Prospectus

EDL-Generation Public Company
(registered in the Lao People's Democratic Republic as a public company with limited liability)

453,086,932 Ordinary Shares
(par Value of Kip 4,000 per share)



Offering of

Offer to Existing Shareholders	**In the amount of 408,738,922 Ordinary Shares**	**Offer Price Kip 6,000**
Offer to The Public	**In the amount of 44,348,010 Ordinary Shares**	**Offer Price Kip 6,800**

Offering Period

Offering period for the Offer to existing shareholders: Between 8:30 a.m. to 4:30 p.m., during 28 August – 8 September 2015
(On 8 September 2015, the offering period will be closed at 12.00 noon.)
Offering period for the Offer to the public: Between 8:30 a.m. to 4:30 p.m., during 28 August – 8 September 2015
(On 8 September 2015, the offering period will be closed at 12.00 noon.)

Financial Advisor and Underwriter	*Selling Agent and Book Runner*	*Legal Advisor*
Lanexang Securities	**KT ZMICO Securities**	**Lao Premier International Law Office**

The Offer will be conducted by Lanexang Securities Public Company (the "**Underwriter**") through LDB and KT ZMICO Securities Company Limited (the "**Selling Agent**"), whereby the Capital Increase Shares will not be registered under the securities laws in any jurisdiction other than the securities laws of Lao PDR.

Warning

This prospectus is written for the investors who are interested in investing in the Capital Increase Shares issued by the Company as preliminary information only. The LSCO does not suggest investing in the offered securities, guarantee on the price or the returns of the offered securities or guarantee on the accuracy or completion of the information in this prospectus. The accuracy and completion of the information in this prospectus is the responsibility of the Company.

If the information in this prospectus is not accurate or if there is omission of the information, the holder of the securities may claim for damages from the Company or the securities' issuer pursuant to related laws and regulations.

"Investment involves risk. Investors should read the prospectus carefully before making an investment decision."

A prospectus originally written in the Lao language has been filed with the LSCO (the "**Lao Prospectus**") and the English translation of which was also prepared (the "**English Prospectus**"). Although care was taken to render the translation as reliable as possible, it does not carry any legal authority and no representation is made as to its accuracy and the English translation is not a prospectus defined under the Law on Securities No. 21/NA, dated 10 December 2012. Only the original text written in the Lao language has legal force and the Lao law requires the distribution of a prospectus that has become effective in connection with the public offering of the Capital Increase Shares.

The Offer will be in compliance with the applicable rules and regulations of the LSCO and the Lao Prospectus was prepared specifically for the public offering of the Capital Increase Shares in Lao PDR. **Accordingly, the Capital Increase Shares will not be registered under the securities laws in any jurisdiction other than the securities laws of Lao PDR.** No representation is being given that the form or contents of the English Prospectus are appropriate or sufficient for the Offer. The Lao Prospectus and the English Prospectus should be read together prior to making an investment decision to buy the Capital Increase Shares.

This Offer is the offering of the Company's Capital Increase Shares to existing shareholders and to the public. The Company expects to file the application for registration of the increase in the Company's capital, together with the notification of the change in enterprise registration certificate to the competent department of the Ministry of Industry and Commerce (the "**MOIC**") no later than ten business days after the completion of the Offer. In addition, the Company will file the application for listing of the Capital Increase Shares to the Lao Securities Exchange (the "**LSX**") after the Company receives the amended enterprise registration certificate from the MOIC. The Company expects that its Capital Increase Shares will be approved as listing securities on the LSX no later than seven days after filing the application for listing of the Capital Increase Shares.

The Company expects to receive the payment for the Capital Increase Shares no later than 10 business days after the Offering Period, in immediately available funds, and that delivery of the Capital Increase Shares to investors will be made through the LSX's depositary facility with Securities Depositary Centre no later than 15 business days after the offering period.

Prior to investment in the Capital Increase Shares, investors should consider risks involved. Please read the sections titled "Risk Factors" prior to investing in the Capital Increase Shares.

SELLING RESTRICTIONS

Dubai International Financial Centre

This document relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This document is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on, by any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The Capital Increase Shares to which this document relates may be illiquid and/or subject to restrictions on their re-sale. Prospective purchasers of the Capital Increase Shares should conduct their own due diligence on the Capital Increase Shares. If you do not understand the contents of this document you should consult an authorised financial adviser.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, as defined below, (each, a "Relevant Member State") an offer to the public of any Capital Increase Shares which are the subject of the Offer contemplated by this document may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any Capital Increase Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000 as shown in its last annual or consolidated accounts;
- by the Selling Agent to fewer than 100 natural or legal person (other than qualified investors as defined in the Prospectus Directive); or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Capital Increase Shares shall result in a requirement for the publication by the Company, the Underwriter or the Selling Agent of a prospectus pursuant to Articles 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Capital Increase Shares in any Relevant Member State means the communication to persons in any form and by any means of sufficient information on the terms of the Offer and any Capital Increase Shares to be offered so as to enable an investor to decide to purchase any Capital Increase Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Hong Kong

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

This document has not been approved by the Securities and Futures Commission in Hong Long and, accordingly, (i) the Capital Increase Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the *Securities and Futures Ordinance* (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "Prospectus" as defined in the *Companies Ordinance* (Cap. 32) of Hong Kong or which do not

constitute an offer to the public within the meaning of that Ordinance, and (ii) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Capital Increase Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Capital Increase Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the *Securities and Futures Ordinance* (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Japan

The Capital Increase Shares have not been and will not be registered under the *Financial Instruments and Exchange Act* (Act No. 25 of 1948, as amended) of Japan (the "Financial Instruments and Exchange Act") and the Capital Increase Shares have not been and will not be offered or sold, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)) or to, or for the account or benefit of, any persons for reoffering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the *Financial Instruments and Exchange Act* and other relevant laws, regulations and ministerial guidelines of Japan.

Kuwait

The Capital Increase Shares have not been licensed for offering in Kuwait by the Ministry of Commerce and Industry or the Central Bank of Kuwait or any other relevant Kuwaiti government agency. The Offer of the Capital Increase Shares in Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with *Decree Law no. 31 of 1990,* as amended, and *Ministerial Order No. 113 of 1992,* as amended. No private or public offering of the Capital Increase Shares is being made in Kuwait, and no agreement relating to the sale of the Capital Increase Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Capital Increase Shares in Kuwait.

Russia

Information set forth in the following document does not constitute an advertisement in Russia of Capital Increase Shares referred to therein and must not be passed on to third parties or made publicly available in Russia. Neither the Capital Increase Shares, nor a securities prospectus in respect of Capital Increase Shares have been, or is intended to be, registered in Russia. The Capital Increase Shares are not intended for "placement" or "public circulation" in Russia. The information provided in the following document is not an offer, or an invitation to make offer, to sell, exchange or otherwise transfer the Capital Increase Shares in the Russian Federation or to or for the benefit or any Russian person or entity, except for the persons who are "qualified investors" in the meaning of Article 51.2 of the *Federal law of the Russian Federation* dated 22 April 1996 No. 39-FZ "On Securities Market" and subordinate regulations.

The Capital Increase Shares will not be offered or sold to or for the benefit or any persons resident, incorporated, established or having their usual residence in Russia or to any person located within the territory of Russia, unless and to the extent permitted by Russian law.

Singapore

This document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the *Securities and Futures Act, Chapter 289 of Singapore* (the "SFA"). The Capital Increase Shares may not be offered or sold, or made the subject of an invitation for subscription or purchase nor may this document or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Capital Increase Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor under Section 274 of the SFA; (ii) to a relevant person under Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Capital Increase Shares are subscribed or purchased under Section 275 of the SFA by a relevant person who is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

shares, debentures and units of shares of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the Capital Increase Shares under Section 275 of the SFA except:

(1) to an institutional investor under Section 274 of the SFA or to a relevant person or to any person pursuant to Section 275(1) and Section 275(1A) of the SFA, respectively and in accordance with the conditions specified in Section 275 of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law; or

(4) pursuant to Section 276(7) of the SFA.

Switzerland

The Capital Increase Shares may not be publicly offered in Switzerland and will not be listed on the Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Capital Increase Shares or the Offer may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Offer, the Company or the Capital Increase Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Offer will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA), and the Offer has not been and will not be authorized under the *Swiss Federal Act on Collective Investment Schemes* ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Capital Increase Shares.

Thailand

The Capital Increase Shares are not offered to the general public in Thailand and the Capital Increase Shares have not been and will not be registered under the *Securities and Exchange Act B.E. 2535, as amended.* The approval of the Thailand Securities and Exchange Commission has not been sought and will not be obtained for the Offering, and any sale of the Capital Increase Shares will only be made if an exemption from the prospectus and registration requirements of the securities laws of Thailand (including the *Securities and Exchange Act B.E. 2535, as amended)* is available and the Offering and sale is made in accordance with the terms of such exemption. This document does not constitute a prospectus or registration statement within the meaning of the *Securities and Exchange Act B.E. 2535, as amended* or any other securities laws of Thailand.

United Arab Emirates

This document has not been approved or licensed by the Central Bank of the United Arab Emirates (the "UAE"),

the Securities and Commodities Authority the UAE and/or any other relevant licensing authority in the UAE including any licensing authority incorporated under the laws and regulations of any of the free zones established and operating in the territory of UAE. The Offer of the Capital Increase Shares does not constitute a public offer of securities in the UAE and/or any other free zone in accordance with the Commercial Companies Law, Federal Law no. 8 of 1984 (as amended) or otherwise. The Capital Increase Shares may not be offered to the public in the UAE and/or any of the UAE free zones.

United Kingdom

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the U.K. *Financial Services and Market Act of 2000* (the "FSMA") in connection with the issue of sale of any Capital Increase Shares will only be made in a circumstance in which section 21(1) of the FSMA does not apply to the Company.

United States

The Capital Increase Shares have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Capital Increase Shares are being offered and sold outside of the United States in reliance on Regulation S under the Securities Act

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Name of Issuer, Financial Advisor, Underwriter, Selling Agent, Book Runner, Legal Advisor and Independent Auditor

Issuer	:	EDL-Generation Public Company 7th Floor, EDL Headquarter Building, Lao-Thai Friendship Road, Thongkang Village, Sisattanak District, Vientiane Capital, Lao PDR Tel: (+856-21) 316-142 Fax: (+856-21) 316-141 Website: www.edlgen.com/la
Financial Advisor and Underwriter	:	Lanexang Securities Public Company 5th Floor, Lao Securities Exchange Building, T4 Road, Phonthan, Saysettha District, Vientiane Capital, Lao PDR Tel: (+856-21) 265-461-4 Fax: (+856-21) 265-465-6 Website: www.lxs.com.la
Selling Agent and Book Runner	:	KT ZMICO Securities Company Limited 16th Floor, Liberty Square Building, 287 Silom Road, Bangrak, Bangkok, Thailand Tel: (+66-2) 695-5103 Fax: (+66-2) 631-2242 Website: www.ktzmico.com
Legal Advisor	:	Lao Premier International Law Office Limited 7th Floor, Lao Securities Exchange Building, T4 Road, Phonthan, Saysettha District, Vientiane Capital, Lao PDR Tel: (+856-21) 265-471 Fax: (+856-21) 265-474 Website: www.laopremier.com
Independent Auditor	:	PricewaterhouseCoopers (Laos) Limited Unit 1, 4th Floor, ANZ Vientiane Commercial Building 33 Lane Xang Avenue, Ban Hatsady, Chanthaboury, Vientiane Capital, Lao PDR Tel: (+856-21) 222-718 Fax: (+856-21) 222-723 Website: www.pwc.com/la

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IMPORTANT NOTICE

The information in this prospectus may only be accurate as at the date of this prospectus. Investors should be aware that, since the date of this prospectus, there may have been changes in certain information contained in it e.g. business information, financial conditions, results of operations that could differ from the information herein

In making an investment decision, investors must rely on their own examination of the Lao Prospectus, the English Prospectus, other documents in connection with the Offer, the Offer's merits and the risks involved. Investors should not construe the contents of this prospectus or its appendices as legal, business, financial or tax advice. Each investor should consult its own legal counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning an investment in the Capital Increase Shares, as the case may be.

The Offer has not been approved by the authorities in any jurisdiction other than the LSCO or disapproved or recommended by the authorities in any jurisdiction. No representation is being given that the form or contents of the prospectus are appropriate or sufficient by the authorities in any other jurisdiction.

This prospectus is based on certain information provided by the Company and on information obtained from other sources. The Underwriter and the Selling Agent are delivering this prospectus to investors solely for offering and selling of the Capital Increase Shares and the use in deciding whether or not to proceed with a further investigation of a potential investment in the Capital Increase Shares. This prospectus does not purport to be all-inclusive or to necessarily contain all the information that an investor may desire for investigating the Company or which is necessary to make an informed investment decision regarding the Capital Increase Shares. The English Prospectus has been prepared for informational purposes relating to the Offer only and upon the express understanding that it will be used for only the purpose set forth above.

None of the Underwriter, Selling Agent, Legal Advisor, or any of their member, employee, counsel, officer, director, representative, agent or affiliate make any express or implied representation or warranty as to the adequacy, accuracy, reasonableness or completeness of the information contained in this prospectus or made available in connection with any further investigation of any investment in the Capital Increase Shares, or that no information or representation has been omitted therefrom which is likely to affect the importance of the information or representations contained therein. The Underwriter, Selling Agent and Legal Advisor expressly disclaim any and all liability that may be based on such information, errors therein or omission therefrom. No person is authorised to give any information or to make any representation in connection with this Offer other than as contained in this prospectus and, if given or made, investors must not rely on such information as having been authorised by the Company, the Underwriter, Selling Agent, Legal Advisor, or any affiliate or representative thereof.

This prospectus contains conversions of certain amounts into US dollars at specified rates solely for the convenience of the reader. Except where otherwise specified, conversions of Kip to THB and US dollars appeared in the Financial Statements mainly refer to the Kip/THB/US Dollar exchange rate specified in the notes from the Financial Statements prepared by the independent auditor. No representation is made that the Kip, THB or US Dollar amounts referred to herein could have been or could be converted into US Dollars, Kip or THB, as the case may be, at these rates, at any particular or at all. Any discrepancies in the tables included herein between the amounts listed and the total thereof are due to rounding.

DEFINITIONS

In the English Prospectus, all references to:

- "**ADB**" refers to Asian Development Bank;
- "**AOA**" refers to the Articles of Association of the Company, included amended versions;
- **"ASEAN"** refers to Association of Southeast Asian Nations;
- "**Assets Transferred to the Company on the Incorporation Date** " refers to certain wholly-owned hydropower plants and the assets relating to such hydropower plants transferred from EDL to the Company on the Incorporation Date, and **Asset Transferred to the Company on the Incorporation Date"** refers to each of them;
- "**BCEL**" refers to Banque Pour Le Commerce Exterieur Lao Public;
- **"Book Runner"** refers to KT ZMICO Securities Company Limited;
- "**Cambodia**" refers to the Kingdom of Cambodia;
- "**Capital Increase Shares**" refers to the offering of 453,086,932 ordinary shares of the Company (in the amount of 408,738,922 ordinary shares will be offered to existing shareholders; and in the amount of 44,348,010 ordinary shares will be offered to the public) (See Part 2 "Information in relation to the Offer");
- "**CASAPPAC**" refers to The Committee on Negotiation of Concession Agreement, Shareholder Agreement, and Power Purchasing Agreement;
- "**CAs**" refers to the Concession Agreements in relation to the power plants between the GOL and the concessionaire and "**CA**" refers to each of them;
- **"CAGR"** refers to compounded annual growth rate;
- "**China**" refers to the People's Republic of China;
- "**COD**" refers to Commercial Operation Date;
- "**Company**" or "**EDL-Gen**" refers to EDL-Generation Public Company, registered in Lao PDR as a public company with limited liability;
- "**Debt Repayment Agreements**" refers to the Debt Repayment Agreements between EDL and the Company and "Debt Repayment Agreement" refers to each of them;
- **"EBIT"** refers to Earnings before Interest and Tax;
- **"EBITDA"** refers to Earnings before Interest, Tax, Depreciation and Amortisation;
- "**EDL**" refers to ELECTRICITE DU LAOS;
- "**EDL Construction Period & Planned Generation Assets**" refers to EDL's wholly-owned hydropower projects which are in operation, under-construction or in planning stage as at the date of this prospectus;
- "**EDL Equity Share Construction Period & Planned IPPs**" refers to IPP projects that are currently under construction or in planning and in which EDL is or will be a shareholder;

- "**EDL Equity Share Operating IPPs**" refers to IPP projects that are operating and in which EDL is a shareholder;
- "**EDL-Gen Hydropower Generation Assets**" refers to all of the Company's current operating hydropower generation assets and IPPs where EDL-Gen is a shareholder;
- "**EDL IPPs**" refers to any IPP projects in which EDL is or may become a shareholder and includes the "**EDL Equity Share Operating IPPs**" and "**EDL Equity Share Construction Period & Planned IPPs**";
- "**EGAT**" refers to Electricity Generating Authority of Thailand;
- **"English Prospectus"** refers to English translation of the Lao Prospectus;
- "**Enterprise Law**" refers to the Law on Enterprise (Amended) No. 46/NA, dated 26 December 2013;
- "**Financial Advisor**" refers to Lanexang Securities Public Company;
- "**Financial Statements**" refers to the financial statements of the Company for the Fiscal Year 2014 which are audited by PricewaterhouseCoopers (Laos) Limited;
- "**Fiscal Years**" refers to the Company's accounting period, starting from 1 January to 31 December and "**Fiscal Year**" refers to each of them;
- "**GOL**" refers to the Government of Lao PDR;
- "**Hong Kong**" refers to the Special Administrative Region of Hong Kong;
- "**Incorporation Date**" refers to 15 December 2010;
- **"Independent Auditor"** refers to PricewaterhouseCoopers (Laos) Limited;
- "**IPPs**" refers to independent power producers in Lao PDR and "**IPP**" refers to each of them;
- "**JPY**" refers to the Japanese Yen, which is the legal tender currency of Japan;
- "**Kip**" refers to the Lao Kip, which is the legal tender currency of Lao PDR;
- "**Korea**" refers to the Republic of Korea;
- "**Lao PDR**" refers to the Lao People's Democratic Republic;
- **"Lao Prospectus"** refers to this prospectus in Lao language which is filed with the LSCO;
- **"LDB"** refers to Lao Development Bank;
- "**LSCO**" refers to the Lao Securities Commission Office of Lao PDR;
- "**Legal Advisor**" refers to Lao Premier International Law Office Limited;
- "**LHSE**" refers to Lao Holding State Enterprise;
- "**LSX**" refers to the Lao Securities Exchange;
- "**MOF**" refers to the Ministry of Finance;

- "**MOIC**" refers to the Ministry of Industry and Commerce;
- "**MOU**" refers to the Memorandum of Understanding;
- "**NA**" or "**National Assembly**" refers to the National Assembly of Lao PDR;
- "**NASC**" refers to the National Assembly Standing Committee of Lao PDR;
- "**Other IPPs**" refers to IPP projects that are operating and in which EDL is not a shareholder;
- "**2010 NASC Resolution re: Securities and Securities Exchange**" refers to the Resolution of the NASC No. 132/SC re: Approval and Exemption of Certain Requirements in relation to Securities and Securities Exchange, dated 13 December 2010, which establishes the policy of restructuring EDL's generation business and permits EDL to transfer certain assets to the Company which currently are Assets Transferred to the Company on the Incorporation Date;
- "**2012 NASC Resolution re: Securities and Securities Exchange"** refers to the Resolution of the NASC No. 051/SC re: Approval and Exemption of Certain Articles of the Laws Particularly in relation to Securities and Securities Exchange, dated 13 June 2012, which approves EDL to sell or transfer its shares held in the four IPPs, namely: (i) Theun-Hinboun Power Co., Ltd.; (ii) Houay Ho Power Co., Ltd.; (iii) Nam Lik 1-2 Power Co., Ltd.; and (iv) Nam Ngum 2 Power Co., Ltd. to the Company.;
- "**Offer**" refers to the offering of the Capital Increase Shares to existing shareholders and to the public in accordance with Regulation re: Shares Offering No. 017/LSC dated 22/10/2014 (as defined hereafter);
- "**PDP 2010-2020 (Revision-1)**" refers to the Power Development Plan for the period of 2010 – 2020 prepared by EDL in August 2011 which have been amended from the Power Development Plan for the period 2007–2016;
- **"PESC"** refers to the Purchasing and Equipment Supply Committee;
- "**PM Decision re: Establishment of the Company**" refers to the Decision of the Prime Minister No. 180/PM re: Adopting and Confirming of Certain Requirements for the Establishment of the Company, dated 13 December 2010;
- "**PM Decree re: Fund Raising by the Company**" refers to the Decree of the Prime Minister No. 526/PM re: Exemption of Certain Requirements for the Initial Public Offering and Listing on the LSX by the Company, dated 13 December 2010;
- "**Portfolio of Assets**" refers to (i) EDL's wholly-owned generation assets in connection with the use of proceeds; (ii) EDL's shares in IPPs; and (iii) Direct Investment by the Company in other power projects;
- "**PPAs**" refers to the Power Purchase Agreements and "**PPA**" refers to each of them;
- "**Royalty**" refers to the fee for the use of natural resources to be paid to the GOL by the person entitled to use the natural resources, calculated in a percentage based on the total income from the sale of electricity;
- "**Selling Agent**" refers to KT ZMICO Securities Company Limited;
- "**Singapore**" refers to the Republic of Singapore;
- "**Thailand**" refers to the Kingdom of Thailand;
- "**THB**" refers to the Thai Baht, which is the legal tender currency of Thailand;

- "**Underwriter**" refers to Lanexang Securities Public Company;
- "**Underwriting Agreement**" refers to the Underwriting Agreements between the Company and the Underwriter;
- "**USD**", "**$**", "**US$**", "**US dollars**", "**Dollars**" or "**dollars**" refers to the US Dollar, which is the legal tender currency of the United States of America;
- "**Vietnam**" refers to the Socialist Republic of Vietnam;
- "**We**", or "**our**" refers to the Company where the context requires.

In this prospectus, the following technical terms have the meaning indicated:

GWh	:	Gigawatt Hour
km	:	Kilometre(s)
km^2	:	Square kilometre(s)
km^3	:	Cubic kilometre(s)
kV	:	Kilovolt
KVA	:	Kilo Volt Amp(s)
KWh	:	Kilowatt Hour
m	:	Metre(s)
m^3	:	Cubic metre(s)
m^3/s	:	Cubic metre(s) per second
masl	:	Metre(s) above sea level
MCM	:	Thousand circular miles
mm^2	:	Square millimetre(s)
mm^3	:	Cubic millimetre(s)
MW	:	Megawatt(s)

SUMMARY

This following summary may not contain all of the information that may be important to investors. Investors should read this entire prospectus, including the financial data and related notes and the "Risk Factors" before making an investment decision.

1. COMPANY INFORMATION

The Company was incorporated as a public company with limited liability on 15 December 2010 under the laws of Lao PDR, having its registered address at 7th Floor, EDL Headquarter Building, Lao-Thai Friendship Road, Thongkang Village, Sisattanak District, Vientiane Capital, Lao PDR. The Company was established by EDL in connection with the restructuring of the electricity business of EDL, whereby the transfer of Assets Transferred to the Company on the Incorporation Date was made by EDL according to the PM Decision re: Establishment of the Company and the 2010 NASC Resolution re: Securities and Securities Exchange.

Pursuant to the PM Decision re: Establishment of the Company and the 2010 NASC Resolution re: Securities and Securities Exchange, the Prime Minister approved the establishment of the Company and the National Assembly approved the transfer of EDL's generation assets and other relevant assets to the Company to be the Assets Transferred to the Company on the Incorporation Date, as well as the transfer of EDL's obligations under loan agreements and other agreements which are related to the Assets Transferred to the Company on the Incorporation Date.

On the Incorporation Date, EDL made payment in cash and assets, to the Company, as consideration for EDL's share subscription of 651,448,042 shares of the Company, representing 99.99 percent of the Company's total capital. The remaining 0.01 percent of the total capital was held by eight individuals.

On the same day, the Company's shareholders' meeting approved the increase of its capital from Kip 2,605,792,200,000 to Kip 3,474,388,200,000 in order for the Company to undertake the initial public offering of its shares. After completion of the initial public offering on the 11 January 2011, the Company's shares were one of the first securities listed on the LSX. Since then, EDL has maintained its position as the major shareholder of the Company, holding 75 percent of the total issued shares of the Company.

Thereafter, the Extraordinary General Shareholders' Meeting No. 1/2011 dated 3 October 2011 had approved the increase of the Company's registered capital from Kip 3,474,388,200,000, divided into 868,597,050 shares with the par value of 4,000 Kip each, resulting in registered capital of Kip 4,904,867,060,000, divided into 1,226,216,765 shares with the par value of Kip 4,000 Kip, by issuing 357,619,715 new ordinary shares at the par value of Kip 4,000 each. The capital increase was completed on 24 July 2012.

On 28 April 2015, the Annual General Shareholders' Meeting for the year 2014 had approved the increase of the Company's registered capital by issuing not exceeding 464,783,334 new ordinary shares at the par value of Kip 4,000 each and shall be offered for sale to the existing shareholders and/or the specific shareholders and/or public offering.

To facilitate this capital increase, the Annual General Shareholders' Meeting for the year 2014 had further approved: (i) allotment of not exceeding 408,738,922 ordinary shares to existing shareholders with the subscription ratio of three (3) existing shares per one (1) new share at the offering price of not less than Kip 6,000 per share; and (ii) allotment of not exceeding 56,029,412 ordinary shares to the public at the offering price of not less than Kip 6,800 per share.

The total allotment of shares in connection with this capital increase is 453,086,932 ordinary shares, in accordance with the Annual General Shareholders' Meeting for the year 2014's approved ceiling of 464,783,334 new ordinary shares.

Details of the Offer are as follows:

453,086,932 Ordinary Shares Par Value of Kip: 4,000 per share divided into:

Part 1: The offering of the new shares to the existing shareholders proportionately to their shareholding (RO) at the ratio of 3 existing shares to 1 new share.

408,738,922 ordinary shares of the Capital Increase Shares will be offered on the Rights Offering basis at the offering price Kip 6,000 per share.

The remaining ordinary shares from shareholders who did not exercise the right to subscribe the shares shall be allocated to shareholders who put forward an offer to subscribe for any excess rights exceeding their allocated portion until no allocated shares remain as deemed appropriate by the Company.

Remark: A Right Offering to the Company's existing shareholders is an offer of the Company's shares to its existing shareholders, which entitles existing shareholders to buy additional shares directly from the Company in proportion to their existing holdings, within a fixed time period. The record dates/closing shares of the shareholder registration book to determine the rights of shareholders who will be entitled to receive the allotment of the newly issued ordinary shares through Right Offering shall be closed on 24 August 2015.

Part 2: The offering of the new shares to the public (PO)

44,348,010 ordinary shares of the Capital Increase Shares will be offered on the Public Offering basis at the offering price Kip 6,800 per share.

Remark: A Public Offering is an offer the Company's shares to the public.

Payment for the subscription of Capital Increase Shares shall be in cash, except the portion of the offering to existing shareholders subscribed by EDL which will be paid by assets transfer.

The Capital Increased Shares are to be listed on the LSX. LSX is a secondary market which was established in Lao PDR in October 2010.

The current Company's business model is to own and operate the EDL-Gen Hydropower Generation Assets and sells all of the electricity production to EDL. In the future, the Company may operate its business by construction of power stations, and the necessary transmission lines for connection to the national grid, including direct investment and/or investment through joint ventures in power generation projects, and providing operation and maintenance services to power generation projects in accordance with the Company's strategy, subject to the relevant approvals from the GOL.

According to the financial result of the Company for the Fiscal Year 2014, the major revenue of the Company totalled of Kip 839,193 million from the sale of the electricity produced.

2. RISK FACTORS

An investment in the Company involves risks. Investors should carefully consider all of the information in this prospectus and, in particular, the risks factors described under "Part 1 Company Information – Risk Factors" before deciding to invest.

In general, investing in "frontier markets" such as Lao PDR with newly established stock exchanges involves risks that may not be found even in many "emerging markets". Therefore, in addition to issues relating to the Company (quality of assets and management, ability to produce cash flow, financial soundness, regulation of the electricity market), investors should pay careful attention to the issues relating to the new stock exchange, including regulation, taxation, liquidity and transaction costs.

Headings of key risk factors are as follows:

(1) Offering Risks
- Delayed Registration of Capital Increase Shares
- Failure to list the Capital Increase Shares
- Risk relating to the LSX

(2) Business Risks
- Limited Operating History of the Company
- Risk relating to CAs
- Risk of failure to reach target return on investment
- Main customer risks
- Dependence on EDL for support and as electricity off-taker
- Policies of GOL as the Company's ultimate controlling shareholders
- Plant performance risks
- Corporate governance standards
- Investments in additional projects
- Competition for development of future projects
- Differences in regulatory, disclosure and accounting practices
- Foreign exchange risks

(3) Legal Risks
- Voting of EDL in matters that may have benefit
- Foreign ownership restriction
- Enforceability of foreign judgements in Lao PDR

(4) Economic Risks
- Lao political and economic factors
- Uncertainty of electricity sector regulation in Lao PDR

See Part 1 "Company Information – Risk Factors".

3. INFORMATION IN RELATION TO THE CAPITAL INCREASE SHARES

The Issuer	EDL-Generation Public Company
Offer	453,086,932 ordinary shares are being offered to existing shareholders and to the public by the Underwriter and Selling Agent, consisting of the following: **Part 1: The offering of the new shares to the existing shareholders proportionately to their shareholding (RO) at the ratio of 3 existing shares to 1 new share.** 408,738,922 ordinary shares of the Capital Increase Shares will be offered on the Rights Offering basis at the offering price Kip 6,000 per share. The remaining ordinary shares from shareholders who did not exercise the right to subscribe the shares shall be allocated to shareholders who put forward an offer to subscribe for any excess rights exceeding their allocated portion until no allocated shares remain as deemed appropriate by the Company. Remark: A Right Offering to the Company's existing shareholders is an offer of the Company's shares to its existing shareholders, which entitles existing shareholders to buy additional shares directly from the Company in proportion to their existing holdings, within a fixed time period. The record dates/closing shares of the shareholder registration book to determine the rights of shareholders who will be entitled to receive the allotment

	of the newly issued ordinary shares through Right Offering shall be closed on 24 August 2015. **Part 2: The offering of the new shares to the public (PO)** 44,348,010 ordinary shares of the Capital Increase Shares will be offered on the Public Offering basis. The Offer has been registered as a public offering with the LSCO whereby the Capital Increase Shares will not be registered under the securities laws of any jurisdictions other than the securities laws of Lao PDR. Remark: A Public Offering is an offer the Company's shares to the public.
Par Value	Kip 4,000 per share
Offering Price in the Offer to existing shareholders	Kip 6,000 per share
Offering Price in the Offer to the public	Kip 6,800 per share
Voting Rights	Owners of the shares will be entitled to full voting rights. See Part 2 "Information in Relation to the Offer – Voting Rights".
Dividends	The owners of the shares will be entitled to receive dividends as approved by the shareholders' meeting at the rate of no less than 50 percent of the available net profits of the Company after deducting for taxes, statutory/legal reserve fund and other reserve funds (if any). See Part 2 "Information in Relation to the Offer – Dividends". Dividends in respect to the shares in the Lao companies are generally subject to the income tax in the Lao PDR at a rate of 10 percent. However, income with respect to dividends by a LSX listed company is exempted from income tax in the Lao PDR.
Transfer Restriction of the Shares	According to the AOA of the Company, shares of the Company can be freely transferred unless such transfer will cause foreign person(s) or foreign juristic person(s) to hold shares in the Company exceeding the number specified in the regulations of the LSCO and/or any relevant laws and regulations. Currently, the LSCO Decision No. 021/SEC re: the Increase of the Foreign Ownership in EDL-Generation Public Company dated 5 January 2012 allows foreign investors to own the shares in the Company no more than 20 percent of the total shares, of which each individual persons must not hold more than 1 percent of the total shareholdings in the Company, and each institutional investors or juristic persons must not hold more than 5 percent of the total shareholdings in the Company. See Part 2 "Information in Relation to the Offer – Transfer Restriction and Limitation on Foreign Ownership of Shares".
Use of Proceeds	This capital increase is to facilitate the Company's long-term business plan of: (i) maintaining its market share; (ii) maintain its earnings' growth rate; and (iii) meeting Lao PDR's domestic power demands as well as future export demands. As the construction of hydropower generation assets cannot be undertaken in a short period of time, the Company is required to raise funds to facilitate the necessary acquisitions of

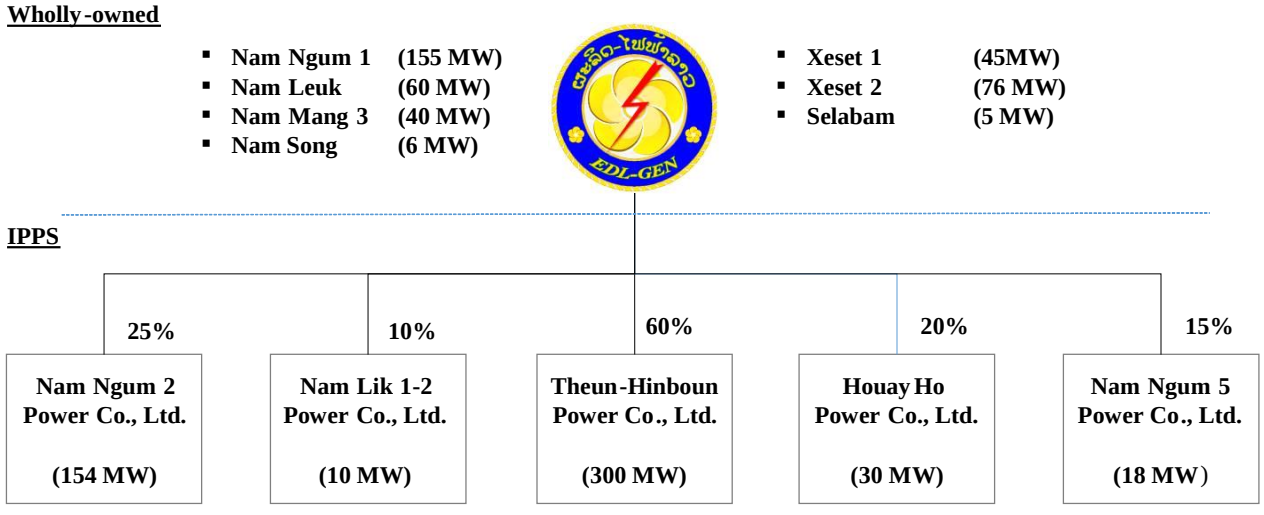
	hydropower generation assets and direct investments through this capital increase in order to have such assets ready for utilisation by 2019-2020 as planned. The proceeds from the Offer will be used in connection with: (i) EDL's wholly-owned generation assets in connection with the use of proceeds; (ii) EDL's shares in IPPs ; (iii) direct investment by the Company in other power projects; and (iv) working capital. Whereby (i)-(iii) above are collective referred to as (the "**Portfolio of Assets**"). See Part 1 "Company Information – Use of Proceeds"**.**
No Offer of Existing Shares	The offer of the Capital Increase Shares in this Offer will be newly issued shares. No existing shares of the Company are to be offered as part of this Offer.

Certain events in the course of the Offer are summarised below. Certain of the dates are estimates provided by the Company and are subject to change. All references to times in this prospectus are to local time in Lao PDR (which is Greenwich Mean Time plus 7 hours).

Offering Period for the Offer	Offering period for the Offer to existing shareholders: Between 8:30 a.m. to 4:30 p.m., during 28 August – 8 September 2015 (On 8 September 2015, the subscription will be closed at 12.00 noon.) Offering period for the Offer to the public: Between 8:30 a.m. to 4:30 p.m., during 28 August - 8 September 2015 (on 8 September 2015, the subscription will be closed at 12.00 noon.)
Subscription and Payment	Payment to the Company accompanying subscriptions for the Capital Increase Shares in this Offer is due on or before the end of the offering period.
Delivery of the Capital Increase Shares	Delivery of the Capital Increase Shares will be made after payment for the Capital Increase Shares being offered. It is expected that delivery of the Capital Increase Shares in this Offer will be made through the LSX's depositary facilities by the Securities Depositary Centre no later than 15 business days after the offering period.
Registration of Increase in Capital and Notification of the Change in Enterprise Registration Certificate	Application for the registration of the increase in the Company's capital is expected to be filed together with the notification of the change in enterprise registration certificate to the competent department of the MOIC no later than 10 business days after the completion of the Offer.
Application for Listing of the Capital Shares	The Company will file the application for listing of the Capital Increase Shares to the LSX, which will be made promptly after the Company: (i) completed the registration of increase in the Company's capital with the MOIC; and (ii) received the amended enterprise registration certificate from the MOIC, both of which will take place after the completion of the Offer.
Listing on the LSX	The Company expects that its Capital Increase Shares will be approved as listing securities on the LSX no later than 7 days after filing the application for listing of Capital Increase Shares.

