were some Share Transferred Agreements completed in condition, therefore, those advance payments were transfer to investment in associates and interest in joint venture in consolidation as below:

Advance payment for	Transfer to	% of investment	Original currency (Million)	Equivalent Million LAK
Xayaburi Power Co., Ltd	Associate	20%	USD 378	3.172.963
Nam Ou River Basin Hydropower Co., Ltd (Nam Ou 2,5,6))	Joint venture	15%	USD 46	364.640
Nam Mang 1 Power Co., Ltd	Joint venture	10%	LAK 37.596	37.596
Nam Lik 1 Power Co., Ltd	Joint venture	10%	LAK 34.680	34.680
Nam Ngum 1 Ext DFE	Assets	N/A	LAK 488.809	488.809

Memorandum of Understanding (MoU) for transfer Assets and Shares of IPPs.

As at 31 December 2019, the Group has advance payment under MoU with EDL for the transferred assets and shares IPPs as summarised below:

No	Project name	Location	Stake	MW
Assets				
1	Nam Chiean 1	Xiengkouang	100%	104
2	Nam Hinboun	Khammouan	100%	30
3	Xeset 3	Champack	100%	24
4	Nam Ngum 1 Ext Unit 6	Vientiane	100%	40
	Total			**198**

No	Project name	Location	Stake	MW
Shares IPPs				
1	Nam Ngiep 2	Xiengkouang	10%	18
2	Xekamam 3	Sekong	15%	37.5
3	Nam Tha 1	Louangnamtha and Bokeo	20%	33.6
	Total			**89.1**

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

9 Assets under concessions, net

	Consolidated financial statements						
	Buildings	**Hydroelectric dams**	**Plant and machineries**	**Motor vehicles**	**Office equipment, furniture and fixtures**	**Construction in progress**	**Total**
				Million LAK			
As at 31 December 2018							
Cost	770.671	5.861.301	4.774.056	23.369	18.920	523.383	11.971.700
Accumulated depreciation	(234,637)	(953.433)	(1.022.021)	(15.218)	(11.383)	-	(2.236.692)
Net book amount	**536.034**	**4.907.868**	**3.752.035**	**8.151**	**7.537**	**523.383**	**9.735.008**
As at 31 December 2019							
At 1 January 2019	536.034	4.907.868	3.752.035	8.151	7.537	523.383	9.735.008
Additions	4.983	488.810	18.507	1.926	784	133.600	648.610
Transfer from work in process	-	-	8.483	-	-	(8.483)	-
Disposal cost	(42)	-	(50)	(1.126)	(333)	-	(1.551)
Disposal accumulated depreciation	-	-	-	1.101	3333	-	1.434
Depreciation charge	(46.983)	(288.344)	(200.784)	(3.327)	(2.206)	-	(541.644)
Net book amount	**493.992**	**5.108.334**	**3.578.191**	**6.725**	**6.115**	**648.500**	**9.841.857**
As at 31 December 2019							
Cost	775.612	6.350.111	4.800.996	24.169	19.371	648.500	12.618.759
Less: Accumulated depreciation	(281.620)	(1,241.777)	(1.222.805)	(17.444)	(13.256)	-	(2.776.902)
Net book amount	**493.992**	**5.108.334**	**3.578.191**	**6.725**	**6.115**	**648.500**	**9.841.857**

