

**LAO PEOPLE'S DEMOCRATIC REPUBLIC**  
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

EDL-Generation Public Company



No.341/EDL-Gen

Vientiane Capital, date...18 APR 2012

## FIRST QUARTER 2012'S REPORT OF EDL-GENERATION PUBLIC COMPANY

### 1. BalanceSheet

#### 1.1 Assets

| Assets                          | For the first quarter<br>ended 31/03/2012<br>(million Kip) | For the year ended<br>31/12/2011<br>(million Kip) |
|---------------------------------|--|---|
| <b>Assets</b>                   |  |   |
| Non- Current assets             |  |   |
| Pre- Operating expenses, net    | 1,465  | 1,982   |
| Advance payment for investment  | 450,943  | 434,923   |
| Assets Under concession, net    | 3,917,518  | 3,947,527   |
| <b>Total Non -Current asset</b> | <b><u>4,369,926</u></b>                                    | <b><u>4,384,432</u></b>                           |
| <b>Current assets</b>           |  |   |
| Cash and cash equivalents       | 264,600  | 342,795   |
| Short-term investment           | 100,000  | 100,000-  |
| Trade and other receivables     | 518,383  | 402,764   |
| Spare parts and supplies, net   | 3,473  | 3,749   |
| Account receivable - other      | 985  | 4,832   |
| <b>Total Current assets</b>     | <b><u>887,441</u></b>                                      | <b><u>854,140</u></b>                             |
| <b>Total assets</b>             | <b><u>5,257,367</u></b>                                    | <b><u>5,238,572</u></b>                           |

## 1.2 Liabilities and Equity

| Liabilities and Equity      | For the first quarter<br>ended 31/03/2012<br>(million Kip) | For the year ended<br>31/12/2011<br>(million Kip) |
|-----------------------------|--|---|
| <b>Equity</b>               |  |   |
| <b>Shareholders' equity</b> |  |   |
| Share capital               | 3,474,388  | 3,474,388   |
| Premium from IPO            | 15,577   | 15,577  |
| Legal reserve               | 58,408   | 58,408  |
| Retained earnings           | 480,175  | 371,091   |
| <b>Total Equity</b>         | <b>4,028,548</b>   | <b>3,919,464</b>                                  |

|  |                  |                  |
|--|------------------|------------------|
| <b>Liabilities</b>                       |                  |                  |
| <b>Non - current liabilities</b>         |                  |                  |
| Long - term borrowing, net               | 991,195          | 1,070,276        |
| <b>Total non-current liabilities</b>     | <b>991,195</b>   | <b>1,070,276</b> |
| <b>Current liabilities</b>               |                  |                  |
| Accounts payable                         | 1,043            | 874              |
| Current portion of long -term borrowings | 209,979          | 211,921          |
| Accrued expenses                         | 18,452           | 22,228           |
| Accrued income tax                       | 8,150            | 13,786           |
| Other current liabilities                | -                | 23               |
| <b>Total current liabilities</b>         | <b>237,624</b>   | <b>248,832</b>   |
| <b>Total liabilities</b>                 | <b>1,228,819</b> | <b>1,319,108</b> |
| <b>Total equity and liabilities</b>      | <b>5,257,367</b> | <b>5,238,572</b> |



## 2. Income Statement

| List  | Occurred in Quarter<br>31/03/2012 |
|---|-----------------------------------|
| Sale  | 163,180                           |
| Cost of sale  | (38,909)                          |
| Gross profit  | <u>124,271</u>                    |
| Other income  | 195                               |
| Foreign exchange gain, net                                      | 14,952                            |
| Profit before expense   | <b>139,418</b>                    |
| Administrative expenses   | (13,949)                          |
| Operating profit before financial cost and corporate income tax | <u>125,469</u>                    |
| Financial costs -Interest expense                               | (10,523)                          |
| Profit before corporate income tax                              | <u>114,946</u>                    |
| Income tax expense  | (5,861)                           |
|   | -                                 |
| Net profit  | <u>109,085</u>                    |

