

EDE-GEN PUBLIC COMPANY
Fourth Quarter Report 2012
31 December 2012

I. Company Background

From 2008, EDL has implemented the directives of the GOL on the business restructure of the electricity industry in Lao PDR. EDL, a state owned enterprise having the function to produce, transmit and sell electrical energy, has engaged financial advisor to carry out the feasibility study on EDL business restructuring to allow the electricity industry in the Lao PDR to grow and develop in response to the needs of the nation.

In 2010, the result from the study suggested that the electricity generating part of EDL can be transformed into a new company which can raise funds by initial public offering of 25% ordinary shares of its company and list those shares on LSX.

Under guidance of the Lao SEC, a steering committee was set up to prepare the Company's listing on the LSX. This Committee was composed of officers from related ministries and EDL specific offices.

This process involved various ministries and governmental authorities, including the National Assembly and the Prime Minister's Office, especially in regard to the exemption from the implementation of some provisions and articles of the relevant Decrees and laws. The stock market is new in the Lao PDR and exemption allowed us to stay within the time period set by the GOL for the first trading day of the LSX on 11 January 2011.

On 13 December 2010, the National Assembly issued the NASC Resolution approving and waive certain laws and regulations related to securities and securities exchange. On the same day, the prime minister also issued the decree waiving related laws and regulations of IPO and listing on LSX for EDL-GEN including related issues of EDL-GEN establishment

On 15 December 2010, the MOIC issued the enterprise registration certificate No. 4637/ERO to the Company with the registered capital of Kip 2,605,792,200,000. By implementing the legal and judicial documentation described above, EDL transferred its assets relating to the electricity production to the Company, which are Nam Ngum 1, Nam Leuk, Nam Mang 3, Nam Song (in construction phase), Xeset 1, Xeset 2, and Xelabam. The total installed capacity is 387 MW, having an average energy capacity per year of 1,800 to 1,900 GWh.

During 16-27 December 2010, the Company increased its capital by 217,149,000 shares and offered its shares to employees of the Company and EDL, and to the public, pursuant to the approval of a public offering according to the Letter No. 002/SECO, dated 15 December 2010.

On 11 January 2011, the Company became one of the two public companies in the Lao PDR having its securities listed on the LSX and able to trade according to the laws of the Lao PDR.

According to the Extraordinary General Shareholders' Meeting No. 1/2011 dated 03 October 2011, the meeting considered and approved the Purchase of EDL Shares in the Independent Power Producers such follows:

- (1) 60% of Theun-Hinboun Power Company., Ltd.;
- (2) 25% of Nam Ngum 2 Power Co., Ltd.
- (3) 20% of Houay Ho Power Co., Ltd.
- (4) 10% of Nam Lik 1-2 Power Co., Ltd.

The Company's registered capital was increased from 3,474,388,200,000 Kip to 4,904,867,060,000 Kip, and the number of shares increased to 1,226,216,765.

