

EDL-GENERATION PUBLIC COMPANY

**3rd QUARTER FINANCIAL INFORMATION
(UNAUDITED)**

30 September 2013

EDL-Generation Public Company
Statements of financial position
As at 30 September 2013

		Unaudited 30 September 2013 Million Kip	Unaudited 30 September 2012 Million Kip
	Notes		
Assets			
Non-current assets			
Pre-operating expenses, net		-	431
Interests in associates	4	593,205	486,982
Interests in joint ventures	4	1,185,865	1,138,143
Advance payment for investment	5	377,590	224,115
Assets under concession, net	6	4,001,149	3,875,378
Other non-current assets		3,898	5,234
Total non-current assets		<u>6,161,707</u>	<u>5,730,283</u>
Current assets			
Cash and cash equivalents		273,987	346,320
Short-term investment		20,000	-
Trade and other receivables	10	443,704	414,994
Spare parts and supplies, net		3,307	4,078
Other current assets		6,886	6,942
Total current assets		<u>747,884</u>	<u>772,334</u>
Total assets		<u>6,909,591</u>	<u>6,502,617</u>



Boun Oum SYVANPHENG
 Chief Executive Officer
 25 October 2013

Bounsalong SOUTHIDARA
 Chief Financial Officer
 25 October 2013

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As at 30 September 2013

		Unaudited 30 September 2013 Million Kip	Unaudited 30 September 2012 Million Kip
	Notes		
Equity			
Share capital		4,904,867	4,904,867
Share premium		142,229	145,433
Legal reserve		109,268	58,408
Translating financial statements		1,740	-
Retained earnings		653,353	270,302
Total equity		5,811,457	5,379,010
Liabilities			
Non-current liabilities			
Long - term borrowings, net	7	814,149	913,896
Total non-current liabilities		814,149	913,896
Current liabilities			
Accounts payable		-	453
Current portion of long-term borrowings	7	130,270	178,723
Accrued expenses		41,090	19,100
Accrued income tax		4,862	7,739
Other current liabilities		107,763	3,696
Total current liabilities		283,985	209,711
Total liabilities		1,098,134	1,123,607
Total equity and liabilities		6,909,591	6,502,617

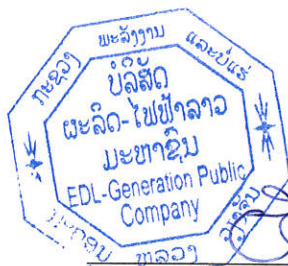


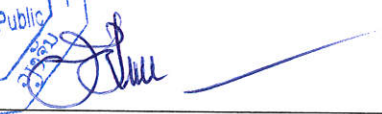
Boun Oum SYVANPHENG
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EDL-Generation Public Company
Statements of Income
For the three-month period ended 30 September 2013

		Unaudited 30 September 2013 Million Kip	Unaudited 30 September 2012 Million Kip
	Notes		
Sales	10	333,858	272,355
Cost of sales		(48,916)	(46,503)
Gross profit		284,942	225,852
Other income		1,847	446
Administrative expenses		(17,311)	(13,682)
Foreign exchange gain, net		(12,170)	(1,165)
Interest expenses		(9,541)	(9,787)
Share of profit of associates and joint ventures	4	141,452	-
Profit before corporate income tax		389,219	201,664
Income tax expense	8	(12,314)	(10,065)
Net profit for the period		376,905	191,599




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EDL-Generation Public Company
Statements of Cash Flows
For the three-month period ended 30 September 2013

		Unaudited 30 September 2013 Million Kip	Unaudited 30 September 2012 Million Kip
	Notes		
Cash flow from operating activities :			
Net profit before income tax for the period		389,219	201,664
Adjustments to reconcile net profit to net cash			
Amortisation of pre-operating expenses		-	517
Depreciation		39,651	38,847
Foreign exchange (gain)/ loss		12,238	1,165
Share of profit from investment	4	(141,452)	-
Operating profit before working capital changes		299,656	242,193
Changes in operating assets and liabilities			
- Trade and other receivables		(118,456)	(30,332)
- Spare part and supplies		(201)	(119)
- Other current assets		51	2,265
- Accounts payable		(453)	-
- Other non-current assets		434	432
- Other current liabilities		19,502	-
- Accrued expenses		70,961	282
Cash generated from operations		271,494	214,721
Income tax paid		(13,560)	(7,526)
Net cash receipts from operating activities		257,934	207,195
Cash flows from investing activities :			
Advance payment for investment		-	(101,251)
Investment in Joint Ventures and Associates		-	(1,206,000)
Purchases of assets under concession	6	(4,918)	(13,896)
Dividends received	4	252,217	-
Purchase of short-term investments		-	-
Proceeds from short term investment		-	100,000
Net cash used in investing activities		247,299	(1,221,147)

