

**EDL-GENERATION PUBLIC COMPANY**

**3<sup>rd</sup> QUARTER FINANCIAL INFORMATION  
(UNAUDITED)**

**30 SEPTEMBER 2012**

EDL-Generation Public Company  
Statement of financial position  
As at 30 September 2012

|                                         | Notes | Unaudited<br>30 Sep<br>2012<br>Million Kip | Unaudited<br>30 June<br>2012<br>Million Kip |
|-----------------------------------------|-------|--------------------------------------------|---------------------------------------------|
| <b>Assets</b>                           |       |                                            |                                             |
| <b>Non-current assets</b>               |       |                                            |                                             |
| Pre-operating expenses, net             | 4     | 431                                        | 948                                         |
| Advance payment for investment          | 5     | 224,115                                    | 541,989                                     |
| Investment in Joint Venture             | 6     | 1,625,125                                  | 0                                           |
| Assets under concession, net            | 7     | 3,875,378                                  | 3,900,329                                   |
| Other assets                            |       | 5,234                                      | 5,666                                       |
| <b>Total non-current assets</b>         |       | <b>5,730,283</b>                           | <b>4,448,932</b>                            |
| <b>Current assets</b>                   |       |                                            |                                             |
| Cash and cash equivalents               |       | 346,320                                    | 107,361                                     |
| Short-term investment                   |       | 0                                          | 100,000                                     |
| Trade and other receivables             | 13    | 414,994                                    | 384,662                                     |
| Spare parts and supplies, net           |       | 4,078                                      | 3,959                                       |
| Other current assets                    | 8     | 6,942                                      | 9,206                                       |
| <b>Total current assets</b>             |       | <b>772,334</b>                             | <b>605,188</b>                              |
| <b>Total assets</b>                     |       | <b>6,502,617</b>                           | <b>5,054,120</b>                            |
| <b>Equity and liabilities</b>           |       |                                            |                                             |
| <b>Equity</b>                           |       |                                            |                                             |
| Share capital                           |       | 4,904,867                                  | 3,474,388                                   |
| Share premium                           |       | 145,433                                    | 15,577                                      |
| Legal reserve                           |       | 58,408                                     | 58,408                                      |
| Retained earnings                       |       | 270,302                                    | 287,159                                     |
| <b>Total equity</b>                     |       | <b>5,379,010</b>                           | <b>3,835,532</b>                            |
| <b>Liabilities</b>                      |       |                                            |                                             |
| <b>Non-current liabilities</b>          |       |                                            |                                             |
| Long - term borrowings, net             | 9     | 913,896                                    | 978,912                                     |
| <b>Total non-current liabilities</b>    |       | <b>913,896</b>                             | <b>978,912</b>                              |
| <b>Current liabilities</b>              |       |                                            |                                             |
| Accounts payable                        |       | 453                                        | 453                                         |
| Current portion of long-term borrowings | 9     | 178,723                                    | 211,509                                     |
| Accrued expenses                        |       | 19,100                                     | 18,793                                      |
| Accrued income tax                      |       | 7,739                                      | 5,200                                       |
| Other current liabilities               | 10    | 3,696                                      | 3,721                                       |
| <b>Total current liabilities</b>        |       | <b>209,711</b>                             | <b>239,676</b>                              |
| <b>Total liabilities</b>                |       | <b>1,123,607</b>                           | <b>1,218,588</b>                            |
| <b>Total equity and liabilities</b>     |       | <b>6,502,617</b>                           | <b>5,054,120</b>                            |

Boun Oum SYVANHPHENG  
Chief Executive Officer  
12 October 2012

Bounsalong SOUTHIDARA  
Chief Financial Officer  
12 October 2012

EDL-Generation Public Company  
Statement of Income  
For the Quarter 3 period ended 30 September 2012