### 3. Cash flow Statement

| List   | For Quarter ended<br>31/03/2012 |
|--|---------------------------------|
|  |                                 |
| <b>Cash flow from operating activities:</b>            |                                 |
| Net profit before income tax for period                | 114,946                         |
| Adjustments  |                                 |
| Amortization   | 517                             |
| Depreciation   | 30,292                          |
| Foreign exchange gain                                  | (14,952)                        |
| <b>Operating profit before working capital changes</b> | <b>130,803</b>                  |
| Increases in trade and other receivable                | (115,619)                       |
| Decreases in other current-assets                      | 3,847                           |
| Decreases in spare part and supplies                   | 276                             |
| Increases in account payable                           | 169                             |
| Decreases in account expenses                          | (3,799)                         |
| <b>Cash generated from operations</b>                  | <b>15,677</b>                   |
| Income tax paid  | (11,497)                        |
| <b>Net Cash receipt from operating activities</b>      | <b>4,180</b>                    |
|  |                                 |
| <b>Cash flow from investing activities:</b>            |                                 |
| Purchases of fix assets                                | (283)                           |
| Increases in advance payment for investment            | (16,020)                        |
| <b>Net cash used by investing activities</b>           | <b>(16,303)</b>                 |

|  |          |
|--|----------|
| Cash flow from financing activities:           |          |
| Repayment for long term borrowings             | (66,072) |
| Net cash used by financing activities          | (66,072) |
|  |          |
| Net decreases in cash and cash equivalents     | (78,195) |
|  |          |
| Cash and cash equivalent beginning of the year | 342,795  |
|  |          |
| Cash and cash equivalent ending of the period  | 264,600  |

Approved by:1. Managing Director BounOum SYVANPHENG

(Seal and signature)

2. President of internal audit committee Bounsalong SOUTHIDARA (Signature)

## Attachment Document

### 1. General information

EDL-Generation Public Company ( the “Company” or “EDL-Gen”) is a public company which is listed at Lao Securities Exchange (“LSX”) and 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”).

On 15 December 2010, it was also the date that the EDL-Gen commenced its commercial business as it entered into related Assets and liabilities transfer arrangement, Concession Agreement, Power Purchase Agreement with Electricite Du Laos (“EDL” or “ The parent Company”).

The Company is engaged in the electricity generation business from the transferred assets from EDL in which the electricity generated is transferred back to the Government of Lao PDR at agree terms and condition. Key assets transferred mainly represent 7 hydro power plants under a 30 years concession. These 7 hydro power plants include Nam Ngum1, Nam Leuk, Nam Mang3, Nam song, Xeset1-2 and Xelabam.

On 2 April 2012 the Annual shareholders’ meeting has approved a new address of its Company as follows:

Lao-Thai relationship road, Thongkang village, Sisatanark District  
Vientiane Capital  
P.O. Box 2392  
Lao PDR.

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

These financial statements for the first quarter were authorized for issue by the Director on 18 April 2012.

These financial statements for the first quarter have not been audited yet.

## 2. Basis of preparation

These financial statements are prepared in accordance with the Company's accounting policies as described in more details in the annual financial statements. The accounting policies used in the preparation of first quarter financial statements are consistent with those used in the financial statements for the period of 01 January to 31 December 2011.

The primary financial statements (i.e., Balance Sheet, Income statement and Cash flow statement) are prepared in the full format. The notes to the financial statements are prepared in condensed format.

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

## 3. Pre-operating expenses, net

| For the period of first quarter<br>ended 31 March 2012 | <i>Million kip</i>  |
|--|---------------------|
| Cost:  |                     |
| As at 1 January 2012                                   | 4,137               |
| Addition   | -                   |
| As at 31 March 2012                                    | <u>4,137</u>        |
| Accumulated depreciation:                              |                     |
| As at 1 January 2012                                   | (2,155)             |
| Charge for the period                                  | (517)               |
| As at 31 March 2012                                    | <u>(2,672)</u>      |
| Net Book value as at 31 March 2012                     | <u><u>1,465</u></u> |