EDL-Generation Public Company
Statements of Cash Flows
For the three-month period ended 30 September 2013

		Unaudited 30 September 2013 Million Kip	Unaudited 30 September 2012 Million Kip
	Notes		
Cash flows from financing activities :			
Proceeds from issue of ordinary shares		-	1,560,335
Repayment on borrowings	7	(70,100)	(98,967)
Dividends paid to shareholders	9	(223,171)	(208,457)
Net cash used in financing activities		(293,271)	1,252,911
Net decrease in cash and cash equivalents		211,962	238,959
Cash and cash equivalent beginning of the period		62,025	107,361
Cash and cash equivalent ending of the period		<u>273,987</u>	<u>346,320</u>



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EDL-Generation Public Company
Unaudited condensed notes to the quarterly financial information
For the three-month period ended 30 September 2013

1. General information

EDL- Generation Public Company (the “Company” or “EDL GEN”) is a public company which is listed at the Lao Securities Exchange (“LSX”). The Company is incorporated and domiciled in the Lao Peoples' Democratic Republic (“Lao PDR”). The Company was incorporated and registered with Ministry of Industry and Commerce on 15 December 2010 (“Incorporation Date”).

The Company's registered office address is:

7th Floor, EDL Headquarter Building,
Lao-Thai Friendship Road, Thongkang Village, Sisattanak District,
Vientiane Capital, P.O.Box 2392, Lao PDR

The Company was listed on the LSX on 11 January 2011 and its first day of trading shares was on the same day.

This 3rd quarter financial information was authorised for issue by the Board of Directors on 25 October 2013.

This 3rd quarter financial information has been unaudited.

2. Basis of preparation

The interim financial information was prepared in accordance with the Company's accounting policies as described in more detail in the annual financial statements for the year ended 31 December 2012. The primary financial information (i.e. statement of financial position, statement of income, changes in equity and cash flows) are prepared in the full format. The notes to the financial information are prepared in a condensed format.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

There are no comprehensive set of accounting standards in Laos (“LAS”). LAS is currently under development by the Accounting Department and Laos Institution of Certified Public Accountant (LICPA). At present, companies apply Laos Accounting Manual (LAM) issued by the Ministry of Finance. LAM is a set of instructions based on accrual basis of accounting. Accordingly there are significant difference between LAM and International Financial Reporting Standards (IFRS). These areas of significant differences are, for example, Property, plant and equipment, Leases, employee benefit, the effects of changes in foreign exchange rate, income tax and deferred income tax, financial instrument, consolidated and separate financial statements, associates, joint ventures and pre-operation cost. The accounting principles applied may materially differ from generally accepted accounting principles including International Financial Reporting Standards (“IFRS”) adopted in certain countries and jurisdictions.

EDL-Generation Public Company
Unaudited condensed notes to the quarterly financial information
For the three-month period ended 30 September 2013

3. New significant agreement during the 3-month period ended 30 September 2013

i) Debt Repayment Agreement

The Company entered into the Debt Repayment Agreement (“the Agreement”) with the EDL on 28 February 2013. EDL is a borrower pursuant to Nam Song 7.5 MW Hydro Power Project under Sub-Loan Agreement No. 0229/EDL, dated 21 January 2013 with the Government of Lao PDR (“GOL”) in which the original fund is provided from Export-Import Bank of India (the lender) and made through the GOL. In addition to the asset transfer, both party agreed that the Company will make payments to EDL equal to payments due by EDL to the GoL, for the GOL’s further repayments to the lender pursuant to the original borrowing agreements. These borrowings are unsecured and no other obligations other than the repayments required as per agreed schedules.