4. CORPORATE STRUCTURE

Figure A: Corporate Structure



Source: EDL-Gen
Note: Equity attributed Capacity

5. SHAREHOLDING STRUCTURE

The Company's major shareholders as at 17 March 2015 (the closing date of the shareholders' register book in connection with the Annual General Shareholders Meeting for the year 2014 is as follows:

Table A: The Company's Equity Structure as at 17 March 2015

No.	Name of Shareholders	As at 17 March 2015	
		Number of Shares Held	Shareholding Proportion
1.	ELECTRICITE DU LAOS	919,662,992	75.00%
2.	RATCH-LAO SERVICES COMPANY LIMITED	71,136,243	5.80%
3.	RH INTERNATIONAL (SINGAPORE) CORPORATION PTE. LTD	52,811,108	4.31%
4.	BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC	28,762,552	2.35%
5.	KRUNG THAI BANK PUBLIC COMPANY LIMITED	18,737,500	1.53%
6.	NT ASIA DISCOVERY MASTER FUND	12,257,587	1.00%
7.	DRAGON CAPITAL CLEAN DEVELOPMENT LTD.	11,056,500	0.90%
8.	MEKONG HOLDING INS	6,212,699	0.51%
9.	THAVEERAT PROONGPATTANASKUL	5,003,600	0.41%
10.	KT ZMICO SECURITIES COMPANY LIMITED	3,989,189	0.33%
11.	OTHER SHAREHOLDERS	96,586,795	7.88%
	Total	**1,226,216,765**	**100.00%**

Source: EDL-Gen

6. BOARD OF DIRECTORS

As at the date of this prospectus, the Company's board of directors is comprises of 10 directors who are qualified and have experiences in the management, as follows:

Table B: The Company's Board of Directors

No.	Name	Title
1.	Dr. Khammany Inthirath	Chairman
2.	Mr. Sisavath Thiravong	Vice Chairman
3.	Mr. BounOum Syvanpheng	Director
4.	Ms. Rattana Pathoumvan	Director
5.	Mr. Bounma Manivong	Director
6.	Ms. Vanida Savaddy	Director
7.	Mr. Sychath Boutsakitirath	Director
8.	Assoc. Prof. Dr. Kongsy Sengmany	Independent Director
9.	Prof. Dr. Khamlusa Nouansavanh	Independent Director
10.	Assoc. Prof. Khampheui Phommachanh	Independent Director

Source: EDL-Gen

7. MANAGEMENTS

As at the date of this prospectus, the Company's management team comprises of three members of the Director General's Committee and four department directors as follows:

Table C: The Company's Managements

No.	Name	Position
1.	Mr. BounOum Syvanpheng	Managing Director (Chief Executive Officer)
2.	Ms. Rattana Pathoumvan	Deputy Managing Director (Chief Operating Officer)
3.	Dr. Bounsalong Southidara	Deputy Managing Director (Chief Financial Officer)
4.	Mr. Phoummy Netibanedith	Director of Generation Department
5.	Mr. Viratha Phonekeo	Director of Strategic Planning and Business Development
6.	Ms. Souksanh Phongphila	Director of Corporate Support and Administration Department
7.	Mr. Vanhseng Vannavong	Acting Director of Finance Department

Source: EDL-Gen

8. FINANCIAL STATUS AND OPERATING DATA

8.1 Financial Status and Operating Data for the Fiscal Year 2014 and 2013

Table D: Summary of Financial Status and Operating Data for the Fiscal Year 2014 and 2013

Financial Summary (Million Kip)	Company's Financial Statements for the Fiscal Year 2014	Company's Financial Statements for the Fiscal Year 2013
BALANCE SHEET		
Assets		
Non-current assets		
Interests in associates	610,357	571,745
Interests in joint ventures	1,498,609	1,298,247
Advance payment for investment	779,005	474,411
Assets under concession, net	4,145,851	4,011,109
Other non-current assets	1,885	3,465
Total non-current assets	**7,035,707**	**6,358,977**

Financial Summary (Million Kip)	Company's Financial Statements for the Fiscal Year 2014	Company's Financial Statements for the Fiscal Year 2013
Current assets		
Cash and cash equivalents	1,251,534	159,914
Short-term investments	20,000	20,000
Trade and other receivables	502,382	519,355
Spare parts and supplies, net	4,043	3,020
Other current assets	7,595	5,905
Total current assets	**1,785,554**	**708,194**
Total Assets	**8,821,261**	**7,067,171**
Equity		
Share capital	4,904,867	4,904,867
Share premium	142,229	142,229
Legal reserve	297,210	206,442
Translating financial statements	(1,476)	7,001
Retained earnings	978,811	744,348
Total equity	**6,321,641**	**6,004,887**
Liabilities		
Non-current liabilities		
Long-term borrowings, net	499,263	805,295
Debenture, net	1,575,862	-
Payable – swap contract, net	11,105	-
Total non-current liabilities	**2,086,230**	**805,295**
Current liabilities		
Trade and other payables	174,589	30,823
Current portion of long-term borrowings	99,519	132,003
Accrued expenses	134,936	66,077
Accrued income tax	4,306	9,278
Other current liabilities	40	18,808
Total current liabilities	**413,390**	**256,989**
Total liabilities	**2,499,620**	**1,062,284**
Total equity and liabilities	**8,821,261**	**7,067,171**
PROFIT & LOSS STATEMENT		
Sales	839,193	862,429
Cost of sales	(215,613)	(203,935)
Gross profit	**623,580**	**658,494**
Other income	5,680	6,700
Operating and administrative expenses	(123,528)	(113,489)
Foreign exchange gain / (loss), net	(18,098)	24,463
Interest expense	(31,722)	(30,845)
Share of profit of associates and joint ventures	474,467	453,746
Profit before income tax expense	**930,379**	**999,069**
Income tax expense	(22,695)	(27,327)
Net profit for the year	**907,684**	**971,742**
STATEMENT OF CASH FLOWS		
Cash flow from operating activities		
Net profit before income tax for the year	**930,379**	**999,069**
Adjustments to reconcile net profit to net cash		
Amortisation of cost of insurance debenture	222	-
Depreciation	181,555	167,060
Foreign exchange (gain)/loss	(11,555)	(25,753)
Share of profit of associates and joint ventures	(474,467)	(453,746)
Finance costs	31,722	30,845
Operating cash flow change in working capital charges	**657,856**	**717,475**
Changes in working capital		
Trade and other receivables	16,973	(105,722)
Spare part and supplies	(1,021)	108
Other current assets	(1,691)	(4,100)
Account payable	(30,373)	(34,520)
Other assets	1,579	1,732
Other current liabilities	(18,767)	15,537

Financial Summary (Million Kip)	Company's Financial Statements for the Fiscal Year 2014	Company's Financial Statements for the Fiscal Year 2013
Accrued expenses	50,934	43,945
Cash generated from operations	675,490	634,455
Income tax paid	(27,668)	(24,878)
Net cash generate from operating activities	**647,822**	**609,577**
Cash flows from investing activities		
Advance payment from investment	(304,594)	(95,410)
Purchases of assets under concession	(142,162)	(168,379)
Purchases of short-term investment	(20,000)	(20,000)
Proceeds from short-term investment	20,000	40,000
Dividends received	227,016	313,129
Net cash from (used in) investing activities	**(219,740)**	**69,340**
Cash flows from financing activities		
Proceeds from long-term borrowings	-	90,113
Repayment on long-term borrowings	(333,145)	(174,663)
Proceeds from short-term borrowings	160,000	-
Repayment on short-term borrowings	(160,000)	-
Proceeds from debenture issuance	1,616,810	-
Transaction cost paid for debenture issuance	(17,734)	-
Dividends paid to shareholders	(436,840)	(424,884)
Dividends paid to non-controlling interests	(145,613)	(141,628)
Interest payment	(30,733)	(31,696)
Net cash used by financing activities	**652,745**	**(682,758)**
Net decrease in cash and cash equivalents	**1,080,827**	**(3,841)**
Cash and cash equivalent beginning of the year	159,914	164,511
Effect of exchange rate changes on cash and cash equivalent	10,793	(756)
Cash and cash equivalent ending of the year	1,251,534	159,914
Significant non cash items		
Other payable for purchase of assets under construction	174,135	64,890
Other payables for transaction cost of debenture issuance	16,936	-

Source: EDL-Gen

8.1.1 Report and Analysis of the Operating Results

For the operating results of the year 2013 and 2014, the Company presented the total revenue and the net profit of Kip 971,742, million and Kip 907,684 million, respectively. Sale and Net Profit decreased by 2.69% and 6.59%. The major results of the drop in performance cause by the drop in actual production capacity. In 2014 the power generated from its own assets was less than that of 2013. The drop in capacity led to the increase in production cost due to lack of economy of scale. There was also the increase in administration expenses especially from exchange rate loss in 2014.

The Company's gross margins of 2013 and 2014 were Kip 658,494 million or 76% and Kip 623,580 million or 74%, respectively. The major cost of sale is depreciation, which was derived from cost of construction. EBITDA margin and net profit margin of 2013 and 2014 ended up at 91%, 74% and 87%, 69%, respectively. The increase in administration expense including foreign exchange loss caused the drop in both EBITDA and net profit.

8.1.2 Revenues

The revenues were primarily derived from the sales of electricity to EDL, and details can be broken down as per the following table:

Table E: Revenue Breakdown

	31 December 2014 (Million Kip)	31 December 2013 (Million Kip)
Electricity Sales	839,193	862,429
Other Revenues	5,680	6,700
Total Revenues	844,873	869,129

Source: EDL-Gen

For the operating results of the year 2014, revenues from the sales of electricity were Kip 839,193 million, equalling 99.32%of the total revenues and other revenues which mostly came from interest income were approximately Kip 5,680 million. In 2014, the electricity production for sale was approximately 1,996 GWh with the average tariff rate at Kip 426.43 per KWh. The following table describes the detail of electricity production broken down by dams in 2014:

Table F: Production Breakdown

	Total	Nam Ngum 1	Nam Mang 3	Nam Leuk	Xeset 1+2	Selabam	Nam Song
Electricity Production (GWh)	1,996	1,142	178	197	436	30	13

Source: EDL-Gen

In 2013, the Company produced the electricity for sale at 2,043 GWh with the average tariff rate of Kip 422.21 per KWh.

The Company operating results vary in each quarter and season. The electricity production depends on the water flow to the reservoir of each dam resulting in the Company's increasing production capacity at the end of the year which is the rainy season.

8.1.3 Operating Expenses

Cost of sales and administrative expenses. The following table sets out the details of major components of cost and administration expenses:

Table G: Cost breakdown

	Company's Financial Statements for the Fiscal Year 2014 (Million Kip)	Company's Financial Statements for the Fiscal Year 2013 (Million Kip)
Cost of sales		
Maintenances	21,623	21,873
Depreciation and Amortisation	181,555	167,060
Others	12,435	15,002
Total Costs of sales	**215,613**	**203,935**
Selling and Administrative Expenses		
Salary and Welfare	40,112	42,173
General and Administrative	83,415	71,316
Others (Foreign Exchange Gain/Loss)	18,098	(24,463)
Total Selling and Administrative Expenses	**141,626**	**89,026**

Source: EDL-Gen

8.1.4 Expenses

For the operating results of the year in 2014, the cost and expenses amounted to Kip 357,239 million which was equal to 42.28% of the total revenues. The cost of sales and the selling and administrative expenses were Kip 215,613 million and Kip 141,626 million, respectively, as per details below:

(1) Cost of sales equalling Kip 215,613 million consisted mainly of depreciation and amortisation according to the concession term under the CAs for a period of 30 years equalling Kip 181,555 million or 84.20% of the total cost of sales, and maintenance costs amounting to Kip 21,623 million or 10.03% of the total cost of sales. Furthermore, we also had the Royalty expense of one % of the total sales of electricity, and other expenses, etc.

(2) Selling and Administrative expenses equalling Kip 141,626 million or 16.76% of the total revenues. Major expenses were from salary and welfare amounting to Kip 40,112 million or 28.32% of the total selling and administrative expenses or 4.7% of the total revenues.

8.1.5 Profit before Financial Costs and Corporate Income Tax

For the operating results of the 2014 and 2013, the Company operating net profit before financial costs and corporate income tax was Kip 487,634 million and Kip 576,168 million or 57.71% and 66.29% of total revenue respectively.

Table H: Operating Results

	Company's Financial Statements for the Fiscal Year 2014 (Million Kip)	Company's Financial Statements for the Fiscal Year 2013 (Million Kip)
Operating Net Profit before Financial Costs and Tax	487,634	576,168
Financial Costs	31,722	30,845
Tax	22,695	27,327
Net Profit before Shared Profit from Associates and JV	433,217	517,996
Shared Profit from Associates and JV	474,467	453,746
Net Profit for the Year	**907,684**	**971,742**

Source: EDL-Gen

8.1.6 Financial Costs

In 2014, the financial costs of the Company were Kip 31,722 million or 3.75% of the total revenues, and were mainly from interest expenses of the long term borrowing. The interest was charged between 2.00% to 6.51% per annum.

In 2014, the corporate income tax was Kip 22,695 million representing the tax rate of 5% of the profit before tax. Since its shares are listed on the LSX, the Company received the privilege of 5% reduction in corporate income tax for 4years from 2011 to 2014 from the normal rate of 10% throughout the term of the CAs; however, if the Company declares loss or had the profit below a certain level, the Company has to pay a minimum tax of 0.25% of the total revenues.

8.1.7 Net Profit

The net profit before share of profit from associate and JV in 2014 was Kip 433,217 million, or 51.27% of the total revenues, representing a drop of Kip 84,779 million from last year or 16.40%. The drop in capacity of electricity generation, caused by the decrease in level of water, resulted in the decrease in performance. Moreover,

in 2013 the company gained the exchange rate of Kip 24,463 million, which resulted in the decrease in total expenses. However we found that the Company still contributed a high rate of net profit compared to other businesses since most of the costs of electricity generation in the hydropower business are for the maintenance and depreciation which are accounting expenses, not real cash flows. In addition, our financial cost of debt was low and continuously decreased and this gave the Company an opportunity to be highly profitable.

8.2 Report and Analysis of Financial Position

8.2.1 Assets Analysis

In 2014, the total assets of the Company was Kip 8,821,261 million, increased by Kip 1,754,090 million or 24.8% from the end of 2013. The main reason was the increase of cash and cash equivalents.

(1) Cash and cash equivalent amounting to Kip 1,251,534 million or 14.19% of the total assets increased by Kip 1,091,620 million from last year. In second half of 2014, the Company raised its fund by issuing bond of THB 6,500 million and this led to the increase in cash.

(2) Trade and other receivables amounting to Kip 502,382 million or 5.70% of the total assets, slightly increased by Kip 16,973 million from last year. The normal term of account receivable is around 45 Days. However the day account receivable of 2014 and 2013 were around 216 days, representing account receivable turnover of 1.7 times. This would have an impact on longer cash conversion cycle and the opportunity loss of interest.

(3) Short-term investment amounting to Kip 20,000 million was the deposit with local financial institution, commencing from 18 November 2014 to2015 with interest of 10% per annum.

(4) Net assets under the CAs amounting to Kip 4,145,851 million or 46.99% of the total assets, most of them were hydropower plant sunder the CAs term of 30 years, increased by Kip 134,742 million from 2013 due to construction and installation of the power plants

(5) The Company's return on assets and fixed asset in 2014 were 10% and 15% respectively. This represented the profit generated from its investment assets.

8.2.2 Liabilities Analysis

As at 31 December 2014, the Company's total liabilities was Kip 2,499,620 million, increased by Kip 1,437,336million from 2013. The main increase was from Debenture issued in the amount of Kip 1,575,862 million. Purpose fund is for buying new generation assets and investing in shares of companies operating the power plant. The increase of interest bearing debts led to higher debt to equity ratio of 0.4 times, though still low, at the end of 2014.

Most of the Company's liabilities were long-term borrowings which amounted to Kip 2,185,749 million or 87.44% of the total liabilities, consisting of long-term borrowings repayment within one year of Kip 99,519 million or 3.98%, long-term borrowings repayment over 1 years of Kip 499,263 million or 19.97%, and 10 years debenture of Kip 1,575,862 million or 63.04% of the Company's borrowings.

8.2.3 Debt Service Analysis

In 2013 and 2014, the company had current ratio of 5.7 times, which implied the Company's good management in working capital. In addition, Debt to Equity was still low at 0.2 times and 0.4 times in 2013 and

2014 respectively. Likewise, the Interest bearing Debt to Equity of 0.2 times and 0.3 times were relatively low.

However, the trend of the interest coverage and debt service coverage should be in focus. In 2013 and 2014 interest coverage presented at 38.8 and 36.1 times respectively. This implied the slight drop in ability to serve interest payment incurred from increasing debts. However, we found that the Company still has capability for Debt Repayment. The debt service coverage ratio in 2013 and 2014 were presented at 5.8 and 3.1 times respectively.

8.2.4 Shareholders' Equity Analysis

As at 31 December 2014, the shareholders' equity amounted to Kip 6,321,641 million or 71.66 percent of total assets. Shareholders' equity consisted of paid up capital amounted to Kip 4,904,867 million with the par value of Kip 4,000 per share (total share is 1,226,216,765 shares). Share Premium is Kip 142,229 million. Legal reserve and adjustment is Kip 295,734 million, an increase of Kip 82,291 million from 2013. The retained earnings amounted to Kip 978,811 million increasing by Kip 234,463 million from last year. The slight drop of net profit lowered the return on equity to 14% in 2014.

PART 1
COMPANY INFORMATION

1. COMPANY INFORMATION

1.1 General Information

Company Name	:	EDL-Generation Public Company
Symbol Name	:	EDL-Gen
Incorporation Date	:	15 December 2010
Type of Business	:	1. Wholesale of the electricity to EDL and construction of power stations, and the necessary transmission lines for connection to the national grid. 2. Investment or joint venture in other power generation project. 3. Provide operation and maintenance services to power generation assets in Lao PDR.
Head Office	:	7th Floor, EDL Headquarter Building, Lao-Thai Friendship Road, Thongkang Village, Sisattanak District, Vientiane Capital, Lao PDR
Telephone Number	:	(+856-21) 316-142
Facsimile Number	:	(+856-21) 316-141
E-mail	:	edlgenhq@edlgen.com.la
Website	:	www.edlgen.com.la

1.2 Company Background

From 2008, EDL has implemented the directives of the GOL on the business restructuring of the electricity industry in Lao PDR. EDL, a state enterprise with the function of producing, transmitting and selling electricity, had engaged advisors to study the feasibility of its business structure reorganisation in order to facilitate growth and development of Lao PDR's electricity industry in response to the needs of the nation.

In 2010, the result from the study certified that the electricity production generating part of EDL can be used as capital for the establishment of the Company. Thereafter, the Company increased its capital by selling the 25 percent of its shares to the public, and then listed all its shares on the LSX.

Under the lead of the LSCO, the technical committee was set up to prepare the Company's listing on the LSX. This Committee composed of individuals from concerned ministries in relation to the privatisation and the establishment of the country's inaugural capital market.

This process concerned the ministries and governmental authorities, including the National Assembly and the Prime Minister's Office, and the exemption of the implementation of some provisions and articles of the Decrees and relevant laws, in support of the establishment of the stock exchange.

On 15 December 2010, the MOIC issued the enterprise registration certificate No. 4637/ERO to the Company with the registered capital as at incorporation in the amount of Kip 2,605,792,200,000 or 651,448,050 shares (with a par value of Kip 4,000 per share), whereby EDL subscribed for the Company's shares and made subscription payment by transferring its assets relating to the electricity production to the Company , which are Nam Ngum 1, Nam Leuk, Nam Mang 3, Nam Song, Xeset 1, Xeset 2, and Selabam (the "**Assets Transferred to the Company on the Incorporation Date**"). The total installed capacity was 387 MW, having average energy capacity per year at 1,923.5 GWh.

In December 2010, the Company's shareholders' meeting had approved the increase of the Company's capital to Kip 3,474,388,200,000 by issuing 217,149,000 shares for the initial public offering of its shares, offering to the employees of the Company, and to EDL pursuant to the approval of a public offering according to the

Letter No. 002/SECO dated 15 December 2010.

On 7 January 2011, the Company had registered capital in the amount of Kip 3,474,388,200,000 comprising of 868,597,050 shares. On 11 January 2011, the Company was officially listed on the LSX.

Thereafter, the Extraordinary General Meeting of Shareholders No. 1/2011 dated 3 October 2011 had approved the increase of the Company's registered capital from Kip 3,474,388,200,000 divided into 868,597,050 shares with the par value of Kip 4,000 each, to the value of Kip 4,904,867,060,000, divided into 1,226,216,765 shares with the par value of Kip 4,000 Kip each, by issuing 357,619,715 new ordinary shares at the par value of Kip 4,000 each. The capital increase was completed on 24 July 2012.

In August 2012, the Company successfully purchased shares of four IPPs from EDL. The purchases consisted of: (i) 60 percent of shares in Theun Hinboun Power Co., Ltd.; (ii) 25 percent of shares in Nam Ngum 2 Power Co., Ltd.; (iii) 20 percent of shares in Houay Ho Power Co., Ltd.; and (iv) 10 percent of shares in Nam Lik 1-2 Power Co., Ltd. The total combined equity attributed capacity of the four IPPs were 494 MW, which increased the Company's equity attributed capacity to 881 MW.

In 2014, The Company issued debentures in the amount of THB 6,500 million for investing in both generation assets and stakes in IPPs. In February 2015, part of the proceeds from the issued debentures was used in connection with the purchase of shares in Nam Ngum 5 Power Co., Ltd. from EDL. As at the date of this prospectus, the Company operates 7 wholly-owned hydropower plants and 5 hydropower projects through equity in IPPs. The total Company's equity attributed capacity as at the date of this prospectus is 899.15 MW

On 28 April 2015, the Annual General Shareholders' Meeting for the year 2014 had approved the increase of the Company's registered capital by issuing not exceeding 464,783,334 new ordinary shares at the par value of Kip 4,000 each and shall be offered for sale to the existing shareholders and/or the specific shareholders and/or public offering.

To facilitate this capital increase, the Annual General Shareholders' Meeting for the year 2014 had further approved: (i) allotment of not exceeding 408,738,922 ordinary shares to existing shareholders with the subscription ratio of three (3) existing shares per one (1) new share at the offering price of not less than Kip 6,000 per share; and (ii) allotment of not exceeding 56,029,412 ordinary shares to the public at the offering price of not less than Kip 6,800 per share.

The total allotment of shares in connection with this capital increase is 453,086,932 ordinary shares, in accordance with the Annual General Shareholders' Meeting for the year 2014's approved ceiling of 464,783,334 new ordinary shares.

2. USE OF PROCEEDS

The total number of share in connection with this capital increase is 453,086,932 ordinary shares. The offering of shares to the existing shareholders in the amount of 408,738,922 shares at the offering price Kip 6,000 per share shall come to Kip 2,452,433,532,000. The offering of shares to public in the amount of 44,348,010 shares at the offering price Kip 6,800 per share shall come to Kip 301,566,468,000. The estimated fund from this capital increase is Kip 2,754,000,000,000.

This capital increase is to facilitate the Company's long-term business plan of: (i) maintaining its market share; (ii) maintain its earnings' growth rate; and (iii) meeting Lao PDR's domestic power demands as well as future export demands.

As the construction of hydropower generation assets cannot be undertaken in a short period of time, the Company is required to raise funds to facilitate the necessary acquisitions of hydropower generation assets and direct investments through this capital increase in order to have such assets ready for utilisation by 2019-2020 as planned.

The proceeds from the Offer will be used in connection with:

(i) EDL's wholly-owned generation assets in connection with the use of proceeds;

(ii) EDL's shares in IPPs;

(iii) Direct investment by the Company in other power projects;

(iv) Working capital.

Whereby (i)-(iii) above are collective referred to as (the "**Portfolio of Assets**").

The relevant transfer agreement(s) shall be entered into by the Company and EDL following the achievement of COD of the relevant assets or the relevant EDL's shares in IPPs, or any other dates to be mutually agreed in writing by the both parties, as the case may.

Table 2.1: Details of the Portfolio of Assets

No.	Name of Project	Location (Province)	Stake to acquire	Equity Attributed Capacity (MW)	Target Market	Remarks	Expected Transfer or Completion
EDL's wholly-owned generation assets in connection with the use of proceeds							
1.	Nam Chiean 1	Xieng Kuang	100%	104.0	Laos	Under Construction	2016
2.	Nam Hinboun	Khammuan	100%	30.0	Laos	Under Construction	2016
3.	Xeset 3	Champasak	100%	24.0	Laos	Under Construction	2016
4.	Nam Ngum 1 Ext DFE	Vientiane	100%	80.0	Laos	Under Construction	2018
5.	Nam Ngum 1 Ext Unit 6	Vientiane	100%	40.0	Laos	Undergoing Feasibility Study	2018
	Sub Total			**278.0**			
EDL's shares in IPPs							

No.	Name of Project	Location (Province)	Stake to acquire	Equity Attributed Capacity (MW)	Target Market	Remarks	Expected Transfer or Completion
1.	Nam Ngiep 2	Kiangkhouang	10%	18.0	Laos	Under Construction	2015
2.	Nam Beng	Oudomxay	20%	6.8	Laos	Under Construction	2016
3.	Xekamam 3	Sekong	15%	37.5	Laos	Under Construction	2015
4.	Nam Lik 1	Vientiane	10%	6.0	Laos	Under Construction	2016
5.	Nam Mang 1	Bolikhamxay	10%	6.4	Laos	Under Construction	2016
6.	Nam Tha 1	Louangnamtha Borkeo	20%	33.6	Laos	Under Construction	2017
	Sub Total			**108.3**			
Direct investment by the Company in other power projects							
1.	Nam Phoun	Xayaburi	51%	30.6	Laos	Under Project Development Agreement (PDA) Stage	2018
2.	Nam Bi	Sekong	80%	104.0	Laos	Undergoing Feasibility Study	2018
	Sub Total			**134.6**			
	Total			**520.9**			

Source: EDL-Gen

Table 2.2: Estimation of the Use of Proceeds

No.	Purposes	Estimated Investment Amount (Kip)	Amount from the Proceeds (Kip)	Percentage of proceed (%)	Expected Use of Proceeds
1.	EDL's wholly-owned generation assets in connection with the use of proceeds	1,850,769,000,000	1,850,769,000,000	67.20	2015-2018
2.	EDL's shares in IPPs	536,625,000,000	536,625,000,000	19.49	2015-2018
3.	Direct investment by the Company in other power projects	338,094,000,000	338,094,000,000	12.28	2015-2018
4.	Working capital	28,512,000,000	28,512,000,000	1.04	2015-2018
	Sub Total	**2,754,000,000,000**	**2,754,000,000,000**	**100.00**	

Source: EDL-Gen

3. RISK FACTORS

An investment in the Company involves risks. Investors should carefully consider all of the information in this prospectus and, in particular, the risks described below before deciding to invest. The following describes some of the significant risks that could affect the Company and the value of any investment in the Company. Additionally, some risks may be unknown to us and other risks, currently believed to be immaterial, could actually be material.

In general, investing in "frontier markets" such as Lao PDR with newly established stock exchanges involves risks that may not be found even in many "emerging markets". Therefore, in addition to issues relating to the Company (quality of assets and management, ability to produce cash flow, financial soundness, regulation of the electricity market), investors should pay careful attention to the issues relating to the new stock exchange, including regulation, taxation, liquidity and transaction costs of the Company.

A summary of key risk factors and associated mitigation measures is as follows:

3.1 Offering Risks

3.1.1 Delayed Registration of Capital Increase Shares

Purchasers of the Capital Increase Shares in the Offer will not be entitled to exercise their rights as shareholders and will not be able to settle sales of their Capital Increase Shares until the Company registers the increase in its capital resulting from the Offer with the MOIC and receives the amended enterprise registration certificate from MOIC. During this period, purchasers are likely to be deemed to be unsecured creditors of the Company with respect to the Capital Increase Shares rather than shareholders.

3.1.2 Failure to List the Capital Increase Shares

Upon completion of the Offer and registration of the increase in the share capital with the MOIC, the Company will make the application for listing of the Capital Increase Shares on the LSX. Approval of such listing application is expected to be granted, subject to certain standard conditions of the LSX designed to ensure that the shares of listed companies are widely held.

If the Company is unable to list its Capital Increase Shares, shareholders will be unable to trade their Capital Increase Shares on the LSX. In such case, the Underwriter has agreed that they will match buy and sell orders of the Capital Increase Shares on behalf of any shareholders that wish to acquire or dispose of such Shares.

3.1.3 Risk relating to the LSX

The LSX is a newly opened market and is evolving its systems and regulations in order to correspond with the expansion of the future economy of Lao PDR. However, in comparison with other developed securities exchange in some countries such as Hong Kong or Singapore, the LSX is less active and the information of the Company publicly available on the newly LSX is less than that is regularly published by or about listed companies in developed exchange. Therefore, investors may find it more difficult to obtain Company's information on the LSX than information about listed companies on other developed exchange.

3.2 Business Risks

3.2.1 Limited Operating History of the Company

The Assets Transferred to the Company on the Incorporation Date, most of which have been in full commercial operation for many years, are expected to continue to operate as before the transfer of ownership from EDL. However, there can be no assurance that the Assets Transferred to the Company on the Incorporation Date will continue to operate at current levels of dependable capacity, or to the levels which EDL achieved and, therefore, no assurance can be given that projected revenues or operating profits will be achieved. However, certain number of the

Company's employees transferred from EDL at the Incorporation Date has continued to operate the Assets Transferred to the Company on the Incorporation Date and some of them are skilled and technicians in the Assets Transferred to the Company on the Incorporation Date. Therefore, the Company believes that the operation of the Assets Transferred to the Company on the Incorporation Date will not be affected by the limited operating history of the Company.

3.2.2 Risk relating to CAs

According to the Law on Electricity (Amended) No. 03/NA, dated 20 December 2011, the maximum concession period allowed in relation to a generation asset is 30 years commencing from commercial operation date, where there is no extension allowed under the current law. Thus, the Company's main source of revenue (which is the sale of electricity to EDL under the PPAs) is subject to such limit.

In addition, the rights granted under each CA and the rights to use the natural resources such as water and land in relation to each Asset Transferred to the Company on the Incorporation Date may be revoked by the GOL if a PPA relating to that project is terminated because the Company becomes insolvent, the Company fails to pay Royalty and taxes or the Company breaches the terms of the CA or PPA amounting to a default. While the termination of one CA does not itself base on the termination of all other CAs, if a CA is terminated for any reason, the Company would be unable to or would be restricted from operating the relevant Asset Transferred to the Company on the Incorporation Date within the relevant concession area and the Company's business, financial condition, results of operations and prospects would be materially and adversely affected.

3.2.3 Risk of Failure to Reach Target Return on Investment

The Company has the responsibility to properly monitor and manage plant operations in order to reach or exceed targeted performance parameters. Typical measures imposed to mitigate such risks are as follows:

(i) Set up the Company's management and assign such management and personnel to be representatives of the directors and to manage wholly owned hydropower projects and joint ventures.

(ii) Set up the Company's asset management division to regularly monitor operating performances of each facility and its staffs and to analyse and update the actual return on investment against the set target.

(iii) Prepare regular progress reports and exceptional performance report to the executive management and the board of directors so that a timely and appropriate action can be taken.

3.2.4 Main Customer Risks

Presently, the Company's major source of revenue is the generation and sale of electricity to EDL under PPAs which provide for EDL to purchase electricity energy generated from the Assets Transferred to the Company on the Incorporation Date. Given that EDL is responsible for ensuring a reliable power supply system in Lao PDR, the Company believes that its revenue risk exposure is low. However, the Company's dependence upon a main customer could lead to dramatically reduced revenue in the event of any number of difficulties at EDL. Revenues from the Company will depend on the continued integrity of the PPAs, the Company's ability to perform under them as well as EDL's ability and willingness to make payments under them. Specific risks associated with the PPAs are described below.

Changes in Law: The PPAs provide for compensation to the Company in the event that any changes in law that have an adverse impact on the Company's revenues or costs.

Termination: Upon the occurrence of certain events of default under the PPAs, EDL may terminate the PPAs.

In addition, the GOL may in the future partially or wholly restructure EDL, with the GOL maintaining an interest in EDL. However, there is no assurance that the GOL will restructure EDL in a manner favourable to the Company or that the payment obligations of EDL under the PPAs will continue to be obligations of a state enterprise. The Company believes that the GOL will continue to control and support EDL for foreseeable future because of EDL's continuing importance to electricity transmission and distribution in Lao PDR. However, there is no assurance of this outcome.

3.2.5 Dependence on EDL for Support and as Electricity Off-taker

As of the date of this prospectus, EDL is the Company's major shareholder and owns the shares approximately 75 percent of the total issued shares. After the completion of the Offer, EDL will maintain the same proportion of shares and continue to exercise control over the Company. While the Company will have its own board of directors, EDL, acting by itself or together with a small number of other shareholders will have the ability to control the Company and its board of directors and determine the outcome of most actions requiring shareholder approval.

EDL is a state enterprise under supervision and direction of the MOF which owns and operates the country's main electricity transmission and distribution networks, and manages electricity imports into its grids and exports from its substations. EDL also has a project development role and has been the implementing agency for government hydropower power projects. In the case of EDL IPPs, EDL acts as a shareholder. Presently, EDL is the Company's main customer for electricity generated from the Assets Transferred to the Company on the Incorporation Date. EDL is committed to purchase electricity from the Company under the PPAs, each of which is a long-term contract with a term of 30 years, which may be renewed for a period of ten years according to the CA for each Asset Transferred to the Company on the Incorporation Date. PPAs incurred substantial revenues and are critical to the business of the Company.

EDL is a dominant participant in the Lao electricity market, being the single wholesale buyer and controlling all of the wholesale transmission of electricity in Lao PDR. The Company believes that it will benefit from business support and oversight provided by EDL. However, should EDL experience any unexpected financial, operating or other difficulties, the negative consequences to the Company could be material.

Other than certain contractual agreements, EDL is under no obligation to retain its shareholding in the Company, and the Company cannot assure whether and for how long EDL will continue to retain its shareholding. The GOL's policy may determine a sell-down by EDL to be desirable. Any sale by EDL of its shareholding in the Company, or a deterioration of the Company's relationship with EDL for any reason, could have a material adverse effect on the business, results of operations, financial condition and prospects of the Company. However, the Company believes that EDL will maintain its shareholding proportion at approximately 75 percent of the total issued shares of the Company in order to maintain its status as a major shareholder of the Company.

3.2.6 Policies of GOL as the Company's Ultimate Controlling Shareholder

Following the Offer, EDL will maintain the shareholding proportion approximately 75 percent of the Company's total issued shares and directly control the Company. However, the GOL controls EDL and, at least until the policy changes otherwise, the GOL may affect the appointment of the board of directors. The Company believes that it will be treated as a public company and will be left to make its own business decisions on asset acquisitions, electricity pricing, staffing, etc. Nonetheless, the GOL may in the future decide to impose other policies which affect the Company which may conflict with the interests of the Company's shareholders.

3.2.7 Plant Performance Risks

(i) Plant, Machinery and Tailrace Canal Damage

The electricity generation operations depend on key plant and machinery, such as turbines and generators. Damage to, failure of, or operational difficulties with any of the Company's plant or machinery or Tailrace canal, could materially and adversely affect the business, financial condition, results of operations and prospects of the Company.

(ii) Plant Efficiency

The Company believes that, given its maintenance track record, the risk of a failure to be able to continue to generate and deliver electricity within the designed parameters of each Asset Transferred to the Company on the Incorporation Date is low. The Company focuses on ensuring that all relevant performance targets are met.

(iii) Water Shortage for Electricity Generating

The operations of the Company's business are mainly subject to a rainy season. If the rain falls normally each year, the volume of water is sufficient to generate the electricity. On the other hand, if there is drought and water shortage in any year, this could reduce the electricity production or result in plant outages and revenue shortfalls. Historically, EDL and the Company have not encountered serious problems with water shortage; thus, the Company deems the risk is low. However, such risk could be out of the Company's control and the occurrence is uncertain. In case of an especially severe drought or dramatic climate change event, it could result in water shortage, which could put the Company's financial health at risk.

(iv) Possible Inadequate Insurance Cover / Safety, Health, Environment ("SHE" Risk)

The Company may suffer a large uninsured loss, the business, financial condition and results of operations may be materially adversely affected.

The Assets Transferred to the Company on the Incorporation Date have a good track record in terms of SHE issues. The Company has taken good care to ensure that its employees and surrounding communities enjoy a safe environment and decent quality of life. Nevertheless, the Company deals with large volumes of water, extensive civil engineering undertakings and large pieces of industrial equipment. An accident caused by human oversight or natural event could result in a situation which threatens lives, property and its business. Lao PDR endures a rainy season each year from June to November which at times can be intense and create an environment in which accidents may occur more easily.

According to the CA, the GOL has required the Company to obtain and maintain effective insurance policies and coverage throughout the concession period. The Company's insurance must at least cover:

(1) Workers' Compensation" insurance that complies with the law of Lao PDR;

(2) "Third party liability" insurance; and

(3) Subject to the Company being satisfied as to the commercially of the terms on which such insurance is available:

(3.1) "All Risks Property Coverage" insurance against damage to the Project Facilities (on a "replacement cost" basis);

(3.2) "Machine Breakdown" insurance; and

(3.3) "Business Interruption" insurance, if it deems necessary and beneficial to the Company.

The Company believes that it will maintain adequate insurance to protect the Company against the most likely events. However, there can be no assurance that a severe event impacting one or more of the Assets Transferred to the Company on the Incorporation Date will be adequately covered by insurance.

3.2.8 Corporate Governance Standards

Corporate governance standards in Lao PDR may differ from those applicable in other jurisdictions in significant ways including the independence of the board of directors, the internal audit department, and internal and external reporting standards.

3.2.9 Availability of Skilled Personnel

The Company's ability to develop and operate the Assets Transferred to the Company on the Incorporation Date properly as well as to control labour costs associated with operation and maintenance is dependent upon its ability to attract and retain qualified engineers, architects and technicians with sufficient experience in the engineering, design, construction, operation and maintenance of such projects. By offering competitive salaries and benefits, the Company expects to be able to recruit qualified personnel, principally from EDL. There can be no assurance however, that the Company will be able to attract or retain such personnel.

3.2.10 Investments in Additional Projects

(i) Investment in Additional Projects

The Company's primary business activity involves the acquisition, ownership and operation of the EDL-Gen Hydropower Generation Assets which have been developed and constructed by EDL. However, the Company may also invest in additional generation projects and related businesses which satisfy its investment criteria. See Part 1 "Company Information – Investment Plans". The additional projects are expected to involve investments in large electric power generating plants with complex operational techniques, thereby exposing the Company to potential risks. Before investing in any project, the Company will conduct feasibility studies addressing issues relating to financing and other matters. Such project participants may be required to obtain various approvals which are essential for completion of the Company's investment. Obtaining such approvals could take substantial amount of time. Also, such approvals could contain conditions unacceptable to the Company.

The investment in a new power plant may involve many risks, including the breakdown or failure of equipment or processes causing performance below expected levels of output or efficiency. New plants may employ recently developed and technologically complex equipment making the operation more labour intensive than projected. The operation of any new electric power generating plant may be adversely affected by other factors, such as inadequacy of competent employees, natural disasters and the need to comply with government regulations and various industry standards.

Given the substantial risks involved in development and operation of large hydropower projects, there can be no assurance that the Company will be able successfully to identify, develop, operate and finance any additional projects or related businesses successfully.

(ii) Investment in EDL's wholly-owned generation assets in connection with the use of proceeds and/or EDL's shares in IPPs and/or other IPPs

The Company expects that EDL will transfer its hydropower generation assets and EDL IPPs to the Company.