#### 4. Asset under concession, net

| For the period of the first quarter ended 30<br>March 2012 | <i>Million kip</i> |
|--|--------------------|
| <b>Cost :</b>  |                    |
| As at 1 January 2012                                       | 4,103,907          |
| Disposals  | -                  |
| Addition   | 283                |
| As at 31 March 2012  | <u>4,104,190</u>   |
| <b>Accumulated depreciation:</b>                           |                    |
| As at 1 January 2012                                       | (156,380)          |
| Disposals  | -                  |
| <b>Charge for the period</b>                               | <u>(30,292)</u>    |
| As at 31 March 2012.                                       | <u>(186,672)</u>   |
| <br>   |                    |
| Net book value at as 31 March 2012                         | <u>3,917,518</u>   |

#### 5. Long-term borrowings, net

|                               | <i>Million kip</i> |
|-------------------------------|--------------------|
| As at 01 January 2012         | 1,282,197          |
| Repayment of borrowing        | (66,072)           |
| Gain on foreign exchange rate | (14,952)           |
| As at 31 March 2012.          | <u>1,201,174</u>   |

|               | 31 Mach 2012                 | Audited<br>31 December<br>2011 |
|---------------|------------------------------|--------------------------------|
|               | Million kip                  | Million kip                    |
|               | <hr/>                        | <hr/>                          |
| -Current      | 209,979                      | 211,921                        |
| - Non-Current | 991,195                      | 1,070,276                      |
|               | <hr/> <b>1,201,174</b> <hr/> | <hr/> <b>1,282,197</b> <hr/>   |

Borrowing mainly represent unsecured borrowings denominated in US dollar and Yen, currency which are due over 1 - 11 years and borrowings generally carry interest rates at 2% to 7.03 per annum ( 31 December 2011: 2% to 7.03 per annum).

#### 6. Share capital

|  | Number of<br>shares<br>(Share) | Share<br>(Million kip)       | Share<br>premium<br>(Million kip) | Total<br>(Million kip)       |
|--|--------------------------------|------------------------------|-----------------------------------|------------------------------|
|  | <hr/>                          | <hr/>                        | <hr/>                             | <hr/>                        |
| Opening amount as<br>At 1 January 2012 | 868,597,050                    | 3,474,388                    | 15,577                            | 3,489,965                    |
| <b>Issue of share</b>                  | -                              | -                            | -                                 | -                            |
| Closing amount as at<br>31 March 2012  | <hr/> <b>868,597,050</b> <hr/> | <hr/> <b>3,474,388</b> <hr/> | <hr/> <b>15,577</b> <hr/>         | <hr/> <b>3,489,965</b> <hr/> |

On 15 December 2010, Securities and Exchange Commission Office approved the Company's share amounting to 217,149,000 Shares with a par value of 4,000 Kip per share for trading at the LSX, under code LA-3-00002-000-5, using the trading name as EDL- Generation Public Company

The Company offered 217,419,000 shares with par value of 4,000 Kip per share, totalling 868,596 million Kip under an Initial Public Offering ("IPO") with sales price of 4,000 Kip and 4,300 Kip for investors inside and outside Lao PDR respectively.

The Company has premium on share capital totaling 63,402 million Kip and Share Offering cost is 47,825 million Kip which it charge against the premium on share capital. Then net premium on share capital is 15,577 million Kip.

The Company's shares were firstly traded at the LSX on 11 January 2011.

As at 31 March 2012, the total authorised number of ordinary shares is 868,597,050 shares (31 December 2011: 651,448,050 shares) with the par value of 4,000 Kip per share (31 December 2011: 4,000 Kip per Shares). All issued shared are fully paid.

#### **7. Income tax expense.**

The company has an obligation to pay Corporate Income Tax of either tax on profit at the rate of 5% (which is the reduced rate as applicable for listed companies at the LSX) on taxable profit or minimum tax at 0.25% of turnover or revenue, whichever is higher.

The Company records corporate income tax on an accrual basis and the Company doesn't recognise corporate income tax payable or receivable in future period in respect of temporary differences. Income tax expense is recognised based on the operating result for the period and tax rate.