During the three-month period ended 30 September 2013, there is no additional on Repayment Agreement.

ii) Memorandum of Understanding (MOU) for share transfer

As 20 February 2012, the Company and EDL signed an MOU for the transfer of the equity shareholdings in Nam Ngum 5 Power Company Limited (“NNG5”).

Both parties intend to finalise the transfer of EDL’s interests in NNG5 no later than 31 December 2012. The Company is required to pay i) an advance payment of USD 2,000,000 ii) the remaining balance of the total consideration, additional advance, or any adjustment to be made or paid in accordance with the Share Transfer Agreement.

During the three-month period ended 30 September 2013, the share transfer agreement is under process and expects to finalise the share transfer no later than 31 December 2013.

During the three-month period ended 30 September 2013, the Company paid for necessary costs related to the above MOU amounting to USD 5,250,000 or equivalent to Kip 40,687 million (Note 5).

4. Investments in associates and interests in joint ventures

	2013 Million KIP
Beginning balance	1,886,328
Share of profit of associates	35,176
Share of profit of interest in joint ventures	106,276
Dividend received	(252,217)
Exchange differences	3,507
Ending balance	<u>1,779,070</u>

EDL-Generation Public Company
Unaudited condensed notes to the quarterly financial information
For the three-month period ended 30 September 2013

4. Investments in associates and interests in joint ventures (continued)

4.1 Associates

The associate entities are:

2013 (Million Kip)						
Name	Country of Incorporation	Business	Portion of Investment (%)	Cost Method	Equity Method	Dividend
Nam Ngum 2 Power Company Limited	Lao PDR	Electricity generation	25	454,742	569,477	-
NamLik 1-2 Power Company Limited	Lao PDR	Electricity generation	10	32,240	23,728	-
Total investment in associates				486,982	593,205	-

4.2 Interests in joint ventures

The jointly controlled entities are:

2013 (Million Kip)						
Name	Country of Incorporation	Business	Portion of Investment (%)	Cost Method	Equity Method	Dividend
Theun-Hinboun Power Company Limited	Lao PDR	Electricity generation	60	1,120,696	1,161,101	(245,348)
Houay Ho Power Company Limited	Lao PDR	Electricity generation	20	17,447	21,383	(6,869)
Lower Houay Lamphanh Company Limited	Lao PDR	Electricity generation	60	3,381	3,381	-
Total investment in joint ventures				1,141,524	1,185,865	(252,217)

On 30 September 2013, the Theun-Hinboun Power Company Limited approved a dividend payment totalling USD 52.18 million. The Company therefore recognized dividend income based on its % of interest totalling USD 31.31 million or equivalent to Kip 245,348 million in the condensed 3rd quarter financial information for the three-month period ended 30 September 2013.

EDL-Generation Public Company
Unaudited condensed notes to the quarterly financial information
For the three-month period ended 30 September 2013

4. Investments in associates and interests in joint ventures (continued)

4.2 Interests in joint ventures (continued)

On 29 July 2013 and 03 September 2013, the Houay Ho Power Company Limited approved a dividend payment totalling USD 4.40 million. The Company therefore recognized dividend income based on its % of interest totalling USD 0.88 million or equivalent to Kip 6,869 million in the condensed 3rd quarter financial information for the three-month period ended 30 September 2013.

5. Advance payment for investments

These relate to the advance payments under the MoU for share transfer between the Company and EDL for the costs occurred in project assets of Houay Lamphan Ngai, Nam Khan2 (the Projects) amounting Kip 336,903 million and Nam Ngum 5 Power Company Limited ("NNG5") amounting Kip 40,687 million.

6. Assets under concession, net

	<u>Million Kip</u>
Opening net book amount as at 1 July 2013 - Unaudited	4,035,882
Additions	4,918
Depreciation charge	<u>(39,651)</u>
Closing net book value as at 30 September 2013 - Unaudited	<u>4,001,149</u>

7. Long-term borrowings, net

The Company entered into the Debt Repayment Agreement ("the Agreement") with the EDL on 15 December 2010 and also in 28 February 2013 (Note 3(i)). EDL is a borrower pursuant to several unsecured borrowing agreements with the Government of 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 Company has agreed with EDL that the Company will make payments on the outstanding debts to EDL and EDL will then make such payments due to the GOL, for the GOL's further repayments to the lenders pursuant to the original borrowing agreements.