|                                                                             | Notes | Unaudited<br>30 September 2012<br>Million KIP | Unaudited<br>30 September 2011<br>Million KIP |
|-----------------------------------------------------------------------------|-------|-----------------------------------------------|-----------------------------------------------|
| Sales                                                                       | 13    | 272,355                                       | 341,066                                       |
| Cost of sales                                                               |       | (46,503)                                      | (45,549)                                      |
| <b>Gross profit</b>                                                         |       | <b>225,852</b>                                | <b>295,517</b>                                |
| Other income                                                                |       | 446                                           | 7,702                                         |
| Foreign exchange loss, net                                                  |       | (1,165)                                       | (6,567)                                       |
| <b>Profit before expense</b>                                                |       | <b>225,133</b>                                | <b>296,652</b>                                |
| Administrative expenses                                                     |       | (13,682)                                      | (17,042)                                      |
| <b>Operating profit before financial costs<br/>and corporate income tax</b> |       | <b>211,451</b>                                | <b>279,610</b>                                |
| Financial costs – interest expenses                                         |       | (9,787)                                       | (19,335)                                      |
| <b>Profit before corporate income tax</b>                                   |       | <b>201,664</b>                                | <b>260,275</b>                                |
| Income tax expenses                                                         | 11    | (10,065)                                      | (11,832)                                      |
| <b>Net profit for the period</b>                                            |       | <b>191,599</b>                                | <b>248,443</b>                                |

Boun Oum SYVANHPHENG  
Chief Executive Officer  
12 October 2012

Bounsalong SOUTHIDARA  
Chief Financial Officer  
12 October 2012

EDL-Generation Public Company  
Statement of cash flow  
For the Quarter 3 period ended 30 September 2012

|                                                                           |    | Unaudited<br>30 September<br>2012<br>Million Kip | Unaudited<br>30 September<br>2011<br>Million Kip |
|---------------------------------------------------------------------------|----|--------------------------------------------------|--------------------------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                |    |                                                  |                                                  |
| Profit before income tax                                                  |    | 201,664                                          | 260,275                                          |
| <b>Adjustments for:</b>                                                   |    |                                                  |                                                  |
| Amortisation                                                              | 4  | 517                                              | 710                                              |
| Depreciation                                                              | 7  | 38,847                                           | 31,996                                           |
| Foreign exchange rate (gain) losses , net                                 |    | 1,165                                            | 6,567                                            |
| <b>Cash flow from operating activities before working capital changes</b> |    | <b>242,193</b>                                   | <b>299,548</b>                                   |
| Decrease in trade and other receivables                                   |    | (30,332)                                         | (227,237)                                        |
| Increase in pre-operating expenses                                        |    | -                                                | -                                                |
| Increase in other current assets                                          |    | 2,265                                            | (35,880)                                         |
| Increase in other assets                                                  |    | 432                                              | -                                                |
| Increase in spare parts and supplies                                      |    | (119)                                            | 683                                              |
| Decrease in account payables                                              |    | -                                                | (1,028)                                          |
| Decrease in accrued expenses                                              |    | 282                                              | 7,992                                            |
| Increase in other current liabilities                                     |    | -                                                | -                                                |
| <b>Cash generated from operations</b>                                     |    | <b>214,721</b>                                   | <b>44,078</b>                                    |
| Income tax paid                                                           |    | (7,526)                                          | (6,202)                                          |
| <b>Net cash provided by operating activities</b>                          |    | <b>207,195</b>                                   | <b>37,876</b>                                    |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                |    |                                                  |                                                  |
| Purchases of property, plant and equipment                                | 7  | (13,896)                                         | (104,053)                                        |
| Advance payment for investment                                            |    | (101,251)                                        | -                                                |
| Investment in Joint Venture                                               |    | (1,206,000)                                      | -                                                |
| Purchase of short-term investments                                        |    | 100,000                                          | -                                                |
| Short-term loan to parent company                                         |    | -                                                | -                                                |
| <b>Net cash used in investing activities</b>                              |    | <b>(1,221,147)</b>                               | <b>(104,053)</b>                                 |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                |    |                                                  |                                                  |
| Proceeds from issue of ordinary shares                                    |    | 1,560,335                                        | -                                                |
| Cash received in advance from issue of ordinary shares                    |    | -                                                | -                                                |
| Payment on long-term borrowings                                           |    | (98,967)                                         | (68,344)                                         |
| Dividends paid to shareholders                                            | 12 | (208,457)                                        | -                                                |
| <b>Net cash used from financing activities</b>                            |    | <b>1,252,911</b>                                 | <b>(68,344)</b>                                  |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                          |    | <b>238,959</b>                                   | <b>(134,521)</b>                                 |
| Opening balance of cash and cash equivalents                              |    | 107,361                                          | 691,733                                          |
| <b>Closing balance of cash and cash equivalents</b>                       |    | <b>346,320</b>                                   | <b>557,212</b>                                   |

Boun Oum SYVANHPHENG  
Chief Executive Officer  
12 October 2012

Bounsalong SOUTHIDARA  
Chief Financial Officer  
12 October 2012

**EDL-Generation Public Company**  
**Unaudited condensed notes to the 3<sup>rd</sup> quarter financial information**  
**For the three-month period ended 30 September 2012**

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**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:

7<sup>th</sup> 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 3<sup>rd</sup> quarter financial information was authorised for issue by the Board of Directors on 12 October 2012.