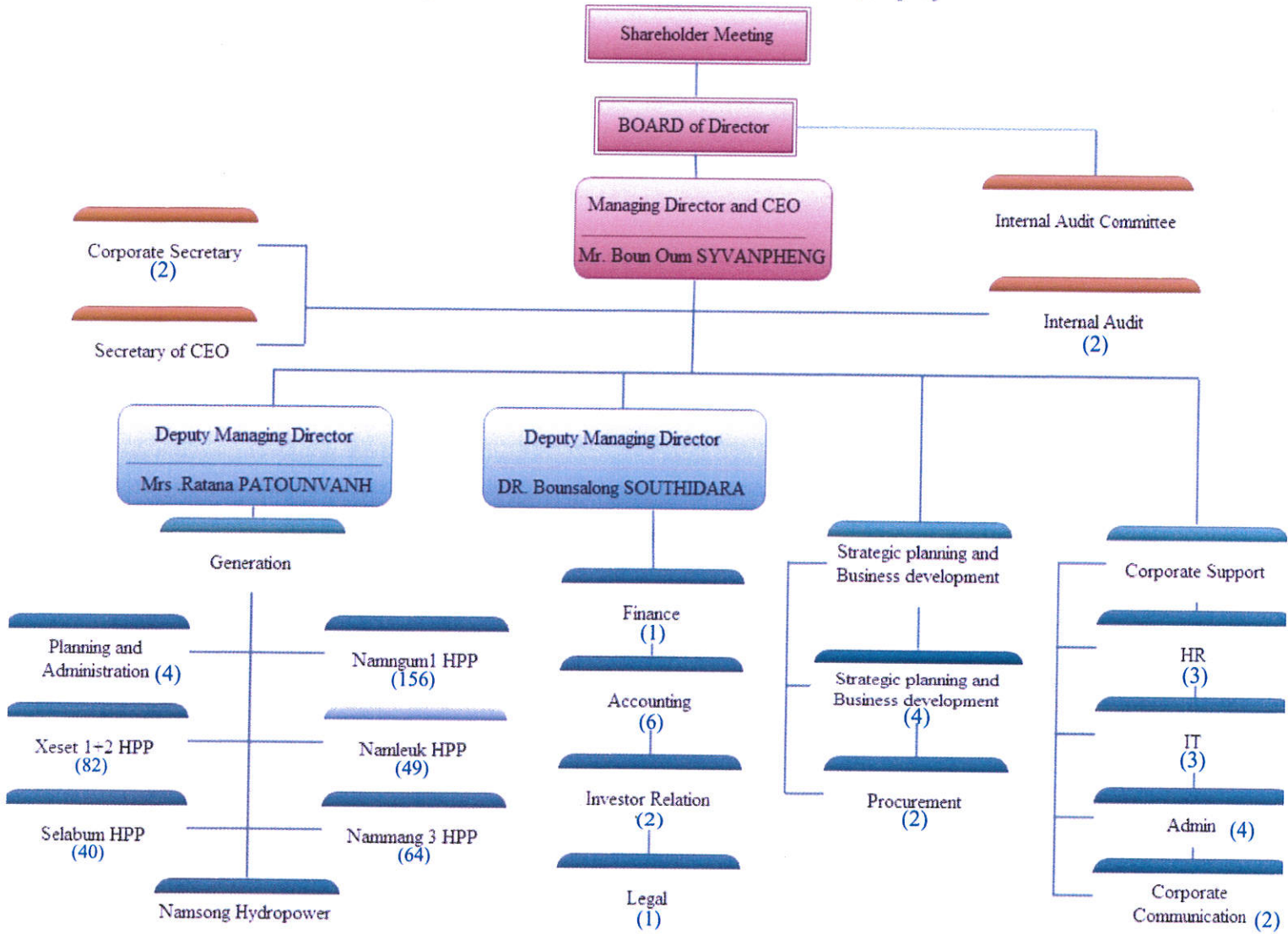
II. The Main EDL core business

EDL-Gen has three core businesses as below:

1. To generate and sell (wholesale) electricity to EDL and to operate its business by developing transmission lines and substations as necessary.
2. To invest or participate in joint ventures with other electricity generation projects.
3. To provide operation and maintenance services for other electricity generation projects.



Organization Chart of EDL-Generation Public Company



Board of directors of company is comprised of 10 members



**Mr. Khammany INTHIRATH
Chairman**



**Mr. Sisavath THIRAVONG
Vice Chairman**



**Mr. Boun Oum SYVANPHENG
Member**



Mrs. Rattana PRATHOUMVAN
Member



MR. Bounma MANIVONG
Member



Mr. Vanida SAVADDY
Member



MR. Sychath BOUTSAKITIRATH
Member



Assoc. Prof Dr. Kongsy SENGMANY
Independent Member



Prof Dr. Khamlusa NOUANSAVAN
Independent Member



Assoc. Prof Khampheui PHOMMACHANH
Independent Member

Managing Directors



Mr. Boun Oum SYVANPHENG
Managing Director (CEO)



Mrs. Rattana PRATHOUMVAN
Deputy Managing Director (COO)



Dr. Bounsalong SOUTHIDARA
Deputy Managing Director (CFO)

Management Committees

In addition to the Board of Directors and Board of Managing director, EDL-Gen has appointed various committees to study company's problems and issues thoroughly. The committees are:

3.1 Internal Audit Committee

The internal audit committee was established by the board of directors according to the letter no. 017/EDL-Gen PCL dated 30.05.2011, their role is to assist the Board of Directors and EDL-GEN's management in fulfilling its responsibilities in respect:

- Overseeing the financial reporting process, including the internal the control structure and procedures for financial reporting and monitoring the integrity and appropriateness of financial statement.
- The manner in which management ensures and monitors the adequacy of financial, operation and compliance internal control and risk management process designed to manage significant risk exposures.