9 Assets under concessions, net (Continued)

	Separate financial statements						
	Buildings	**Hydroelectric dams**	**Plant and machineries**	**Motor vehicles**	**Office equipment, furniture and fixtures**	**Construction in progress**	**Total**
				Million LAK			
As at 31 December 2018							
Cost	770.671	5.861.301	4.519.638	21.728	18.202	327.856	11.519.396
Accumulated depreciation	(234.637)	(953.433)	(1.010.786)	(14.757)	(11.248)	-	(2.224.861)
Net book amount	**536.034**	**4.907.868**	**3.508.852**	**6.971**	**6.954**	**327.856**	**9,294,535**
As at 31 December 2019							
At 1 January 2019	536.034	4.907.868	3.508.852	6.971	6.954	327.856	9.294.535
Additions	4.983	488.810	18.475	169	645	79.118	592.200
Transfer from work in process	-	-	8.483	-	-	(8.483)	-
Disposal cost	(42)	-	(50)	(1.126)	(333)	-	(1.551)
Disposal accumulated depreciation	-	-	-	1.101	333	-	1.434
Depreciation charge	(46.983)	(288.344)	(190.634)	(2.811)	(1.995)	-	(530.767)
Net book amount	**493.992**	**5.108.334**	**3.345.126**	**4.304**	**5.604**	**398.491**	**9.355.851**
As at 31 December 2019							
Cost	775.612	6.350.111	4.546.546	20.771	18.514	398.491	12.110.045
Less: Accumulated depreciation	(281.620)	(1.241.777)	(1.201.420)	(16.467)	(12.910)	-	(2.754.194)
Net book amount	**493.992**	**5.108.334**	**3.345.126**	**4.304**	**5.604**	**398.491**	**9.355.851**

10 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019	**2018**	**2019**	**2018**
	Million LAK			
Cash on hands	226	231	181	187
Cash at bank	979.548	641.875	948.666	550.791
Total	**979.774**	**642.106**	**948.847**	**550.978**

The currency denomination of cash and cash equivalents as at 31 December 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	**2018**	**2019**	**2018**
	Million LAK			
U.S.Dollars	585.753	481.211	562.286	403.721
Lao Kip	378.460	125.193	371.025	111.581
Thai Baht	15.560	35.702	15.537	35.676
Total	**979.774**	**642.106**	**948.847**	**550.798**

11 Short-term investments

	Consolidated financial statements		Separate financial statements	
	2019	**2018**	**2019**	**2018**
	Million LAK			
Fixed deposit	26.604	85.380	26.604	85.380
Short-term deposits	-	25.614	-	25.614
Total	**26.604**	**110.994**	**26.604**	**110.994**

The currency denomination of short-term investments as at 31 December 2019 in U.S Dollar

12 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2019	**2018**	**2019**	**2018**
	Million LAK			
Trade accounts receivable from related party	536.270	418.333	514.539	408.783
Other receivables from related parties	22.415	4.043	12.939	4.531
Others	7.117	7.063	7.117	2.210
Total	**565.802**	**429.439**	**534.595**	**415.524**

Aging analyses for trade receivables were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	**2018**	**2019**	**2018**
	Million LAK			
Within credit term	73.311	182.751	70.701	173.201
Overdue				
Less than 3 months	229.411	135.209	224.384	135.209
3 - 6 months	233.548	100.373	219.454	100.373
Total	**536.270**	**418.333**	**514.539**	**408.783**

13 Share capital and share premium

	Number of shares	Share capital	Share premium	Total share capital
	Share		**Million LAK**	
At 1 January 2018	1.679.303.679	6.717.215	985.621	7.702.836
Issue of shares	-	-	-	-
At 31 December 2018	**1.679.303.679**	**6.717.215**	**895.621**	**7.702.836**
At 1 January 2019	1.679.303.679	6.717.215	895.621	7.702.836
Issue of shares	-	-	-	-
At 31 December 2019	**1.679.303.679**	**6.717.215**	**895.621**	**7.702.836**

The total authorised number of ordinary shares is 1.679.303.679 shares with a par value of LAK 4.000 per share, totally LAK 6.717.215 million. As at 31 December 2019 and 2018, all issued shares were fully paid up and were registered with Ministry of Industry and Commerce.