This 3<sup>rd</sup> quarter financial information has been not audited.

**2. Basis of preparation**

The 3<sup>rd</sup> 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 3<sup>rd</sup> 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 3<sup>rd</sup> quarter report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

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

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*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”).

**EDL-Generation Public Company**  
**Unaudited condensed notes to the 3<sup>rd</sup> quarter financial information**  
**For the three-month period ended 30 September 2012**

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**3. New significant agreement during the 6-month period ended 30 June 2012**  
(continued)

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 2012, the Company paid for necessary costs related to the above MOU amounting to USD 1,250,000 or equivalent to Kip 10,033 million (Note 5).

**4. Pre-operating expenses, net**

|                                                            | <u>Million Kip</u> |
|------------------------------------------------------------|--------------------|
| Opening net book amount as at 1 July 2012 - Unaudited      | 948                |
| Amortisations                                              | <u>(517)</u>       |
| Closing net book value as at 30 September 2012 - Unaudited | <u>431</u>         |

**5. Advance payment for investments**

|                                                            | <u>Million Kip</u> |
|------------------------------------------------------------|--------------------|
| Opening net book amount as at 1 July 2012 - Unaudited      | 541,989            |
| Additions                                                  | 97,870             |
| Transfer to Investment in Joint-Venture                    | <u>(415,744)</u>   |
| Closing net book value as at 30 September 2012 - Unaudited | <u>224,115</u>     |

During the three-month period ended 30 September 2012, the Company paid an additional advance to EDL for the cost incurred and associated with the investment in NNG5 of Kip 10,033 million (Note 3) and for investment in the 4 Independent Power Producer Project for which it signed an MOU on 8 July 2011 of Kip 87,837 million; in total Kip 97,870 million. And also in this period, the Company has transferred the advance payment for investments in the 4 Independent Power Producer Project to be the Investments in Join-Venture in total Kip 415,744 million (Note 6).

**EDL-Generation Public Company**  
**Unaudited condensed notes to the 3<sup>rd</sup> quarter financial information**  
**For the three-month period ended 30 September 2012**

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**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 30 September 2012 - Unaudited | <u>1,625,125</u>   |

**7. Assets under concession, net**

|                                                            | <u>Million Kip</u> |
|------------------------------------------------------------|--------------------|
| Opening net book amount as at 1 July 2012 - Unaudited      | 3,900,329          |
| Additions                                                  | 13,896             |
| Depreciation charge                                        | <u>(38,847)</u>    |
| Closing net book value as at 30 September 2012 - Unaudited | <u>3,875,378</u>   |

Additions during the three-month period ended 30 September 2012 mainly consisted of the new equipment for Nam Ngum 1 and Nam Leuk Dam of Kip 10,788 million and remaining are new office equipment and vehicle.

**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 30 September 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 it 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.

**EDL-Generation Public Company**  
**Unaudited condensed notes to the 3<sup>rd</sup> quarter financial information**  
**For the three-month period ended 30 September 2012**

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**9. Long-term borrowings, net (continued)**

|             | <b>Unaudited<br/>30 June<br/>2012<br/>Million KIP</b> | <b>Unaudited<br/>30 June<br/>2012<br/>Million KIP</b> |
|-------------|-------------------------------------------------------|-------------------------------------------------------|
| Current     | 178,723                                               | 211,509                                               |
| Non-current | 913,896                                               | 978,912                                               |
|             | <b><u>1,092,619</u></b>                               | <b><u>1,190,421</u></b>                               |

The movements in the borrowings can be analysed as follows:

|                                     | <b>Million Kip</b>      |
|-------------------------------------|-------------------------|
| As at 1 July 2012 - Unaudited       | 1,190,421               |
| Repayment of borrowings             | (98,967)                |
| Loss on exchange rate               | 1,165                   |
| As at 30 September 2012 - Unaudited | <b><u>1,092,619</u></b> |