However, there can be no assurance that the Company's investment plan to acquire future EDL's wholly-owned generation assets in connection with the use of proceed, EDL's shares in IPPs; and other IPPs will be carried out and that the information relating to such assets will be sufficiently disclosed to the Company during the investigation of the assets. This may cause insufficient data acquisition and may adversely impact the Company's investment plan. Moreover, the transfer of EDL's high value assets or key assets may require prior approval by the NASC or the GOL, in which the Company may not guarantee the grants thereof. In addition, the MOF who controls and regulates the transfer of the national assets, and the GOL or the NASC may change their policy.

In purchasing of the EDL IPPs, it may involve covenants or conditions under related

regulations that require each IPP to obtain approval from the shareholders other than EDL or creditors prior the transfer of EDL equity shares in IPPs to the Company. In such process, the Company depends on the negotiation between EDL and such participants which the Company is unable to guarantee that the negotiation will be successful. These could have an adverse effect on the Company's business and results of operations and prospects due to the failure of the negotiation.

(iii) Transfer of EDL's hydropower generation assets in connection with the use of proceeds and/or EDL IPPs

The transfer of EDL's hydropower generation assets and/or EDL IPPs pursuant to the use of proceeds in connection with this Offer may be delayed, in part or in whole, subject to, amongst others, the risks associated with the construction of concerned hydropower generation assets and/or their actual COD and/or significant changes to their forecasted return on investment. If the transfer of EDL's Hydropower Generation Assets and/or EDL IPPs pursuant to the use of proceeds in connection with this Offer is delayed, the Company expects to negotiate with EDL to derive with a new list of EDL's Hydropower Generation Assets and/or EDL IPPs to be transferred to the Company where their valuations are comparable to the assets in connection with this Offer.

(iv) Construction of direct investment by the Company in other power projects

The Company is well aware of the risk from delays in project construction, which could be caused by contractors or local communities' resistance or natural disaster. The measurements to lower the likelihood and impacts of such risks include the selection of reputable EPC contractors on favourable terms to the Company arrangements, the proactive community relations activities, securing insurance policies which cover the impact from natural disaster and to have the project management team to closely monitor project progress to ensure project completion as scheduled. Currently, the 2 projects (Nam Phoune and Nam Bi), which the Company will make direct investment in connection with the use of proceeds in this Offer, are undergoing feasibility study.

3.2.11 Competition for Development of Future Projects

The Company may face competition in pursuing its strategy of investing in and developing new power projects in Lao PDR. The Company's competitors may have greater financial resources and experience in the development or finance of power generating plants than the Company. In addition, the GOL's policy considerations may play a role in decisions regarding the award of projects among the Company and competing private companies. In particular, it is in GOL's discretion to assign other entities, besides the Company, to operate power generating plants or to invest in the future IPP projects. Therefore, the Company may confront the competition with present and new IPP companies, including EDL itself since EDL is one of the electricity generators in hydropower plants that have not been transferred to the Company. If the Company loses in the competition, these could adversely effect on the Company's business, results of operations and financial condition and prospects.

3.2.12 Differences in Regulatory, Disclosure and Accounting Practices

Disclosure and accounting standards in Lao PDR are less stringent in certain respects than those in effect in more developed markets such as Hong Kong, Singapore and members of the Organisation for Economic, Cooperation and Development (OECD), and there may be less publicly available information about Lao companies than that regularly published by companies in other countries.

In addition, there is a difference between the level of regulation and monitoring of Lao PDR securities markets and the activities of investors, brokers and other participants and that of markets such as Hong Kong, Singapore and the OECD member countries. The LSCO and the LSX are responsible for improving disclosure and other regulatory standards for Lao PDR securities markets. The LSCO has issued regulations and guidelines on disclosure requirements and other matters. However, there can be no assurance that: (i) these regulations will be adequate to protect investors; (ii) market participants will obey the regulations; or (iii) Lao PDR authorities can properly regulate and enforce these regulations.

3.2.13 Foreign Exchange Risk

The Company is exposed to foreign exchange risk in a number of respects. Most of the Company' operating costs are expensed and paid in Lao Kip. However, the Company's expenses are also in US dollars and other foreign currencies. The Company may not be able to pass the fluctuations in these costs, (including as a result of currency fluctuations) through to EDL in its PPA tariff. In addition, most of EDL's long term debt, which the Company is obliged to repay under the Debt Repayment Agreements is foreign currency debt, which could further put the Company at risk in the event of a financial crisis, or even a moderate economic dislocation. For these reasons, significant fluctuations in exchange rates could have a material adverse effect on the Company's business, results of operations, financial condition and prospects. However, dividends that the Company receives from its investments in IPPs are in USD and THB, this arrangement may act as risk mitigating factor in connection with foreign exchange risks.

3.3 Legal Risks

3.3.1 Voting of EDL in Matters that May Have Benefit

Pursuant to the Enterprise Law, a shareholder may be restricted from voting in case where the shareholder may have conflict of interests in connection with the matter to be voted on, where the shareholders' meeting is to determine whether the shareholder falls within the said restriction. For example, in the event of the Company's acquiring future assets from EDL, EDL may be restricted from voting in a shareholders' meeting on the matters relating to the sale of the assets to the Company since EDL will be deemed having a conflict of interest in connection with such sale, unless the shareholders agree that EDL may vote on such matters. In the event that the shareholders cannot reach a consensus to allow EDL to vote in a shareholders' meeting in relation to such matter, the shareholders may not be able to pass a resolution seeking approval to invest in the future assets from EDL since the relevant resolution requires at least two-thirds of the shareholders or their proxies attending the meeting and representing at least 80 percent of the total issued shares.

3.3.2 Foreign Ownership Restriction

According to the AOA of the Company, shares of the Company can be freely transferred unless such transfer will cause foreign person(s) or juristic person(s) holding shares in the Company exceeding the number specified in the regulation of the LSCO and/or any relevant regulations. Currently, the LSCO Decision No. 021/SEC re: the Increase of the Foreign Ownership in EDL-Generation Public Company dated 5 January 2012 allows foreign investors to own the shares in the Company no more than 20 percent of the total shares, of which each individual persons must not hold more than 1 percent of the total shareholdings in the Company, and each institutional investors or juristic persons must not hold more than 5 percent of the total shareholdings in the Company. Therefore, foreign investors who subscribe for the Capital Increase Shares may not be fully allocated pursuant to their subscription. In such case, the Book Runner will refund the subscription payment to such investors according to the information given to the Underwriter and the Selling Agent within 5 business days after the offering period, pursuant to the Regulation re: Shares Offering No. 017/LSC dated 22 October 2014 (See Part 2 "Information in relation to the Offer – Refund of Subscription Payment").

3.3.3 Enforceability of Foreign Judgments in Lao PDR

The Company is organised under the laws of Lao PDR. Most of the directors and officers of the Company are citizens and residents of Lao PDR, and substantially all of the assets of the Company and such persons are located in Lao PDR. As a result, it may be difficult for foreign investors to effect service of process upon the Company or such persons inside or outside Lao PDR or to enforce against them judgments obtained in courts outside Lao PDR.

Pursuant to the Law on Civil Procedures (Amended) No. 13/NA dated 17 July 2014, Lao PDR acknowledges and executes the decisions of foreign court through its embassy, or the consular or representative offices of the Lao PDR in such foreign country. In order to be recognised by Lao PDR's courts, a foreign judgement must:

(i) Be translated into Lao language;

(ii) Be from a country which is a signatory to a treaty to which the Lao PDR is also a signatory or party;

(iii) Not impact adversely on the sovereignty of the Lao PDR or not contradict with Lao LDR's laws; and

(iv) Not violate the rules and regulations regarding security and social order.

Moreover, Lao PDR courts may decide not to recognise a foreign court's judgement if:

(i) Such judgement is subject to continuing proceedings or appeals and is not a final decision;

(ii) The losing party in the foreign judgement did not participate in the proceeding and the judgement was made in default;

(iii) The matter considered by the foreign court should have been considered under the jurisdiction of the Lao PDR courts;

(iv) Such judgement conflicts with the Constitution or Lao PDR laws; and

(v) Other non-specified issues relating to the foreign judgement are brought to the attention of the Lao PDR courts.

However, the Law on the Resolution of Economic Disputes No. 06/NA dated 17 December 2010 sets out generally that Lao PDR recognises and enforces an arbitral award from foreign or international arbitration that is certified by the Lao people's court. The Lao people's court will consider certifying the foreign or international arbitral award as long as they complete the following conditions: (i) the dispute party must be national of countries that are parties to the New York Convention; (ii) the decision must not be in conflict with the constitution and the regulations relating to the national security, peace and environment; and (iii) the dispute party who has an obligation to pay indebtedness must have property, business operation, stock, bank deposit or other assets in Lao PDR. In addition, there have been very few precedents of enforcing foreign arbitral awards in Lao PDR.

3.4. Economic Risks

3.4.1 Lao Political and Economic Factors

The Company is subject to political, economic, legal and regulatory conditions in Lao PDR that differ in certain significant respects from those prevailing in other countries with more developed economies. Any downturn in the Lao economy could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. The GOL's intervention in the Lao economy can result in significant changes in economy policy and have a negative impact on the Company. The Company's future prospects and those of EDL and its other future customers may be adversely affected by changes in the GOL's policies involving electricity pricing, rates of return, exchange controls, tax policies and other matters. Additionally, the GOL's policy of privatising the electricity generation industry could change in the future.

3.4.2 Uncertainty of Electricity Sector Regulation in Lao PDR

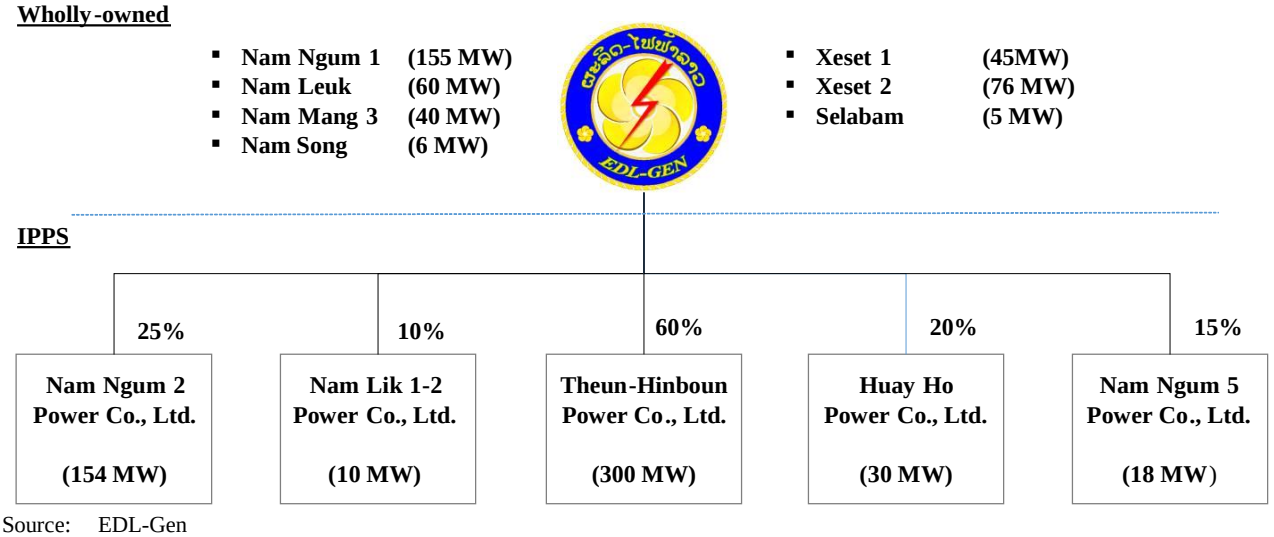
In the future, the GOL could introduce significant legal and regulatory changes to the electricity industry which could affect the Company negatively. While the Company believes the GOL will make every effort to assist the Company and nurture its business, there can be no assurance that future GOL regulation will do so.

4. BUSINESS OPERATION

4.1 Background

The Company is one of Lao PDR's leading domestic power generation companies. The Company's current business is to own and operate the EDL-Gen Hydropower Generation Assets, and to sell electricity to EDL, where EDL is responsible for transmission and distribution of electricity in Lao PDR. The Company currently controls approximately 27 percent of the total installed generation capacity in Lao PDR (including EDL IPPs and Other IPPs). The table below sets out the Assets Transferred to the Company on the Incorporation Date.

Figure 4.1: Corporate structure



Source: EDL-Gen
Note: Equity attributed capacity

Table 4.1: Assets Transferred to the Company on the Incorporation Date (Wholly– Owned)

Power Plant	Location	Installed Capacity (MW)	Designed Energy Capacity (GWh p.a.)	COD
Central				
Nam Ngum 1	Vientiane	155.0	1,002.0	1971
Nam Leuk	Vientiane	60.0	218.0	2000
Nam Mang 3	Vientiane	40.0	180.0	2005
Nam Song	Vientiane	6.0	13.5	2012
South				
Xeset 1	Saravanh	45.0	180.0	1991
Xeset 2	Saravanh	76.0	309.0	2009
Selabam	Champasak	5.0	21.0	1969
Total		**387.0**	**1,923.5**	-

Source: EDL-Gen

In addition to the transfer of assets, the Company entered into a Debt Repayment Agreement with EDL on 15 December 2010 whereby EDL is a borrower pursuant to several unsecured borrowing agreements with the GOL in which the original funds were provided from various lenders made through GOL. Upon receiving the transfer of Assets Transferred to the Company on the Incorporation Date, 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 further over the period from 10 January to 2010 to 15 July 2022, for the GOL's further repayments to the lenders pursuant to the original borrowing agreements.

The table below summarises the Company's current debt obligations as at 31 December 2014.

Table 4.2: Summary of Current Debt Obligations

Lenders	Initial Amount (as at the date of agreement (Million USD)	Remaining amount (as at 31 Dec 2014) (Million USD)	Maturity	Interest Rate (% p.a.)	Loan's Currency
Long-term Loans					
EDL (OECF)	25.29	10.12	1 December 2020	2.30%	JPY
EDL (Norinco)	108.40	54.20	7 February 2020	2.00%	USD
EDL (ExIm India)	11.00	9.53	21 July 2027	1.75% - 2.75%	USD
Total	**144.69**	**73.85**			
Debentures					
Debenture Series 1	45.83	45.83	12 December 2019	4.95%	THB
Debenture Series 2	61.11	61.11	12 December 2021	5.20%	THB
Debenture Series 3	91.67	91.67	12 December 2024	5.45%	THB
Total	**198.61**	**198.61**			
Total Debt	**343.30**	**272.46**			

Note: Exchange rate at 31 December 2014 = 8,108 Kip/USD; and
Exchange rate at 31 December 2014 = 247.74 Kip/THB.
Source: Banque Pour Le Commerce Exterieur Lao Public

In July 2012, the Company signed a share transfer agreement with EDL which may result in expansion of the Company's business in the foreseeable future. Consequently, the Company purchased the shares held by EDL in each of the IPPs as follows:

Table 4.3: Details of EDL-Gen's IPPs

Power Plant	Equity Stake	Location	Installed Capacity (MW)	Equity Attributed Capacity (MW)	Designed Energy Capacity (GWh p.a.)	COD
Theun Hinboun	60%	Bolikhamxay	500.0	300.0	3,316.0	1998, 2013
Nam Ngum 2	25%	Vientiane	615.0	153.8	2,300.0	2012
Houay Ho	20%	Attapeu	152.0	30.4	450.0	1998
Nam Lik 1-2	10%	Vientiane	100.0	10.0	435.0	2010
Total			**1,367.0**	**494.2**	**6,501.0**	

Source: EDL-Gen

In 2014, The Company issued debentures in the amount of THB 6,500 million for investing in both generation assets and stakes in IPPs. After all generators start their commercial operations, the Company expects to reach the target equity attributed capacity of 1,273 MW.

In December 2014, the power generated by the Company was 4,660.95 GWh in total, consisting of 1,996.09 GWh from the 7 hydropower plants and 2,664.86 GWh from the 4 IPPs hydropower plants.

In February 2015, part of the proceeds from the 2014 issued debenture were used to purchase 15% share in Nam Ngum 5 Power Co., Ltd. (IPP) from EDL with details as follows:

Table 4.4: Details of Nam Ngum 5 Hydropower Project

Power Plant	Equity Stake	Location	Installed Capacity (MW)	Equity Attributed Capacity (MW)	Designed Energy Capacity (GWh p.a.)	COD
Nam Ngum 5	15%	Vientiane	120.0	18.0	500.0	2012
Total 5 IPPs			**1,455.0**	**512.2**	**7,001.0**	

Source: EDL-Gen

As at the date of this prospectus, the Company currently owns 7 hydropower plants, with a combined installed capacity of 387 MW and 5 IPPs hydropower plants with a total capacity (equity attributed) of 512.2 MW, with the grand total capacity of 899.2 MW.

Historically, hydropower generation assets in Lao PDR have been invested and constructed by both EDL and/or various concession granted to IPP developers. In the future, the Company will continue to take over EDL's hydropower generation assets and/or EDL's IPPs at or near the COD or the date mutually agreed between the Company and EDL (as the case may be).

The Company may operate its business by construction of power stations, and the necessary transmission lines for connection to the national grid, including investment in and/or investment through joint ventures in power generation projects, and providing operation and maintenance services to power generation projects in accordance with the Company's strategy. The Company may also, from the time to time, invest in additional power generation projects and related businesses which satisfy its investment criteria, such as: (i) EDL Construction Period & Planned Generation Assets (wholly-owned); (ii) EDL Equity Share Construction Period & Planned IPPs; (iii) EDL Equity Share Operating IPPs; and (iv) Other IPPs. Upon or near the COD or the date mutually agreed between the Company and EDL (as the case may be) for each EDL's hydropower generation asset, the Company will make the necessary acquisitions from EDL with cash or new shares to be issued by the Company, subject to an approval by the Company's shareholders and approval by the relevant governmental authorities (including relevant parties to consent to the disposition of EDL's assets).

In order to acquire EDL's stakes in EDL Equity Share Construction Period & Planned IPPs and/or EDL Equity Share Operating IPPs, the Company will acquire the shares that EDL owns in such IPPs. The Company's investment in EDL IPPs may subject to conditions under the shareholder agreement(s) entered into by EDL (if any), and consents from relevant parties may be necessary to affect such transfer. These IPPs will already have their own contractual structure in place including PPAs, project finance loan arrangements, etc. Therefore, the Company's role will typically be that of a shareholder in the project company owning the IPP.

In order to acquire EDL Construction Period & Planned Generation Assets (wholly-owned), the Company may acquire the assets themselves from EDL. In this type of acquisition, a full contractual framework will not already be in place. The Company expects to enter a CA with the GOL and EDL will enter into a PPA with the Company for each of the power generation assets on terms consistent with those agreed with IPPs.

In the future, the Company also plans to increase its revenues from two sources which are as follows:

(1) Revenue from operation and maintenance services to hydropower projects: Since almost 90 percent of the Company's staffs work at the project sites and they possess the necessary technical skills in management and maintenances, the Company expects that in the future the Company will continue to provide the operation and maintenance services to existing and other hydropower projects.

(2) Revenue from clean development mechanism (CDM or carbon credit) sales: The Company expects to gain from the following projects:

(i) Xeset 2; and

(ii) Houay Lamphan Ngai and Nam Khan 2, of which the Company has signed the

MOU with Asia Net Service, expecting to COD in 2015.

The Company believes that it is well positioned to grow rapidly for the following reasons:

(i) The Company has a portfolio of hydropower generating assets with stable cash flows;

(ii) The Company's close ties with EDL increase its accessibility to strong IRR driven projects at competitive pricing & pre-COD risk mitigation procedures.

(iii) Pass through arrangements encumbered in PPAs provide cash flow stability as well as inflation and exchange rate protection.

4.2. Performance History

4.2.1 Company's Historical

The following table sets forth a summary of certain historical financial and other data of the Company for the Fiscal Year 2014. Investors should read these tables in conjunction with the Company's Financial Statements, a copy of which is provided in Appendix 2.

Table 4.5: Selected Financial Data

Financial Summary	**Company's Financial Statements for the Fiscal Year 2014 (Million Kip)**
Balance Sheet	
Cash and cash equivalents	1,251,534
Current assets	534,020
Non-current assets	7,035,707
Total assets	**8,821,261**
Current liabilities	413,390
Non-current liabilities	2,086,230
Total liabilities	**2,499,620**
Share capital and others	5,342,830
Retained Earnings	978,811
Total equity	**6,321,641**
Profit & Loss Statement	
Sales	839,193
Gross profit	**623,580**
Other income	5,680
Share of Profit of associates and joint ventures	474,467
Administrative expenses	141,626
Profit before financial costs and tax	962,101
Financial costs	31,722
Income tax	22,695
Net profit for the year	**907,684**

Source: EDL-Gen

4.2.2 Revenue Structure

For the operating results of the year 2014, the Company presented the total revenue and the net profit of Kip 839,193 million and Kip 907,684 million, respectively. Sale decreased by 2.69 percent and Net Profit by 6.59 percent. The major results of the drop in performance cause by the drop in actual production. In 2014 the power generated from its own assets was less than that of 2013. The drop in capacity led to the increase in production cost due to lack of economies of scale. There was also the increase in administration expenses, especially from exchange rate loss in 2014.

4.2.3 Revenues

The revenues were primarily derived from the sales of electricity to EDL, and details can be broken down as per the following table:

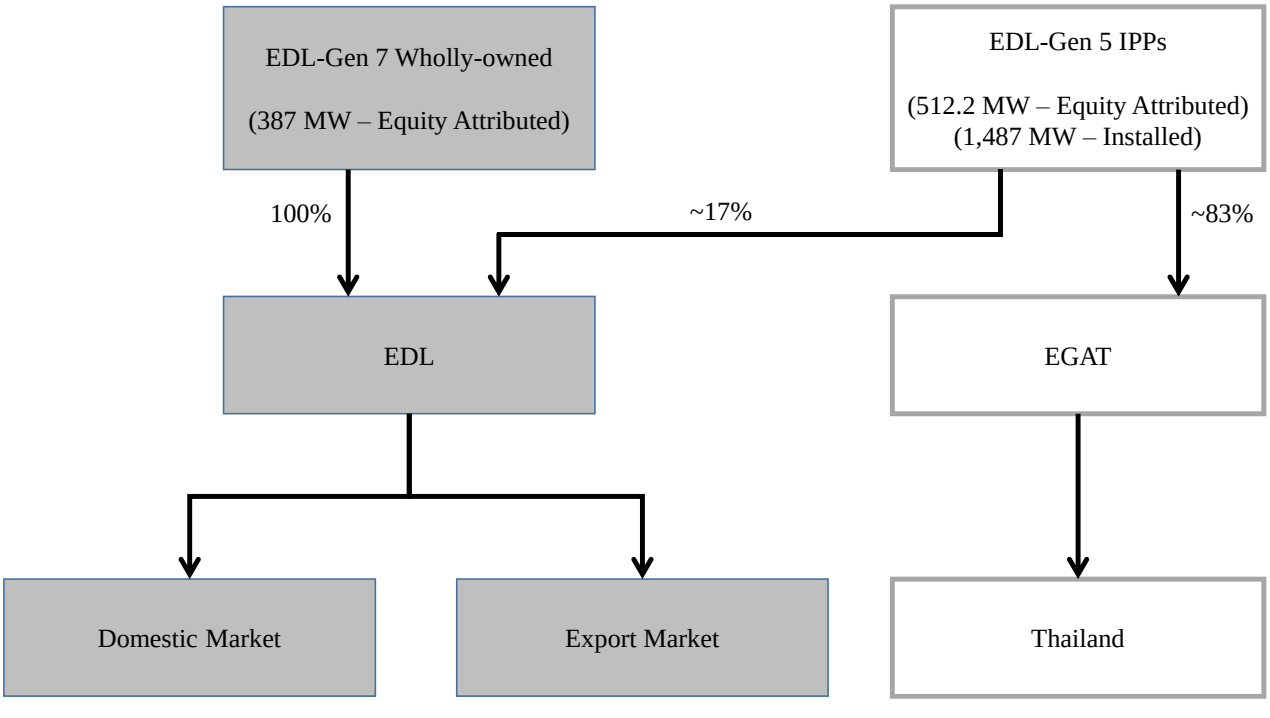
Table 4.6: Revenue Breakdown

	31 December 2014 (Million Kip)	31 December 2013 (Million Kip)
Electricity Sales	839,193	862,429
Other Revenues	5,680	6,700
Total Revenues	844,873	869,129

Source: EDL-Gen

For the operating results of the year 2014, revenues from the sales of electricity were Kip 839,193 million; equalling 99.32 percent of the total revenues and other revenues which mostly came from interest income were approximately Kip 5,680 million. In 2014, the electricity production for sale was approximately 1,968 GWh with the average tariff rate at Kip 426.43 per KWh.

Figure 4.2: Sales Breakdown by Customers



Source: EDL-Gen

From approximately 2014, the Company expects a dramatic increase in exports from Lao PDR. Irrespective of the final sales destination, if the Company sells power to EDL, the Company will receive, from EDL, the tariff payment terms as set out in the PPAs. Going forward, the Company expects that it would be free to sell power to foreign buyers (like the other IPPs) at prices which the Company may freely negotiate. However, the Company would be required to make all of its domestic sales through EDL. The Company would be required to pay a wheeling tariff to EDL for sales to overseas buyers, unless the Company builds its own transmission capacity.

4.2.4 Tariff Structure

EDL designed a tariff structure to provide the Company with an attractive, reliable revenue stream. The starting tariff as of the Incorporation Date was 413.89 Kip/KWh (approximately 5.13 US Cents/KWh). This tariff was established after extensive discussions within EDL (between the Generation and Distribution Departments) and is based on tariff rate of comparable IPPs. Key assumptions used to develop the tariff are as follows:

(i) Escalation of the tariff at 1 percent per annum;

(ii) Designed to deliver equity Internal Rate of Return (IRR) of approximately more than 11 percent;

(iii) Constant plant capacity factor of 56.6 percent assumed across the portfolio;

(iv) Royalty fee of 1 percent and corporate tax of 10 percent will apply to the Company, similar to other IPPs.

This tariff structure current applies to Assets Transferred to the Company on the Incorporation Date.

4.2.5 Share of Profit from Associates and Joint Ventures

The Company has been transferred the whole rights, titles and interests in the 5 IPPs from EDL. The Company receives shares of profit from the 5 IPPs as per the Company's shareholding proportion in them.

The 5 IPPS have engaged in electricity generation in Lao PDR but most of power (approximately 83%) generated by them is supplied to Thailand by selling to EGAT. Theun Hinboun Power (500MW), Houay Ho Power (152MW) and Nam Ngum 2 Power (615MW) supplied 95%, 98% and 100% of the power generated to EGAT, while Nam Lik 1-2 Power (100 MW) and Nam Ngum 5 (120MW) supplied 100% of power generated to EDL.

4.3 Company Capital Expenditures

The Company expects to incur certain capital expenditures going forward, mostly relating to major maintenance and preventive repair of its operating assets.

EDL currently has various hydropower generation assets under construction or in development. The Company believes that, for the foreseeable future, it will be most efficient for EDL to continue to take responsibility for development and construction of these assets and to transfer them from EDL to the Company upon or near the COD or the date mutually agreed between the Company and EDL (as the case may be).

The Company expects that upon or near the COD or the date mutually agreed between the Company and EDL (as the case may be) of each EDL's hydropower generation asset, the Company will acquire ownership from EDL, subject to an approval of the Company's shareholders and approval of governmental authorities, including relevant parties to consent to the disposition of EDL's assets. In consideration for each asset acquired, the Company may pay cash or issue new shares to EDL. Simultaneously, the Company expects to enter into a PPA with EDL and a CA with the GOL for each EDL's hydropower Generation Asset on terms consistent with those agreed with IPPs.

Below are summaries of the Company's potential assets acquisition from EDL.

Table 4.7: EDL Construction Period & Planned Generation Assets (Wholly–Owned) (selected projects)

No.	Name of Project	Location (Province)	Installed Capacity (MW)	Commercial Operation Date	Target Market
1.	Houaylamphan Ngai	Xekong	88.00	2015	Laos
2.	Nam Hinboun	Khammuan	30.00	2016	Laos
3.	Nam Khan 2	Luang Prabang	130.00	2016	Laos
4.	Nam Khan 3	Luang Prabang	60.00	2016	Laos
5.	Xeset 3	Champasak	24.00	2016	Laos
6.	Nam Chein 1	Xieng Khuang	104.00	2016	Laos
7.	Nam Ngum 1 Ext DFE	Vientiane	80.00	2018	Laos
8.	Nam Ngum 1 Ext Unit 6	Vientiane	40.00	2018	Laos
Total			**556.00**		

Sources: EDL-Gen

Table 4.8: EDL Equity Share of Construction Period & Planned IPPs (selected projects)

No.	Name of Project	Location (Province)	Installed Capacity (MW)	Planned Market	Remark
1.	Xayaburi (Mekong)	Xayaburi / Luang Prabang	1,285.00	Thailand/ Laos	Under Construction
2.	Nam Beng	Oudomxay	34.00	Laos	Under Construction
3.	Nam Ou 2	Luang Prabang	120.00	Laos	Under Construction
4.	Nam Ou 5	Phongsaly	240.00	Laos	Under Construction
5.	Nam Ou 6	Phongsaly	180.00	Laos	Under Construction
6.	Nam Phai	Xaysomboun	86.00	Laos	Under Construction
7.	Nam Tha 1	Luangnamtha	168.00	Laos	Under Construction
8.	Nam Mang 1	Xaysomboun	64.00	Laos	Under Construction
9.	Nam Lik 1	Vientiane	60.00	Laos	Under Construction
10.	Nam Ngiep 2	Xiengkhuang	180.00	Laos	Under Construction
11.	Xekamam 3	Sekong	250.00	Laos/Vietnam	Under Construction
Total			**2,667.00**		

Sources: EDL-Gen

Table 4.9: IPPs currently under Operation by EDL (selected projects)

No.	Name of Project	Location (Province)	Installed Capacity (MW)	Planned Market	Remark
1.	Nam Tha 3	Luangnamtha	1.50	Laos	
2.	Nam Phao	Bolikhamxay	1.80	Laos	
3.	Nam Long	Luangnamtha	5.00	Laos	
Total			**8.30**		

Sources: EDL-Gen

Table 4.10: Investment Plan in Other IPPs (selected projects)

No.	Name of Project	Location (Province)	Installed Capacity (MW)	Planned Market	Remark
1.	Nam Nhone	Bokeo	2.40	Laos	
2.	Nam Theun 2	Khammuan	1,088.00	Laos / Thailand	
3.	Tad Salen	Savannakhet	3.20	Laos	
4.	Xenam Noy 1	Attapeu	14.80	Laos	
5.	Xekaman 1	Attapeu	322.00	Laos / Vietnam	Under Construction
6.	Nam Sim	Huaphan	9.00	Laos	Under Construction
7.	Hongsa Liqnite	Xayaboury	1,878.00	Laos / Thailand	Under Construction
8.	Xepian-Xenamnoy	Attapeu / Champasak	410.00	Laos / Thailand	Under Construction
9.	Nam Ngiep 3A	Xieng Khuang	44.00	Laos	Under Construction
10.	Nam Kong 2	Attapeu	66.00	Laos	Under Construction
11.	Nam Ngiep 1	Bolikhamxay / Xienghoung	290.00	Laos / Thailand	Under Construction
12.	Nam San 3A and 3B	Xieng Kuang	114.00	Laos	Under Construction
13.	Xekatam	Champasak	81.30	Laos	Under Construction
14.	Houay Por	Saravan	15.00	Laos	Under Construction
Total			**4,337.70**		

Source: EDL-Gen

4.3.1 Commitments

In 2014, the Company issued debentures in the amount of THB 6,500 million for investing in both generation assets and stakes in IPPs. In February 2015, part of the proceeds from the 2014 issued debenture were used to purchase 15% share in Nam Ngum 5 Power Co., Ltd (IPP) from EDL. The remaining proceeds from this issuance of debenture will be used to purchase assets and shares as summarised below:

Table 4.11: List of Hydropower Projects to be Purchased in connection with Debenture Issuance

Power Plant	Equity Stake	Location	Equity Attributed Capacity (MW)	Designed Energy Capacity (GWh p.a.)	COD
Wholly-owned					
HLP Ngai	N/A	Sekong	88.0	500.0	2015
Nam Khan2	N/A	Luang Prabang	130.0	558.0	2015
Nam Khan3	N/A	Luang Prabang	60.0	249.5	2016
Nam Sana	N/A	Vientiane	14.0	49.5	2014
Total			**292.0**	**1,357.0**	
IPPs					
Nam long	20%	Luang Nam Tha	1.0	37.0	2015
Nam Ou2	15%	Phongsaly	18.0	546.0	2017
Nam Ou5	15%	Phongsaly	36.0	1,049.0	2017
Nam Ou6	15%	Phongsaly	27.0	739.0	2017
Total			**82.0**	**2,371.0**	
Grand Total			**374.0**	**3,728.0**	

Source: EDL-Gen

The Company has entered into MOUs with EDL for the purchase of assets and shares, and will enter into the relevant transfer agreements in the future.

4.3.2 Use of Proceeds

This capital increase is to facilitate the Company's long-term business plan of: (i) maintaining its market share; (ii) maintain its earnings' growth rate; and (iii) meeting Lao PDR's domestic power demands as well as future export demands.

As the construction of hydropower generation assets cannot be undertaken in a short period of time, the Company is required to raise funds to facilitate the necessary acquisitions of hydropower generation assets and direct investments through this capital increase in order to have such assets ready for utilisation by 2019-2020 as planned.

The proceeds from the Offer will be used in connection with:

(i) EDL's wholly-owned generation assets in connection with the use of proceeds;

(ii) EDL's shares in IPPs;

(iii) Direct investment by the Company in other power projects;

(iv) Working capital.

Whereby (i)-(iii) above are collective referred to as (the "Portfolio of Assets").

The relevant transfer agreement(s) shall be entered into by the Company and EDL following the achievement of COD of the relevant assets or the relevant EDL's shares in IPPs, or any other dates to be mutually agreed in writing by the both parties, as the case may.

Details of the Portfolio of Assets are as follows:

Table 4.12: Portfolio of Assets

No.	Name of Project	Location (Province)	Stake to acquire	Equity Attributed Capacity (MW)	Planned Market	Remarks	Expected Transfer or Completion
EDL's wholly-owned generation assets in connection with the use of proceeds							
1.	Nam Chiean 1	Xieng Kuang	100%	104.0	Laos	Under Construction	2016
2.	Nam Hinboun	Khammuan	100%	30.0	Laos	Under Construction	2016
3.	Xeset 3	Champasak	100%	24.0	Laos	Under Construction	2016
4.	Nam Ngum 1 Ext DFE	Vientiane	100%	80.0	Laos	Under Construction	2018
5.	Nam Ngum 1 Ext Unit 6	Vientiane	100%	40.0	Laos	Undergoing Feasibility Study	2018
	Sub Total			**278.0**			
EDL's shares in IPPs							
1.	Nam Ngiep 2	Kiangkhouang	10%	18.0	Laos	Under Construction	2015
2.	Nam Beng	Oudomxay	20%	6.8	Laos	Under Construction	2016
3.	Xekamam 3	Sekong	15%	37.5	Laos	Under Construction	2015
4.	Nam Lik 1	Vientiane	10%	6.0	Laos	Under Construction	2016
5.	Nam Mang 1	Bolikhamxay	10%	6.4	Laos	Under Construction	2016
6.	Nam Tha 1	Louangnamtha Borkeo	20%	33.6	Laos	Under Construction	2017
	Sub Total			**108.3**			
Direct investment by the Company in other power projects							
1.	Nam Phoun	Xayaburi	51%	30.6	Laos	Under Project Development Agreement (PDA) Stage	2018
2.	Nam Bi	Sekong	80%	104.0	Laos	Undergoing Feasibility Study	2018
	Sub Total			**134.6**			
	Total			**520.9**			

Source: EDL-Gen

Table 4.13: Estimation of the Use of Proceeds

No.	Purposes	Estimated Investment Amount (Kip)	Amount from the Proceeds (Kip)	Percentage of proceeds (%)	Expected Use of Proceeds
1.	EDL's wholly-owned generation assets in connection with the use of proceeds	1,850,769,000,000	1,850,769,000,000	67.20	2015-2018
2.	EDL's shares in IPPs	536,625,000,000	536,625,000,000	19.49	2015-2018

No.	Purposes	Estimated Investment Amount (Kip)	Amount from the Proceeds (Kip)	Percentage of proceeds (%)	Expected Use of Proceeds
3.	Direct investment by the Company in other power projects	338,094,000,000	338,094,000,000	12.28	2015-2018
4.	Working capital	28,512,000,000	28,512,000,000	1.04	2015-2018
	Sub Total	**2,754,000,000,000**	**2,754,000,000,000**	**100.00**	

Source: EDL-Gen

4.4 Government Plan and Policy

The Lao Government's plans and policies for the power sector involve rapid and simultaneous development on several fronts with a view to:

(i) Expanding the generation, transmission, distribution and off-grid development to increase the domestic electrification ratio for the country to a target of above 90% by 2020;

(ii) Increasing government revenues from IPP export investments and honouring power export commitments with neighbouring countries by promoting a producer development carried out by private sector;

(iii) Promoting 500kV grid development within the Greater Mekong Sub-region (GMS) to integrate the power systems of Lao PDR and its neighbours.