3.2 Committee for Concession agreement, Shareholder agreement, and power purchase agreement

The committee for Concession Agreement, Shareholder Agreement and Power Purchase Agreement has been established by the Board of Directors according to the letter no. 002/EDL-Gen PCL dated 21.01.2011, their duties are to prepare information related to the above said agreements, study the drafts of agreements along with lawyers, participate in negotiations, and report to the Board of Directors.

3.3. Procurement Committee

The procurement Committee has been established by the chief executive officer of EDL-Gen PCL according to the letter no. 011/EDL-Gen PCL on 07.01.2011. Their main roles are to work out procurement plan, carry out procurement process and finalize contracts with contractors and suppliers, according to the regulations.

3.4. Committee for commendation and Discipline

Commendation and Discipline committee has been established by the CEO according to the letter no. 402/EDL-Gen on 19.4.2011, their role is to establish and amend EDL-Gen 's rules and regulations and dealing with staff's opinion, pension policy, crimes, etc, along with inspecting regulation practice.

II. Business Performance

In the 4th quarter of 2012, the 4IPP's named below were transferred to EDL-GEN:

60% Installed capacity of THEUN-HINBOUN	HPP
25% Installed capacity of NAN NGAM 2	HPP

20% Installed capacity of HOUA HO HPP

10% Installed capacity of NAM LIK 1-2 HPP

The total installed capacity which was transferred to EDL-GEN is 494 MW and the total installed capacity of EDL-GEN become 881 MW. The total number of shares is reach 1,226,216,756. EDL-GEN has reached to sign operation and maintenance agreement for Tadsalen Hydropower Company, the agreement has the term of 2 years and is subject to future extension or renewal.

1 Generation

EDL-Gen has 7 hydro power plants in operation with 387 MW of installed capacity. The generation of electricity for the quarter IV exceeded the plan target 1.87% and reached 411.14 Gwh. The accumulated generation of the year is 1,877.42 GWh, i.e 100.91% of the year plan.

Generation for the Q IV in 2012 (from October to December 2012) (GWh)

Description	Namgum1	Xeset-1	Namleuk	Nammang3	Xeset-2	Selabam	Namsong	Total
Plan	260.00	52.61	22.00	25.30	34.40	0.72	8.54	403.57
Actual	279.37	55.85	7.02	20.74	36.75	2.27	9.14	411.14
%	107.45%	106.17%	31.90%	81.96%	106.83%	314.49%	106.99%	101.87%

Total Generation in 2012 (GWh)

Description	NamNgum1	Xeset-1	Namleuk	Nammang3	Xeset-2	Selabam	Namsong	Total
Plan	1,030.00	255.00	219.00	181.00	150.00	1.37	24.05	1,860.42
Actual	1,073.99	240.05	186.46	192.54	155.45	4.53	24.40	1,877.42
%	104.27%	94.14%	85.14%	106.38%	103.63%	330.29%	101.46%	100.91%

1 Income for quarter IV

The Edl-Gen's income during the quarter IV is 192.42 billion kip which is 28.31% higher than planned.

Energy's sale for the Q IV of 2012 (from October to December 2012) (Million kips)

Description	NamNgum1	Xeset-1	Namleuk	Nammang3	Xeset-2	Selabam	Namsong	Total
Plan	91,158.48	10,203.49	8,983.77	14,041.00	21,594.95	235.78	3,502.67	149,720.14
Actual	116,506.84	8,463.54	2,944.25	15,039.23	22,991.47	917.94	3,749.33	170,612.61
%	127.81%	82.95%	32.77%	107.11%	106.47%	389.31%	107.04%	113.95%

Total Energy's sale in 2012 (from January to December 2012) (Million kips)

Description	NamNgum1	Xeset-1	Namleuk	Nammang3	Xeset-2	Selabam	Namsong	Total
Plan	427,255.10	73,551.35	89,871.96	61,446.15	104,834.59	473.26	9,790.85	767,223.26
Actual	450,059.64	79,004.23	76,929.85	65,051.51	97,049.09	1,833.97	9,958.91	779,887.20
%	105.34%	107.41%	85.60%	105.87%	92.57%	387.52 %	101.72%	101.65%
Energy's selling of each HPP								
Compare to the total Energy's selling	57.71%	10.13%	9.86%	8.34%	12.44%	0.24%	1.28%	100%

3. Expenses

According to the EDL-GEN's expenses policy, the total expenses of quarter IV is 67.53 billion kip, i.e 35.09% of the income and equals to 90.18% of the planned expenses.