14 Legal reserve

	Consolidated and separate financial statements	
	2019	**2018 Restated**
	Million LAK	**Million LAK**
At 1 January	526.392	479.062
Appropriation made during the year	20.755	47.330
At 31 December	**547.147**	**526.392**

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

15 Borrowings

	Note	Consolidated financial statements		Separate financial statements	
		2019	**2018**	**2019**	**2018**
		Million LAK			
Short-term borrowing		201.972	195.843	201.972	195.843
Current portion of long-term borrowings					
- Long-term borrowing from related party	*23*	723.234	458.951	723.234	458.951
- Long-term borrowing from financial institution		223.622	129.335	208.815	129.335
Total current interest-bearing liabilities		**1.148.828**	**784.129**	**1.134.021**	**784.129**
Non-current portion of long-term borrowings					
- Long-term borrowing from related party	*23*	3.062.376	3.358.466	3.062.376	3.358.466
- Long-term borrowing from financial institution		302.240	324.241	124.615	324.241
Less: deferred borrowing costs		(2.835)	(4.262)	(2.835)	(4.262)
Total non-current interest bearing liabilities		**3.361.782**	**3.678.445**	**3.184.156**	**3.678.445**
Total interest-bearing liabilities		**4.510.610**	**4.462.574**	**4.318.177**	**4.462.574**

15 Borrowings (Continued)

Movements in interest-bearing liabilities as at 31 December 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	**2018**	**2019**	**2018**
	Million LAK			
At 1 January	4.462.574	5.606.833	4.462.574	5.606.833
Additions	420.818	635.061	228.385	635.061
Repayments	(531.469)	(1.924.419)	(531.469)	(1.924.419)
Amortisation of deferred borrowing costs	1.426	3.239	1.426	3.239
Effect from currency translation	157.261	141.860	157.261	141.860
Total	**4.510.610**	**4.462.574**	**4.318.177**	**4.462.574**

During the years ended 31 December 2019 and 2018, the Group has entered into significant new borrowing agreements as below:

Revolving loan

On 22 December 2017, the Group signed revolving credit facility agreement with Vienttin Bank Lao Limited for credit facility amounting of USD 23 million for the purpose of additional working capital. This borrowing has an interest rate of 4,5% per year, in which principal is due in six months after drawdown and interest payable on a monthly basis.

As at 31 December 2019, the outstanding balance amounted of USD 22,7 million or equivalent to LAK 201.972 million and (2018: USD 22,9 million or equivalent to LAK 195.843 million).

Credit facility agreement (Long-term borrowing agreement)

On 17 October 2019, a subsidiary has credit facility agreement with Vienttin Bank Lao Limited for the credit facility amounting of USD 25,7 million for the purpose of payment of lawful investment costs of the 32 MW Solar Farm Power Project. This borrowing has an interest rate of USD LIBOR 6 months interest + margin of 3,42%, in which principal is due in six months after drawdown and interest is payable on a quarterly basis. The Group received first drawdown amounting USD 21,67 million or equivalent to LAK 192.432 million on 26 November 2019. This borrowing is guaranteed by the Group.

15 Borrowings (Continued)

The currency denomination of interest-bearing liabilities as at 31 December 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	**2018**	**2019**	**2018**
	Million LAK			
U.S.Dollar	4.331.726	4.264.661	4.139.293	4.264.661
Euro	154.021	166.483	154.021	166.483
Japanese Yen	24.863	31.430	24.863	31.430
Total	**4.510.610**	**4.462.574**	**4.318.177**	**4.462.574**

The periods to maturity of interest-bearing liabilities as at 31 December 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	**2018**	**2019**	**2018**
	Million LAK			
Within 1 year	1.148.828	784.129	1.134.021	784.129
More than 1 year but less than 5 years	1.578.626	1.750.121	1.519.398	1.750.121
More than 5 years	1.783.156	1.928.324	1.664.758	1.928.324
Total	**4.510.610**	**4.462.574**	**4.318.177**	**4.462.574**

15 Borrowings (Continued)

Details of the Group's borrowings from financial institutions as at 31 December 2019 were as follows:

		Consolidated and separate financial statements	
Currency	**Facilities** (in million)	**Interest Rates** (% p.a.)	**Repayment Terms**
U.S. Dollars	*23*	4,5%	Principal is repayable within one year
Euro	*17*	EURIBOR 3 months+3,9%	Principal is repayable on a quarterly basis, commencing from August 2019
U.S. Dollars	*40*	LIBOR 6 months+3,2%	Principal is repayable on a quarterly basis, commencing from July 2018
U.S. Dollars	*25*	LIBOR 6 months+3,42%	Principal is repayable on a quarterly basis, commencing from May 2020

Unutilised credit facility

As at 31 December 2019, a subsidiary has unutilized long-term credit facility amounting of USD 234 million or equivalent to LAK 2.086.444 million. The borrowing shall bear interest at LIBOR plus margin and shall be payable on a semi-annual basis for the period of 15 years. This borrowing is guaranteed by the Group.

16 Debentures

	Consolidated and separate financial statements	
	2019	**2018**
	Million LAK	
Current portion of debentures	-	401.145
Non-current portion of debentures	9.539.271	7.658.263
Deferred finance costs	(169.220)	(125.642)
	9.370.051	**7.933.766**

16 Debentures (Continued)

Movements in debentures for the year ended 31 December 2019 and 2018 were as follows:

	Consolidated and separate financial statements	
	2019	**2018**
	Million LAK	
At 1 January	7.933.766	4.152.882
Addition – net	1.042.333	3.532.989
Repayments	(404.590)	-
Amortisation of deferred finance cost	19.655	10.292
Effect from currency translation	778.887	237.603
Total	**9.370.051**	**7.933.766**

On 30 January 2019, the Group has issued and offered unsubordinated and unsecured debentures (the "debentures") in Thailand to high net worth investors and institution investors, totalling Baht 3.839,6 million or equivalent to LAK 1.042.333 million. The debentures bear fixed-rate interest and shall be paid semi-annually on 30 January and 30 July, principle shall be repaid on maturity date.

On 13 July 2018, the Group has issued and offered unsubordinated and unsecured debentures (the "debenture") in Thailand to high net worth investors and institution investors, totalling Baht 13.660,4 million or equivalent to LAK 3.532.989 million. The debentures bear fixed-rate interest and shall be paid semi-annually on 13 July, principal shall be repaid on maturity date.

16 Debentures (Continued)

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

Series	Amount Million	Interest rate (% p.a)	Years	Interest repayment	Maturity date
2014-series 2	Baht 2.000,0	5,20%	7	Semi-annual basis	12 December 2021
2014-series 3	Baht 3.000,0	5,45%	10	Semi-annual basis	12 December 2024
2016-series 1	USD 51,0	5,00%	7	Semi-annual basis	2 September 2023
2016-series 2	USD 166,0	5,59%	10	Semi-annual basis	2 September 2026
2016-series 3	USD 95,0	5,98%	12	Semi-annual basis	2 September 2028
2018-series 1	Baht 3.810,3	3,90%	3	Semi-annual basis	13 July 2021
2018-series 2	Baht 4.078,1	4,50%	5	Semi-annual basis	13 July 2023
2018-series 3	Baht 1.443,1	4,85%	7	Semi-annual basis	13 July 2025
2018-series 4	Baht 1.897,9	5,50%	10	Semi-annual basis	13 July 2028
2018-series 5	Baht 809,8	6,00%	12	Semi-annual basis	13 July 2030
2018-series 6	Baht 1.621,2	6,25%	15	Semi-annual basis	13 July 2033
2019-series 1	Baht 1.085,5	4,50%	3,5	Semi-annual basis	30 July 2022
2019-series 2	Baht 1.660,7	5,50%	5,5	Semi-annual basis	30 July 2024
2019-series 3	Baht 1.093,4	6,5%	12	Semi-annual basis	30 January 2031

The periods to maturity of debenture as at 31 December 2019 and 2018 were as follows:

	Consolidated and separate financial statements	
	2019	**2018**
	Million LAK	
Less than 1 year	-	401.145
More than 1 year but less than 5 years	5.155.764	3.080.556
More than 5 years	4.383.507	4.577.707
Less: Deferred finance cost	(169.220)	(125.642)
Net	**9.370.051**	**7.933.766**