Regarding the export of electric power is a relatively recent development in Lao PDR, Lao PDR now has MOUs with both Thailand and Vietnam, and is also cooperating with Cambodia and China on the supply of power through IPPs base in Lao PDR. MOUs and/or agreements have been signed by the GOL as follows:

(i) The Government of Thailand for the supply of 7,000 MW until 2015, pending further discussions to expand to 12,000 MW;

(ii) The Government of Vietnam for the supply of 5,000 MW until 2020; and

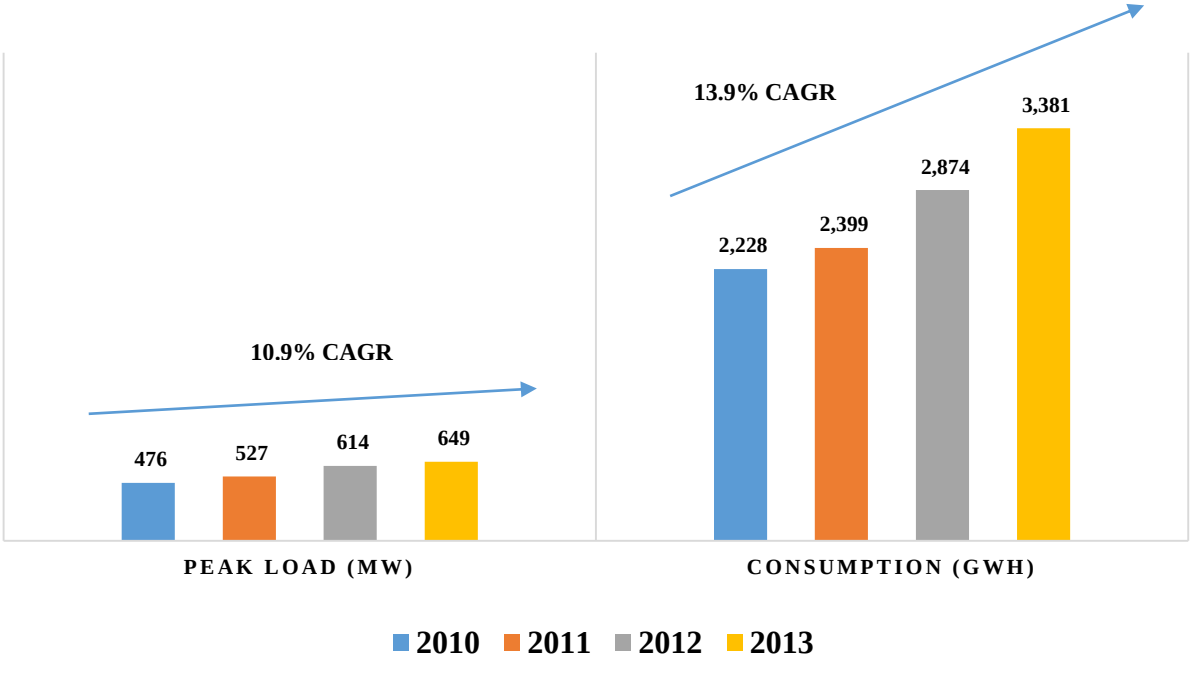
(iii) The Electricity Authority of Cambodia for the supply of 200 MW until 2020.

The GOL has also announced plans to finance small and medium-sized hydropower plants and to study off-grid electrification through renewable energy sources.

4.5 Electricity Industry

Demand for electricity in Lao PDR has grown dramatically over the last decade. Domestic consumption increased from 2,228.15 GWh in 2010 to 3,380.96 GWh in 2013, or at 13.9 percent CAGR for the period. Peak load during the period 2010-2013 increased from 475.78 MW to 649.13 MW, or at 10.9 percent CAGR. The key growth drivers have been the success of Lao PDR rural electrification expansion program and expanding industrial and commercial loads. Major increases in consumption have come from mining, manufacturing and commercial businesses.

Figure 4.3: Historical Peak Load and Electricity Consumption for the period 2010-2013



Source: EDL's 2013 Statistics

The Company expects that domestic electricity demand growth will continue to be robust. This will occur in part because of GOL's aggressive rural electrification program. As living standards in Lao PDR continue to improve, people will demand electricity supply. The GOL's goal is to have up to 85 percent of total households electrified by 2015, and 90 percent by 2020. Industrial and commercial growth will have a major impact as well.

4.5.1 Domestic Energy Consumption by Consumer Type

The Company sells all of its electricity production to EDL, which sells the electricity directly to the domestic market. EDL divides its domestic customers into 8 categories (based on different tariff rates): (i) residential; (ii) commercial; (iii) entertainment; (iv) government office; (v) irrigation; (vi) international organisation; (vii) industry; and (viii) education and sport business. With the success of the GOL's electrification program and general growth in the commercial and industrial sectors, the number of customers in each category increased substantially during 2010-2013.

Table 4.14: Statistics of Electrical Consumption by Consumer Categories

Consumer Category	Units	2010	%	2011	%	2012	%	2013	%	CAGR
Residential	GWh	942.6	42.3%	1,004.1	41.8%	1,161.0	40.4%	1,278.4	37.8%	10.7%
Commercial	GWh	584.4	26.2%	598.7	25.0%	796.7	27.7%	733.0	21.7%	7.8%
Entertainment	GWh	8.0	0.4%	7.8	0.3%	8.8	0.3%	9.2	0.3%	4.8%
Government Office	GWh	145.8	6.5%	149.1	6.2%	173.9	6.1%	189.1	5.6%	9.1%
Irrigation	GWh	42.5	1.9%	46.2	1.9%	39.5	1.4%	35.2	1.0%	-6.1%
International Organisation	GWh	10.3	0.5%	9.4	0.4%	10.4	0.4%	10.5	0.3%	0.5%
Industry	GWh	494.6	22.2%	584.1	24.3%	680.9	23.7%	1,118.2	33.1%	31.2%
Education and	GWh	-	n/a	-	n/a	3.0	0.1%	7.4	0.2%	144.9%

Consumer Category	Units	2010	%	2011	%	2012	%	2013	%	CAGR
Sport										
Total	**GWh**	**2,228.2**	**100.0%**	**2,399.4**	**100.0%**	**2,874.2**	**100.0%**	**3,381.0**	**100.0%**	**13.9%**

Source: EDL's 2013 Statistics

4.5.2 Independent and Profitable Operation

Traditionally, EDL plays an important role in the implementation of the GOL's national energy policy. As an entity formed to serve public policy goals of the GOL, EDL was designated to supply power sometimes at tariffs which were unprofitable. Since the Company is incorporated and becomes a public company, the Company does not have a management supportive policy.

4.5.3 Optimise the Company's Capital and Asset Base Through Project Financing

The current assets of the Company (both wholly-owned and through IPPs) provide reliable, attractive cash flows. Moreover, the combination of robust domestic market and export market growth will provide the Company with a reliably expanding revenue stream. This puts the Company in the position to tap a variety of project finance debt sources for its project developments.

The Company intends to use project finance debt prudently in order to maximise equity returns on the Company's projects going forward, at an optimal debt to equity ratio, in order to provide the Company with the necessary financial flexibility and to maintain a prudent stance.

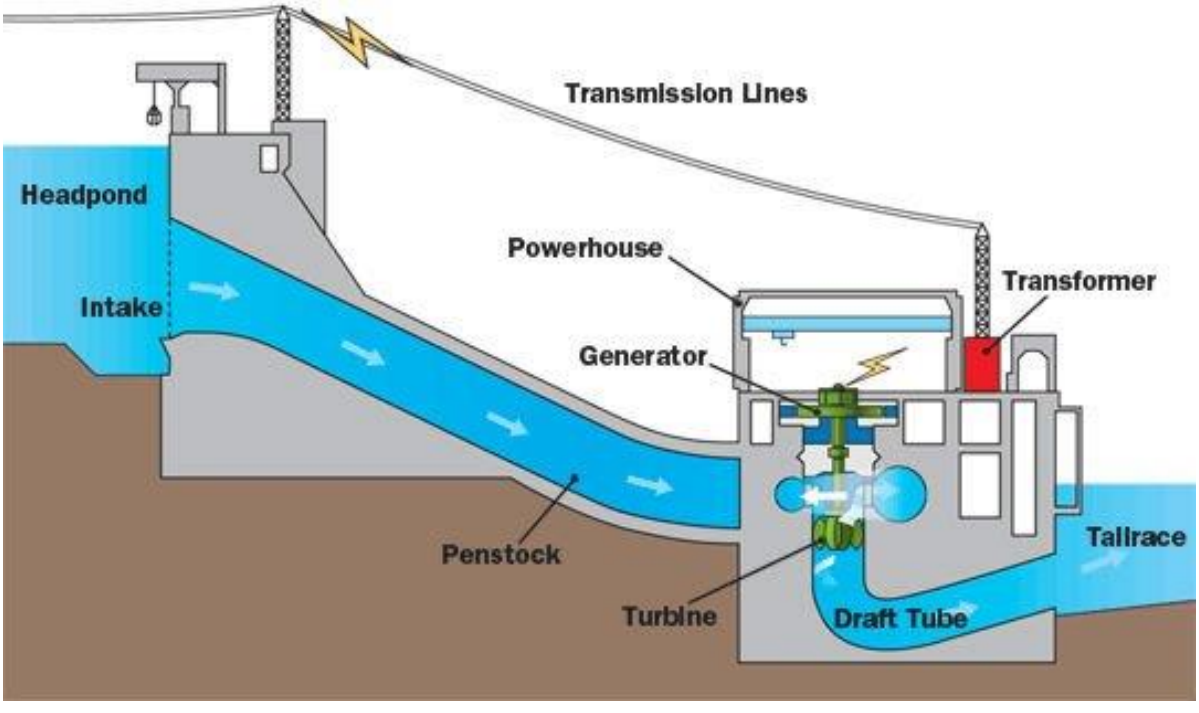
4.6 Production Process

The necessary feasibility studies on the Mekong tributaries have been undertaken in relation to the construction of the small and mega hydropower projects.

The energy component from the water in hydropower projects are potential energy, kinetic energy, dynamic energy and electric energy. The energy is caused as a result of the Company's generation system.

Water in reservoir stored above the dam facility is carried down through the pipelines and penstock by guide vane to the turbines. The force of the water turns the turbines that simultaneously magnetise the rotor. When circulating the direct current on the rotor, it energises the electric field which will cut through the air to the stator of a three-phase alternative current motor that produces voltage at the power transformer. When the power transformer diverts the energy from each generating unit to another circuit, the electricity is ready for transmission to end users.

Figure 4.4: Hydropower Production Process



Source: EDL-Gen

4.7 Operation and Maintenance

The maintenance of the Company's production facilities is a critical aspect of the Company's business. Proper maintenance and strict adherence to a preventive replacement schedule allows the Company to operate more efficiently and generate more electricity.

The Company manages the maintenance schedule of its plants to minimise disruption to its power generation. This includes coordinating the maintenance outages with the requirements of the customer.

The Company's PPAs provide allowances for scheduled maintenance outages and the Company works to ensure that it falls within these parameters. The Company maintains a large number of technical and engineering staffs to provide day-to-day operation and maintenance services. The Company typically maintains a stock of key components and spare parts in order to prevent and to handle any outage situation. The Company's regular maintenance program focuses on ensuring that all relevant performance targets are met. These services include the following:

(1) Daily, monthly and yearly maintenance of the following machines by employees in generation department:

- Generator;
- Cooling water system;
- Inlet-outlet air aspirator;
- Excitation system;
- Main transformer;
- Medium voltage switch gear;
- High voltage switch gear;
- Gas insulation switch gear;

- Spillway gate control cubicle;
- Line protection system;
- Private automatic branch exchange (PABX);
- Intake gate control cubicle;
- Air conditioner for room;
- Diesel engine generator;
- Motor for water pump cubicle control;
- Galleries and galleries charger;
- Generator protection system;
- Crane control system;
- Low voltage switch gear.

(2) Daily, monthly and yearly maintenance of the machines and plants by construction department as follows:

(2.1) Plants maintenance

- Maintain penstock to machines;
- Inspect and record water pressure, water drainage and water level in gallery;
- Inspect and record sedimentation;
- Inspect and record deflection;
- Inspect water leakage;
- Maintain log boom.

(2.2) Residence and road maintenance

- Repair and maintain employees and workers' dwelling;
- Repair and maintain offices, machinery houses, security shelters and houses, main housing club;
- Repair and maintain excess road to each employees and workers' residence.

(3) Daily, monthly and yearly maintenance of the following machines by quality control department as follows:

- Review and inspect functions of equipment;
- Inspect water level at upstream and downstream;
- Clean controller room
- Halt and operate machines at annual maintenance; Lock servomotor and fuel gear; Change selectors of water controller, cool down water controller; Turn off direct current lights of machine controller.

In addition, the Company has scheduled a major overhaul maintenance every ten years on average for each module, emphasising inspection of the main equipment including electrical equipment and relay equipment (i.e. generators, turbines, guide vanes, transformers, switch yard equipment, etc.). This inspection also includes repairing and replacing such equipment, as the case may be.

4.8 Insurance

According to the CA, the GOL has required the Company to obtain and maintain effective insurance policies and coverage throughout the concession period. The Company's insurance must at least cover:

(1) "Workers' Compensation" insurance that complies with the law of Lao PDR;

(2) "Third party liability" insurance; and

(3) Subject to the satisfaction by on the Company in the commerciality of the terms on which such insurance makes available:

(3.1) "All Risks Property Coverage" insurance against damage to the Project Facilities (on a "replacement cost" basis);

(3.2) "Machine Breakdown" insurance; and

(3.3) "Business Interruption" insurance, if it deems necessary and beneficial to the Company.

The Company will maintain adequate insurance covers to protect the Company against the most unlikely events. However, there can be no assurance that any severe event affecting one or more of the Company's assets and/or assets belonging to IPPs will be adequately covered by insurance.

4.9 Environmental, health and safety matters (SHE)

Although all the Company's assets may impact on the safety, environment and quality of life of surrounding communities, if any, were settled before or during their construction stage. The Company shall undertake the following actions to reduce potential risks on safety, environment and quality of life of the surrounding communities:

- Implement the measures specified under the SHE management manual. The manual contains SHE policies, work plans, and practices, including review process to ensure that the operations, waste treatment and related work processes are efficient from a SHE standpoint.
- Prepare the work manuals and emergency plan, implement training plan and testing of plan, equipment, and warning system while ensuring strict compliance with the manual.
- Develop a list of governing laws and regulations and designate responsible person to monitor the compliance with such list.
- Monitor and ensure the compliance with SHE manual.

4.10 Human Resources

Since the Incorporation Date, the Company's businesses have not been interrupted by any work stoppages or strikes. The Company considers the relations with the Company's employees to be good.

The employees are one of the most strategic and valuable assets of the Company, and are the foundation of its success and growth. The Company's human resources management philosophy aims to create a work environment where its people can grow their careers and develop themselves, as well as enabling them to perform at their best. All highly skilled technical employees and engineers involved in power generation were transferred to the Company from EDL, meaning that, the Company has the benefit of the best pool of human capital in the field of power generation in the country. This is the Company's strategic advantage which the Company believes that it will ensure future growth, strong positioning in the power generation industry and the opportunity to expand into other related businesses.

The Company intends to create a performance based culture through its performance management system which will assess performance results and competencies as well as identify areas for development of employees. Reward will be managed according to employees' performance. Training needs are defined based on competency assessment and area for development. Human resources development is planned to support business direction and manpower planning.

5. OPERATING ASSETS

5.1 Assets Transferred to the Company on the Incorporation Date

The Assets Transferred to the Company on the Incorporation Date are hydropower plants, of which aggregate installed capacity is 387 MW. A summary of the Assets Transferred to the Company on the Incorporation Date is set out in Table 4.1 below, followed by a more detailed description of each of these assets.

Table 5.1: Assets Transferred to the Company on the Incorporation Date

Power Plant	Location	Equity Attributed Capacity (MW)	COD
Central			
Nam Ngum 1	Vientiane	155.0	1971
Nam Leuk	Vientiane	60.0	2000
Nam Mang 3	Vientiane	40.0	2005
Nam Song	Vientiane	6.0	2012
South			
Xeset 1	Saravanh	45.0	1991
Xeset 2	Saravanh	76.0	2009
Selabam	Champasak	5.0	1969
Total		**387.0**	-

Source: EDL-Gen

5.1.1 Nam Ngum 1 Hydro Power Plant

The Nam Ngum River is one of the major rivers in Lao PDR. It offers a hydropower potential up to 1,600 MW from various possible sites. Nam Ngum 1 Hydropower Plant commenced its COD since 1971 and had an installed capacity of 150 MW. In the year 2003-2004, a rehabilitation project was implemented on machines units No. 1 and 2 in Nam Ngum 1 Hydropower Plant and it has increased the installed capacity of 25 MW each unit. At present, Nam Ngum 1 Hydropower Plant has installed capacity of 155 MW. Nam Ngum 1 Hydropower Plant is located about 90 km to the north of Vientiane Capital City. Nam Ngum 1 Hydropower Plant construction project has been developed into three phases as follows:

Phase I

Phase I of Nam Ngum 1 Hydropower Plant commenced in 1968 and was commissioned in 1971 at the cost of USD 28 million. The facilities in this phase include a gravity concrete dam, a power plant at the base of the dam with two 15 MW generating units and provisions for three additional units. The generation units supply to EDL's single circuit high voltage transmission line, with transmission capacity of 115 kV, from Nam Ngum site through Vientiane Capital City at Phonetong Substation to EGAT's grid at Nongkhai (Thailand) Substation.

Phase II

Phase II of Nam Ngum 1 Hydropower Plant began its activities in 1976 and was successfully commissioned in 1978 at the cost of USD 49 million. The facilities in this phase includes installation of spillway gates, new penstocks and intake gates, an extension of the powerhouse to accommodate three new generating units of 40 MW each, connecting to EDL's double circuit high voltage transmission lines, with transmission capacity of 115 kV, from Nam Ngum 1 Hydropower Plant site through Vientiane Capital City at Phonetong Substation to EGAT's grid at Udone 1 and 2 (Thailand) Substations.

Phase III

Phase III of Nam Ngum 1 Hydropower Plant began its activities in 1983 and was successfully commissioned in 1984 at the cost of USD 20 million. The 40 MW generating unit was installed in order to fully utilise

the hydro potential and facilities which are already installed. After the completion of this phase, the average annual energy production is 865 GWh.

Nam Song Diversion and Nam Leuk Hydropower Plant

The addition of Nam Song Diversion Project to Nam Ngum 1 Hydropower Plant reservoir in 1996 has increased the average annual energy production of Nam Ngum 1 Hydropower Plant up to 995 GWh. Moreover, the completion of Nam Leuk Hydropower Plant has increased the average annual energy production of Nam Ngum 1 Hydropower Plant up to 1,025 GWh.

Summary of important technical information of Nam Ngum 1 Hydropower Plant

1.	**Capacity**		
	Total installed capacity	:	155 MW
	Number of Units	:	5 units 2 units x 17.5 MW 3 units x 40 MW
	Average energy production	:	1,025 GWh/year
2.	**Storage**		
	Catchment area	:	8,460 km^2
	Full water level	:	212.30 masl
	Low water level	:	196.0 masl
	Normal maximum water level	:	213.0 masl
	Reservoir surface (at El. 212.00)	:	370 km^2
	Storage capacity	:	7,030 x 10^6 m^3
	Active storage	:	4,700 x 10^6 m^3
3.	**Tailrace**		
	Minimum tail water level (Q=0)	:	164.0 masl
4.	**Dam**		
	Type	:	concrete gravity
	Length	:	468 m
	Height	:	70 m
	Width	:	6m
5.	**Spillway**		
	Type of gate	:	Radial
	Number	:	4
	Width x Height	:	12.5 m x 10.0 m

5.1.2 Nam Song Hydropower Plant

The Nam Song Diversion was completed by 1996 to divert water from Nam Song River to Nam Ngum 1 Hydropower Plant reservoir and has help increasing the energy production in Nam Ngum 1 Hydropower Plant. The hydropower equipment was installed in the diversion canal in order to develop Nam Song Diversion into a hydropower plant. The project cost is approximately USD 13 million. The installed capacity is 6 MW and the energy generation of 13.2 GWh for the year 2013. The energy generated from Nam Song Hydropower Plant will be sent to 22 kV EDL system. The project was fully completed in 2012.

Summary of important technical information of Nam Song Hydropower Plant

1.	**Capacity**		
	Total installed capacity	:	6 MW
	Number of Units	:	3 units

			3 units x 2 MW
	Average energy production	:	13.51 GWh/year
2.	**Storage**		
	Catchment area	:	1.330 km^2
	Full water level	:	219.70 masl
	Normal maximum water level	:	214.50 masl
	Reservoir surface (at El. 214.20)	:	1,030 km^2
	Storage capacity	:	14,400 x 10^6 m^3
	Active storage	:	12,600 x 10^6 m^3
3.	**Tailrace**		
	Minimum tail water level (Q=0)	:	209 masl
4.	**Dam**		
	Type	:	concrete spillway & earth fill embankment
	Length	:	75 m
	Height	:	21 m
	Width	:	209 m

5.1.3 Nam Leuk Hydropower Plant

Nam Leuk Hydropower Plant was completed in 2000, having capacity of 60 MW and two generator units with capacity of 30 MW each. The project is located approximately 10 km upstream of the dam, has a 2,830 m long pressured tunnel, a surge tank and a 458 m long open-air penstock from the tunnel outlet to power house. The open-air penstock has a diameter of 3.40 m. From the Nam Poun diversion weir, water is transferred to the reservoir through a 2,600 m long and 3.30 m diameter tunnel.

The spillway

The main spillway of the free overspill type is located on the left bank of the dam. It is 60 m wide and able to accommodate 2,100 m^3/s. The secondary spillway, located on the nearest saddle on the left bank, is designed to supplement the main spillway for floods, with a peak discharge higher than 1,500 m^3/s.

The transmission line

From the switchyard located next to the power house, electricity is conveyed by three single circuit 115 kV transmission lines, all owned and operated by EDL. The first line, 85 km long, joins Nam Leuk to Pakxan, where a 115 kV substation is located. The second 115 kV line, 55 km long follows the Nam Ngum lake shore, linking Nam Leuk to Nam Ngum power house. The third 115 kV line, 187 km long, travels from Nam Leuk to Phonsavanh substation in Xiengkhuang province.

Summary of important technical information of Nam Leuk Hydropower Plant

The dam is of the rock fill type with an earth fill core. It rises to a total height of 45.5 m above the riverbed, with a crest length of 800 m and a fill volume of about 1.2 mm^3.

1.	**Storage**		
	Full supply level	:	405 m
	Minimum operating level	:	388 m
	Reservoir area (full supply level)	:	12.8 km^2
	Reservoir active storage	:	154 x 10^6 mm^3
	Reservoir dead storage	:	31 x 10^6 mm^3
	Annual runoff	:	517 x 10^6 mm^3

	Net head	:	182.9 m
2.	**Dam**		
	Height	:	45.5 m
3.	**Operation Discharge System**		
	Headrace tunnel length	:	2,830 m
	Headrace tunnel diameter	:	4.90 m
	Steel lining	:	305 m
	Penstock (open air)	:	458 m
	Power station rated output	:	60 MW
	Maximum operation discharge	:	39 m^3/s

5.1.4 Nam Mang 3 Hydropower Plant

Nam Mang 3 Hydropower Plant is a multi-purpose project. It does not only provide electricity, it is also helpful regarding water irrigation. Nam Mang 3 Hydropower Plant is located at Phou Khao Khouay Mountain, 60 km north of Vientiane Capital City, 15 km south west of Nam Leuk Hydropower Plant. Nam Mang 3 Hydropower Plant is a run-of-river scheme. The water from Nam Yong River (750 masl) which is one of the Nam Mang River's tributaries comes from a point substantially higher than the reservoir (200 masl). The 550 m of height difference is able to provide a hydropower potential up to 40 MW, with an average energy production of 138 to 140 GWh/year.

The preliminary feasibility study in 1992, proposed a bigger reservoir which would include the reservoir from another dam with an installed capacity of 35 MW. In 1994, another feasibility study, which had more information regarding the geographic of Lao PDR proposed various options. However, the conclusion from the feasibility study in 2001, which considered environmental impacts more thoroughly, resulted in a proposal for a smaller reservoir and only one dam with a height of 28 m, located near the confluence of the Nam Yong River with the Nam Mang River. The proposed dam has a the catchment area of 68 km^2 and the water is diverted from Houay Kwang, which is a branch of Nam Yong River, through a water intake, tunnel and penstock, to Nam Mang 3 reservoir, which has a catchment area of 14 km^2, reservoir area (full supply level) of 10.2 km^2, average discharge of 4.19 m^3/s and total discharge of 132 km^3/year.

Nam Mang 3 Hydropower Plant construction is divided into two phases. The total construction cost of the first phase was USD 63 million, and the second phase was USD 27 million. In both phases, 80 percent of the funds came from a loan from the Export-Import Bank of China and the other 20 percent came from EDL.

Summary of important technical information of Nam Mang 3 Hydropower Plant

1.	**Storage:**		
	Catchment area	:	68 km^2
	Full water level	:	750 masl
	Low water level	:	742 masl
	Storage capacity	:	59 x 10^6 m^3
	Active storage	:	44.5 x 10^6 m^3
	Reservoir area (full supply level)	:	10.20 km^2
2.	**Dam:**		
	Type	:	reinforced cement concrete
	Height	:	28 m
	Length	:	150.93 m
	Reservoir level	:	754 masl
	Over spillway	:	1,030 m^3/s
3.	**Saddle Dam:**		
	Height	:	19.9 m

	Reservoir level	:	755 masl
	Length	:	435.8 m
4.	**Operation Discharge System**		
	Tunnel:		
	Size	:	1.8 x 2.2 m
	Length	:	512 m
	Penstock:		
	Headrace tunnel diameter	:	0.95-1.8 m
	Headrace tunnel length	:	3,152 m
	Maximum operation discharge	:	9.14 m^3/s
	Power station rated output	:	40 MW

5.1.5 Xeset 1 Hydropower Plant

Xeset 1 Hydropower Plant has been supplying electricity to the provinces of Saravan and Champasak, and surplus power has been exported to Thailand.

Lao PDR received a loan from ADB, and grants from UNDP, the Swedish government and the Norwegian Government to finance the project. The Xeset 1 Hydropower Plant is a run-of-river scheme utilising about 1.5 km of the river with a drop of 157 m. As this type of scheme has limited storage capacity, the energy production will in general vary with the river discharge from day to day. The intake pond is created by a 10 m high gravity dam. From the intake pond to the power house, the water is conveyed through underground tunnels, which are partly steel lined to withstand the high water pressure. The power house is built in the open air with five generating units, three with 13 MW capacity each, and two units with 3 MW capacity each. All works were carried out in one stage and completed in 1991 after two and a half years of construction period.

Summary of important technical information of Xeset 1 Hydropower Plant

1.	**Storage:**		
	Catchment area	:	325 km^2
	Reservoir dead storage	:	0.3 x 10^6 m^3
	Full water level	:	482 masl
	Low water level	:	478 masl
2.	**Dam**		
	Height	:	10 m
	Length	:	91 m
3.	**Operation Discharge System**		
	Headrace tunnel length	:	436 m
	Headrace tunnel diameter	:	3.2 m
	Maximum operation discharge No. 1 or 2	:	2.25 m^3/s
	Maximum operation discharge No. 3, 4 or 5	:	9.5 m^3/s

5.1.6 Xeset 2 Hydropower Plant

Xeset 2 Hydropower Plant is located in the province of Saravan and Champasak in southern Lao PDR, approximately 35 km from Saravan city and 5 km from Xeset 1 Hydropower Plant.

An MOU on the development of Xeset 2 Hydropower Plant was signed in August 2001 between EDL and Norinco Company Limited (China). In October 2003, the basic design report was submitted to EDL and in January 2004, EDL invited consultants from Norway to review the basic design report. The final design report was accomplished in September 2005. The project started construction in 2005 and was completed in 2009.

The Xeset 2 Hydropower Plant has two generating units, having the installed capacity of 38 MW each, and an average production of approximately 309 GWh. In addition, the Xeset 2 Hydropower Plant is a run-of-river scheme, diverting water from Houay Tapoung to Xeset reservoir.

The project's total cost was approximately USD 135.5 million. 80 percent or approximately USD 108 million came from a seller credit from the Export-Import Bank of China and the other 20 percent or approximately USD 27 million came from EDL local component.

Summary of important technical information of Xeset 2 Hydropower Plant

1.	**Xeset 2 Dam Area**		
	Catchments area	:	392 km^2
	Mean annual precipitation	:	2,066 mm
	Mean annual evaporation	:	1,188 mm
	Normal storage level of the reservoir	:	813 masl
	Design flood level of the reservoir	:	816 masl
	Total storage capacity	:	800,000 m^3
	Installed capacity	:	2 x 38 MW
2.	**Houay Tapoung Dam Area**		
	Normal storage level of the reservoir	:	824 masl
	Design flood level of the reservoir	:	826 masl

5.1.7 Selabam Hydropower Plant

Selabam Hydropower Plant is located in Champasak province, 35 km north of Pakse City. The Selabam Hydropower Plant, which is the first hydropower plant in Lao PDR, is a small hydropower plant with an installed capacity of 5.04 MW and average energy capacity of 25 GWh per annum. Selabam Hydropower Plant has a role of producing and supplying electricity for socioeconomic development in accordance with the GOL's policy.

The construction can be divided into two phases as follows:

Phase I: Construction started in 1966 and completed in 1970 with three units and installed capacity of 850 KVA per unit, and

Phase II: Construction started in 1990 and completed in 1994 with one unit and installed capacity of 3,530 KVA per unit.

Summary of important technical information of Selabam Hydropower Plant

1.	**Storage**		
	Catchment area	:	6,360 km^2
	Full water level	:	120.70 masl
	Low water level	:	118.80 masl
2.	**Dam**		
	Height	:	23 m
	Length	:	435 m
3.	**Operation Discharge System**		
	Headrace tunnel diameter (No. 1, 2 and 3)	:	2 m
	Headrace tunnel diameter (No. 4)	:	3.2 m
	Maximum operation discharge (No. 1, 2, 3)	:	15 m^3/s
	Maximum operation discharge (No. 4)	:	25 m^3/s

5.2 Project Investments in IPPs

In 2012, the Company purchased shares of four IPPs in order to augment the capacity to feed a rapid demand growth. The four IPPs increased the Company's installed capacity to 881 MW. The summary of the IPPs which the Company invested in is set out in table below, followed by detailed description of each IPP.

Table 5.2: EDL-Gen's IPPs

Power Plant	Location	%	Equity attributable Capacity (MW)	COD	Investment Year
Nam Ngum 2	Vientiane	25	153.8	2011	2012
Nam Lik 1-2	Vientiane	10	10.0	2011	2012
Theun-Hinboun	Bolikhamxay	60	300.0	1998, 2012	2012
Houay Ho	Champasak	20	30.4	1999	2012
Total IPP Capacity			**494.2**		

Source: EDL-Gen

5.2.1 Theun Hinboun Power Co., Ltd. Project

Theun Hinboun Power Co., Ltd. Project (excluding expansion project and Nam Gnuang) (220 MW) achieved its commercial operation since 1998. Currently, the Company holds 60 percent of the total share capital while GMS Lao Company Limited and Statkraft SF hold 20 percent of the total share capital each. In order to increase generating capacity of the project, the expansion project consisting of Theun Hinboun Expansion (220 MW) and Nam Gnouang (60 MW) was initiated and later completed in 2012. Consequently, the total combined installed capacity of Theun Hinboun Hydropower Project stands at 500 MW, of which 440 MW of electricity is exported Thailand and 60 MW is supplied to EDL.

The hydropower project of Theun Hinboun Hydropower Project (excluding the expansion and Nam Gnouang Projects) is the 'run-of-river' dam hydropower project which diverts approximately 110 m^3/s of water from the Nam Theun through a tunnel into the power plant which is located at the valley 240 meters lower than the dam level. The water will flow to the spillway and reservoir before being released into Hai River which is a part of Hinboun River. This hydropower project uses the modern equipment produced by various international companies, including ABB Generator of Sweden and Kvaener Energy. In addition, international engineering company has designed this power plant and international engineer company was hired to construct the power plant accordingly.

The primary purchaser of power generated by Theun Hinboun Power Co., Ltd. Project (excluding the Expansion and Nam Gnouang Projects) is EGAT. Under the PPA for a period of 27 years, EGAT will be supplied at least 95 percent of all the power generated by this project. In addition, Theun Hinboun Power Co., Ltd. Project is supplying the power generated to EDL in response to the electricity demand in the local area of Bolikhamxai and Khammouan provinces.

The main capital contributor in this IPP projects the collaboration between the USD loan facilities provided by various international financial institutions for the amount of USD 84 million and THB loan facilities provided by a group of Thai commercial banks for the amount of THB 2.8 billion.

In April 2002, Theun Hinboun Power Co., Ltd. Project has completed its restructuring to repay its debt in the amount of USD 152 million.

With the consultation with the GOL and project-affected persons from the Project, Theun Hinboun Power Co., Ltd. Project has already paid the compensation in the amount of more than USD 2.5 million to compensate and mitigate all the environmental and social effects caused by the Project. In addition to its proper performance of its obligations as agreed by the GOL, Theun Hinboun Power Co., Ltd. Project also contributes its funding to provide financial assistance to other projects arranged by the provincial or district authorities to construct schools, bridges and the ferry connected with the route number one at Bolikhamxay province.

Following its operation for many years, Theun Hinboun Power Co., Ltd. Project found the additional effects caused by the Project which have been left unsolved. Therefore, at the end of 1999, Theun Hinboun Power Co., Ltd. Project proposed to ADB to send the committee to study and monitor all the standards that have been implemented at the site and conduct further research for the recommended solutions. Thereafter, at the beginning of 2000, Theun Hinboun Power Co., Ltd. Project engaged the experienced consultants to seek and prepare the mitigation measures with diligence in order to further its measures to mitigate the effects from the Project. At the end of 2000, the ten-year Mitigation and Compensation Measure (MCM) has been established and subsequently at the beginning of 2001, Theun Hinboun Power Co., Ltd. Project established its internal Environment Management Unit (EMU) to implement the MCM. The initial implementation plan of the MCM is to designate the scope of work and the budget plan.

The summary of the important technical information of the Theun Hinboun Power Co., Ltd. Project (excluding the Expansion and Nam Gnouang Projects)

1.	**Reservoir**		
	Catchment area	:	8,937 km^2
	Yearly averaged discharge capacity	:	460 m^3/s
2.	**Dam**		
	Type	:	Concrete gravity
	Crest elevation	:	400 masl
	Height	:	25 m
	Width	:	268 m
3.	**Headrace Tunnel**		
	Type	:	Concrete-lined
	Width	:	5,540 m
	Cross section	:	48.5 m
	Height (above the penstock)	:	390.7 m
	Discharge capacity as designed	:	110 m^3/s
4.	**Tailrace Canal**		
	Diameter	:	5.2 m
	Length	:	900 m
5.	**Powerhouse**		
	Type and number of units	:	2 units of aboveground powerhouse
	Turbine type	:	Vertical Francis
	Water supply for the generation (through turbine)	:	2 x 55 m^3/s
	Gross head	:	230 m
	Installed capacity	:	2 x 105 MW
	Yearly averaged power generated	:	1,561 GWh
6.	**Downstream Channel**		
	Length	:	3,500 m
	Width	:	12 m
	Depth at the maximum discharge	:	4 m
	Storage volume	:	540,000 m^3
7.	**Transmission Line**		
	Type	:	Double circuit (Alternating Current)
	Voltage	:	230 kV
	Distance from the powerhouse to Thakek switchyard	:	86 km

Distance from Thakek switchyard to Sakonnakhon substation	:	74 km

5.2.2 Houay Ho Power Co., Ltd. Project

Houay Ho Power Co., Ltd. Project (152 MW) reached its commercial operation in 1999 having existing shareholders which are Glow Company Limited holding 55 percent of the total share capital, Houay Ho Thai Co., Ltd. holding 25 percent of the total share capital, and EDL holding 20 percent of the total share capital. In addition to the equity contribution, this Project received the loan from many international private banks. Ninety eight percent of the power energy generated is supplied to EGAT in accordance with the Take-or-Pay commitment for the period of 30 years and the remaining power energy is connecting to the EDL Grid for the distribution to the adjacent areas.

This Project has been developed since 1993 by Daewoo Engineering and Construction from Korea who was also the equity contribution to the Project in the sense that this company is the Project construction contractor. Daewoo Corporation entered into the CA with the GOL on 23 September 1993 for the concession period of 30 years commencing from 1999 to 2029. Houay Ho Power Co., Ltd. was incorporated on 27 June 1996 and Houay Ho Power Co., Ltd. entered into the PPA with EGAT for the period of 30 years commencing from 1999 to 2029 at the same period as the CA. The Houay Ho Power Co., Ltd. Project achieved its official commercial operation on 3 September 1999.

The summary of the important technical information of the Houay Ho Power Co., Ltd. Project

1.	**Reservoir**		
	Reservoir area	:	37 km^2
	Maximum flood level	:	883 masl
	Minimum flood level	:	861 masl
	Effective volume	:	527 x 10^6 m^3
	Maximum flowing volume	:	22 m^3/s
	Yearly averaged rainfall	:	2,300 mm
	Catchment area	:	192 km^2
2.	**Dam**		
	Type	:	mixed concrete
	Height	:	79 m
	Volume	:	1.11x 10^6 m^3
3.	**Powerhouse and Transmission Line**		
	Installed capacity	:	150 MW (75 MW x 2) and the small turbine unit of 2.1 MW for the domestic supply
	Turbine brand	:	Pelton
	Gross head	:	775.5 m
	Waterway	:	3,540 m (pressured underground tunnel)
	Transmission line	:	230 kV x 2 (for the length of more than 161 km to the Thai-Lao border)

5.2.3 Nam Lik 1-2 Power Co., Ltd. Project

Nam Lik 1-2 Hydropower Co., Ltd. Project (100 MW) is established by the joint venture between China Water & Energy, Ltd. holding 90 percent of the total share capital and EDL holding ten percent of the total share capital. According to the PPA between EDL and Nam Lik 1-2 Power Co., Ltd. executed on 19 November 2006, the power generated is conveyed by 115 kV transmission lines of EDL. All the power generated from the Project

is supplied to EDL in accordance with the Take-or-Pay Commitment for the period of 25 years for the domestic consumption. The Project was built in 2007 and completed in 2010 and achieved its commercial operation in 29 August 2011.