Percentage based on total expenses

Cost of sale.	52.84%
Administration Cost.	25.38%
Interest /loan repayment	12.01%
Taxes	9.76%

4. Taxes

The following taxes were offered to the Government of Lao PDR:

	(X1,000 KIP)	
1. Taxes on the pedium	20,313	KIP
2. Profit tax	7,525,979	KIP
3. Income tax	236,115	KIP
4. tax	7,782,408	KIP
Total:	<u>15,564,816</u>	<u>KIP</u>

III. Update of the Use of raised funds

EDL-GEN has used the funds raised by IPO (16-27/12/2010) as follows.

Summary of Use of Fund raised by IPO (as of 31/12/2012)

No/	Detail	Plan	Actual	Balance
1	Investment in 4 IPPs	64,790,369,224	64,790,369,224	-
2	Houay lamphan Gnai and Namkhan 2	120,149,975,872	120,149,975,872	-
3	Loan Interest of Houay lamphan Gnai and Namkhan 2	58,485,174,799	58,485,174,799	-
4	Investment in Nam Ngum 5 HPP	42,098,500,000	42,098,500,000	-
5	Maintenances and Operation	225,288,549,107	225,288,549,107	-
6	Nam Song Construction's Cost	15,337,415,133	15,337,415,133	-
7	Loans repayments and Interest payments	358,021,978,260	358,021,978,260	-
	Total	884,171,962,395	884,171,962,395	-

EDL-GEN has used the fund raised by RO (26/06/2012 - 06/07/2012) and PO (04-11/07/2012) as follows.

Summary of Use of Fund raised by RO and PO for Investment in 4 IPPs (as of 31/12/2012)

No/	Detail	Income	Use of Fund	Balance
1	Income from RO and PO for Investment in 4 IPPs	354,334,555,776		
2	Equity Investment in 4 IPPs		354,334,555,776	
	Total	354,334,555,776	354,334,555,776	-

**Statement of financial position
As at 31 December 2012**

	Notes	Unaudited 31 Dec 2012 Million Kip	Unaudited 30 Sep 2012 Million Kip
Assets			
Non-current assets			
Pre-operating expenses, net		0	431
Advance payment for investment		224,115	224,115
Investment in Joint Venture		1,625,125	1,625,125
Assets under concession, net		3,957,854	3,875,378
Other assets		4,801	5,234
Total non-current assets		5,811,895	5,730,283
Current assets			
Cash and cash equivalents		163,909	346,320
Short-term investment		40,000	0
Trade and other receivables		560,562	414,994
Spare parts and supplies, net		3,127	4,078
Other current assets		7,435	6,942
Total current assets		775,033	772,334
Total assets		6,586,928	6,502,617
Equity and liabilities			
Equity			
Share capital		4,904,867	4,904,867
Share premium		145,433	145,433
Legal reserve		58,408	58,408
Retained earnings		395,198	270,302
Total equity		5,503,906	5,379,010
Liabilities			
Non-current liabilities			
Long - term borrowings, net		874,603	913,896
Total non-current liabilities		874,603	913,896
Current liabilities			
Accounts payable		453	453
Current portion of long-term borrowings		176,154	178,723
Accrued expenses		21,311	19,100
Accrued income tax		6,805	7,739
Other current liabilities		3,696	3,696
Total current liabilities		208,419	209,711
Total liabilities		1,083,022	1,123,607
Total equity and liabilities		6,586,928	6,502,617

Boun Oum SYVANHPHENG

Chief Executive Officer
14 January 2013

Bounsalong SOUTHIDARA

Chief Financial
Officer
14 January 2013

Statement of Incomes
For the Quarter 4 period ended 31
December 2012

	Unaudited	Unaudited
	31 December	30
	2012	September
Notes	Million KIP	2012
	<u>Million KIP</u>	<u>Million KIP</u>
Sales	170,612	272,355
Cost of sales	(35,682)	(46,503)
Gross profit	134,930	225,852
Other income	1,328	446
Foreign exchange loss, net	20,483	(1,165)
Profit before expense	156,741	225,133
Administrative expenses	(17,141)	(13,682)
Operating profit before financial costs and corporate income tax	139,600	211,451
Financial costs – interest expenses	(8,112)	(9,787)
Profit before corporate income tax	131,488	201,664
Income tax expenses	(6,592)	(10,065)
Net profit for the period	124,896	191,599