17 Accrued expenses

	Consolidated financial statements		Separate financial statements	
	2019	**2018**	**2019**	**2018**
	Million LAK			
Accrued interest expense	287.719	158.997	287.655	158.997
Accrued royalty fees and other tax	67.293	10.889	67.049	10.280
Others	5.689	6.610	5.665	6.610
Total	**360.701**	**176.496**	**360.369**	**175.887**

18 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2019	**2018**	**2019**	**2018**
	Million LAK			
Depreciation expense	541.644	483.929	530.767	475.511
Personnel expense	67.297	62.988	60.090	61.018
Dividend tax expense	30.756	49.222	30.756	49.222
Repair and maintenance expenses	10.589	15.320	7.988	13.978
Others	87.433	90.491	79.350	83.902
Total	**737.719**	**701.950**	**708.953**	**682.631**

19 Finance costs

	Consolidated financial statements		Separate financial statements	
	2019	**2018**	**2019**	**2018**
	Million LAK			
Interest expense from debentures	511.174	332.101	511.174	332.101
Interest expense from borrowing from related party	198.501	198.116	198.501	198.116
Interest expense from borrowing from financial institutions	31.873	41.757	31.873	41.757
Others	714	31.789	714	31.789
Total	**742.262**	**603.763**	**742.262**	**603.763**
Less: interest capitalised to advance payment for assets under concession and investments	(17.896)	(15.210)	(17.896)	(15.210)
Net	**724.366**	**588.553**	**724.366**	**588.553**

20 Income tax

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

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

21 Basic earnings per share

The calculations of basic earnings per share as at 31 December 2019 and 2018 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	
	2019	**2018 Restated**	**2019**	**2018 Restated**
Profit attributable to ordinary shareholders of the Company *(in million LAK)*	193.079	469.455	207.553	473.312
Number of ordinary shares outstanding *(in million shares)*	1.679	1.679	1.679	1.679
Basic earnings per share *(in LAK)*	**115,00**	**279,60**	**123,62**	**281,90**

22 Dividends

2019:
The Ordinary Board of Director's Meeting, help on 23 August 2019, has approved no dividend payment for the six-month period from 1 January to 30 June 2019, because of the business operating result of the Group for the six-month period from 1 January to 30 June 2019 reports a loss of LAK 147.145 million.

The Annual General Meeting of shareholders, held on 24 April 2019, has approved interim dividend payment respect of net profit for the six-month period from 1 July to 31 December 2018 of LAK 160 per share amounting to a total of LAK 268.689 million. This dividend was paid during 09 May 2019.

2018:
The Ordinary Board of Director's 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 LAK 110 per share amounting to a total of LAK 184.723 million. This dividend was paid during October 2018.

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

23 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2019	**2018**	**2019**	**2018**
	Million LAK			
Capital commitments				
Contracted but not provided for:				
Design construction and installment for machinery and equipment and project construction	2.252.652	2.195.241	161.204	203.667
Non-cancellable operating lease commitments				
With one year	1.376	8.963	291	7.919
After one year but within five years	5.519	5.313	1.180	1.136
After five years	25.816	26.483	6.288	6.409
Total	**32.711**	**40.759**	**7.759**	**15.464**

Other significant agreements and arrangements

Land lease agreement

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

Concession Agreement ("CA")

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

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

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

24 Related parties

Significant transactions as at 31 December 2019 and 2018 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	**2018**	**2019**	**2018**
	Million LAK			
Parent company				
Sales	1.217.530	1.137.430	1.191.545	1.116.867
Interest expense	198.501	198.116	198.501	198.116
Interest income	22.747	20.379	22.747	20.379