The summary of the important technical information of the Nam Lik 1-2 Power Co., Ltd. Project

1.	**Reservoir**		
	Catchment area	:	1,993 km^2
	Estimated long term mean flow	:	883 masl
	Total reservoir storage	:	84.9 m^3/s
	Reservoir storage below the normal level	:	1.33 x 109 m^3
	Regulation reservoir capacity	:	0.97 x 109 m^3
	Normal storage water level	:	305.0 m
	Dead water level	:	275.0 m
	Reservoir areas at the normal water level	:	46 km^2
2.	**Main Dam**		
	Type	:	Concrete faced rockfill dam
	Maximum height	:	103.0 m
	Crest length	:	327.84 m
3.	**Saddle Dam**		
	Type	:	Homogenous earth dam
	Maximum height	:	5 m / 10 m / 16 m
	Crest length	:	44 m / 81 m / 102.3 m
4.	**Spillway Tunnel**		
	Type	:	WES curved weir / tunnel
	Opening dimension	:	13 m (W) x 20 m (H)
	Design flood discharge	:	2,513 m^3/s
5.	**Flood Discharge Tunnel**		
	Opening dimension	:	Radium 6 m / 10 m x 12 m (pressurised / unpressurised)
	Design flood discharge	:	1,371 m^3/s
	Check flood discharge	:	1,390 m^3/s
6.	**Headrace Tunnel**		
	Number of tunnel	:	1 unit
	Length	:	280.73 m
	Diameter	:	8.0 m
	Lining	:	Reinforced concrete lining
7.	**Penstock**		
	Length	:	128.94 m
	Inner diameter	:	6.4 m / 4.0 m trunk / branch
	Maximum static head	:	85.71 m
8.	**Powerhouse**		
	Type	:	Surface
	Dimension of main hall	:	60 m (l) x 21.6 m (w) x 43.67 m (h)
	Dimension of secondary hall	:	21.6 m (L) x 12 m (W)

9. Generating Equipment

Number and type of turbines	:	2 units / HL240-LJ-300 (Francis type)
Rated head	:	72 m
Rated rotation	:	214.3 r/min
Rated discharge	:	80.31 m^3/s
Total installed capacity	:	2 x 50 MW
Energy output	:	435 GWh per year
Type of generator	:	SF50-28 / 6300
Rated capacity	:	50 MW
Rated voltage	:	10.5 kV

10. Interconnection with the EDL's Grid System

Transmission line voltage	:	115 kV
Conductors' size	:	240 mm^2
Number of circuits	:	2
Length of transmission line	:	15 km
Transmission destination	:	Nam Lik - Ban Don

5.2.4 Nam Ngum 2 Power Co., Ltd. Project

Nam Ngum 2 Power Co., Ltd. Project (615 MW) began its initial operation on 26 March 2011. The Project is established by the joint venture between South East Asia Energy Limited holding 75 percent of the total share capital and EDL holding 25 percent of the total share capital. All the power generated from the Project is supplied to Thailand.

Nam Ngum 2 Power Co., Ltd. Project has generating capacity of 2,310 GWh per year. All the power generated from Nam Ngum 2 Power Co., Ltd. Project is distributed to Thailand via EGAT grid which would result in the benefits of both Thailand and Lao PDR.

Nam Ngum 2 Power Co., Ltd. Project commenced its initial study pursuant to United Nations Development Program (UNDP) in cooperation with the International Bank for Reconstruction and Development (IBRD) since 1986 and conducted the feasibility of the Project from 1986 to 1996. Subsequently, the Project entered into the PPA with EGAT in 2005 and entered into the CA with the GOL on 14 March 2006.

The summary of the important technical information of the Nam Ngum 2 Hydropower Co., Ltd. Project

1. Reservoir

Reservoir Area	:	5,640 km^2
Yearly averaged discharge capacity	:	6,270 MCM
Full supply level	:	378.75 masl
Maximum flood level	:	375 masl
Reservoir area (full supply level)	:	122 km^2
Storage (full supply level)	:	6,774 MCM
Minimum operating level	:	345 masl
Storage (minimum operating level)	:	3,780 MCM
Active storage	:	2,994 MCM

2. Dam

Type	:	concrete face rockfill
Crest length	:	485 m
Crest level	:	381 masl
Height from foundation	:	181 m
Width of concrete face	:	0.30-0.90 m

3. Headrace Tunnel

Type	:	concrete-lined divided into 2 tunnels
Diameter	:	11.7 m
Length of the first tunnel	:	1,141 m
Length of the second tunnel	:	1,263 m
Height (above the penstock)	:	209.1 masl

4. Tailrace Canal

Amount	:	3 units
Diameter	:	5.35 m
Length	:	212 m

5.3 Hydropower plants and IPPs in connection with funding from Debentures

In 2014, The Company issued debentures in the amount of THB 6,500 million for investing in both generation assets and stakes in power plants. After all generators start their commercial operations, the Company expects to reach the target of 1,273 MW. Apart from shares of Nam Ngum 5 Power Co., Ltd. held by EDL, the transfer of other hydropower plants and IPPs pursuant to the debenture issuance are to take place at a future dates nearer to or upon the COD of such project(s).

5.3.1 Nam Ngum 5 Power Co., Ltd. Project

Nam Ngum 5 Power Co., Ltd. Project (120 MW) began its initial operation on 2 December 2012. The Project was a joint investment between Sinhydro Corporation from China and EDL. All the power generated from the Project is supplied to Thailand.

Nam Ngum 5 Power Co., Ltd. Project has generating capacity of 507 GWh per year. All the power generated from the Project is supplied to EDL in accordance with the Take-or-Pay Commitment for the period of 25 years for the domestic consumption.

The summary of the important technical information of the Nam Ngum 5 Power Co., Ltd. Project

1. Reservoir

Reservoir Area	:	483 km^2
Yearly averaged discharge capacity	:	314 MCM
Full supply level	:	1,100 masl
Reservoir area (full supply level)	:	15 km^2
Minimum operating level	:	1,060 masl

2. Dam

Type	:	concrete face rockfill
Crest length	:	234.83 m
Crest level	:	99 masl
Height from foundation	:	99 m

3. Headrace Tunnel

Type	:	concrete-lined
Diameter	:	4.2 m
Length	:	8,917 m

5.4 Security Interests

As at the date of this prospectus, the Company did not have any encumbrance, mortgage, or pledge against its operating assets.

5.5 EDL-Gen's Stock Price Performance

Table 5.3: Selected EDL-Gen's Stock Price Performance

Period	Lowest Closing Price (Kip)	Highest Closing Price (Kip)
Last 3 years (June 2012-2015)	4,600	8,100
Quarterly Basis		
April-June 2015	7,000	7,950
January-March 2015	6,900	8,100
October-December 2014	6,800	7,150
July-September 2014	6,350	7,200
April-June 2014	6,050	6,400
January-March 2014	5,800	6,500
October-December 2013	5,800	6,300
July-September 2013	5,900	6,500
Monthly Basis		
June 2015	7,000	7,200
May 2015	7,050	7,500
April 2015	7,500	7,950
March 2015	7,100	8,100
February 2015	6,900	7.100
January 2015	7,000	7,100
December 2014	7,000	7,100
November 2014	6,900	7,150
October 2014	6,800	7,100
September 2014	6,800	7,100
August 2014	6,700	7,200
July 2014	6,350	6,800
June 2014	6,200	6,400
May 2014	6,100	6,400
April 2014	6,050	6,400
March 2014	6,100	6,500
February 2014	5,900	6,300
January 2014	5,800	6,000
December 2013	5,800	6,000
November 2013	6,050	6,200
October 2013	6,100	6,300
September 2013	5,900	6,300
August 2013	6,200	6,450
July 2013	6,000	6,500
June 2013	6,200	6,550

Source: LSX

6. FUTURE PROJECTS

6.1 Company's Core Business' Strategy

The Company intends to maintain its position as the leading domestic power generation company. The Company expects to meet demand of domestic and international markets.

The Company believes that the domestic and foreign markets offer substantial growth opportunities. However, the Company will pursue additional revenue sources which it sees as particularly suited to the Company's skill-set and positioning.

6.1.1 Grow its Core Domestic Lao Generation Business

Electricity demand in the domestic market grew at approximately 14.91 percent CAGR during the period 2010-2013, and the Company expects that similar CAGR will continues into the future.

While Lao PDR is a relatively small country, the growth potential of the Company's domestic opportunity is considerable. The Company may utilise its close relationships with both EDL and the GOL in order to optimise its growth. Moreover, EDL itself is highly dependent on dividends from the Company and has every incentive to ensure a steady flow of attractive projects to the Company.

In recent years Lao PDR has experienced substantial domestic demand growth, averaging 18 percent CAGR for the period 2001-2009. This growth has been driven by demand from the mining industry, manufacturing, expansion of business activity and the GOL's rural electrification plan.

Table 6.1: Lao PDR Domestic Demand Profile

	2010	2011	2012	2013	CAGR 2010-2013	2020F
Domestic consumption (GWh)	2,228.15	2,399.36	2,874.21	3,380.96	13.9%	11,661.77
Growth		7.7%	19.8%	17.6%		
Peak load (MW)	475.78	527.09	613.56	649.13	10.9%	3,488
Growth		10.8%	16.4%	5.8%		

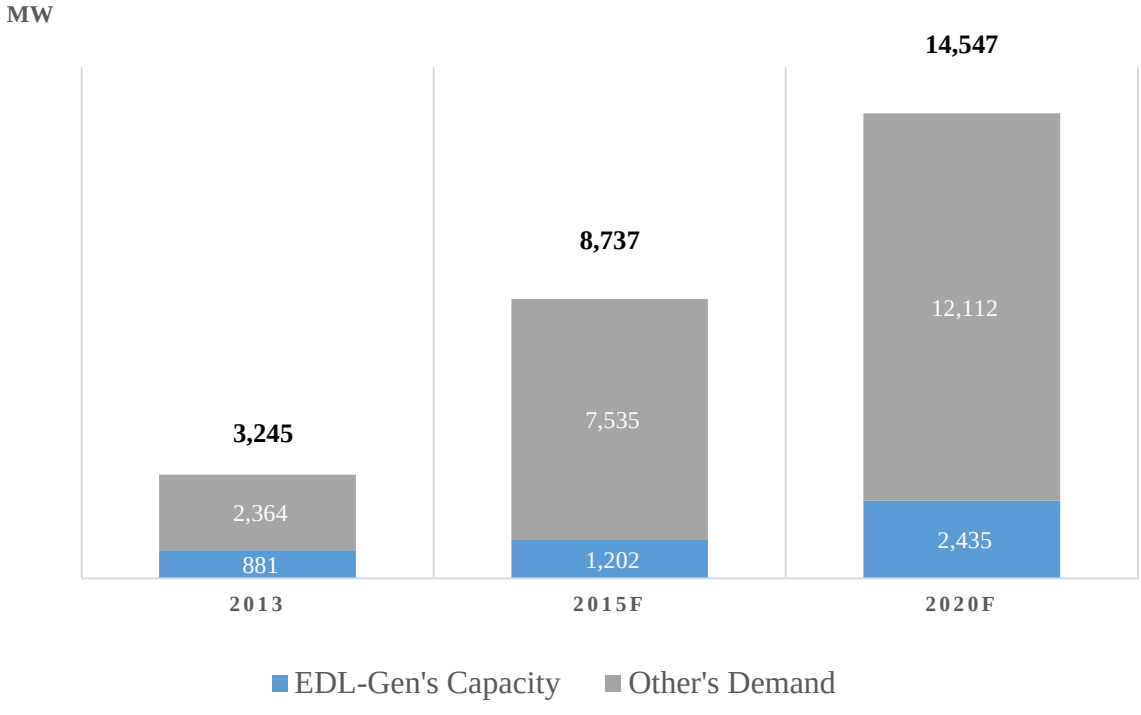
Source: EDL's 2013 Statistic Report
PDP 2010-2020 (Revision-1)

The total domestic energy demand growth amounts to 13.9 percent CAGR for the 2010-2013 period. According to PDP 2010-2020 (Revision-1) The Lao domestic peak demand is projected to increase to 3,488 MW by 2020. Notwithstanding the recent disruptions in the global economy, the Company expects that electricity demand growth in Lao PDR will remain robust.

The expected rapid demand growth has presented a considerable challenge to EDL and the GOL. According to PDP 2010-2020, the total Lao electricity demand is expected to grow to 14,547 GWh by 2020. The capital requirement for the rolling out of the Lao electricity sector has historically presented a considerable financial burden to EDL. In recent years, because of limited financing options, EDL and the GOL have relied on self-financing and loans from development banks for capacity expansions. Indeed, foreign financing sources such as IPPs, development banks, etc., have provided a major portion of the required debt and equity financing for national capacity expansion plan. Thus, EDL and the GOL have been to a great extent dependent on foreign IPP developers and foreign sources of capital in order to continue both Lao's domestic electricity development efforts as well as the electricity export business.

EDL estimates that new – build capital expenditure requirements for Lao power generation sector (for the ten year period to 2020) for EDL alone (excluding all IPPs) will reach approximately USD 1.29 billion.

Figure 6.1: Lao PDR's Power Demand and Supply Outlook



Sources: EDL-Gen;

In 2009, EDL began to examine restructuring and financing alternatives which could enable EDL to self-finance more of its growth and quicken the national electrification plan. This self-financing would permit the people of Lao PDR to retain more of the benefits from the country's substantial hydro resources. Accordingly, in 2008 EDL established a special Financial Task Force (the "FTF") to liaise with GOL authorities in order "to solve its financial problems systematically". As part of this effort, EDL retained its financial advisor in order to: (i) study the Lao power industry, EDL's current situation and future potential; and (ii) make recommendations to EDL regarding possible restructuring of EDL and the Laos power industry, specifically concerning privatisation and fund raising options available to EDL.

6.1.2 Seek Growth or Jointly Invest in IPPs for Electricity Sales to its Energy Hungry Neighbours

The power sector, and especially hydropower, is an important contributor to Lao PDR's economic growth. Historically, power generation assets in Lao PDR have been developed and constructed by both EDL on its own and various IPP developers. Typically, EDL would develop power generation assets for the domestic market. IPPs for export market are generally taken up as equity investment by either EDL or LHSE. This pattern will continue with the Company acquiring EDL Hydropower Generation Assets from EDL upon or near the COD or the date mutually agreed between the Company and EDL (as the case may be). However, while EDL previously lacked funding to target more than a minority of the foreign power sales markets, in the future, the Company intends to adopt a more aggressive strategy toward this market.

In addition to the IPPs, the Assets Transferred to the Company on the Incorporation Date also sell surplus power across borders (through EDL). Surplus energy of the Central-1 (Nam Ngum 1, Nam Leuk and Nam Mang 3) and Southern area (Xeset 1 and Selabam) systems is exported to Thailand through a 115 kV line from Phonetong to Thanaleng substations (Vientiane Capital) and Pakxan substation (Bolikhamxay province) to Bang Yo substation (Pakse).

In the future, the Company will seek to maximise its opportunities to gain exposure to the export sector, either through sales to EDL or direct exports through ownership of IPPs. The power development plans of major importing countries such as China, Thailand and Vietnam indicate substantial plans for electric power imports over the next two decades.

The export of electric power is a relatively recent development in Lao PDR. Lao PDR now has MOUs with both Thailand and Vietnam, and is also cooperating with Cambodia and China on the supply of power through IPPs base in Lao PDR. Not all of the IPPs will be undertaken by the Company. However, a number of these IPPs will involve the Company.

6.1.3 Plans to Supply to Thailand

In June 1993, the GOL and the Government of Thailand signed the first MOU to support the development of power projects in Lao PDR through the supply of up to 1,500 MW of electricity to Thailand. To accommodate the steady increase in demand for electricity in Thailand, the two Governments have expanded the MOU several times. The power purchase scheme is expected to expand the potential supply from 7,000 MW to 12,000 MW of electric power to Thailand by 2020.

6.1.4 Plans to Supply to Vietnam

In 1998, the GOL also signed an MOU with the Government of Vietnam covering the supply from Lao PDR of 2,000 MW to Vietnam. In December 2006, the two Governments signed a second MOU that resulted in the agreed supply being increased from 2,000 MW to 3,000 MW by 2015. Then, in January 2008, a further increase, from 3,000 MW to 5,000 MW for the supply of electricity by 2020, was contractually executed.

There are 20 projects in the pipeline to supply electricity under the 5,000 MW MOU which was signed between the two governments.

6.1.5 Plans to Supply to Cambodia

In December 2009, EDL started delivering around 10 MW from its southern grid to meet small load demand centres in Cambodia. Currently, there an agreement with Electricity Authority of Cambodia for the supply of 200 MW from Lao PDR to Cambodia by 2020. Done Sahong on the main stream of the Mekong River is the first hydropower project to supply electricity to the northern grid of Cambodia.

6.1.6 Controlling and Managing the Efficiency of the Load Dispatch

Key to the ability to take advantage of both domestic and export opportunities is proper load dispatch and coordination. Therefore, EDL is developing a new National Load Dispatch Centre (NLDC). The main objectives of NLDC are to control the system in order to keep it reliable, stable in terms of technical and economic aspects and to efficiently manage power trading between EDL and IPPs. In addition, NLPC has a plan to control four Regional Control Centres (RCC) as follows:

(1) Central Regional Control Centre located at Phontong substation, Vientiane Capital;

(2) Northern Regional Control Centre located at Sansouk substation, Luang Prabang province;

(3) Southern Regional Control Centre located at Thakhek substation, Khammouan province; and

(4) Southern Regional Control Centre located at Bangyo substation, Champasak province.

Also, NLPC has a plan to control 2 Hydropower Plant Control Centres (HPCC) as

follows:

(1) Hydropower Plant Control Centre for the Northern and Central areas, located at Nam Ngum 1 Hydropower Plant, Vientiane province; and

(2) Southern Hydropower Plant Control Centre located at Xeset 1 Hydropower Plant, Saravan province;

6.2 Non-core Revenue Potential

The Company may seek clean development mechanism (carbon credit) revenues from existing hydropower assets. Lao PDR's neighbouring countries maintain relatively high carbon-intensive electricity production systems. Lao PDR was once thought to be off-limits to clean development mechanism (carbon credit) revenue because of the near 100 percent hydro nature of the system. However, pursuant to the United Nation Executive Board Decision "EB28", carbon credits are now available to projects in Lao PDR. The Company is aware of at least three projects which may be pursuing carbon credit revenues in Lao PDR.

A key feature of the Kyoto Protocol is that it sets binding targets for 37 industrialised countries and the European community for reducing greenhouse gas (GHG) emissions. Recognising that developed countries are principally responsible for the current high levels of GHG emissions in the atmosphere as a result of more than 150 years of industrial activity, the Protocol places a heavier burden on developed nations under the principle of "common but differentiated responsibilities."

The Clean Development Mechanism (CDM), defined in Article 12 of the Protocol, allows a country with an emission-reduction or emission-limitation commitment under the Kyoto Protocol ("Annex B Party") to implement an emission-reduction project in developing countries. Such projects can earn saleable certified emission reduction (CER) credits, each equivalent to one tonne of CO_2, which can be counted towards meeting Kyoto targets.

While the majority of power generated in Lao PDR is from a renewable resource – namely hydropower – the Lao grid is part of a broader grid covering Lao PDR, Thailand, Cambodia and Vietnam. Under the Clean Development Mechanism of the United Nations Framework Convention on Climate Change (UNFCCC), the project boundary can be defined as this wider grid network. The Executive Board of the UNFCCC has already approved projects where the project boundary crosses national borders.

It was made clear in the text of EB28 that grids which cross national boundaries can be regarded as a single project, and this was confirmed by the approval of Project 2746: Dagachhu Hydropower Project, Bhutan, in March 2010. Three key factors influenced the Executive Board, which were:

- The Bhutanese grid is fully integrated with the eastern grid of India and exports 90 percent of the electricity generation of Bhutan to the eastern grid of India.
- Most of the high voltage transmission lines in Bhutan have been built mainly for the purpose of exporting electricity to India.
- The concept of trans-national electricity between India and Bhutan can also be verified from the umbrella agreement signed on 28 July 2006 between government of India and government of Bhutan.

Lao PDR and Thailand enjoy a similar position to Bhutan and India in all three of the above aspects. Consequently, based on the current Energy Mix of the Thai and Lao grids, for each 100 GWh of power generated in Lao PDR, the carbon credits earned would be USD 55,000 per year. These credits can be sold on an exchange such as the European Climate Exchange (ECX) or a forward contract, known as an Emissions Purchase Reductions Agreement (ERPA) can be signed for a period of seven or ten years, which fixes the revenue at the commencement of generation. These ERPAs can be renewed for up to 21 years. When reviewing projects, carbon credit revenues can become a material factor which significantly improves the internal rate of return on each project.

The Company may also look at providing project development services to IPP developers and operation and maintenance services to IPPs. The Company's engineering staffs are highly capable and will be in a position to provide operation and maintenance services to IPPs in the future. Moreover, the Company's development teams will be in a much better position to deal with local siting, permitting issues than teams seconded from overseas.

6.3 The Company's Build-Out Plan of Generation Assets

In order to meet Lao PDR's domestic power demand as well as future export demands, EDL has developed a generation supply plan (which is set out the PDP 2010-2020 (Revision-1). This plan calls for a combination of the Company's future wholly-owned generation plants as well as IPPs. Table 5.2 below summarises this plan.

Table 6.2: The Company's Generation Build-Out Plan

Year	Total Additional Capacity (MW)
2011 – 2015	1,202
2016 – 2020	1,233
Total 2011 – 2020	**2,435**

Source: EDL-Gen

The Company's build-out plan excludes other IPPs.

6.4 Investment Plans

6.4.1 The Company's Future Growth & GOL Policy

The Company believes that it is well positioned to grow rapidly for the following reasons.

(i) The Company has a portfolio of hydropower generating assets with stable cash flows;

(ii) The Company's close ties with EDL increase its accessibility to strong IRR driven projects at competitive pricing & pre-COD risk mitigation procedures.

(iii) Pass through arrangements encumbered in PPAs provide cash flow stability as well as inflation and exchange rate protection.

6.4.2 Company's Investment Plan

The Company believes that, for the foreseeable future, it will be most efficient for EDL to continue to take responsibility for development and construction of these assets and to transfer upon or near the COD or the date mutually agreed between the Company and EDL (as the case may be), including investment in distribution and recourse management undertakings.

Below is a summary of the Company's potential assets acquisition from EDL.

Table 6.3: EDL Construction Period & Planned Generation Assets (Wholly–Owned) (selected projects)

No.	Name of Project	Location (Province)	Installed Capacity (MW)	Commercial Operation Date	Target Market
1.	Houaylamphan Ngai	Xekong	88.00	2015	Laos

No.	Name of Project	Location (Province)	Installed Capacity (MW)	Commercial Operation Date	Target Market
2.	Nam Hinboun	Khammuan	30.00	2016	Laos
3.	Nam Khan 2	Luang Prabang	130.00	2016	Laos
4.	Nam Khan 3	Luang Prabang	60.00	2016	Laos
5.	Xeset 3	Champasak	24.00	2016	Laos
6.	Nam Chein 1	Xieng Khuang	104.00	2016	Laos
7.	Nam Ngum 1 Ext DFE	Vientiane	80.00	2018	Laos
8.	Nam Ngum 1 Ext Unit 6	Vientiane	40.00	2018	Laos
Total			**556.00**		

Sources: EDL-Gen

Table 6.4: EDL Equity Share of Construction Period & Planned IPPs (selected projects)

No.	Name of Project	Location (Province)	Installed Capacity (MW)	Planned Market	Remark
1.	Xayaburi (Mekong)	Xayaburi / Luang Prabang	1,285.00	Thailand/ Laos	Under Construction
2.	Nam Beng	Oudomxay	34.00	Laos	Under Construction
3.	Nam Ou 2	Luang Prabang	120.00	Laos	Under Construction
4.	Nam Ou 5	Phongsaly	240.00	Laos	Under Construction
5.	Nam Ou 6	Phongsaly	180.00	Laos	Under Construction
6.	Nam Phai	Xaysomboun	86.00	Laos	Under Construction
7.	Nam Tha 1	Luangnamtha	168.00	Laos	Under Construction
8.	Nam Mang 1	Xaysomboun	64.00	Laos	Under Construction
9.	Nam Lik 1	Vientiane	60.00	Laos	Under Construction
10.	Nam Ngiep 2	Xiengkhuang	180.00	Laos	Under Construction
11.	Xekamam 3	Sekong	250.00	Laos / Vietnam	Under Construction
Total			**2,667.00**		

Sources: EDL-Gen

Table 6.5: IPPs currently under operation by EDL (selected projects)

No.	Name of Project	Location (Province)	Installed Capacity (MW)	Planned Market	Remark
1.	Nam Tha 3	Luangnamtha	1.50	Laos	
2.	Nam Phao	Bolikhamxay	1.80	Laos	
3.	Nam Long	Luangnamtha	5.00	Laos	
Total			**8.30**		

Source: EDL-Gen

In consideration for each asset transfer, the Company may make the payment in cash or issue new shares to EDL and also enter into a PPA with EDL and CA with the GOL on terms consistent with those previously agreed for IPPs. Once each asset transfer takes place, the Company will own and operate the relevant asset and receive revenue pursuant to the applicable PPA.

In addition to investments in EDL's Assets, the Company will seek opportunities to invest in IPPs details as follows:

Table 6.6: Investment plans in Other IPPs (selected projects)

No.	Name of Project	Location (Province)	Installed Capacity (MW)	Planned Market	Remark
1.	Nam Nhone	Bokeo	2.40	Laos	
2.	Nam Theun 2	Khammuan	1,088.00	Laos / Thailand	
3.	Tad Salen	Savannakhet	3.20	Laos	
4.	Xenam Noy 1	Attapeu	14.80	Laos	
5.	Xekaman 1	Attapeu	322.00	Laos / Vietnam	Under Construction
6.	Nam Sim	Huaphan	9.00	Laos	Under Construction
7.	Hongsa Liqnite	Xayaboury	1,878.00	Laos / Thailand	Under Construction
8.	Xepian-Xenamnoy	Attapeu / Champasak	410.00	Laos / Thailand	Under Construction
9.	Nam Ngiep 3A	Xieng Khuang	44.00	Laos	Under Construction
10.	Nam Kong 2	Attapeu	66.00	Laos	Under Construction
11.	Nam Ngiep 1	Bolikhamxay / Xienghoung	290.00	Laos / Thailand	Under Construction
12.	Nam San 3A and 3B	Xieng Kuang	114.00	Laos	Under Construction
13.	Xekatam	Champasak	81.3	Laos	Under Construction
14.	Houay Por	Saravan	15.0	Laos	Under Construction
Total			**4,337.70**		

Source: EDL-Gen

6.4.3 Commitments

In 2014, the Company issued debentures in the amount of THB 6,500 million for investing in both generation assets and stakes in IPPs. In February 2015, part of the proceeds from the 2014 issued debenture were used to purchase 15% share in Nam Ngum 5 Power Co., Ltd (IPP) from EDL. The remaining proceeds from this issuance of debenture will be used to purchase assets and shares as summarised below:

Table 6.7: List of Hydropower Projects to be Purchased in connection with Debenture Issuance

Power Plant	Equity Stake	Location	Equity Attributed Capacity (MW)	Designed Energy Capacity (GWh p.a.)	COD
Wholly-owned					
HLP Ngai	100%	Sekong	88.0	500.0	2015
Nam Khan2	100%	Luang Prabang	130.0	558.0	2015
Nam Khan3	100%	Luang Prabang	60.0	249.5	2016
Nam Sana	100%	Vientiane	14.0	49.5	2014
Total			**292.0**	**1,357.0**	
IPPs					
Nam Long	20%	Luang Nam Tha	1.0	37.0	2015
Nam Ou2	15%	Phongsaly	18.0	546.0	2017
Nam Ou5	15%	Phongsaly	36.0	1,049.0	2017
Nam Ou6	15%	Phongsaly	27.0	739.0	2017
Total			**82.0**	**2,371.0**	
Grand Total			**374.0**	**3,728.0**	

Source: EDL-Gen

The Company has entered into MOUs with EDL for the purchase of assets and shares, and will enter into the relevant transfer agreements in the future.

6.4.4 Use of Proceeds

This capital increase is to facilitate the Company's long-term business plan of: (i) maintaining its market share; (ii) maintain its earnings' growth rate; and (iii) meeting Lao PDR's domestic power demands as well as future export demands.

As the construction of hydropower generation assets cannot be undertaken in a short period of time, the Company is required to raise funds to facilitate the necessary acquisitions of hydropower generation assets and direct investments through this capital increase in order to have such assets ready for utilisation by 2019-2020 as planned.

The proceeds from the Offer will be used in connection with:

(i) EDL's wholly-owned generation assets in connection with the use of proceeds;

(ii) EDL's shares in IPPs;

(iii) Direct investment by the Company in other power projects;

(iv) Working capital.

Whereby (i)-(iii) above are collective referred to as (the "Portfolio of Assets").

The relevant transfer agreement(s) shall be entered into by the Company and EDL following the achievement of COD of the relevant assets or the relevant EDL's shares in IPPs, or any other dates to be mutually

agreed in writing by the both parties, as the case may.

Details of the Portfolio of Assets are as follows:

Table 6.8: Portfolio of Assets

No.	Name of Project	Location (Province)	Stake to acquire	Equity Attributed Capacity (MW)	Planned Market	Remarks	Expected Transfer or Completion
EDL's wholly-owned generation assets in connection with the use of proceeds							
1.	Nam Chiean 1	Xieng Kuang	100%	104.0	Laos	Under Construction	2016
2.	Nam Hinboun	Khammuan	100%	30.0	Laos	Under Construction	2016
3.	Xeset 3	Champasak	100%	24.0	Laos	Under Construction	2016
4.	Nam Ngum 1 Ext DFE	Vientiane	100%	80.0	Laos	Under Construction	2018
5.	Nam Ngum 1 Ext Unit 6	Vientiane	100%	40.0	Laos	Undergoing Feasibility Study	2018
	Sub Total			**278.0**			
EDL's shares in IPPs							
1.	Nam Ngiep 2	Kiangkhouang	10%	18.0	Laos	Under Construction	2015
2.	Nam Beng	Oudomxay	20%	6.8	Laos	Under Construction	2016
3.	Xekamam 3	Sekong	15%	37.5	Laos	Under Construction	2015
4.	Nam Lik 1	Vientiane	10%	6.0	Laos	Under Construction	2016
5.	Nam Mang 1	Bolikhamxay	10%	6.4	Laos	Under Construction	2016
6.	Nam Tha 1	Louangnamtha Borkeo	20%	33.6	Laos	Under Construction	2017
	Sub Total			**108.3**			
Direct investment by the Company in other power projects							
1.	Nam Phoun	Xayaburi	51%	30.6	Laos	Under Project Development Agreement (PDA) Stage	2018
2.	Nam Bi	Sekong	80%	104.0	Laos	Undergoing Feasibility Study	2018
	Sub Total			**134.6**			
	Total			**520.9**			

Source: EDL-Gen

Table 6.9: Estimation of the Use of Proceeds

No.	Purposes	Estimated Investment Amount	Amount from the Proceeds	Percentage of proceed (%)	Expected Use of Proceeds
1.	EDL's wholly-owned generation assets in connection with the use of proceeds	1,850,769,000,000	1,850,769,000,000	67.20	2015-2018
2.	EDL's shares in IPPs	536,625,000,000	536,625,000,000	19.49	2015-2018
3.	Direct investment by the Company in other power projects	338,094,000,000	338,094,000,000	12.28	2015-2018
4.	Working capital	28,512,000,000	28,512,000,000	1.04	2015-2018
	Sub Total	**2,754,000,000,000**	**2,754,000,000,000**	**100.00**	

Source: EDL-Gen

7. LEGAL DISPUTES

During the normal course of business operations, the Company was not sued in any court or there was no any legal dispute which may affect the asset of the Company or result in litigation or regulatory proceedings. Currently, the Company is not involved in any litigation, arbitration, claims, tribunal or criminal proceedings or other disputes whether actual or prospective, and whether as claimant, defendant, third parties or witness.

In addition, the People's Court (Vientiane Capital)'s certification letter No. 56/PC.VTE dated 22 May 2015 stated that the Company does not have any pending litigations.

8. CAPITAL STRUCTURE

8.1 Registered Capital

As at the date of this prospectus, the Company's capital is Kip 4,904,867,060,000, divided into 1,226,216,765 shares.

8.2 Balance Sheet Information

The following table shows the Company's key balance sheet items i.e. cash, indebtedness and capitalisation as at 31 December 2013 and 31 December 2014. The table is derived from the Company's financial statements contained in the prospectus. Investors should read this table in conjunction with:

- The Company's financial statements, the related notes and other financial information contained elsewhere in this prospectus; and
- The sections of the prospectus entitled Company Information re: "Financial Status and Operating Data - Management's Discussion and Analysis of Financial Condition and Results of Operations".

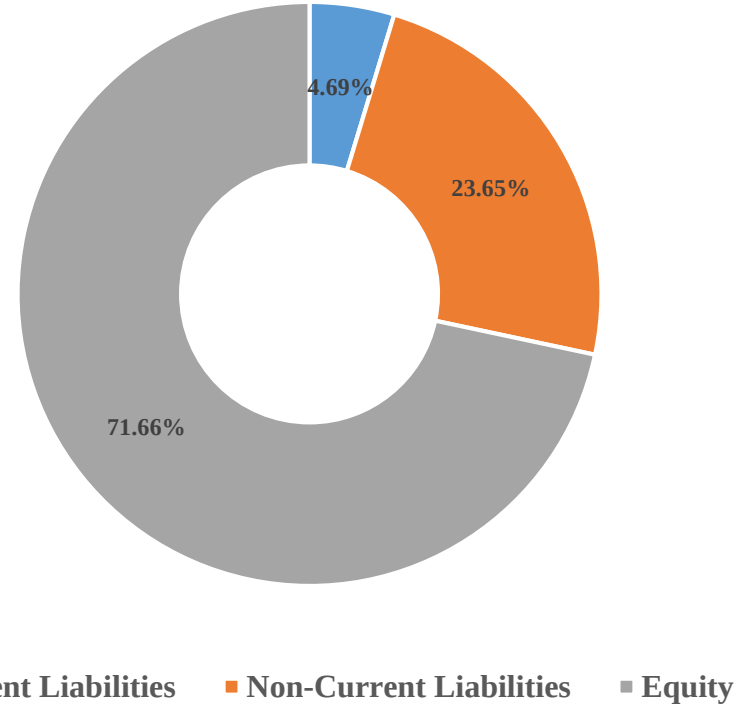
Table 8.1: The Company's Balance Sheet as at 31 December 2014 and 31 December 2013

Balance Sheet	Company's Financial Statements for the Fiscal Year 2014 (Million Kip)	Company's Financial Statements for the Fiscal Year 2013 (Million Kip)
Assets		
Non-current assets		
Interests in associates	610,357	571,745
Interests in joint ventures	1,498,609	1,298,247
Advance payment for investment	779,005	474,411
Assets under concession, net	4,145,851	4,011,109
Other non-current assets	1,885	3,465
Total non-current assets	**7,035,707**	**6,358,977**
Current assets		
Cash and cash equivalents	1,251,534	159,914
Short-term investments	20,000	20,000
Trade and other receivables	502,382	519,355
Spare parts and supplies, net	4,043	3,020
Other current assets	7,595	5,905
Total current assets	**1,785,554**	**708,194**
Total Assets	**8,821,261**	**7,067,171**
Equity		
Share capital	4,904,867	4,904,867
Share premium	142,229	142,229
Legal reserve	297,210	206,442
Translating financial statements	(1,476)	7,001
Retained earnings	978,811	744,348
Total equity	**6,321,641**	**6,004,887**
Liabilities		
Non-current liabilities		
Long-term borrowings, net	499,263	805,295
Debenture, net	1,575,862	-
Payable – swap contract, net	11,105	-
Total non-current liabilities	**2,086,230**	**805,295**
Current liabilities		
Trade and other payables	174,589	30,823
Current portion of long-term borrowings	99,519	132,003
Accrued expenses	134,936	66,077

Balance Sheet	Company's Financial Statements for the Fiscal Year 2014 (Million Kip)	Company's Financial Statements for the Fiscal Year 2013 (Million Kip)
Accrued income tax	4,306	9,278
Other current liabilities	40	18,808
Total current liabilities	**413,390**	**256,989**
Total liabilities	**2,499,620**	**1,062,284**
Total equity and liabilities	**8,821,261**	**7,067,171**

Source: EDL-Gen

Figure 8.1: The Company's Capital Structure as at 31 December 2014



Source: EDL-Gen

Table 8.2: The Company's Equity Structure as at 17 March 2015

No.	Name of Shareholders	As at 17 March 2015	
		Number of Shares Held	Shareholding Proportion
1.	ELECTRICITE DU LAOS	919,662,992	75.00%
2.	RATCH-LAO SERVICES COMPANY LIMITED	71,136,243	5.80%
3.	RH INTERNATIONAL (SINGAPORE) CORPORATION PTE. LTD	52,811,108	4.31%
4.	BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC	28,762,552	2.35%
5.	KRUNG THAI BANK PUBLIC COMPANY LIMITED	18,737,500	1.53%
6.	NT ASIA DISCOVERY MASTER FUND	12,257,587	1.00%
7.	DRAGON CAPITAL CLEAN DEVELOPMENT LTD.	11,056,500	0.90%
8.	MEKONG HOLDING INS	6,212,699	0.51%
9.	THAVEERAT PROONGPATTANASKUL	5,003,600	0.41%
10.	KT ZMICO SECURITIES COMPANY LIMITED	3,989,189	0.33%
11.	OTHER SHAREHOLDERS	96,586,795	7.88%
	Total	**1,226,216,765**	**100.00%**

Source: EDL-Gen

8.3 Interest Bearing Liabilities

In addition to the transfer of assets, the Company entered into a Debt Repayment Agreement with EDL on 15 December 2010 whereby EDL is a borrower pursuant to several unsecured borrowing agreements with the GOL in which the original funds were provided from various lenders made through GOL. Upon receiving the transfer of Assets Transferred to the Company on the Incorporation Date, 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 further over the period from 10 January to 2010 to 15 July 2022, for the GOL's further repayments to the lenders pursuant to the original borrowing agreements.

The table below summarises the Company's current debt obligations.

Table 8.3: Summary of Current Debt Obligations

Lenders	Initial Amount (as at the date of agreement (Million USD)	Remaining amount (as at 31 Dec 2014) (Million USD)	Maturity	Interest Rate (% p.a.)	Loan's Currency
Long-term Loans					
EDL (OECF)	25.29	10.12	1 December 2020	2.30%	JPY
EDL (Norinco)	108.40	54.20	7 February 2020	2.00%	USD
EDL (ExIm India)	11.00	9.53	21 July 2027	1.75% - 2.75%	USD
Total	**144.69**	**73.85**			
Debentures					
Debenture Series 1	45.83	45.83	12 December 2019	4.95%	THB
Debenture Series 2	61.11	61.11	12 December 2021	5.20%	THB
Debenture Series 3	91.67	91.67	12 December 2024	5.45%	THB
Total	**198.61**	**198.61**			
Total Debt	**343.30**	**272.46**			

Source: EDL-Gen
Note: Exchange rate at 31 December 2014 = 8,108 Kip/USD; and
Exchange rate at 31 December 2014 = 247.74 Kip/THB.