Boun Oum SYVANHPHENG
Chief Executive Officer
14 January 2013

Bounsalong SOUTHIDARA
Chief Financial Officer
14 January 2013

Statement of cash flow
For the Quarter 4 period ended 31
December 2012

	Notes	Unaudited 31 December 2012 Million Kip	Unaudited 30 September 2012 Million Kip
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before income tax		131,488	201,664
Adjustments for:			
Amortisation		431	517
Depreciation		38,739	38,847
Foreign exchange rate (gain) losses , net		(20,483)	1,165
Cash flow from operating activities before working capital changes		150,175	242,193
Decrease in trade and other receivables		(145,568)	(30,332)
Increase in pre-operating expenses		-	-
Increase in other current assets		(493)	2,265
Increase in other assets		433	432
Increase in spare parts and supplies		951	(119)
Decrease in account payables		-	-
Decrease in accrued expenses		2,211	282
Increase in other current liabilities		-	-
Cash generated from operations		7,709	214,721
Income tax paid		(7,526)	(7,526)
Net cash provided by operating activities		183	207,195
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(121,215)	(13,896)
Advance payment for investment		-	(101,251)
Investment in Joint Venture		-	(1,206,000)
Purchase of short-term investments		(40,000)	100,000
Short-term loan to parent company		-	-
Net cash used in investing activities		(161,215)	(1,221,147)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		-	1,560,335
Cash received in advance from issue of ordinary shares		-	-
Payment on long-term borrowings		(21,379)	(98,967)
Dividends paid to shareholders		-	(208,457)
Net cash used from financing activities		(21,379)	1,252,911

**NET DECREASE IN CASH AND
CASH EQUIVALENTS**

Opening balance of cash and cash
equivalents

**Closing balance of cash and cash
equivalents**

(182,411)

238,959

346,320

107,361

163,909

346,320

Boun Oum SYVANHPHENG
Chief Executive Officer
14 January 2013

Bounsalong SOUTHIDARA
Chief Financial Officer
14 January 2013

1. General information

EDL- Generation Public Company (the “Company” or “EDL-GEN”) is a public company which is listed on the 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”).

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 the same day.

This 4th quarter financial information was approved by Internal Audit Committee on 14 January 2013 and was authorised for issue by the Managing Director on 15 January 2013.

This 4th quarter financial information has been not audited.

2. Basis of preparation

The 4th quarter 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 2011. The primary financial information (i.e. statement of financial position, statement of income and cash flows) are prepared in the full format. The notes to the financial information are prepared in a condensed format.

The 4th quarter financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2011.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the 4th quarter report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

The 4th quarter financial information is the result from the Company's operation only, but not included the result from investments in joint-ventures. The financial information from investments in joint-ventures would be included to the annual audited financial statements for the year ended 31 December 2012.

3. New significant agreement during the 6-month period ended 30 June 2012

Memorandum of Understanding (MOU) for share transfer

As at 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 31December 2012, the Company did not pay for any necessary costs related to the above MOU (Note 5).

4. Pre-operating expenses, net

	<u>Million Kip</u>
Opening net book amount as at 1 October 2012 - Unaudited	431
Amortisations	<u>(431)</u>
Closing net book value as at 31December 2012 - Unaudited	<u><u>-</u></u>

5. Advance payment for investments

	<u>Million Kip</u>
Opening net book amount as at 1 October 2012 - Unaudited	224,115
Additions	-
Transfer to Investment in Joint-Venture	<u>-</u>
Closing net book value as at 31 December 2012 - Unaudited	<u><u>224,115</u></u>

During the three-month period ended 31December 2012, the Company did not pay any additional advance to EDL for the cost incurred and associated with the investment.