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For the three-month period ended 30 September 2013

7. Long-term borrowings, net (continued)

	Unaudited 30 September 2013 Million KIP	Unaudited 30 September 2012 Million KIP
Current	130,270	178,723
Non-current	814,149	913,896
	<u>944,419</u>	<u>1,092,619</u>

	Million Kip
As at 1 July 2013 - Unaudited	1,002,281
Additions	-
Repayments	(70,100)
Gain on exchange rate	12,238
As at 30 September 2013 - Unaudited	<u>944,419</u>

Borrowings mainly represent unsecured borrowings denominated in US dollars and Japanese Yen which are due over 1 - 20 years. Borrowings generally carry interest rates at 1.75% to 6.5% per annum (31 December 2012: 2.0 % to 6.5% per annum).

The carrying amounts of the Company's borrowings are denominated in the following:

	Unaudited 30 September 2013	Unaudited 30 September 2012
US dollars (million)	105	114
Yen (million)	1,526	1,729

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7. Long-term borrowings, net (continued)

The aging analysis on maturity of these borrowings is as follows:

	Unaudited 30 September 2013	Unaudited 30 September 2012
	Million Kip	Million Kip
Less than one year	130,270	178,723
One year but not over 5 years	518,343	523,690
Over 5 years	295,806	390,206
	<u>944,419</u>	<u>1,092,619</u>

8. Income tax expenses

According to Concession Agreement with GoL, the Company shall pay taxes on its net taxable income at the rate of ten percent (10%) in accordance with applicable Laws, subject to further reduction to the rate of five percent (5%) during an initial period of four (4) years from the date of Company registration in accordance with the Enactment of the President of Lao PDR regarding Corporate Income Tax and Fee for Securities and Exchange, No. 1/ President, date 28 December 2010.

The Company records corporate income tax at the current rate of 5% on net profit after adjusts non deductible expense and others according to Tax Law effective on 1 October 2012 on an accrual basis. The Company 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 period and tax rate.

9. Dividend

At the Board of Directors' meeting No. 3/2013 held on 13 August 2013, the Board of Directors approved a dividend in respect of net profit for the six-month period from 1 January to 30 June 2013 of Kip 182 per share (31 December 2012: Kip 280 per share) amounting to Kip 223,171 million (31 December 2012: Kip 343,341 million). This dividend was paid on 09 September 2013.

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10. Related party transactions

Significant related party transactions during the period can be summarised as follows:

a) Sales of goods

For the 3rd quarter period	Unaudited 30 September 2013 Million Kip	Unaudited 30 September 2012 Million Kip
Sales of electricity to EDL	333,858	272,355

Sales of electricity to EDL are based on agreed terms and conditions in the Power Purchase Agreement ("PPA") – dated 9 December 2011.

b) Dividend paid

For the 3rd quarter period	Unaudited 30 September 2013 Million Kip	Unaudited 30 September 2012 Million Kip
Dividend paid to EDL	167,379	140,708

c) Outstanding balances from related party transactions

	Unaudited 30 September 2013 Million KIP	Unaudited 30 September 2012 Million KIP
Advance payments for investment (Note 5)	377,590	224,115
Accounts receivable-others	66,466	110,489
Trade account receivable – EDL (i)	377,238	304,505
Long-term borrowings (Note 7)	944,419	1,092,619
Accounts payable-others	80,000	-

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10. Related party transactions (continued)

i) Trade accounts receivable - EDL can be analysed as follows.

	Unaudited 30 September 2013 Million KIP	Unaudited 30 September 2012 Million KIP
Not yet due	259,331	272,355
Overdue less than 3 months	117,907	32,150
Overdue 3 - 6 months	-	-
Overdue 6 - 12 months	-	-
Overdue over 12 months	-	-
	377,238	304,505
<u>Less</u> Allowance for doubtful receivables	-	-
Trade accounts receivable, net	377,238	304,505