9. ORGANISATION STRUCTURE

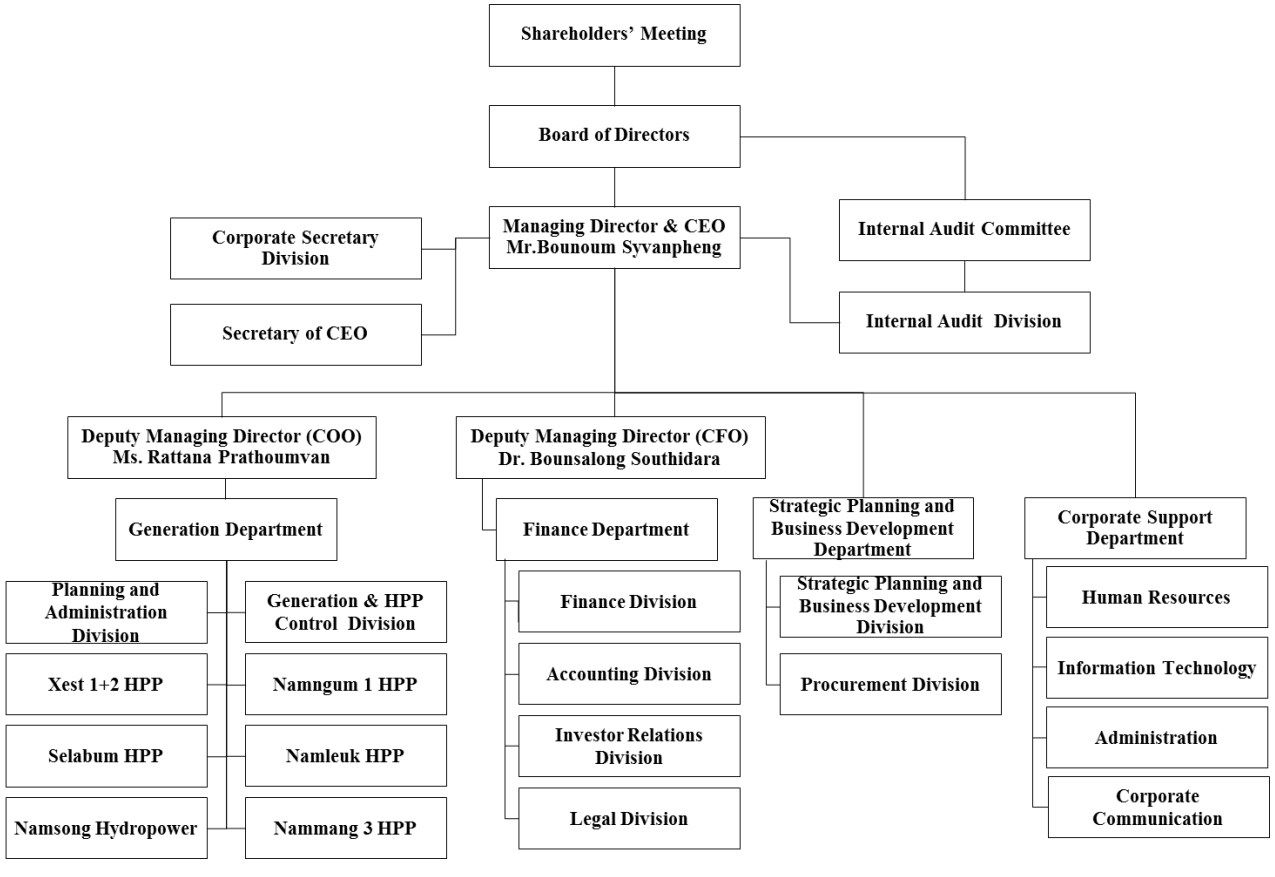
9.1 Management Structure

For the Company's good governance and efficiency, the Company has the management structure as follows:

(1) The board of directors that is composed of 10 directors;

(2) Director General's Committee that is composed of three directors.

Figure 9.1: Organisation Chart



Source: EDL-Gen

9.2 Board of Directors

As at the date of this prospectus, the Company's board of directors is comprises of 10 directors who are qualified and have experiences in the management, as follows:

Table: 9.1: The Company's Board of Directors

No.	Name	Title
1.	Dr. Khammany Inthirath	Chairman
2.	Mr. Sisavath Thiravong	Vice Chairman
3.	Mr. BounOum Syvanpheng	Director
4.	Ms. Rattana Pathoumvan	Director
5.	Mr. Bounma Manivong	Director
6.	Ms. Vanida Savaddy	Director
7.	Mr. Sychath Boutsakitirath	Director
8.	Assoc. Prof. Dr. Kongsy Sengmany	Independent Director
9.	Prof. Dr. Khamlusa Nouansavanh	Independent Director
10.	Assoc. Prof. Khampheui Phommachanh	Independent Director

Source: EDL-Gen

9.2.1 Authorisation of Directors

Directors who can sign to bind the Company are:

(1) Any one of the Chairman of the board of directors or the Vice Chairman of the board of directors or the Managing Director (Chief Executive Officer) signs alone with the Company's seal affixed; or

(2) Any two directors jointly sign together with the Company's seal affixed.

9.2.2 Meeting of the Board of Directors

The Company has planned for annual meetings of the board of directors, comprising two types which are: (i) the Ordinary board of directors' meetings taking place four times a year; and (ii) the extraordinary board of directors' meetings taking place as per the request of a director of the Company.

9.2.3 Duties and Responsibilities of the Board of Directors

As the representatives of the shareholders and the Company, the board of directors has the duty to oversee the Company and is responsible for all activities of the Company to be in accordance with the resolutions of the shareholders' and the board of directors' meetings, the AOA and relevant laws and regulations.

Duties and responsibilities of the board of directors are as follows:

(1) Determining policies, strategies and plans of business operations and budget by examining the strategies, approving important works/activities on the general directives and policies of the Company; examining and approving an annual business operation plan and budget to use several kinds of capital expenditures; and Examining issues and problems proposed by the Managing Director.

(2) Examining with the Managing Director and opining on human resources and management development plans; Examining and approving budget on different compensation policies of the Company based on the performance in order for effectiveness of the employment and to retain qualified staffs. Principally implementing the clear, transparent, accountable, appropriate and useful process of hiring in and dismissing the executives of the Company so that the Company can have management teams that are qualified, appropriately competent and business experienced in effective manner and reaching the gain.

(3) Being the centre of co-ordination and adjustment of work/activities of the directors.

(4) Proposing and approving appointment of a new director replacing a position that is vacant between the two meetings of the shareholders.

(5) Determining directives and management plans and proposing to the meeting of the shareholders for their approval.

(6) Implementing other rights and duties that are provided in the AOA.

(7) Examining and approving short and long term development plans, the six-month operating reports/plans and the annual operating report/plans.

(8) Examining and determining salaries and bonus to employees and workers based on Company's regulations and proposing to the meeting of the shareholders for their approval.

(9) Examining and making decisions on the use of capital, determining capitalisation, ratio of debt to equity, depreciation policy, credit facilities agreements, shareholders agreements, PPA and procurement agreements on high value goods and proposing the meeting of the shareholders for their approval.

(10) Proposing to appoint external independent auditor and fixing remuneration of such independent auditor in the meeting of the shareholders for their approval.

(11) Examining and approving distribution of annual profits after tax deduction in accordance with rules and regulations.

(12) The board of directors has the power to manage the Company in accordance with the resolutions of the shareholders' meetings, the AOA and laws with honesty and duty of care for the Company's interest.

(13) The board of directors has duties to determine objectives, directions, policies, plans and budgets of the Company, as well as to control and govern the management and administration or authorised persons in order to ensure that such management and authorised persons has implemented in accordance with the policies defined by the board of directors.

(14) The board of directors has the power to audit and consider or approve directives, policies and action plans for mega-investment projects of the Company.

(15) The board of directors has the power to appoint and authorise or recommend the Director General's Committee to determine or implement any action deemed appropriated by the board of directors.

(16) The board of directors has the power to monitor operating results in accordance with action plans and operating budgets of the Company.

(17) The board of directors has duties to direct the Company in order to have an efficient internal control and internal audit by appointment of an internal audit department.

(18) The board of directors has the power to determine matters that are necessary and relevant to the Company or deemed appropriate and beneficial to the Company.

The board of directors' decision on the following matters can be made only after obtaining the votes of the shareholders not less than two-thirds of the total votes of the shareholders attending the meeting and at

least 80 percent of the total issued shares of the Company:

(1) Amending the AOA or the Contract of Incorporation of the Company;

(2) Increasing or reducing the capital;

(3) The merger or dissolution of the Company;

(4) The sale or transfer of all or a substantial part of the Company's business to other persons;

(5) The purchase or acceptance of transfer of the business of other enterprise;

(6) All conditions and/or matters required by the laws and regulations, of which shall be approved by the board of directors' meeting and the meeting of the shareholders with the required votes above.

However, any matter that a director has direct benefit or interest with the Company, such director who has direct benefit or interest shall not have the right to vote in such matter.

9.2.4 Remuneration of the Board of Directors

The board of directors receives meeting allowance as follows:

(1) Chairman of the meeting receives meeting allowance equivalent to 100 percent of a two-month salary of the Managing Director (Chief Executive Officer) (before tax deduction);

(2) Vice Chairman of the meeting receives meeting allowance equivalent to 75 percent of a two-month salary of the Managing Director (Chief Executive Officer) (before tax deduction); and

(3) Each director receives meeting allowance equivalent to 50 percent of a two-month salary of the Managing Director (Chief Executive Officer) (before tax deduction).

In addition to the board of directors' remuneration, each of the member of the secretary department to the board of directors and invitees attending the board of directors' meeting receives meeting allowance equivalent to 80 percent of meeting allowance of a director.

9.3 Director General's Committee

The Director General's Committee of the Company is composed of three people which are:

Table 9.2: The Company's Director General's Committee

No.	Name and Family Name	Position
1.	Mr. BounOum Syvanpheng	Managing Director (Chief Executive Officer)
2.	Ms. Rattana Pathoumvan	Deputy Managing Director (Chief Operating Officer)
3.	Dr. Bounsalong Southidara	Deputy Managing Director (Chief Financial Officer)

Source: EDL-Gen

9.3.1 Duties and Responsibilities of Director General's Committee

The Managing Director as a representative of the Company is a coordinator between the Company, the board of directors and the third persons and has duties to perform the business in accordance with the resolutions of the meetings of the shareholders and the board of directors, the AOA and relevant laws and regulations.

Duties and Responsibilities of the Managing Director (Chief Executive Officer) are as follows:

(1) Examining matters relating to human resources and management development plans; Examining budgets on different compensations of the organisation based on the performance in order for effectiveness of the employment and to retain qualified and competent staffs, and proposing to the board of directors for their approval. Principally implementing the clear, transparent, and useful process of hiring in and dismissing employees so that the Company can have employees that are qualified and appropriately competent;

(2) Creating business policies, business operation plans, business strategies and annual budget of the Company and proposing to the board of directors of the Company for their approval;

(3) Monitoring business operation of the Company in accordance with the business policies, business operation plans, business strategies and budget approved by the board of directors;

(4) Determining organisation structure and management authorities by controlling details of the recruitment, employing, benefits, job rotation, training and employment termination of the Company's employees;

(5) Appointing or assigning any person or several to do any act on behalf of the board of directors as deemed appropriate. However, the Board of Director may cancel, change or amend such power;

(6) Having the power to consider and approve expenditures on normal business operation of the Company such as asset procurement and important capital investment for the Company's interest within limited budget;

(7) Implementing any other duties as assigned by the board of directors. However, the approval of transactions by the board of directors is in exclusive of the transactions that a member of the Director General's Committee or a person, who has conflict of interest, has interest or conflict in the Company's benefit, and the matters that defined by the Board of Director but subject to the prior approval of the meeting of the shareholders, in particular the acquisition and disposition of important assets of the Company in accordance with LSX rules or relevant laws concerning the Company;

(8) Managing the Company's operation in accordance with provisions of the Contract of Incorporation, AOA and the resolutions of the meetings of the shareholders;

(9) Managing and using the Company's capital in accordance with Objectives and goals that have been set;

(10) Setting up an accounting system and keeping all Company's documents in order;

(11) Cooperating with independent auditor on the explanation of sources and correctness

of numbers and data appeared in the Balance Sheet prior to proposing to the meeting of the shareholders for their approval;

(12) Sending the copy of the Balance Sheet to the shareholders and keeping with the Company for further auditing as requested;

(13) Correctly and appropriately distributing profits;

(14) Managing and using the personnel and workers of the Company; and

(15) Informing the Company its direct or indirect interest in any Company's contract, and increasing or decreasing in the number of its shares held in the Company or affiliates during the fiscal year.

The Deputy Managing Directors do the acts assigned by the Managing Director and perform their duties as assigned by the Managing Director on behalf of the Managing Director.

9.4 Management Team

As at the date of this prospectus, the Company's management team comprises of three members of the Director General's Committee and four department directors as follows:

Table 9.3: The Company's Managements

No.	Name	Position
1.	Mr. BounOum Syvanpheng	Managing Director (Chief Executive Officer)
2.	Ms. Rattana Pathoumvan	Deputy Managing Director (Chief Operating Officer)
3.	Dr. Bounsalong Southidara	Deputy Managing Director (Chief Financial Officer)
4.	Mr. Phoummy Netibanedith	Director of Generation Department
5.	Mr. Viratha Phonekeo	Director of Strategic Planning and Business Development
6.	Ms. Souksanh Phongphila	Director of Corporate Support and Administration Department
7.	Mr. Vanhseng Vannavong	Acting Director of Finance Department

Source: EDL-Gen

9.5 Human Resources Development

The Company continued to implement the policy on human resource development plan in order to improve ability and got more knowledge skill and new experiences in variety areas.

As at 31 December 2014, the Company had 636 staffs with details as follows:

Table 9.4: The Company's Staffs

Office/Site	Number of Staff
Head Office	80
Nam Ngum 1 Hydropower Project	175
Nam Mung 3 Hydropower Project	73
Nam Leuk HPP	69
Xeset 1-2 Hydropower Project	142

Office/Site	Number of Staff
Selabum Hydropower Project	52
Outsourced to Namsong Hydropower Project	27
Outsourced to Tad Salen Hydropower Project	9
Outsourced Nam Sana Hydropower Project	18

Source: EDL-Gen

All of the Company's staffs have been continuously trained both in the country (in terms of public training and in-house training at EDL-Gen training centre) and overseas. In addition, the Company collaborated with International Centre for Hydropower (ICH) to organise a training course in the theme of "Dam Safety Inspection", where 24 officials from 12 countries attended.

10. INTERNAL CONTROL

10.1 The Committee

Apart from operating under the management team, the Company has also appointed several other committees, including:

10.1.1 Internal Audit Committee (IAC)

Internal audit department was set up to look into operating plans approved by the board of directors in order to mitigate risks arising from the management and evaluate the operating result of the Company by proposing improvement guidelines and development methods and preparing relevant reports.

Subject to the Board of Directors of the Company approval, No. 005/EDL-GEN dated 25 May 2013. IAC has been designated in order to inspect and monitor the Company's income and expense, including to evaluate, suggest and report any business risks to the Board of Directs, connection with these actions though the Internal Audit Division.

The IAC convened 6 meetings in 2014 including 4 ordinary meeting and 2 extraordinary meetings to discuss and consider a number of significant issues especially financial reports. The issues could are summarised as follows:

(1) Discussed and approved the Independent Auditor's annual and semi-annual financial reports.

(2) Approved first, second and third quarter financial reports for the year 2014.

As at the date of this prospectus, the members of the Company's IAC consists of 6 members, as follows:

Table 10.1: The Company's IAC

No.	Name	Position
1.	Dr. Bounsalong Southidara	Chair
2.	Mr. Phoummy Netibanedith	Deputy Chair
3.	Assoc. Prof. Khampheui Phommachanh	Member
4.	Mr. Viratha Phonekeo	Member
5.	Mrs. Souksan Phongphila	Member
6.	Mrs. Manivanh Gnotkongmy	Member

Source: EDL-Gen

10.1.2 The Committee on Negotiation of Concession Agreement, Shareholder Agreement, and Power Purchasing Agreement (CASAPPAC)

On 21 January 2011, the CASAPPAC was appointed to take on the responsibilities of agreements negotiating with representatives of the GOL and EDL as well as the IPPs, for the Company's benefits. In 2014, the committee completed the following significant assignments:

(1) Submission of a draft CA of and completed project survey of Nam Sana Hydropower Project;

(2) Discussion on draft CA of Nam Khan 2 and Houaylamphan Ngai; and

(3) The signing of MOU in connection with Nam Bi Hydropower Project development with Chanthavone Road and Bridge Construction Company and Powerchina Chengdu Corporation Limited.

10.1.3 Purchasing and Equipment's Supply Committee (PESC)

The PESC was established by CEO of the Company, in accordance with the letter No. 011/EDL-GEN dated 7 January 2011. The roles of PESC are to inspect documents in connection with biddings and to evaluate such documents in accordance with the relevant regulations.

In 2014 PESC had held 5 procurement and employment meetings, and held negotiation meetings with the Company's partner, which resulted in the entry in 30 contractual agreements, with details as follows:

(1) 8 contracts regarding maintenance and building;

(2) 3 contracts regarding electrical and mechanical overhaul and renovation;

(3) 13 contracts regarding electrical and mechanical supplies; and

(4) 6 contracts regarding service and survey design.

10.2 Other Aspects of Management

The Company also recognises the importance of the following other aspects of managements:

10.2.1 Business management

The Company takes into consideration and realises the importance of the efficient, transparent and auditable management system which will create confidence to all parties involved and will lead the business to expand stably. Under the ethical management and compliance with relevant laws, the Company has good corporate governance in order to improve the current management to be more systematic with clearer standard. The Company also distributes work to every level of the employees which creates good working culture and unity in participation. The Company's board of directors comprises competent, knowledgeable and experienced persons who are able to create benefits to the Company as they have important roles in laying down overall policy and business operation plans for the organisation. Thus, the internal control system is an important system as it creates confidence to the management in mitigating business risks and contributing to efficiency in work performance, whereby the resources are allocated appropriately, the goal is achieved and the personnel properly complies with the relevant regulations.

10.2.2 Shareholders' Rights

The Company takes into consideration and realises the importance of the basic rights of the shareholders as the investors in securities and as part of the owners of the Company, for example: rights to trade securities, rights to receive dividend, rights to receive adequate information, rights to attend shareholders' meetings, express opinions, suggestions and queries equally and rights to vote at shareholders' meetings in order to decide on matters which are important to the Company, whereby the Company does not do anything to violate or affect the shareholders' rights and the Company promotes its shareholders to exercise their own rights. In this regard, for each shareholders' meeting, the Company will send an invitation and related information for each agenda to the shareholders fifteen (15) business days prior to the meetings date so that the shareholders can study the information before making decision. In addition, the Company also realises the importance of the accuracy, completeness and transparency of the disclosure of information, including financial, general information and other important information which may affect the price of the Company's securities through the Company's website or public communication system or the disclosure of information through LSX for the information which may affect the decision of the investors or the interested persons of the Company.

10.2.3 Employees

Employees are one of the main resources which are important to the growth and development of the organisation. Thus, the Company supports the development of potential of human resources in order for it to be the most beneficial to the Company. Also, the Company encourages more teamwork in order to increase the flexibility in working and promotes development in knowledge and improvement of capability, including arranges for the safe working environment to the employees as well as treats every employees equally and fairly in opportunity, remuneration, appropriate fringe benefits and potential development.

10.2.4 Vision

The Company intends to be the first tier company of Lao PDR in order to effectively and timely guarantee and response to the electricity needs of the social and economic development of Lao PDR. It will be a company that strongly participates to build Lao PDR the electricity generator of ASEAN and actively participates to build ASEAN region a sustainable region on electricity security.

10.2.5 Missions

(1) Will be the first tier company in dealing with electricity generating business in order to effectively serve Lao PDR and the nations in the region with a rational electricity price and effectively create value added to its shareholders.

(2) Will stand up side by side with EDL and strongly coordinate with EDL in order to preserve qualitatively and quantitatively the electricity/energy security and effectively response to the needs of the social and economic development of Lao PDR as well as of the ASEAN.

(3) Effectively upgrade and develop its staff (all levels) to be capable personnel that can actively participate in the development of the Company with the feeling of proud, responsibility and ownership.

10.2.6 Duties/Responsibilities

The Company will effectively upgrade the capability of the personnel and build up the organisational culture in accordance with the principle of good corporate governance as follows:

(1) Fully be responsible to the shareholders and the interested persons in the protection of Company's assets. These assets should be secured in order for them to grow strongly and sustainably.

(2) Principally and flexibly act in accordance with the vision and the missions of the Company with the concern of current and future risks.

(3) Have transparent and accountable process of decision making and of business operation and implementation.

(4) Equally, fairly and justly treat all parties concerned and avoid the situation that will create conflict of interests or duplication of interests

(5) Firmly build up the wealth and value for the shareholders in the long run.

(6) Use creative thinking/intelligence and modern technology in order to continuously increase the effectiveness of the business management and production and that the company can be competitive with others.

(7) Take care of society, water resources and environment.

10.2.7 Code of Ethics

(1) The Company will conduct its business with honesty and morality.

(2) The Company will strictly and loyally implement all laws, rules and regulations of Lao PDR and other agreements that it participates.

(3) The Company will use natural resources effectively.

(4) The Company will firmly participate in the protection of water resources and environment.

(5) The Company will fully support and promote the development of its organisation and of its personnel/staffs in order that they can develop themselves in the capability as well as ability, and be the host to guarantee the solidarity in the organisation.

11. RELATED PARTY TRANSACTION

Part of the Company's related party transactions occurred because the Company was incorporated as a public company on 15 December 2010 under the laws of Lao PDR as a subsidiary of EDL in connection with EDL's restructuring of its electricity business, whereby the Assets Transferred to the Company on the Incorporation Date and EDL's obligations under loan agreements and other relevant agreements were transferred from EDL to the Company pursuant to the PM Decision re: Establishment of the Company and the 2010 NASC Resolution re: Securities and Securities Exchange. Since the initial public offering of the Company's securities until present, EDL has the policy to maintain its status as a major shareholder of the Company, holding 75 percent of the total issued shares of the Company.

Therefore, there are a number of related party transactions between the Company and EDL as: (i) the major shareholder of the Company; and (ii) the Company's purchaser of the electricity, pursuant to the PPAs and CAs.

The major related party transactions are caused from the transfer of EDL's assets, EDL's obligations under loan agreements and the business of generation and sale of electricity, with the details of the transactions, such as power purchase transactions, accounts receivable and loans. The details of the transactions appear in the Financial Statements of the Company for the Fiscal Year 2014, which can be summarised as follows:

Table 11.1: Related Party's Transactions

Related Company /Entity		Nature of Transactions	Value of the Transactions (Million Kip)	Justification of Transactions
EDL	Company's parent company which holds 75 percent of the Company's shares	Electricity sales.	839,193	Electricity purchase at the price and with the conditions pursuant to the PPAs which is normal business practice of the Company.
EDL	Company's parent company which holds 75 percent of the Company's shares	Account receivables.	436,120	Trade account receivable in normal business practice, of which Kip 112,851 million is in normal credit period and Kip 323,269 million is less than 3 months overdue.
EDL	Company's parent company which holds 75 percent of the Company's shares	Advance payment.	779,005	The money in the amount of Kip 577,726 million is an advance payment to EDL for Houay Lamphan Ngai Hydropower Project and Nam Khan 2 Hydropower Project according to the MOU for the transfer of the assets of the two projects dated 8 July 2011; Kip 42,098 million for Nam Ngum 5 Hydropower Project pursuant to MOU for share transfer of project asset dated 20 February 2012; Kip 16,112 million for Nam Sana Hydropower Project pursuant to MOU for transfer of project asset dated 12 February 2014; and Kip 143,069 million for Nam Khan 3 according to MOU for project asset transfer dated 17 February 2014.
EDL	Company's parent company which holds 75 percent of the Company's shares	Compensation paid to directors and management	1,819	Compensation paid to directors and management.
EDL	Company's parent company which holds 75 percent of the Company's shares	Long-term borrowings repayments	598,782	Pursuant to Debt Repayment Agreement between the Company and EDL dated 15 December 2010 and 28 February 2013, in which the Company agreed to make payments on the outstanding debts to EDL arising from

Related Company /Entity		Nature of Transactions	Value of the Transactions (Million Kip)	Justification of Transactions
				the asset transfer from EDL.
EDL	Company's parent company which holds 75 percent of the Company's shares	Interest expenses	30,273	Pursuant to Debt Repayment Agreement between the Company and EDL dated 15 December 2010 and 28 February 2013, in which the Company agreed to make repayment on the outstanding debts to EDL arising from the assets transfer from EDL.
EDL	Company's parent company which holds 75 percent of the Company's shares	Dividends	436,840	EDL is entitled to receive dividends from its shareholdings in the Company.

Source: EDL-Gen

11.1 Policy or tendency of the related party transaction in the future

The Company expected that there might be related party transactions between the Company and its parent Company in the future, mainly from the normal business operation of generation and sale of electricity which are the main business of the Company. However, if the transactions are significant and affect the operation, such transactions will be disclosed and asked for approval from the Company's board of directors and/or shareholders in order to review, consider and opine on the appropriateness of price and reasonability of the transactions for the validity and transparency.

12. FINANCIAL STATUS AND OPERATING DATA

12.1 Independent Auditor's Opinion

Extracts from the Independent Auditor's opinion regarding the Company's financial statements for the year ended 31 December 2014 is as follows:

"In our opinion, the financial statements of EDL-Gen for the year ended 31 December 2014 are prepared, in all material respects, in accordance with the accosting policies described in Note 2 to the financial statements".

See appendix 1 "Company's Financial Statements" – Notes to Financial Statements".

12.1.1 Basis of Accounting

The accounting basis used in the preparation of the financial statements may differ from generally accepted accounting principles adopted in other countries and jurisdictions. The reader should therefore be aware that the accompanying financial statements are not intended to present the financial position and results of the operations and cash flows in accordance with jurisdictions other than the Lao PDR.

12.2 Financial Status and Operating Data for the Fiscal Year 2014 and 2013

Table 12.1: Summary of Financial Status and Operating Data for the Fiscal Year 2014 and 2013

Financial Summary (Million Kip)	Company's Financial Statements for the Fiscal Year 2014 (Million Kip)	Company's Financial Statements for the Fiscal Year 2013 (Million Kip)
BALANCE SHEET		
Assets		
Non-current assets		
Interests in associates	610,357	571,745
Interests in joint ventures	1,498,609	1,298,247
Advance payment for investment	779,005	474,411
Assets under concession, net	4,145,851	4,011,109
Other non-current assets	1,885	3,465
Total non-current assets	**7,035,707**	**6,358,977**
Current assets		
Cash and cash equivalents	1,251,534	159,914
Short-term investments	20,000	20,000
Trade and other receivables	502,382	519,355
Spare parts and supplies, net	4,043	3,020
Other current assets	7,595	5,905
Total current assets	**1,785,554**	**708,194**
Total Assets	**8,821,261**	**7,067,171**
Equity		
Share capital	4,904,867	4,904,867
Share premium	142,229	142,229
Legal reserve	297,210	206,442
Translating financial statements	(1,476)	7,001
Retained earnings	978,811	744,348
Total equity	**6,321,641**	**6,004,887**
Liabilities		
Non-current liabilities		
Long-term borrowings, net	499,263	805,295
Debenture, net	1,575,862	-
Payable – swap contract, net	11,105	-
Total non-current liabilities	**2,086,230**	**805,295**

Financial Summary (Million Kip)	Company's Financial Statements for the Fiscal Year 2014 (Million Kip)	Company's Financial Statements for the Fiscal Year 2013 (Million Kip)
Current liabilities		
Trade and other payables	174,589	30,823
Current portion of long-term borrowings	99,519	132,003
Accrued expenses	134,936	66,077
Accrued income tax	4,306	9,278
Other current liabilities	40	18,808
Total current liabilities	**413,390**	**256,989**
Total liabilities	**2,499,620**	**1,062,284**
Total equity and liabilities	**8,821,261**	**7,067,171**
PROFIT & LOSS STATEMENT		
Sales	839,193	862,429
Cost of sales	(215,613)	(203,935)
Gross profit	**623,580**	**658,494**
Other income	5,680	6,700
Operating and administrative expenses	(123,528)	(113,489)
Foreign exchange gain / (loss), net	(18,098)	24,463
Interest expense	(31,722)	(30,845)
Share of profit of associates and joint ventures	474,467	453,746
Profit before income tax expense	**930,379**	**999,069**
Income tax expense	(22,695)	(27,327)
Net profit for the year	**907,684**	**971,742**
STATEMENT OF CASH FLOWS		
Cash flow from operating activities		
Net profit before income tax for the year	**930,379**	**999,069**
Adjustments to reconcile net profit to net cash		
Amortisation of cost of insurance debenture	222	-
Depreciation	181,555	167,060
Foreign exchange (gain)/loss	(11,555)	(25,753)
Share of profit of associates and joint ventures	(474,467)	(453,746)
Finance costs	31,722	30,845
Operating cash flow change in working capital charges	**657,856**	**717,475**
Changes in working capital		
Trade and other receivables	16,973	(105,722)
Spare part and supplies	(1,021)	108
Other current assets	(1,691)	(4,100)
Account payable	(30,373)	(34,520)
Other assets	1,579	1,732
Other current liabilities	(18,767)	15,537
Accrued expenses	50,934	43,945
Cash generated from operations	675,490	634,455
Income tax paid	(27,668)	(24,878)
Net cash generate from operating activities	**647,822**	**609,577**
Cash flows from investing activities		
Advance payment from investment	(304,594)	(95,410)
Purchases of assets under concession	(142,162)	(168,379)
Purchases of short-term investment	(20,000)	(20,000)
Proceeds from short-term investment	20,000	40,000
Dividends received	227,016	313,129
Net cash from (used in) investing activities	**(219,740)**	**69,340**
Cash flows from financing activities		
Proceeds from long-term borrowings	-	90,113
Repayment on long-term borrowings	(333,145)	(174,663)
Proceeds from short-term borrowings	160,000	-
Repayment on short-term borrowings	(160,000)	-
Proceeds from debenture issuance	1,616,810	-
Transaction cost paid for debenture issuance	(17,734)	-
Dividends paid to shareholders	(436,840)	(424,884)
Dividends paid to non-controlling interests	(145,613)	(141,628)
Interest payment	(30,733)	(31,696)

Financial Summary (Million Kip)	Company's Financial Statements for the Fiscal Year 2014 (Million Kip)	Company's Financial Statements for the Fiscal Year 2013 (Million Kip)
Net cash used by financing activities	**652,745**	**(682,758)**
Net decrease in cash and cash equivalents	**1,080,827**	**(3,841)**
Cash and cash equivalent beginning of the year	159,914	164,511
Effect of exchange rate changes on cash and cash equivalent	10,793	(756)
Cash and cash equivalent ending of the year	1,251,534	159,914
Significant non cash items		
Other payable for purchase of assets under construction	174,135	64,890
Other payables for transaction cost of debenture issuance	16,936	-

Source: EDL-Gen

12.3 Key Financial Ratios

Table 12.2: Selected Key Financial Ratios

Key Financial Ratios	As at Year End 2014	As at Year End 2013
Profitability Ratio		
Gross Profit Margin (%)	74%	76%
EBITDA Margin (%)	87%	91%
Net Profit Margin (%)	69%	74%
Return on Equity (%)	14%	16%
Liquidity Ratio		
Current Ratio (times)	5.7	5.7
Account Receivables Turnover (times)	1.7	1.7
Account Receivables Day (days)	216	217
Efficiency Ratio		
Return on Assets (%)	10%	14%
Return on Fixed Assets (%)	15%	18%
Assets Turnover (times)	0.1	0.2
Solvency Ratio		
Debt to Equity(times)	0.4	0.2
Interest Bearing Debt to Equity (times)	0.3	0.2
Interest Coverage (times)	36.1	38.8
Debt Service Coverage (times)	3.1	5.8

Source: EDL-Gen

Definition of Financial Ratios

Profitability Ratio

Gross Profit Margin	Gross Profit / Net Sales
EBITDA Margin	EBITDA / Total Revenues
Net Profit Margin	Net Profit / Total Revenues
Return on Equity	Net Profit / Average Total Equity

Liquidity Ratio

Current Ratio	Current Revenues / Current Liabilities
Account Receivables Turnover	Net Sales / Average Net Receivables
Account Receivables Day	360 / Account Receivables Turnover

Efficiency Ratio

Return on Assets	Net Profit / Average Total Assets
Return on Fixed Assets	(Net Profit + Depreciation) / Average Total Non-Current Assets

Assets Turnover	Net Revenues / Average Total Assets
Solvency Ratio	
Debt to Equity	Total Liabilities / Total Equity
Interest Bearing Debt to Equity	Interest Bearing Debts / Total Equity
Interest Coverage	EBIT / Interest Expenses
Debt Service Coverage	EBITDA / Debt Service

12.4 Management's Discussion and Analysis of Financial Condition and Results of Operations

12.4.1 Overview

The Company was established on 15 December 2010 in accordance with the restructuring of the energy business of EDL by transferring certain generation assets and other related assets to the Company on the Incorporation Date. A summary of the Assets Transferred to the Company on the Incorporation Date is set out in the table below.

Table 12.3: Assets Transferred to the Company on the Incorporation Date

Power Plant	Location	Installed Capacity (MW)	COD	Net Book Value (Million Kip) as at 31 December
Central				
Nam Ngum 1	Vientiane	155.0	1971	1,552,085
Nam Leuk	Vientiane	60.0	2000	786,196
Nam Mang 3	Vientiane	40.0	2005	430,423
Nam Song	Vientiane	6.0	2012	134,540
South				
Xeset 1	Saravanh	45.0	1991	1,183,411
Xeset 2	Saravanh	76.0	2009	
Selabam	Champasak	5.0	1969	53,918
Total		**387.0**	**-**	**4,140,573**

Source: EDL-Gen

The Company had additional investments in stakes of other four power plant with combined installed capacity of 1,365 MW or 494 MW for equity–attribution. As a result, the Company achieved 881 MW in total and raised its fund through the capital increase from 868,597,050 shares to 1,226,216,765 shares. Under this circumstance, EDL still retains its 75% of total shares (919,662,892 shares).

Table 12.4: Acquisition of other Four Power Plants that were Funded by Capital Increase

Power Plant	Location	Equity Attributed Capacity (MW)	COD
Theun Hinboun	Bolikhamxay	300.0	1998, 2013
Nam Ngum 2	Vientiane	153.8	2012
Houay Ho	Attapeu	30.4	1998
Nam Lik 1-2	Vientiane	10.0	2010
Total		**494.2**	

Source: EDL-Gen

In 2014, The Company issued debentures in the amount of THB 6,500 million for investing in both generation assets and stakes in power plant with equity MW of 392. After all generators start their commercial operations, the Company expects to reach the target of 1,273 MW.

Table 12.5: Hydropower Plants and IPPs in connection with Funding from Debentures

Power Plant	Location	Equity Attributed Capacity (MW)	COD
Assets Transfer			
Nam Sana	Vientiane	14.0	2014
HLP Ngai	Sekong	88.0	2015
Nam Khan2	Luang Prabang	130.0	2016
Nam Khan3	Luang Prabang	60.0	2016
Total		**292.0**	
Stake Transfer			
Nam Ngum 5	Vientiane	18.0	2014
Nam long	Luang Nam Tha	1.0	2015
Nam Ou2	Phongsaly	18.0	2017
Nam Ou5	Phongsaly	36.0	2017
Nam Ou6	Phongsaly	27.0	2018
Total		**100.00**	
Grand Total		**392.00**	

Source: EDL-Gen

The discussion and analysis of financial conditions and results of operation of the Company are based on the expectation of the Financial Statements. The Company operates its Assets Transferred to the Company on the Incorporation Date by mainly generating and supplying the electricity to EDL.

12.4.2 Report and Analysis of the Operating Results

For the operating results of the year 2013 and 2014, the Company presented the total revenue and the net profit of Kip 971,742, million and Kip 907,684 million, respectively. Sale and Net Profit decreased by 2.69% and 6.59%. The major results of the drop in performance cause by the drop in actual production capacity. In 2014 the power generated from its own assets was less than that of 2013. The drop in capacity led to the increase in production cost due to lack of economy of scale. There was also the increase in administration expenses especially from exchange rate loss in 2014.

The Company's gross margins of 2013 and 2014 were Kip 658,494 million or 76% and Kip 623,580 million or 74%, respectively. The major cost of sale is depreciation, which was derived from cost of construction. EBITDA margin and net profit margin of 2013 and 2014 ended up at 91%, 74% and 87%, 69%, respectively. The increase in administration expense including foreign exchange loss caused the drop in both EBITDA and net profit.

12.4.3 Revenues

The revenues were primarily derived from the sales of electricity to EDL, and details can be broken down as per the following table:

Table 12.6: Revenue Breakdown

	31 December 2014 (Million Kip)	31 December 2013 (Million Kip)
Electricity Sales	839,193	862,429
Other Revenues	5,680	6,700
Total Revenues	844,873	869,129

Source: EDL-Gen

For the operating results of the year 2014, revenues from the sales of electricity were Kip 839,193 million, equalling 99.32% of the total revenues and other revenues which mostly came from interest income

were approximately Kip 5,680 million. In 2014, the electricity production for sale was approximately 1,996 GWh with the average tariff rate at Kip 426.43 per KWh. The following table describes the detail of electricity production broken down by dams in 2014:

Table 12.7: Production Breakdown

	Total	Nam Ngum 1	Nam Mang 3	Nam Leuk	Xeset 1+2	Selabam	Nam Song
Electricity Production (GWh)	1,996	1,142	178	197	436	30	13

Source: EDL-Gen

In 2013, the Company produced the electricity for sale at 2,043 GWh with the average tariff rate of Kip 422.21 per KWh.

The Company operating results vary in each quarter and season. The electricity production depends on the water flow to the reservoir of each dam resulting in the Company's increasing production capacity at the end of the year which is the rainy season.