6. Investment in Joint-Venture

	<u>Million Kip</u>
- Theun Hinboun Power Company Limited	1,120,696
- Houay Ho Power Company Limited	17,447
- Nam Lik 1-2 Power Company Limited	32,240
- Nam Ngum 2 Power Company Limited	<u>454,742</u>
Closing net book value as at 31 December 2012 - Unaudited	<u>1,625,125</u>

7. Assets under concession, net

	<u>Million Kip</u>
Opening net book amount as at 1 October 2012 - Unaudited	3,875,378
Additions	121,215
Depreciation charge	<u>(38,739)</u>
Closing net book value as at 31 December 2012 - Unaudited	<u>3,957,854</u>

Additions during the three-month period ended 31 December 2012 mainly consisted of the new construction and equipment for Nam Ngum 1 of Kip 111,130 million and remaining are new other equipment.

8. Other current assets

Other current assets mainly consist of costs relating to the share offering for the issue of new shares of Kip 3,696 million (Note 10), for which the Company had an obligation as at 31 December 2012 (31 December 2011: nil). These costs are mainly for the financial advisor and underwriting fee, lawyer's fee and audit fee.

These fees will be off-set with the share premium when the Company successfully lists its shares on the Lao Securities Exchange.

9. Long-term borrowings, net

The Company entered into the Debt Repayment Agreement ("the Agreement") with the EDL on 15 December 2010. 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 make such payments to the GOL, for the GOL's further repayments to the lenders pursuant to the original borrowing agreements.

9. Long-term borrowings, net (continued)

	Unaudited	Unaudited
	31 December 2012	30 September 2012
	Million KIP	Million KIP
	<hr/>	<hr/>
Current	176,154	178,723
Non-current	874,603	913,896
	<hr/>	<hr/>
	1,050,757	1,092,619
	<hr/> <hr/>	<hr/> <hr/>

The movements in the borrowings can be analysed as follows:

	Million Kip
	<hr/>
As at 1 October 2012 - Unaudited	1,092,619
Repayment of borrowings	(21,379)
Gain on exchange rate	(20,483)
	<hr/>
As at 31 December 2012 - Unaudited	1,050,757
	<hr/> <hr/>

Borrowings mainly represent unsecured borrowings denominated in US dollars and Japanese Yen which are due over 1-10years. Borrowings generally carry interest rates at 2.0 % to 6.5% per annum (31 December 2011: 2.0% to 7.3% per annum).

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

	Unaudited	Unaudited
	31December	30 September
	2012	2012
	<hr/>	<hr/>
United State dollars (million)	112	114
Japanese Yen (million)	1,627	1,729

The aging analysis of these borrowings is as follows:

	Unaudited	Unaudited
	31December	31September
	2012	2012
	Million Kip	Million Kip
	<hr/>	<hr/>
Less than one year	176,154	178,723
One year but not over 5 years	513,377	523,690
Over 5 years	361,226	390,206
	<hr/>	<hr/>
	1,050,757	1,092,619
	<hr/> <hr/>	<hr/> <hr/>

10. Other current liabilities

Other current liabilities mainly consists of accrued costs for the share offering for the issue of new shares of Kip 3,696 million (31 December 2011: nil) (Note 8), mainly for financial advisor and underwriting fee, lawyer's fee and audit fee.

11. Income tax expenses

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 on 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. 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.

13. Related party transactions

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

a) Sales of goods

	Unaudited 31December 2012	Unaudited 31December 2011
For the three-month periods		
	<u>Million Kip</u>	<u>Million Kip</u>
Sales of electricity to EDL	170,612	232,507

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

13. Related party transactions (continued)

b) Outstanding balances from related party transactions

	Unaudited 31December 2012	Unaudited 30 September 2012
	<u>Million KIP</u>	<u>Million KIP</u>
Advance payment for investment (Note 5)	224,115	224,115
Accounts receivable-others	110,444	110,489
Trade account receivable – EDL (i)	450,117	304,505
Long-term borrowings (Note 9)	1,050,757	1,092,619

i) Trade account receivables can be analysed as follows.

	Unaudited	Unaudited
	31 December	30 September
	2012	2012
	Million KIP	Million KIP
	<hr/>	<hr/>
Not overdue	104,775	
Overdue less than 3 months	338,192	272,355
Overdue 3 - 6 months	7,150	32,150
Overdue 6 - 12 months	-	-
Overdue over 12 months	-	-
	<hr/>	<hr/>
	450,117	304,505
<u>Less</u> Allowance for doubtful receivables	<hr/>	<hr/>
	-	-
Trade account receivables, net	<hr/> <hr/>	<hr/> <hr/>
	450,117	304,505