Borrowings mainly represent unsecured borrowings denominated in US dollars and Japanese Yen which are due over 1 - 10 years. 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:

|                                | <b>Unaudited<br/>30 June<br/>2012</b> | <b>Unaudited<br/>30 June<br/>2012</b> |
|--------------------------------|---------------------------------------|---------------------------------------|
| United State dollars (million) | 114                                   | 126                                   |
| Japanese Yen (million)         | 1,729                                 | 1,729                                 |

The aging analysis of these borrowings is as follows:

|                               | <b>Unaudited<br/>30 June<br/>2012<br/>Million Kip</b> | <b>Unaudited<br/>30 June<br/>2012<br/>Million Kip</b> |
|-------------------------------|-------------------------------------------------------|-------------------------------------------------------|
| Less than one year            | 178,723                                               | 211,509                                               |
| One year but not over 5 years | 523,690                                               | 545,661                                               |
| Over 5 years                  | 390,206                                               | 433,250                                               |
|                               | <b><u>1,092,619</u></b>                               | <b><u>1,190,421</u></b>                               |

**EDL-Generation Public Company**  
**Unaudited condensed notes to the 3<sup>rd</sup> quarter financial information**  
**For the three-month period ended 30 September 2012**

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**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.

**12. Dividend**

At the Board of Directors' meeting no.2/2012 held on 10 August 2012, the Board of Directors approved an interim dividend payment in respect of net profit for the six-month period from 1 January to 30 June 2012 and retained earnings bough forward as at 1 January 2012 of Kip 170 per share (30 June 2011: Kip 177.97 per share) amounting to a total of Kip 208,457 million (30 June 2011: Kip 154,581 million, announced in August 2011). This dividend were paid to the shareholders whose name appear in the shareholder register book on 22 August 2012 and were paid on August and September 2012.

**13. Related party transactions**

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

**a) Sales of goods**

| <b>For the three-month periods</b> | <b>Unaudited<br/>30 September<br/>2012<br/>Million Kip</b> | <b>Unaudited<br/>30 September<br/>2011<br/>Million Kip</b> |
|------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| Sales of electricity to EDL        | 272,355                                                    | 341,066                                                    |

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

**EDL-Generation Public Company**  
**Unaudited condensed notes to the 3<sup>rd</sup> quarter financial information**  
**For the three-month period ended 30 September 2012**

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**13. Related party transactions (continued)**

**b) Dividend paid**

| <b>For the three-month periods</b> | <b>Unaudited<br/>30 September<br/>2012<br/>Million Kip</b> | <b>Unaudited<br/>30 September<br/>2011<br/>Million Kip</b> |
|------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| Dividend to EDL                    | 140,708                                                    | -                                                          |

**c) Outstanding balances from related party transactions**

|                                         | <b>Unaudited<br/>30 September<br/>2012<br/>Million KIP</b> | <b>Unaudited<br/>30 June<br/>2012<br/>Million KIP</b> |
|-----------------------------------------|------------------------------------------------------------|-------------------------------------------------------|
| Advance payment for investment (Note 5) | 224,115                                                    | 541,989                                               |
| Accounts receivable-others              | 110,489                                                    | 110,511                                               |
| Trade account receivable – EDL (i)      | 304,505                                                    | 274,151                                               |
| Long-term borrowings (Note 9)           | 1,092,619                                                  | 1,190,421                                             |

i) Trade account receivables can be analysed as follows.

|                                                   | <b>Unaudited<br/>30 September<br/>2012<br/>Million KIP</b> | <b>Unaudited<br/>30 June<br/>2012<br/>Million KIP</b> |
|---------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------|
| Not overdue                                       | 272,355                                                    | 173,741                                               |
| Overdue less than 3 months                        | 32,150                                                     | 100,410                                               |
| Overdue 3 - 6 months                              | -                                                          | -                                                     |
| Overdue 6 - 12 months                             | -                                                          | -                                                     |
| Overdue over 12 months                            | -                                                          | -                                                     |
|                                                   | <b>304,505</b>                                             | <b>274,151</b>                                        |
| <u>Less</u> Allowance for doubtful<br>receivables | -                                                          | -                                                     |
| Trade account receivables, net                    | <b>274,151</b>                                             | <b>274,151</b>                                        |