12.4.4 Operating Expenses

Cost of sales and administrative expenses. The following table sets out the details of major components of cost and administration expenses:

Table 12.8: Cost Breakdown

	Company's Financial Statements for the Fiscal Year 2014 (Million Kip)	Company's Financial Statements for the Fiscal Year 2013 (Million Kip)
Cost of sales		
Maintenances	21,623	21,873
Depreciation and Amortisation	181,555	167,060
Others	12,435	15,002
Total Costs of sales	**215,613**	**203,935**
Selling and Administrative Expenses		
Salary and Welfare	40,112	42,173
General and Administrative	83,415	71,316
Others (Foreign Exchange Gain/Loss)	18,098	(24,463)
Total Selling and Administrative Expenses	**141,626**	**89,026**

Source: EDL-Gen

12.4.5 Expenses

For the operating results of the year in 2014, the cost and expenses amounted to Kip 357,239 million which was equal to 42.28% of the total revenues. The cost of sales and the selling and administrative expenses were Kip 215,613 million and Kip 141,626 million, respectively, as per details below:

(1) Cost of sales equalling Kip 215,613 million consisted mainly of depreciation and amortisation according to the concession term under the CAs for a period of 30 years equalling Kip 181,555 million or 84.20% of the total cost of sales, and maintenance costs amounting to Kip 21,623 million or 10.03% of the total cost of sales. Furthermore, we also had the royalty expense of 1% of the total sales of electricity, and other expenses, etc.

(2) Selling and administrative expenses equalling Kip 141,626 million or 16.76% of the total revenues. Major expenses were from salary and welfare amounting to Kip 40,112 million or 28.32% of the total selling and administrative expenses or 4.7% of the total revenues.

12.4.6 Profit before Financial Costs and Corporate Income Tax

For the operating results of the 2014 and 2013, the Company operating net profit before financial costs and corporate income tax was Kip 487,634 million and Kip 576,168 million or 57.71% and 66.29% of total revenue respectively.

Table 12.9: Operating Results

	Company's Financial Statements for the Fiscal Year 2014 (Million Kip)	Company's Financial Statements for the Fiscal Year 2013 (Million Kip)
Operating Net Profit before Financial Costs and Tax	487,634	576,168
Financial Costs	31,722	30,845
Tax	22,695	27,327
Net Profit before Shared Profit from Associates and JV	433,217	517,996
Shared Profit from Associates and JV	474,467	453,746
Net Profit for the Year	**907,684**	**971,742**

Source: EDL-Gen

The net profit before Shared Profit from Associates and JV in 2014 and 2013 were 433,217 and 517,996 million Kip respectively which equivalent to 51.28 and 59.60 percent of the total revenue respectively.

12.4.7 Financial Costs

In 2014, the financial costs of the Company were Kip 31,722 million or3.75% of the total revenues, and were mainly from interest expenses of the long term borrowing. The interest was charged between 2.00% to 6.51% per annum.

In 2014, the corporate income tax was Kip 22,695 million representing the tax rate of 5% of the profit before tax. Since its shares are listed on the LSX, the Company received the privilege of 5% reduction in corporate income tax for 4years from 2011 to 2014 from the normal rate of 10% throughout the term of the CAs; however, if the Company declares loss or had the profit below a certain level, the Company has to pay a minimum tax of 0.25%of the total revenues.

12.4.8 Net Profit

The net profit before share of profit from associate and JV in 2014 was Kip 433,217 million, or 51.27% of the total revenues, representing a drop of Kip 84,779 million from last year or 16.40%. The drop in capacity of electricity generation, caused by the decrease in level of water, resulted in the decrease in performance. Moreover, in 2013 the company gained the exchange rate of Kip 24,463 million, which resulted in the decrease in total expenses. However we found that the Company still contributed a high rate of net profit compared to other businesses since most of the costs of electricity generation in the hydropower business are for the maintenance and depreciation which are accounting expenses, not real cash flows. In addition, our financial cost of debt was low and continuously decreased and this gave the Company an opportunity to be highly profitable.

12.5 Report and Analysis of Financial Position

12.5.1 Assets Analysis

In 2014, the total assets of the Company was Kip 8,821,261 million, increased by Kip 1,754,090 million or 24.8% from the end of 2013. The main reason was the increase of cash and cash equivalents.

(1) Cash and cash equivalent amounting to Kip 1,251,534 million or 14.19% of the total assets increased by Kip 1,091,620 million from last year. In second half of 2014, the Company raised its fund by issuing bond of THB 6,500 million and this led to the increase in cash.

(2) Trade and other receivables amounting to Kip 502,382 million or 5.70%of the total assets, slightly increased by Kip 16,973 million from last year. The normal term of account receivable is around 45 Days. However the day account receivable of 2014 and 2013 were around 216 days, representing account receivable turnover of 1.7 times. This would have an impact on longer cash conversion cycle and the opportunity loss of interest.

(3) Short-term investment amounting to Kip 20,000 million was the deposit with local financial institution, commencing from 18 November 2014 to 2015 with interest of 10% per annum.

(4) Net assets under the CAs amounting to Kip 4,145,851 million or 46.99% of the total assets, most of them were hydropower plant sunder the CAs term of 30 years, increased by Kip 134,742 million from 2013 due to construction and installation of the power plants

(5) The Company's return on assets and fixed asset in 2014 were 10% and 15% respectively. This represented the profit generated from its investment assets.

12.5.2 Liabilities Analysis

As at 31 December 2014, the Company's total liabilities was Kip 2,499,620 million, increased by Kip 1,437,336million from 2013. The main increase was from Debenture issued in the amount of Kip 1,575,862 million. Purpose fund is for buying new generation assets and investing in shares of companies operating the power plant. The increase of interest bearing debts led to higher debt to equity ratio of 0.4 times, though still low, at the end of 2014.

Most of the Company's liabilities were long-term borrowings which amounted to Kip 2,185,749 million or 87.44% of the total liabilities, consisting of long-term borrowings repayment within one year of Kip 99,519 million or 3.98%, long-term borrowings repayment over 1 years of Kip 499,263 million or 19.97%, and 10 years debenture of Kip 1,575,862 million or 63.04% of the Company's borrowings.

12.5.3 Debt Service Analysis

In 2013 and 2014, the company had current ratio of 5.7 times, which implied the Company's good management in working capital. In addition, Debt to Equity was still low at 0.2 times and 0.4 times in 2013 and 2014 respectively. Likewise, the Interest bearing Debt to Equity of 0.2 times and 0.3 times were relatively low.

However, the trend of the interest coverage and debt service coverage should be in focus. In 2013 and 2014 interest coverage presented at 38.8 and 36.1 times respectively. This implied the slight drop in ability to serve interest payment incurred from increasing debts. However, we found that the Company still has capability for Debt Repayment. The debt service coverage ratio in 2013 and 2014 were presented at 5.8 and 3.1 times respectively.

12.5.4 Shareholders' Equity Analysis

As at 31 December 2014, the shareholders' equity amounted to Kip 6,321,641 million or

71.66% of total assets. Shareholders' equity consisted of paid up capital amounted to Kip 4,904,867 million with the par value of Kip 4,000 per share (total share is 1,226,216,765 shares). Share Premium is Kip 142,229 million. Legal reserve and adjustment is Kip 295,734 million, an increase of Kip 82,291 million from 2013. The retained earnings amounted to Kip 978,811 million increasing by Kip 234,463 million from last year. The slight drop of net profit lowered the return on equity to 14% in 2014.

12.6 Remuneration of Company's Independent Auditor

The remuneration of the Company's Independent Auditor for 2014 was USD 94,500.

13. OTHER RELATED INFORMATION

Name of Issuer, Financial Advisor, Underwriter, Selling Agent, Book Runner, Legal Advisor and Independent Auditor

Issuer	:	EDL-Generation Public Company 7th Floor, EDL Headquarter Building, Lao-Thai Friendship Road, Thongkang Village, Sisattanak District, Vientiane Capital, Lao PDR Tel: (+856-21) 316-142 Fax: (+856-21) 316-141 Website: www.edlgen.com/la
Financial Advisor and Underwriter	:	Lanexang Securities Public Company 5th Floor, Lao Securities Exchange Building, T4 Road, Phonthan, Saysettha District, Vientiane Capital, Lao PDR Tel: (+856-21) 265-461-4 Fax: (+856-21) 265-465-6 Website: www.lxs.com.la
Selling Agent and Book Runner	:	KT ZMICO Securities Company Limited 16th Floor, Liberty Square Building, 287 Silom Road, Bangrak, Bangkok, Thailand Tel: (+66-2) 695-5103 Fax: (+66-2) 631-2242 Website: www.ktzmico.com
Legal Advisor	:	Lao Premier International Law Office Limited 7th Floor, Lao Securities Exchange Building, T4 Road, Phonthan, Saysettha District, Vientiane Capital, Lao PDR Tel: (+856-21) 265-471 Fax: (+856-21) 265-474 Website: www.laopremier.com
Independent Auditor	:	PricewaterhouseCoopers (Laos) Limited Unit 1, 4th Floor, ANZ Vientiane Commercial Building 33 Lane Xang Avenue, Ban Hatsady, Chanthaboury, Vientiane Capital, Lao PDR Tel: (+856-21) 222-718 Fax: (+856-21) 222-723 Website: www.pwc.com/la

PART 2
INFORMATION IN RELATION TO THE OFFER

1. DETAILS OF CAPITAL INCREASE SHARES

The Capital Increase Shares are being distributed and offered in a public offering in Lao PDR by the Underwriter and the Selling Agent, whereby the Capital Increase Shares will not be registered under the securities laws in any jurisdiction other than the securities laws of Lao PDR.

Details of the Offer are as follows:

453,086,932 Ordinary Shares Par Value of Kip: 4,000 per share divided into:

Part 1: The offering of the new shares to the existing shareholders proportionately to their shareholding (RO) at the ratio of 3 existing shares to 1 new share.

408,738,922 ordinary shares of the Capital Increase Shares will be offered on the Rights Offering basis at the offering price Kip 6,000 per share.

The remaining ordinary shares from shareholders who did not exercise the right to subscribe the shares shall be allocated to shareholders who put forward an offer to subscribe for any excess rights exceeding their allocated portion until no allocated shares remain as deemed appropriate by the Company.

Remark: A Right Offering to the Company's existing shareholders is an offer of the Company's shares to its existing shareholders, which entitles existing shareholders to buy additional shares directly from the Company in proportion to their existing holdings, within a fixed time period. The record dates/closing shares of the shareholder registration book to determine the rights of shareholders who will be entitled to receive the allotment of the newly issued ordinary shares through Right Offering shall be closed on 24 August 2015.

Part 2: The offering of the new shares to the public (PO)

44,348,010 ordinary shares of the Capital Increase Shares will be offered on the Public Offering basis at the offering price Kip 6,800 per share.

Remark: A Public Offering is an offer the Company's shares to the public.

The Capital Increased Shares are to be listed on the LSX. LSX is a secondary market which was established in Lao PDR in October 2010.

2. TRANSFER RESTRICTION AND LIMITATION ON FOREIGN OWNERSHIP OF SHARES

According to the AOA of the Company, shares of the Company can be freely transferred unless such transfer will cause foreign person(s) or juristic person(s) holding shares in the Company exceeding the number specified in the regulation of the LSCO and/or any relevant laws and regulations.

Currently, the LSCO Decision No. 021/SEC re: the Increase of the Foreign Ownership in EDL-Generation Public Company dated 5 January 2012 allows foreign investors to own the shares in the Company no more than 20 percent of the total shares, of which each individual persons must not hold more than 1 percent of the total shareholdings in the Company, and each institutional investors or juristic persons must not hold more than 5 percent of the total shareholdings in the Company.

3. DETERMINATION OF OFFERING PRICE

The determination of the public offering (PO) share's price at 6,800 Kip per share is based on "Price to Earnings per share" (P/E ratio) calculated by the price ended in 2016 divided by the earnings per share. After this offering, the

earnings per share (Fully Diluted EPS) is projected at 738.35 Kip per share from 740.23 Kip. Then multiplied with P/E ratio at 9.8, resulting on 2016's estimated price at 7.235.83 Kip. Therefore, the offering price for PO shares is at an estimated discount of 61.41%.

The determination of the rights offering (RO) share's price at 6,000 Kip per share was approved by Annual General Shareholder's Meeting dated 29 April 2015, which is a discount of 13.33 %.

4. DETAILS OF FINANCIAL ADVISOR, UNDERWRITER, SELLING AGENT AND BOOK RUNNER

(i) Financial Advisor and Underwriter

Lanexang Securities Public Company, 5th Floor Lao Securities Exchange Building, T4 Road, Phonthan, Saysettha District, Vientiane Capital, Lao PDR, Tel: (+856-21) 265-461-4
Fax: (+856-21) 265-465-6 Website: www.lxs.com.la

(ii) Selling Agent and Book Runner

KT ZMICO Securities Company Limited, 16th Floor, Liberty Square Building, 287 Silom Road, Bangrak, Bangkok, Thailand, Tel: (+66-2) 695-5103 Fax: (+66-2) 631-2242
Website: www.ktzmico.com

5. CONDITIONS OF UNDERWRITING

The Company has appointed an underwriter to underwrite 453,086,932 shares (par value at 4,00 Kip) on a firm commitment basis in accordance with the terms and condition of the underwriting agreement.

Either party to the underwriting agreement has to the right to terminate this agreement upon material default by the other party if the defaulting party reasonable remedy within the specified time period. Remedy for such default include damages and compensation.

6. ESTIMATED EXPENSES IN RELATION TO THE OFFER

The aggregate expense of the Offer, excluding the underwriting commission and placement fees, is USD 580,000.

7. PROCEDURES FOR OBTAINING PROSPECTUS AND SUBSCRIPTION FORM

Offer to existing shareholders: between 8:30 a.m. to 4:30 p.m., during 28 August – 8 September 2015 (the offering period will be closed on 8 September 2015at 12:30pm).

Offer to the public: between 8:30 a.m. to 4:30 p.m., during 28 August – 8 September 2015 (the offering period will be closed on 8 September 2015at 12:30pm).

The prospectus and the subscription form will be available for investors at the contact address of: (i) Underwriter; (ii) Selling Agent; and (iii) each branch of LDB as the Underwriter's representative bank in the Offer. Please see details below:

Country	Province	No.	Address
Lao PRD, Vientiane Capital			
Lao PDR	Vientiane Capital	**1.**	Lanexang Securities Public Company 5th Floor Lao Securities Exchange Building, T4 Road, Phonthan, Saysettha District, Vientiane Capital Tel: (+856-21) 265-461-4

Country	Province	No.	Address
			Fax: (+856-21) 265-465-6
Lao PDR	Vientiane Capital	**2.**	Lao Development Bank, Head Office Sihome Village, Chantabury District, Vientiane Capital Tel: (+856-21) 213-300 Fax: (+856-21) 241-275
Lao PDR	Vientiane Capital	**3.**	Lao Development Bank, Nakhonneluang Branch Mixay Village, Chantabury District, Vientiane Capital Tel: (+856-21) 213-400 Fax: (+856-21) 213-404
Lao PDR, Outside Vientiane Capital			
Lao PDR	Vientiane	**4.**	Lao Development Bank, Phonhong Branch Phonsi Village, Phonhong District, Vientiane Province Tel: (+856-23) 211-018 Fax: (+856-23) 212-070
Lao PDR	Luang Prabang	**5.**	Lao Development Bank, Luang Prabang Branch Visoun Village, Luang Prabang District, Luang Prabang Province Tel: (+856-71) 212-411 Fax: (+856-71) 212-185
Lao PDR	Xayyabury	**6.**	Lao Development Bank, Xayyabury Branch Simeaug Village, Xayyabury Province Tel: (+856-74) 211-153 Fax: (+856-74) 211-365
Lao PDR	Oudomxay	**7.**	Lao Development Bank, Oudomxay Branch Poukiew Village, Xay District, Oudomxay Province Tel: (+856 81) 312-059 Fax: (+856 81) 312-222
Lao PDR	Luangnamtha	**8.**	Lao Development Bank, Luangnamtha Branch Phonxay Village, Laungnamtha Province Tel: (+856-86) 211-398 Fax: (+856-86) 312-073
Lao PDR	Bokeo	**9.**	Lao Development Bank, Huaphane Branch Konekeo Village, Houayxai District, Bokeo Province Tel: +856 84 211492 Fax: +856 84 211024
Lao PDR	Phongsary	**10.**	Lao Development Bank, Phongsary Branch Phongsary Province Tel: (+856-88) 210-076 Fax: (+856-88) 210-015
Lao PDR	Huapun	**11.**	Lao Development Bank, Samneua Branch Punxay Village, Samneua District, Huapun Province Tel: (+856-64) 312-464 Fax: (+856-64) 312-824
Lao PDR	Xiengkuang	**12.**	Lao Development Bank, Xiengkhuang Branch Phonsavang Village, Paek District, Xiengkuang Province Tel: (+856-61) 213-278 Fax: (+856-61) 213-301
Lao PDR	Khammoun	**13.**	Lao Development Bank, Khammoun Branch Phonsaman Village, Thakreak District, Khammoun Province Tel: (+856-51) 212-253

Country	Province	No.	Address
			Fax: (+856-51) 212-073
Lao PDR	Bolikhamxay	**14.**	Lao Development Bank, Paksan Branch Phoxay Village, Paksan District, Bolikhamxay Province Tel: (+856-54) 212-025 Fax: (+856-54) 212-823
Lao PDR	Bolikhamxay	**15.**	Lao Development Bank, Lak Sao Branch Lak Sao Village, Khamkirth District, Bolikhamxay Province Tel: (+856-54) 341-513 Fax: (+856-54) 700-405
Lao PDR	Savannakhet	**16.**	Lao Development Bank, Savannakhet Branch Soununtha Village, Kaisonepomvihan District, Savannakhet Province Tel: (+856-41) 212-226 Fax: (+856-41) 212-856
Lao PDR	Champasak	**17.**	Lao Development Bank, Pakse Branch Thalaung Village, Pakse District, Champasak Province Tel: (+856-31) 212-168 Fax: (+856-31) 213-327
Lao PDR	Salavan	**18.**	Lao Development Bank, Salavane Branch Nakokpo Village, Salavan District, Salavan Province Tel: (+856-34) 211-388 Fax: (+856-34) 211-301
Lao PDR	Sekong	**19.**	Lao Development Bank, Sekong Branch Watlaung Village, Ramame District, Sekong Province Tel: (+856-38) 211-075 Fax: (+856-38) 211-022
Lao PDR	Attapeu	**20.**	Lao Development Bank, Attapeu Branch Watlaung Village, Samakexay District, Attapeu Province Tel: (+856-36) 211-185 Fax: (+856-36) 211-857
Thailand			
Thailand	Bangkok	**21.**	KT ZMICO Securities Company Limited 16th Floor, Liberty Square Building, 287 Silom Road, Bangrak, Bangkok, Thailand Tel: (+66-2) 695-5103 Fax: (+66-2) 631-2242

8. SUBSCRIPTION METHOD

A subscriber can obtain the prospectus and subscription form at the Underwriter and Selling Agent, within the Offering Period specified in this prospectus. The subscriber must fully and clearly fill out the subscription form, sign the same and attach a copy of the ID card, passport or other documents identifying the subscribers as specified by the Underwriter or Selling Agent, and submit all documents as shall be required by the Underwriter or Selling Agent (as the case may be), together with the full payment of the subscription price according to the procedures in this Part to the Underwriter or the Selling Agent, by the end of the Offering Period.

In this offering, the minimum share subscription is 1 shares.

The Underwriter and Selling Agent accepting the subscription, securities holding certificate of the subscription for the Capital Increase Shares shall be provided by the Underwriter to the subscriber within 10 business days from the

end of the offering period. The number of the Capital Increase Shares allocated, will be notified to the subscribers by the Book Runner after the end of the Offering Period.

However, the Book Runner reserves the right to refuse a subscription for the Capital Increase Shares according to the subscription form where the Book Runner deems that such subscription does not comply with the subscription method.

9. SUBSCRIPTION PAYMENT METHOD

Investors who wish to subscribe for the Capital Increase Shares can deposit the subscription payment fund into the shares subscription account as specified in the subscription form.

In this regard, the subscribers must completely wire transfer the amount sufficiently for the value of the shares to be subscribed and subscribe for the Capital Increase Shares prior to the end of the Offering Period. Otherwise, the system will subscribe for the Capital Increase Shares only in accordance with the amount of money transferred.

10. ALLOTMENT IN CASE OF OVER-SUBSCRIPTION

In the event that the aggregate number of the Capital Increase Shares for which valid subscription is received by the Underwriter and Selling Agent exceeds the number of the Capital Increase Shares that the Company has agreed to issue, the Book Runner shall have discretion to allocate the Capital Increase Shares to any or all of the investors in accordance with the Company's best interest, which may be based on first come first serve or averaging method or others.

11. REFUND OF SUBSCRIPTION PAYMENT

The Book Runner shall notify the result of the allotment of the Capital Increase Shares to subscribers who do not receive the allotment of the Capital Increase Shares in whole or in part. Under the Regulation re: Shares Offering No. 017/LSC dated 22 October 2014, the Book Runner shall send a refund of subscription payment to the subscribers who do not receive the full allotment of the Capital Increase Shares for which they subscribed by mean of a wire transfer to the securities account of the subscribers within 5 business days from the end of the Offering Period. Such refund shall be made proportionately to the subscription price of un-allotted Capital Increased Shares. The refund of the un-allotted Capital Increase Shares shall be without any interest or compensation for damages provided the payment is made in accordance with the procedures herein, failing which the Book Runner shall be liable to pay the relevant subscribers default interest at the following rates:

- If the subscriber is an individual person: 3.00 percent per annum;
- If the subscriber is a financial institution: 1.10 percent per annum; and
- If the subscriber is a business or organisation: 1.60 percent per annum,

of the unreturned subscription money until that amount is fully paid.

The subscriber must provide the necessary details of the subscriber's bank account for the Book Runner to make the necessary refund of subscription payment.

12. ALLOTMENT OF CAPITAL INCREASE SHARES

The allotment of the Capital Increase Shares will be made by the Book Runner in the best interests of the Company. However, the allotment of the Capital Increase Shares to subscribers shall be at the discretion of the Book Runner according to the prospectus.

Nevertheless, the allotment of Capital Increase Shares shall be subjected to LSCO Decision No. 021/SEC re:

the Increase of the Foreign Ownership in EDL-Generation Public Company dated 5 January 2012 which allows foreign investors to own the shares in the Company no more than 20 percent of the total shares, of which each individual persons must not hold more than 1 percent of the total shareholdings in the Company, and each institutional investors or juristic persons must not hold more than 5 percent of the total shareholdings in the Company.

13. DELIVERY OF CAPITAL INCREASE SHARES

The share registrar shall deposit the Capital Increase Shares in the securities account of the subscribers through brokers which has been opened with a member company of Securities Depositary Centre of the LSX as notified by the subscribers in the subscription forms. However, a shareholder of the Company is entitled to a share certificate upon request subject to relevant procedures.

14. TRANSFER OF SHARES

Under the Enterprise Law, the transfer of shares of a public company is completed when the transferor has endorsed the share certificate by indicating the name of the transferee, and the share certificate is signed by both parties and the transferor hands over the share certificate to the transferee. The transfer of shares is effective towards the Company when the Company receives a request to register the transfer. Once the transfer is registered by the Company, the transfer of shares is effective towards third parties. Nonetheless, the transfer of shares is subject to the compliance with the LSX rules since all of the Company's issued shares will be traded on the LSX.

15. DIVIDENDS

The distribution of dividends requires prior approval of the shareholders' meeting of the Company. Dividends are distributed equally on a pro rata basis to every share.

Pursuant to the Enterprise Law, the Company may not distribute dividends when it sustains accumulated losses from previous years. Additionally, the Company is required to convert 10 percent of its net profit into a statutory/legal reserve fund and other reserve funds (if any), after deducting its accumulated losses. The Company may suspend converting its net profit to such fund(s) when the reserve fund(s) reaches half of the registered capital of the Company except as otherwise provided by the AOA.

The owners of the shares will be entitled to receive dividends as approved by the shareholders' meeting at the rate of no less than 50 percent of the available net profits of the Company after deducting for taxes, statutory/legal reserve fund and other reserve funds (if any).

Dividends in respect to the shares in the Lao companies are generally subject to the income tax in the Lao PDR at a rate of 10 percent. However, income with respect to dividends by a LSX listed company is exempted from income tax in the Lao PDR.

16. GENERAL MEETINGS OF THE SHAREHOLDERS

Pursuant to the Enterprise Law and the AOA of the Company, the board of directors of the Company will convene an annual general shareholders' meeting within four months from the last day of the Company's fiscal year which ends on 31 December. The board of directors of the Company may call an extraordinary meeting of shareholders when it deems necessary, such as when the position of the independent auditor is vacant, and when more than half of the directors agree to hold the shareholders' meeting, when shareholders file complaints and the court orders the meeting to be convened and when shareholders representing at least 20 percent of the total paid shares make a request in writing by indicating the purpose of the request. After receiving the request, the board of directors shall convene the extraordinary meeting within 30 days from the date the request was received.

Notice of any general meeting must be delivered directly or through an appropriate communication system, to all shareholders of the Company at least five business days prior to the meeting.

As the Company is a listed company, it shall be subject to the compliance with LSCO's rule under Guideline on Shareholder Meeting of Listed Company No.257/LSCO, dated 3 March 2014.

Under the Guideline on Shareholder Meeting of Listed Company mentioned above, when the board of directors convenes the shareholders' meeting it has duty to consider and define issues to be proposed to the shareholders' meeting for approval. Notice and supporting documents must be delivered to shareholders whose name appeared in the shares registered book at least 15 business days prior to the meeting.

The quorum for any shareholders' meeting of the Company shall be at least two shareholders representing more than half of the total paid shares.

17. VOTING RIGHTS

A shareholder is generally entitled to one vote per share. A resolution may be adopted at a general meeting by a simple majority vote presented at the meeting. There are certain matters which require a special resolution, which shall be passed by a vote of at least two-thirds of the shareholders or their proxies attending the meeting and representing at least 80 percent of the total paid shares, as follows:

(i) Voting on matters specified by the Enterprise Law;

(ii) Amending the AOA or the Contract of Incorporation of the Company;

(iii) Increasing or reducing the capital;

(iv) The merger or dissolution of the Company;

(v) The sale or transfer of all or a substantial part of the business of the Company to other persons; and

(vi) The purchase or acceptance of transfer of the business of other enterprises.

Pursuant to the Enterprise Law, a shareholder may be restricted from voting in case where the shareholder has any involvement that could benefit him or a direct benefit in connection with the matter to be voted on, provided that the shareholders' meeting shall determine whether the shareholder falls within the said restriction. In such case, in the event of the Company's acquisition for future assets from EDL after the Offer, EDL may be restricted from voting in a shareholders' meeting on the matters relating to the sale of the assets to the Company since EDL will be deemed having a direct benefit on the sale, unless the shareholders agree that EDL may vote on such matters. In the event that the shareholders cannot reach an agreement to allow EDL to vote in a shareholders' meeting in a matter that EDL may have benefit, the shareholders may not be able to pass a resolution seeking approval to invest in the future assets from EDL since the resolution of the capital increase requires at least two-thirds of the shareholders or their proxies attending the meeting and representing at least 80 percent of the total paid shares.

18. PRE-EMPTIVE RIGHTS AND ISSUANCE OF ADDITIONAL ORDINARY SHARES

The Enterprise Law provides that any increase of the Company's capital must be approved by shareholders. The shareholders have a pre-emptive right to the additional shares issued from the increase of capital. The additional shares shall be offered to the shareholders in proportion to their shareholding in the first order. The additional shares, which were not acquired within the specified timeframe or where the shareholders refuses to acquire, may then be offered to other shareholders who have an interest in acquiring them. Then, the directors of the Company have the right to purchase the remaining of additional shares and any remaining shares will be offered to third parties.

Pursuant to the 2010 NASC Resolution re: Securities and Securities Exchange, the Company has obtained a waiver from the pre-emptive right of the shareholders of the Company under the Enterprise Law with respect to this Offer, every public offer of the Company's shares and the offer of any company listed on the LSX. In any event, pursuant to the Enterprise Law, the Company is required to call for a shareholders' meeting seeking approval for any increase of the Company's capital.

The Enterprise Law also provides that the Company shall register the increase of capital with the relevant enterprise registration officers within ten business days from the date specified for the payment of subscribed shares. In addition, after the registration of the increase of capital, the Company will give public notice of the increase at least once within ten business days from the registration date.

19. DISCLOSURE OF FINANCIAL STATEMENTS

The Enterprise Law provides that the board of directors must cooperate with the independent auditor by providing clarifications on the source and accuracy of numbers and information appearing in the balance sheets before submitting them to the shareholders' meeting for adoption. The balance sheet must be certified by the independent auditor and approved by the shareholders at the annual general meeting.

In addition, the Reporting and Disclosure of Information No. 007/LSC, dated 3/4/2014requires the Company to prepare and submit to LSCO audited annual financial statements and reviewed quarterly financial statements. Moreover, the Company is subject to further requirements of the LSX.

Under the Regulation re: Reporting and Disclosure of Information No. 007/LSC, dated 3/4/2014, the normal reporting and disclosure of information is on a quarterly, half-yearly, and yearly basis.

(1) Quarterly reporting and disclosure: The securities issuing companies and the listed companies are required to report and disclose information for the first and the third quarters of the year within 45 days from the end of the first and the third quarters, respectively. The quarterly report shall include the summary of the company's business operation for that quarter and the financial statements certified by its accounting department, internal audit department, and directors.

(2) Half-yearly reporting and disclosure: The securities issuing companies and the listed companies are required to report and disclose information for the first half of the year within 60 days from the end of the second quarter. The report shall include the summary of the company's business operation for the first half of the year and the financial statements which have been examined by an independent auditor approved by the LSCO and have been accepted by the company's board of directors' meeting. The half-yearly financial statements shall also include the company's information for the second quarter.

(3) Annual reporting and disclosure: The securities issuing companies and the listed companies are required to report and disclose information for the year within 120 days from the end of each fiscal year. The report shall include the summary of the company's business operation for the year and the financial statements which have been examined by an independent auditor approved by the LSCO and have been accepted by the shareholders' meeting. Such annual financial statements shall also include the company's information for the fourth quarter.

20. LIQUIDATION RIGHTS

In the event of liquidation, the assets remaining after distribution to the creditors in full shall be distributed to the shareholders in proportion to the number of shares held.

21. ACQUISITION BY THE COMPANY OF ITS SHARES

Pursuant to the Enterprise Law, the Company may not acquire its own shares.

22. REGISTER OF SHAREHOLDERS

The share registrar of the Company will record the name of the shareholders in the register book of the Company. The information regarding the shareholders appears in the register book of the Company and shall be deemed correct evidence concerning the rights in the shares of the Company.

PART 3
CERTIFICATION OF THE ACCURACY OF LAO PROSPECTUS

1. CERTIFICATION OF THE ACCURACY BY THE COMPANY

We have reviewed the information contained herein the Lao Prospectus and with cautious as the position of the Managing Director (Chief Executive Officer) certified that such information is accurate and complete.

IN WITNESS WHEREOF, we also certified that the entire information is the documents certified true and correct as the same set. We hereby authorised Mr. BounOum Syvanpheng to initial every page of the documents. If any documents do not contain such initial of Mr. BounOum Syvanpheng, we will deem that such documents are not the information that we have certified."

Name	Position	Signature
1. Mr. BounOum Syvanpheng	Managing Director	(Mr. BounOum Syvanpheng)

The Execution of the Directors of the Company

Name	Signature
1. Dr. Khammany Inthirath	(Mr. Khammany Inthirath)
2. Mr. Sisavath Thiravong	(Mr. Sisavath Thiravong)
3. Mr. BounOum Syvanpheng	(Mr BounOum Syvanpheng)
4. Ms. Rattana Pathoumvanh	(Ms. Rattana Pathoumvanh)
5. Mr. Bounma Manivanh	(Mr. Bounma Manivanh)
6. Ms. Vanida Savaddy	(Ms. Vanida Savaddy)

7. Mr. Sychath Boutsakitirath (Mr. Sychath Boutsakitirath)

8. Assoc. Prof. Dr. Kongsy Sengmany (Assoc. Prof. Dr. Kongsy Sengmany)

9. Assoc. Prof. Dr. Khamlusa Nouansavanh (Assoc. Prof. Dr. Khamlusa Nouansavanh)

10. Assoc. Prof. Khampheui Phommachanh (Assoc. Prof. Khampheui Phommachanh)

The Execution of the Internal Audit Committee

Name	Signature
1. Dr. Bounsalong Southidara	(Dr. Bounsalong Southidara)

The Execution of the Accounting Department

Name	Position	Signature
1. Mr. Vanhseng Vannavong	Acting Director of Finance Department	(Mr. Vanhseng Vannavong)

2. CERTIFICATION OF THE ACCURACY BY THE SECURITIES COMPANY

This prospectus is a part of the information registration of the issuance of newly issued shares of EDL-Generation Public Company, whereby EDL-Generation Public Company and Lanexang Securities Public Company have prepared.

We hereby certified that analysis, valuation and phrases contained in this prospectus are true and correct and based on the information provided by EDL-Generation Public Company.

Lanexang Securities Public Company

Name	Position	Signature
1. Mr. Nalinh Silavongsith	Chief Executive Officer	(Mr. Nalinh Silavongsith)

APPENDIX 1 COMPANY'S FINANCIAL STATEMENTS

EDL-GENERATION PUBLIC COMPANY

FINANCIAL STATEMENTS
31 DECEMBER 2014

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EDL-GENERATION PUBLIC COMPANY

FINANCIAL STATEMENTS

31 DECEMBER 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of EDL-Generation Public Company

We have audited the accompanying financial statements of EDL-Generation Public Company ("the Company"), which comprise the statement of financial position as at 31 December 2014 and the related statements of income, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management of EDL-Generation Public Company in accordance with the accounting policies described in Note 2 to the financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements of EDL-Generation Public Company for the year ended 31 December 2014 are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the financial statements

Basis of accounting

Without qualifying our opinion, we draw attention to Note 2 to the financial statements, which describe the basis of accounting. The accounting basis used in the preparation of these financial statements may differ from generally accepted accounting principles adopted in other countries and jurisdictions. The reader should therefore be aware that the accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with jurisdictions other than Lao PDR.

For PricewaterhouseCoopers (Lao) Co., Ltd.



By Paiboon Tunkoon
Partner

Vientiane, Lao PDR
Date: 23 March 2015

EDL-Generation Public Company
Statement of financial position
As at 31 December 2014

	Notes	31 December 2014 Million Kip	31 December 2013 Million Kip
Assets			
Non-current assets			
Investments in associates	4	610,357	571,745
Interests in joint ventures	4	1,498,609	1,298,247
Advance payment for investment	5	779,005	474,411
Assets under concession, net	6	4,145,851	4,011,109
Other non-current assets		1,885	3,465
Total non-current assets		7,035,707	6,358,977
Current assets			
Cash and cash equivalents	7	1,251,534	159,914
Short-term investments	8	20,000	20,000
Trade and other receivables	9	502,382	519,355
Spare parts and supplies, net		4,043	3,020
Other current assets		7,595	5,905
Total current assets		1,785,554	708,194
Total assets		8,821,261	7,067,171

Boun Oum SYVANPHENG
Chief Executive Officer
Date: 23 MAR 2015

Bounsalong SOUTHIDARA
Chief Financial Officer
Date: 23 MAR 2015

The notes to the financial statements on pages 9 to 39 form an integral part of these financial statements.

EDL-Generation Public Company
Statement of financial position
As at 31 December 2014

	Notes	31 December 2014 Million Kip	31 December 2013 Million Kip
Equity			
Shareholder's equity			
Share capital	10	4,904,867	4,904,867
Share premium	10	142,229	142,229
Legal reserve	11	297,210	206,442
Translation adjustments		(1,476)	7,001
Retained earnings		978,811	744,348
Total equity		6,321,641	6,004,887
Liabilities			
Non-current liabilities			
Long - term borrowings, net	12	499,263	805,295
Debentures, net	13	1,575,862	-
Swap contract payable, net	14	11,105	-
Total non-current liabilities		2,086,230	805,295
Current liabilities			
Trade and other payables		174,589	30,823
Current portion of long-term borrowings	12	99,519	132,003
Accrued expenses	16	134,936	66,077
Accrued income tax	17	4,306	9,278
Other current liabilities	18	40	18,808
Total current liabilities		413,390	256,989
Total liabilities		2,499,620	1,062,284
Total equity and liabilities		8,821,261	7,067,171

EDL-Generation Public Company

Boun Oum SYVANPHENG
Chief Executive Officer
Date: 23 MAR 2015

Bounsalong SOUTHIDARA
Chief Financial Officer
Date: 23 MAR 2015

The notes to the financial statements on pages 9 to 39 form an integral part of these financial statements.

EDL-Generation Public Company
Statement of Income
For the year ended 31 December 2014

	Notes	31 December 2014 Million Kip	31 December 2013 Million Kip
Sales		839,193	862,429
Cost of sales	19	(215,613)	(203,935)
Gross profit		623,580	658,494
Other income		5,680	6,700
Operating and administrative expenses	19	(123,528)	(113,489)
Foreign exchange gain/ (loss), net		(18,098)	24,463
Interest expense	20	(31,722)	(30,845)
Share of profit of associates and joints ventures	4	474,467	453,746
Profit before income tax expense		930,379	999,069
Income tax expense	21	(22,695)	(27,327)
Net profit for the year		907,684	971,742
Earnings per share			
Basic earnings per share	22	740.36	792.61

Boun Oum SYVANPHENG
Chief Executive Officer
Date: 23 MAR 2015

Bounsalong SOUTHIDARA
Chief Financial Officer
Date: 23 MAR 2015

The notes to the financial statements on pages 9 to 39 form an integral part of these financial statements.