Balances as at 31 December 2019 and 2018 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	**2018**	**2019**	**2018**
	Million LAK			
Advance payment for assets under concession and investments				
Parent company				
EDL	2.217.880	6.245.960	2.217.880	6.245.960
Subsidiaries				
Nam Bi Power Co., Ltd.	-	-	-	455.471
EDL-Gen Solar Power Co., Ltd.	-	-	145.434	347.404
EDL-Gen Operation and Maintenance Sole Co., Ltd.	-	-	12.290	2.653
	2.217.880	**6.245.960**	**2.375.604**	**7.051.488**
Short-term loan to related party				
Parent company				
Electricite Du Laos	454.042	486.666	454.042	486.666

24 Related parties (Continued)

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

	Consolidated financial statements		Separate financial statements	
	2019	**2018**	**2019**	**2018**
	Million LAK			
At 1 January	486.666	463.392	486.666	463.392
Additions	120.832	296.917	120.832	296.917
Repayments	(171.021)	(295.242)	(171.021)	(295.242)
Effect from currency translation	17.565	21.599	17.565	21.599
Total	**454.042**	**486.666**	**454.042**	**486.666**

	Consolidated financial statements		Separate financial statements	
	2019	**2018**	**2019**	**2018**
	Million LAK			
Trade and other receivables				
Parent Company				
Electricite Du Laos	549.514	422.376	527.301	412.826
Subsidiary				
Nam Bi Power Company Limited	-	-	177	488
Total	**549.514**	**422.376**	**527.478**	**413.314**
Long-term borrowings				
Parent Company				
EDL				
- Current portion	723.234	458.951	723.234	458.951
- Long-term portion	3.062.376	3.358.466	3.062.376	3.358.466
Total	**3.785.610**	**3.817.417**	**3.785.610**	**3.817.417**

24 Related parties (Continued)

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

	Consolidated financial statements		Separate financial statements	
	2019	**2018**	**2019**	**2018**
	Million LAK			
At 1 January	3.817.417	4.153.794	3.817.417	4.153.794
Additions	-	-	-	-
Repayments	(191.073)	(451.446)	(191.073)	(451.446)
Effect from currency translation	159.266	115.069	159.266	115.069
Total	**3.785.610**	**3.817.417**	**3.785.610**	**3.817.417**

Significant agreement with related parties

Purchase Power Agreement ("PPA")

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

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

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

24 Related parties (Continued)

Debt Repayment Agreement

The Group entered into the Debt Repayment Agreement ("the Agreement") with the EDL. EDL is a borrower pursuant to several borrowing agreements with the Government of the Lao PDR ("GOL") in which the original funds were provided from various lenders and made through the GOL. In addition to the asset transfer, the Group has agreed with EDL that the Group will make payments on the outstanding debts to EDL and EDL will make such payments to the GOL, for the GOL's further repayments to the lenders pursuant to the original borrowing agreements. These borrowings are unsecured and no other obligations other than the repayments required as per agreed schedules.

Employees transferred from EDL

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

25 Event after the reporting period

Assets Transferred Agreement (Note 7)

On 5 February 2020, assets of Nam Chiean 1, Nam Khan 3 and Xeset 3 have been transferred to the Group.

Effect from COVID19

On 5 April 2020, the Ministry of Energy and Mines has ordered to halt the operations temporarily of mining and hydropower projects who is under construction phase, which are vulnerable to the Covid-19 outbreak.

Management reviewed the effect from those instruction to their business, since most of their operation is start production already and sale electricity is continuing as at reporting date. In addition, some of project investment who is under construction phase are get approval from the government to continue their construction. Management considered that according to Lao environment which number of inflections is limited and can controlled then this issue has effect to their business in short term.

As at reporting date, management considered that there is no significant effect from Covid-19.

25 Event after the reporting period (Continued)

Dividend payment approval

At the Board of Directors' meeting No.0830/EDL-Gen held on 8 May 2020, the Board of Directors approved a dividend payment from the business operating result for the last six-month period of 2019 after deducting legal reserve fund and previous years of saving reserve fund, of LAK 100 per share amounting to a total of LAK 167,93 billion. The approved dividend will be paid on 26 June 2020.