EDL-Generation Public Company
Statement of changes in shareholder's equity
For the year ended 31 December 2014

	Note	Issued and paid-up ordinary shares (Note 10) Million Kip	Share premium (Note 10) Million Kip	Legal reserve (Note 11) Million Kip	Translation adjustments Million Kip	Unappropriated retained earnings Million Kip	Total Million Kip
		For the year ended 31 December 2014					
As at 1 January 2014		4,904,867	142,229	206,442	7,001	744,348	6,004,887
Net profit for the year		-	-	-	-	907,684	907,684
Translation adjustments		-	-	-	(8,477)	-	(8,477)
Dividend paid	23	-	-	-	-	(582,453)	(582,453)
Appropriation	11	-	-	90,768	-	(90,768)	-
As at 31 December 2014		4,904,867	142,229	297,210	(1,476)	978,811	6,321,641

	Note	Issued and paid-up ordinary shares (Note 10) Million Kip	Share premium (Note 10) Million Kip	Legal reserve (Note 11) Million Kip	Translation adjustments Million Kip	Unappropriated retained earnings Million Kip	Total Million Kip
		For the year ended 31 December 2013					
As at 1 January 2013		4,904,867	142,229	109,268	(324)	436,292	5,592,332
Net profit for the year		-	-	-	-	971,742	971,742
Translation adjustments		-	-	-	7,325	-	7,325
Dividend paid	23	-	-	-	-	(566,512)	(566,512)
Appropriation	11	-	-	97,174	-	(97,174)	-
As at 31 December 2013		4,904,867	142,229	206,442	7,001	744,348	6,004,887

EDL-Generation Public Company

Boun Oum SYVANPHENG
Chief Executive Officer
Date: 23 MAR 2015

Bounsalong SOUTHIDARA
Chief Financial Officer
Date: 23 MAR 2015

The notes to the financial statements on pages 9 to 39 form an integral part of these financial statements.

EDL-Generation Public Company
Statement of cash flows
For the year ended 31 December 2014

	Notes	31 December 2014 Million Kip	31 December 2013 Million Kip
Cash flow from operating activities:			
Net profit before income tax for the year		930,379	999,069
Adjustments to reconcile net profit to net cash			
Amortisation of cost of issurance debenture	13	222	-
Depreciation	6	181,555	167,060
Foreign exchange (gain)/ loss		(11,555)	(25,753)
Share of profit of associates and joint ventures	4	(474,467)	(453,746)
Finance cost		31,722	30,845
Operating cashflow change in working capital changes		657,856	717,475
Changes in working capital			
- Trade and other receivables		16,973	(105,722)
- Spare part and supplies		(1,021)	108
- Other current assets		(1,691)	(4,100)
- Accounts payable		(30,373)	(34,520)
- Other assets		1,579	1,732
- Other current liabilities		(18,767)	15,537
- Accrued expenses		50,934	43,945
Cash generated from operations		675,490	634,455
Income tax paid	17	(27,668)	(24,878)
Net cash generate from operating activities		647,822	609,577
Cash flows from investing activities :			
Advance payment for investment	5	(304,594)	(95,410)
Purchases of assets under concession	6	(142,162)	(168,379)
Purchases of short-term investments	8	(20,000)	(20,000)
Proceeds from short-term investment	8	20,000	40,000
Dividends received	4	227,016	313,129
Net cash from (used in) investing activities		(219,740)	69,340

The notes to the financial statements on pages 9 to 39 form an integral part of these financial statements.

EDL-Generation Public Company
Statement of cash flows (continued)
For the year ended 31 December 2014

	Notes	31 December 2014 Million Kip	31 December 2013 Million Kip
Cash flows from financing activities :			
Proceeds from long-term borrowings	12	-	90,113
Repayment on long-term borrowings	12	(333,145)	(174,663)
Proceeds from short-term borrowing	15	160,000	-
Repayment on short-term borrowing	15	(160,000)	-
Proceeds from debentures issurance	13	1,616,810	-
Transaction cost paid for debentures issurance		(17,734)	-
Dividends paid to shareholders	23	(436,840)	(424,884)
Dividends paid to non-controlling interests	23	(145,613)	(141,628)
Interest payment		(30,733)	(31,696)
Net cash used by financing activities		652,745	(682,758)
Net decrease in cash and cash equivalents		1,080,827	(3,841)
Cash and cash equivalent beginning of the year		159,914	164,511
Effect of exchange rate changes on cash and cash equivalent		10,793	(756)
Cash and cash equivalent ending of the year	7	1,251,534	159,914
Significant non cash items			
Other payable for purchase of assets under construction	6	174,135	64,890
Other payables for transaction cost of issurance debenture issurance		16,936	-

EDL-Generation Public Company

Boun Oum SYVANPHENG
Chief Executive Officer
Date: 23 MAR 2015

Bounsalong SOUTHIDARA
Chief Financial Officer
Date: 23 MAR 2015

The notes to the financial statements on pages 9 to 39 form an integral part of these financial statements.

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 the Ministry of Industry and Commerce on 15 December 2010 ("Incorporation Date").

On 15 December 2010, it was also the date that EDL GEN commenced its commercial business as it entered into related Assets and liability transfer arrangement, Concession Agreement ("CA") and Power Purchase Agreement ("PPA") 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 sold back to EDL at agreed terms and conditions. Key assets transferred mainly represent 7 hydropower dams under a 30 years concession. These 7 hydropower dams include Nam Ngum 1, Nam Leuk, Nam Mang 3, Nam Song, Xeset1, Xeset 2, and Xelabam.

Further, the Company has continued acquiring more power projects and establishing new joint venture with counterparties concerned including 4 more Independent Power Plants ("IPP") from EDL in 2012 as disclosed in Note 4 and certain projects under MoU with EDL as disclosed in Note 5.

The address of the Company's registered office is as follows:

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

These financial statements were authorised for issue by the Board of Directors on 23 March 2015.

a) The Company's incorporation

The incorporation of the Company was initiated by Electricite Du Laos ("EDL") in connection with the restructuring of the energy business of EDL by transferring the Existing Generation Assets and certain rights and obligations to the Company according to the Prime Minister's Office ("PMO") Decision No. 180 dated 13 December 2010. The PMO approved EDL to sell its shares in the Independent Power Plants ("IPP") projects to the Company.

b) Transferred Existing Generation Assets, other assets and related liabilities and nature of the business

On 15 December 2010, Incorporation Date, EDL transferred the Existing Generation Assets and related liabilities of 7 hydropower dams , based on the net book value as at 20 October 2010, to the Company of Kip 2,605,792 million. EDL will continue its activities on the transmission and distribution of electricity generated by the Existing Generation Assets to end-users. Since 15 December 2010, the Company has commenced its electricity generation operation mainly based on such transferred assets to supply the electricity generated back to EDL.

1. **General information** (continued)

c) Significant agreements and arrangements

Significant agreements and arrangements affecting the business of the Company can be summarised below:

i) Concession Agreement ("CA")

On 15 December 2010, the Company 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 Company must transfer to the GOL or its nominee, free of charge and encumbrances, all the Company's right, title and interest in the projects and all assets held by the Company for operating the projects as agreed under this CA.

Under the CA, the GOL grants to the Company 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 Company 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 Company 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.

ii) Purchase Power Agreement ("PPA")

On 15 December 2010 and revised on 9 December 2011, the Company 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 Company'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 Company 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 Company 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 Company 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.

1. **General information** (continued)

c) **Significant agreements and arrangements** (continued)

iii) Debt Repayment Agreement

The Company entered into the Debt Repayment Agreement ("the Agreement") with the EDL on 15 December 2010. 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 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. These borrowings are unsecured and no other obligations other than the repayments required as per agreed schedules.

On 28 February 2013, the Company entered into the additional Debt Repayment Agreement ("the Agreement") with the EDL. EDL is a borrower pursuant to Nam Song 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 assets transfer, both parties 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.

iv) 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 Company 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.

v) Land lease agreement

According to Prime Minister's Office Instruction No.180 on 13 December 2010, the Company has the right to use related land for electricity generation operation. Ministry of Natural Resources and Environment and the Company are in process of survey and preparation of land lease agreement. Rental fee will be recorded when both party can agree related terms and conditions in the land lease agreement.

Subsequently, Ministry of Natural Resources and Environment and the Company signed the land lease agreement (the Agreement) on 30 January 2014. According to the Agreement, the Company has right to use related land over 30 years for its business, commencing from the Agreement date. Obligations for land lease fees were disclosed in Note 25.

1. **General information** (continued)

c) **Significant agreements and arrangements** (continued)

vi) **Memorandum of Understanding (MOU) for the transfer of the project assets of Houay Lamphan Ngai and Nam Khan2 (the Project)**

On 8 July 2011, the Company and EDL signed a MOU for the transfer of the project assets of Houay Lamphan Ngai and Nam Khan2. According to the conditions in this MOU, EDL wish to transfer all assets of those projects to the Company after the Commercial Operation Date (COD) or at any other date that each party agree, under the conditions that i) if it is successful, the Company shall agree 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 and ii) the Company shall be responsible to repay to EDL or to 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. The Company expects to finalize these projects with key parties concerned by the end of 2015.

As at 31 December 2014, the Company had paid for necessary costs related to the above MOU amounting to Kip 577,726 million (2013: Kip 432,313 million) (Note 5).

vii) **Memorandum of Understanding (MOU) for share transfer of the project asset of Nam Ngum 5 Power Company Limited ("NNG5")**

On 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 within 31 December 2014. The Company is required to pay i) an advance payment of USD 2,000,000 ii) the remaining balance of the total consideration, additional advances or any adjustments to be made or paid in accordance with the Share Transfer Agreement.

As at 31 December 2014, the Company paid for necessary costs related to the above MOU amounting to USD 5,250,000 or equivalent to Kip 42,098 million (Note 5).

1. **General information** (continued)

c) **Significant agreements and arrangements** (continued)

viii) Memorandum of Understanding (MOU) for share transfer of the project asset of Nam Sana ("the project")

On 12 February 2014, the Company and EDL signed a MOU for the transfer of the project assets of Nam Sana Hydro Project. According to the conditions in this MOU, EDL wish to transfer all assets of the project to the Company after the Commercial Operation Date (COD) or at any other date as each party agree, under the conditions that i) if it is successful, the Company shall agree 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 and ii) the Company shall be responsible to repay to EDL or to 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 iii) Both parties intend to finalise relating documents and negotiation within 31 October 2014 iv) the total consideration to be paid by the Company to EDL is not overpay than USD 2.4 million. If there will be additional payment more than above incurred by EDL, the Company will pay this additional amount to EDL with under condition mentioned in this MoU.

As at 31 December 2014, the Company had paid for necessary costs related to the above MOU amounting to Kip 16,112 million (Note 5).

ix) Memorandum of Understanding (MOU) for share transfer of the project asset of Nam Khan 3 ("the project")

On 17 February 2014, the Company and EDL signed a MOU for the transfer of the project assets of Nam Khan3 Hydro Project. According to the conditions in this MOU, EDL wish to transfer all assets of the project to the Company after the Commercial Operation Date (COD) or at any other date as each party agree, under the conditions that i) if it is successful, the Company shall agree 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 and ii) the Company shall be responsible to repay to EDL or to 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 iii) Both parties intend to finalise relating documents and negation within 31 December 2015 iv) the total consideration to be paid by the Company to EDL is not overpay than USD 18.13 million. If there will be additional payment more than above incurred by EDL, the Company will pay this additional amount to EDL with under condition mentioned in this MoU.

As at 31 December 2014, the Company had paid for necessary costs related to the above MOU amounting to Kip 143,069 million (Note 5).

1. General information (continued)

c) Significant agreements and arrangements (continued)

x) Corporate debenture issuance in Thailand

On 12 December 2014, the Company's unsubordinated unsecured debentures (debentures) THB 6,500 million (approximately Kip 1,616,810 million) were issued at the Stock Exchange of Thailand. The debentures are offered through Private Placement method to high network investors and institutional investors including banks, mutual funds, asset management funds and insurance company. According to this issuance, the Company is required to comply with several terms and conditions which include but not limited to the submission of financial statements to Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand within the similar submission schedule to local regulators. Please see details in Note 13.

xi) Cross currency and interest rate swap contract (the Agreements)

On 14 December 2014, the Company entered into a cross currency swap for their debentures issued in Baht into USD and also swap related interest rate from fixed rates to floating rates with Thai financial institutions to protect the risk from fluctuations on exchange rates and interest rates.

Summary of key term and conditions is as below:

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	1,500	45.59	12 December 2019	4.95%	Libor 6 months+ 3.36%	Semi-annually start from 12 June 15 to 12 December 2019
2	2,000	60.79	12 December 2021	5.20%	Libor 6 months+ 3.61%	Semi-annually start from 12 June 15 to 12 December 2021
3	3,000	91.18	12 December 2024	5.45%	Libor 6 months+ 3.795%	Semi-annually start from 12 June 15 to 12 December 2024
Total	**6,500**	**197.56**				

2 Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.1 Basis of preparation

The accompanying financial statements have been prepared in accordance with the Company's principal accounting policies as described in Note 2 of these financial statements which have been prepared under the historical cost convention except investment in associates and interest in joint ventures (Note 2.2).

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 the 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 instruments, consolidated and separate financial statements, associates, joint ventures, borrowing cost and pre-operation cost (Note 2.15). The accounting principles applied may materially differ from generally accepted accounting principles including International Financial Reporting Standards ("IFRS") adopted in certain countries and jurisdictions.

In Lao PDR, there are no accounting standards and guidelines applicable for certain areas such as investments in associates and interests in joint ventures. In the absence of the accounting standards concerned, the Company has decided to adopt certain accounting policies e.g. equity accounting method for its investments as described in Note 2.2 in which management believe it is in line with international practices.

The preparation of 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.

The Company presents statements of income for the three-month period ended 31 December 2014 under Note 27 as supplementary information. This is in accordance with the reporting and disclosure regulation no.007/SECO, dated 3 April 2014 issued by Lao Securities and Exchange Commission Office.

2.2 Investments in associates and interests in joint ventures

Associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost.

The Company's share of its associates' post-acquisition profits or losses is recognised in the profit or loss. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2. Accounting policies (continued)

2.2 Investments in associates and interests in joint ventures (continued)

Associates

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Company. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

A list of the Company's principal associates is set out in Note 4.

Joint ventures

Interests in jointly controlled entities are entities over which the Company jointly control, but which it does not control. Interests in joint ventures are accounted for by the equity method of accounting in the financial statements. Under this method the Company's share of the post-acquisition profits and losses of joint ventures is recognised in the profit or loss. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Company's share of losses in an interest in a joint venture equals or exceeds its interest in the joint venture, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains or losses on transactions between the Company and its joint ventures is eliminated to the extent of the Company's interests in the joint ventures, except that unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Company. Dilution gains and losses arising in investments in joint ventures are recognised in the profit or loss.

A list of the Company's principal joint ventures is set out in Note 4.

2.3 Foreign currency translation

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

b) Foreign currency transactions are translated into Kip using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into Kip at the exchange rates prevailing at the reporting date. 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 statements of income.

c) For Associates and joint ventures, the results and financial position of associates and joint ventures entities (none of which has the currency of a hyper-inflationary economy) that have a presentation currency difference from the presentation currency of the Company are translated into the presentation currency as follows:

2. Accounting policies (continued)

2.3 Foreign currency translation (continued)

- 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 transferred date from EDL (Note 1 b) and historical cost for assets acquired after 15 December 2010. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

According to the concession agreement, the Company must transfer all assets for operating the projects as mentioned in the concession held by the Company to GOL at the end of concession period (Note 1 c i).

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 Company 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	1,2, 4-30
Hydroelectric dams	20-30
Plant and machineries	1,4, 10-30
Motor vehicles	1-6
Office equipment	1-9
Furniture and fixtures	1-10

2. Accounting policies (continued)

2.5 Assets under concession (continued)

The Company records depreciation as an expense for the period. When a long-term asset is retired, the Company 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 statements 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 (Note 2.6).

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

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.

2.7 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 Company 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 profit or loss 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 Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2. Accounting policies (continued)

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 of the lease.

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

(i) Pension obligations

The Company operates pension scheme. This is a defined contribution scheme under which the Company contributes fixed contributions based on employee's basic salary, number of service years and level of education to eligible employees at the time of their resignation or retirement. Key terms and conditions or pension scheme are as below:

Resignation:

The Company provides for onetime payment to employees who resign and when length of year of service meets the Company's policies. Length of year of service depends on roles and responsibilities and position. The amount payable is calculated based on the salary of the last working month multiplied by the length of years of services plus any additional position allowance or specials allowance as per the Company's policy.

Criteria for employee:

- Employee who work as expert or specialist should have lengths of years of services more than 5 years;
- Employee who does not meet the above criteria should have lengths of years of services more than 3 years.

Onetime payment paid to employees at resignation date is recognized when paid.

Retirement:

At retirement, the Company provides for onetime payment to employees who reach the retirement age and meets the below criteria. The amount payable is based on the onetime payment as described in the above resignation section plus three times of salary of the last working month multiplied by the lengths of years of services and any additional position allowance or special allowance as per the Company's policy.

Criteria for employee:

- Employee, both male and female who reaches 60 year-old and with more than 25 working years with the Company. However, for female who reaches 55 year-old and have lengths of years of services not less than 25 years, if requested, is also entitled to a retirement benefit;
- Length of year of service in each position meets the Company's policy.

2. Accounting policies (continued)

2.10 Employee benefits (continued)

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

Other employee benefit obligations

The Company also offers other employee benefits such as social security fund as required by local law. The Company and employee are required to contribute at 5% and 4.5% of employee salary to the social security fund respectively. Basic monthly salary for calculation is at the maximum of Kip 1.5 million. The Company recognises related liabilities and expenses when paid.

2.11 Provisions

Provisions are recognised when the Company 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 as described in Note 2.9.

2.12 Short-term investment

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

2.13 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 Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company 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.

2.14 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. Accounting policies (continued)

2.15 Revenue recognition

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

(a) Sales of electricity, the Company account for sales when:

- Power Purchase Agreements ("PPA") exists;
- Delivery has taken place;
- A quantifiable price has been established or can be determined;
- The 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.

(b) Other services

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

(c) Dividend income

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

2.16 Taxation

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 year after adjusted non-deductible expenses and others transaction under related Lao Tax Law and tax rate. Under Lao Tax Law and Accounting Law and related privileges as a listed company at LSX, tax expenses for the year are determined on the basis of the profit of the Company calculated.

In Lao PDR, income tax returns are reviewed in details 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.

2.17 Cross currency and interest rate swap

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 statements of income on the straight-line method over the contract period.

3. Financial risk management

3.1 Financial risk factors

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

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

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

3.2 Foreign exchange risk

The Company operates domestically but is exposed to foreign exchange risk arising from certain currency exposures, primarily with respect to the US dollar 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 Company uses swap contracts to hedge their exposure to foreign currency risk in connection with the outstanding debentures of Baht 6,500 million (Note 13).

As at 31 December 2014, 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 Company's business, results of operations, financial conditions and prospects.

3.3 Interest rate risk

The interest risk mainly arises from borrowings and debentures.

Borrowings issued at variable rates expose the Company to interest risk. The Company 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 with fixed interest rate. Interest rate swap contracts are entered into to manage related interest rates risk. The Company entered into interest rate swap contracts by converting fixed rates to floating rates for the total amount of interest arising from debentures.

3.4 Credit risk

The Company 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.

3. Financial risk management (continued)

3.5 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.

3.6 Capital risk management

The Company's objectives when managing capital are to safeguard the Company'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 Company may borrow new funds, issue new shares, refinance existing borrowings and adjust the amount of dividends paid to shareholders in the future.

4. Investments in associates and interests in joint ventures

	2014 Million KIP	2013 Million KIP
Beginning balances	1,869,992	1,722,049
Share of profit of associates	75,550	63,782
Share of profit of interest in joint ventures	398,917	389,964
Dividend received	(227,016)	(313,128)
Translation adjustments	(8,477)	7,325
Ending balances	2,108,966	1,869,992

There was no acquisition or disposal of investment in associates and interest in joint venture during 2014 and 2013.

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

4.1 Associates

The Company's share of the result of its associates, all of which are unlisted, and its share of the dividend are as follows:

					2014 (Million Kip)	
Name	Country of Incorporation	Business	Portion of Investment (%)	Cost Method	Equity Method	Dividend
NN2PC	Lao PDR	Electricity generation	25	454,742	547,777	(18,118)
NL1-2	Lao PDR	Electricity generation	10	32,240	62,580	(9,205)
Total investment in associates				486,982	610,357	(27,323)

					2013 (Million Kip)	
Name	Country of Incorporation	Business	Portion of Investment (%)	Cost Method	Equity Method	Dividend
Nam NN2pC	Lao PDR	Electricity generation	25	454,742	499,437	(19,431)
NL1-2	Lao PDR	Electricity generation	10	32,240	72,308	(6,521)
Total investment in associates				486,982	571,745	(25,952)

With respect to NamLik 1-2, the Company has obtained voting rights and Board of Directors' seats and has abilities to make certain key decisions in finance and operations (but not as much as a joint control party) as stipulated in related shareholders' agreements concerned. Management therefore concludes this investment as an associate.

Abbreviations:

NN2PC = Nam Ngum 2 Power Company Limited
NL1-2 = NamLik 1-2 Power Company Limited

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

4.1 Associates (continued)

4.2 Interests in joint ventures

The Company's share of the result of interest in joint ventures, all of which are unlisted, and its share of the dividend are as follows:

2014 (Million Kip)

Name	Country of Incorporation	Business	Portion of Investment (%)	Cost Method	Equity Method	Dividend
THPC	Lao PDR	Electricity generation	60	1,120,696	1,463,621	(192,789)
HHPC	Lao PDR	Electricity generation	20	17,447	31,607	(6,904)
LHPC	Lao PDR	Electricity generation	60	3,381	3,381	-
Total interest in joint ventures				1,141,524	1,498,609	(199,693)

2013 (Million Kip)

Name	Country of Incorporation	Business	Portion of Investment (%)	Cost Method	Equity Method	Dividend
THPC	Lao PDR	Electricity generation	60	1,120,696	1,280,118	(274,816)
HHPC	Lao PDR	Electricity generation	20	17,447	14,748	(12,360)
LHPC	Lao PDR	Electricity generation	60	3,381	3,381	-
Total interest in joint ventures				1,141,524	1,298,247	(287,176)

With respect to THPC and LHPC, although the Company has percentage of share in those companies more than 60% but according to the conditions in joint venture agreement the Company has obtained voting rights and Board of Directors' seats and has abilities to make only certain key decisions in finance and operations (but not as much as a control party). Management therefore concludes these are interest in joint venture.

Abbreviations:

THPC = Theun-Hinboun Power Company Limited
HHPC = Houay Ho Power Company Limited
LHPC = Lower Houay Lamphanh Company Limited

5. Advance payments for investments

Advance payments for investments consist of:

	31 December 2014 Million KIP	31 December 2013 Million KIP
Advance payments under the projects transfer	779,005	474,411
	779,005	474,411

These relate to the advance payments paid to EDL for the costs occurred from the project assets under related MOU as disclosed in note 1 vi) to x). The Company has made advanced payments under the MOU as summaried below:

Project's name	Note	31 December 2014	31 December 2013
		Million Kip	Million Kip
Houay Lamphan Ngai and Nam Khan2	1c) vi	577,726	432,313
Nam Ngum 5 Power Company Limited	1c) vii	42,098	42,098
Nam Sana	1c) viii	16,112	-
Nam Khan 3	1c) ix	143,069	-
Total		**779,005**	**474,411**

6. Assets under concession, net

	Buildings Million Kip	Hydroelectric dams Million Kip	Plant and machineries Million Kip	Motor vehicles Million Kip	Office equipment Million Kip	Furniture and fixture Million Kip	Construction in progress Million Kip	Total Million Kip
At 31 December 2013								
Cost	309,029	2,457,596	1,699,623	5,631	1,969	5,566	11,732	4,491,146
Accumulated depreciation	(50,232)	(246,944)	(177,746)	(2,684)	(720)	(1,711)	-	(480,037)
Net book amount	258,797	2,210,652	1,521,877	2,947	1,249	3,855	11,732	4,011,109
Open net book amount								
At 1 January 2014	258,797	2,210,652	1,521,877	2,947	1,249	3,855	11,732	4,011,109
Additions	48,414	-	261,569	4,767	660	887		316,297
Transfers from construction in progress			11,732				(11,732)	-
Charge for the year	(19,489)	(82,642)	(76,090)	(1,666)	(466)	(1,202)	-	(181,555)
Net book amount	287,722	2,128,010	1,719,088	6,048	1,443	3,540	-	4,145,851
At 31 December 2014								
Cost	357,443	2,457,596	1,972,923	10,398	2,630	6,452	-	4,807,443
Accumulated depreciation	(69,721)	(329,586)	(253,835)	(4,350)	(1,187)	(2,912)	-	(661,192)
Net book amount	287,722	2,128,010	1,719,088	6,048	1,443	3,540	-	4,145,851

In 2014, total additions of Kip 316,272 million consisted of cash transactions of Kip 142,162 million and non-cash transactions of Kip 174,135 million.

7. Cash and cash equivalents

	31 December 2014 Million KIP	31 December 2013 Million KIP
Cash on hand	88	98
Cash at banks - current account	1,251,446	159,816
	1,251,534	**159,914**

Cash on hand is for petty cash being used for general purpose.

Cash at banks held at call with banks represent cash deposited with local reputable banks in 3 currencies being USD, THB and LAK in current accounts with interest at 0%-1% per annum.

8. Short-term investments

The Company invested in 12 months short-term deposit of Kip 20,000 million (2013: Kip 20,000 million), with a local financial institution, commencing from 18 November 2014 to 18 Novermber 2015 (2013: commencing from 18 November 2013 to 18 Novermber 2014) , and bear interest rate at 10% per annum (2013: 10% per annum).

9. Trade and other receivables

	31 December 2014 Million KIP	31 December 2013 Million KIP
Trade receivable – parent company (Note 24 d) (i)	436,120	451,654
Receivable – parent company (Note 24 d)(ii)	65,944	65,944
Receivables – others	318	1,757
	502,382	**519,355**

i) Aging of trade account receivables can be analysed as follows:

	31 December 2014 Million KIP	31 December 2013 Million KIP
Current	112,851	235,404
Overdue but less than 3 months	323,269	216,250
Overdue 3 - 6 months	-	-
Overdue 6 - 12 months	-	-
Overdue over 12 months	-	-
	436,120	451,654
Less Allowance for doubtful accounts receivables	-	-
Trade account receivables, net	**436,120**	**451,654**

9. Trade and other receivables (continued)

ii) Receivable from parent company is expected to be settled in 2015. Discussions with EDL are underway. This receivable arises at the time of the transfer of Existing Generation Assets in December 2010 as disclosed in Note 1 b).

10. Share capital and share premium

	Number of Shares (Shares)	Share (Million Kip)	Share premium (Million Kip)	Total (Million Kip)
At 1 January 2013	1,226,216,765	4,904,867	142,229	5,047,096
Issue of shares	-	-	-	-
At 31 December 2013	1,226,216,765	4,904,867	142,229	5,047,096
Issue of shares	-	-	-	-
At 31 December 2014	1,226,216,765	4,904,867	142,229	5,047,096

As at 31 December 2014 total authorised number of ordinary shares is 1,226,216,765 shares (31 December 2013: 1,226,216,765 shares) with a par value of Kip 4,000 per share (31 December 2013: Kip 4,000 per share). All issued shares are fully paid.

11. Legal reserve

	31 December 2014 Million KIP	31 December 2013 Million KIP
At 1 January	206,442	109,268
Appropriation made during the year	90,768	97,174
At 31 December	297,210	206,442

Legal reserve is set-up in accordance with the Article 151 of the Enterprise Law of the Lao PDR which requires the appropriation of net profit as legal reserve of at least 10% of the annual net profit of the Company until such reserve reaches 50% of authorised share capital.

12. Long-term borrowings

	31 December 2014 Million KIP	31 December 2013 Million KIP
Total long-term borrowings	598,782	937,298
Less: current portion for long-term borrowings	(99,519)	(132,003)
Long-term borrowings, net	499,263	805,295

Movement of long-term borrowing can be analysed as below:

	31 December 2014 Million KIP	31 December 2013 Million KIP
As at 1 January	937,298	1,048,356
Additions during the year	-	90,113
Less: repayments made during the year	(333,145)	(174,663)
(Gain)/loss on exchange rate	(5,371)	(26,508)
As at 31 December	598,782	937,298

The Company entered into a Debt Repayment Agreement ("the Agreement") with the EDL on 15 December 2010 (Note 1 c iii). 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 further over the period from 10 January 2010 to 15 July 2022, for the GOL's further repayments to the lenders pursuant to the original borrowing agreements.

Significant changes during the year

2014: nil

2013:

The Company enters into the new Debt Repayment Agreement with EDL on 28 February 2013 for Nam Song Hydro Power Project. According to this agreement, the Company will make payment to EDL equal to payments due by EDL to GOL from 27 January 2014 to 27 September 2027 (Note 1 c iii).

Borrowings are denominated in the following currencies:

	31 December 2014	31 December 2013
US dollar (million)	64	103
Yen (million)	1,221	1,424

12. Long-term borrowings (continued)

The aging analysis of these borrowings is as follows:

	31 December 2014 Million KIP	31 December 2013 Million KIP
Less than one year	99,519	132,003
More than one year but not over 5 years	398,074	524,745
Over 5 years	101,189	280,550
	598,782	937,298

13. Debentures, net

	31 December 2014 Million KIP	31 December 2013 Million KIP
Debenutres	1,610,310	-
Less: transaction costs	(34,448)	-
	1,575,862	-
Less: current portion of debenture	-	-
	1,575,862	-

Movements in debentures for the years ended 31 December are as follows:

	31 December 2014 Million KIP	31 December 2013 Million KIP
Opening balance	-	-
Additions	1,616,810	-
Transaction cost	(34,670)	-
Amortised deferred financing fee	222	-
Gain(loss) on exchange rate	(6,500)	-
	1,575,862	-

On 12 December 2014, the Company issued its 5-10 years fixed rate unsubordiate and unsecured debentures, at Thai Baht 1,000 face value per unit totalling 6.5 million units with a total value of Baht 6,500 million (equivalent to Kip 1,616,810 million). The debentures are issued at par value and thus no discount or premium arising from the issuance of debentures. The stated interest rates or coupon rates are fixed and are ranging from 4.95% to 5.45% per annum. Interest is payable semi-annually in June and December and the first interest payment will be due on 12 June 2015. The debentures were offered through private placement method at at the Stock Exchange of Thailand (SET) to a high network investors and institutional investors including banks, mutual funds, asset management funds and insurance companies. These debentures have received BBB+ risk rating from TRIS Rating Co., Ltd, Thailand.

13. Debentures, net (continued)

Debenture issuing costs approximately of Kip 34,670 million were incurred in preparing and selling the debentures issued.. These costs mainly consist of the fees for professional advisors, lawyers and regulators concerned. The issuing costs are being deferred and amortised on a straight -line basis over the term of the debentures. In addition, these deferred costs are presented as a netted amount against the outstanding amount of debentures (Note 2.16)

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

Description	Series 1	Series 2	Series 3
Type	Unsubordinate unsecured debentures.	Unsubordinate unsecured debentures.	Unsubordinate unsecured debentures.
Repayment	Principal repayment at the maturity date.	Principal repayment at the maturity date.	Principal repayment at the maturity date.
Total offering price	Baht 1,500 million	Baht2,000 million	Baht 3,000 million
Issued amount	1,500,000 units	2,000,000 units	3,000,000 units
Interest rate	Fixed rate 4.95% per annum	Fixed rate 5.20% per annum	Fixed rate 5.45% per annum
Effective interest rate	5.26% per annum	5.54% per annum	5.62% per annum
Interest due	Semi- annually, 12 June and 12 December	Semi- annually, 12 June and 12 December	Semi- annualyl, 12 June and 12 December
Period	5 years	7 years	10 years
Maturity date	12 December 2019	12 December 2021	12 December 2024

14. Payable – swap contracts, net

	31 December 2014 Million KIP	31 December 2013 Million KIP
Payables-swap contract	1,601,884	-
Receivables-swap contract	(1,610,310)	-
Deferred gain on swap contract	19,531	-
	11,105	-

The Company entered into currency swap contracts from Baht to USD to hedge their exposure from foreign currency risk in connection with their issuance of Baht debentures and also swap their interest rates from fixed rates to floating rate with Thai financial institutions (Note 1c xi).

15. Short-term borrowing

The Company entered into an unsecured short-term borrowing with Bank of Lao PDR amounting to Kip 160,000 million with interest 7% per annum. This short-term borrowing was fully settled during 2014.

16. Accrued expenses

Accrued interest expenses comprise:

	31 December 2014 Million KIP	31 December 2013 Million KIP
Accrued interest expense	8,936	7,948
Accrued royalty fee and others tax	103,950	47,605
Accrued cost of issuance debenture	16,935	-
Others	5,115	10,524
	134,936	66,077

17. Accrued income tax

	31 December 2014 Million KIP	31 December 2013 Million KIP
Beginning balance	9,278	6,829
Payments during the year	(27,667)	(24,878)
Income tax expense for the year (Note 21)	22,695	27,327
	4,306	9,278

18. Other current liabilities

	31 December 2014 Million KIP	31 December 2013 Million KIP
Retentions received from contractors (i)	-	18,785
Others	40	23
	40	18,808

(i) These are mainly the retentions received from contractors for construction of Nam Ngum 1 Hydropower Project amounting to Kip 15,338 million. All retentions were cleared and returned during the year 2014.

19. Expenses by nature

The following significant expenditures, classified by nature, have been charged in arriving at operating profit:

	31 December 2014 Million KIP	31 December 2013 Million KIP
Staff costs	40,112	42,173
Repair and maintenance expenses	21,623	21,873
Depreciation on assets under concession (Note 6)	181,555	167,060
Dividend tax expense	22,702	31,313
Fuel	5,507	5,140
Others	67,642	49,865
	339,141	317,424

20. Interest expense

	31 December 2014 Million KIP	31 December 2013 Million KIP
Interest expense from borrowings	31,722	30,845

Interest expense is mainly relevant to transferred borrowings from EDL amounting to Kip 30,273 million (Note 1 c iii and Note 24 c).

21. Income tax expense

According to revised CA on 24 July 2013 (Note 1 c i), the Company has an obligation to pay corporate income tax on profit at the rate of 10% on taxable profit of turnover. In addition, under the tax privileges given to the listed companies at the LSX, the Company is subject to a further reduction to the rate of 5% during an initial period of 4 years start from 2011 to 2015 (which is then equivalent to 5% from a normal rate of 10%).

	31 December 2014 Million KIP	31 December 2013 Million KIP
Reconciliation between income tax expense and accounting profit:		
Accounting profit before income tax	930,379	999,069
Non-deductible and reversal items for tax purpose	(2,000)	1,206
Share of profit of associates and joint ventures under equity accounting method (Note 4)	(474,467)	(453,746)
Taxable income	453,912	546,529
Tax calculated at the tax rate of 5% (2013: 5%)	22,695	27,327

22. Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	31 December 2014	31 December 2013
Net profit attributable to ordinary shareholders (Million Kip)	907,684	971,742
Weighted average number of ordinary shares in issue (Million shares)	1,226	1,226
Basic earnings per share (Kip)	740.36	792.61

23. Dividend

The Company may distribute dividends at no less than 50 percent of the available net profits of the Company after deducting for taxes, statutory/legal reserve fund and other reserve funds (if any). Dividend allocation may depend on economic situation and the Company's investment plans. Annual dividends payable are not accounted for until they have been approved at the Annual General Meeting.

Summary of dividend payments are described below:

Description	Approval date/by	Dividend per share (Kip/share)	Amount Million Kip	Payment date
2014:				
Interim dividend from the operating result of 6 months period from 1 July to 31 December 2013	24 April 2014 by the shareholders	293	359,282	In April 2014
Interim dividend from the operating result of 6 months period from 1 January to 30 June 2014	14 August 2014 by the Board of Directors	182	223,171	In October 2014
		Total	**582,453**	
2013:				
Interim dividend from the operating result of 6 months period from 1 July to 31 December 2012	28 March 2013 by the shareholders	280	343,341	In April 2013
Interim dividend from the operating result of 6 months period from 1 January to 30 June 2013	13 August 2013 by the Board of Directors	182	223,171	In September 2013
		Total	**566,512**	

24. Related party transactions

The major shareholders of the Company are the Electricite Du Laos, holding 75%. The remaining shares in the Company are widely held.

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

a) Sales of goods

	31 December 2014 Million KIP	31 December 2013 Million KIP
Sales of electricity to EDL	839,193	862,429

Sales of electricity to EDL are based on agreed terms and conditions in the Power Purchase Agreement ("PPA") dated 15 December 2010 and were revised in 9 December 2011 (Note 1 c ii).

b) Dividend paid

	31 December 2014 Million KIP	31 December 2013 Million KIP
Dividend paid to EDL	436,840	424,884

c) Interest expense

	31 December 2014 Million KIP	31 December 2013 Million KIP
Interest expense - EDL (Note 20)	30,273	30,845

According to Debt Repayment Agreement between the Company and EDL (Note 1 c iii), the Company 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.

d) Outstanding balances from related party transaction

	31 December 2014 Million KIP	31 December 2013 Million KIP
Trade account receivable (Note 9)	436,120	451,654
Accounts receivable-others (Note 9)	65,944	65,944
Advanced payments for investments (Note 5)	779,005	474,411
Long-term borrowings (Note 12)	598,782	937,298

24. Related party transactions (continued)

e) Directors and managements remuneration

For the years ended 31 December	31 December 2014 Million KIP	31 December 2013 Million KIP
Key management compensation	1,819	1,984

Key management compensation mainly includes salary, meeting allowances and other benefits for the members of the Board and key management.

f) Significant agreements with EDL

The Company entered into certain significant agreements with EDL as explained in Note 1 c and Note 12.

25. Commitments and significant transactions

2014:

Capital commitments

There were significant transactions and outstanding commitments from entered into various maintenance service agreements with third parties with respect to the maintenance of hydropower dams with suppliers and had outstanding capital commitments related to the ongoing installation of generation equipments as below:

Year	Amount (Million Kip)	Period
2014	68,273	1-5 years
2013	633,227	1-5 years

Operating lease commitments – where the Company is the lessee.

The Company leases land being used for their hydropower dams under non-cancellable operating lease agreements. The lease term is generally 30 years.

For the year ended 31 December	31 December 2014 USD	31 December 2013 USD
Not later than 1 year	28,637	28,637
Later than 1 year but not later than 5 years	126,395	124,963
More than 5 year	876,214	908,887
	1,031,246	1,062,487

26. Post statement of financial position event

2014:

At the Board of Directors' meeting No.1/2015 held on 23 March 2015, the Board of Directors approved significant transactions as below:

Dividend payment approval

The Board of Directors approved a dividend payment in respect of net profit for the 2nd half of the year or for the six-month period from 1 July to 31 December 2014 of Kip 268 per share (31 December 2013: Kip 293 per share) amounting to a total of Kip 328,625 million (31 December 2013: Kip 359,281 million).

This approved dividend will be paid on 5 May 2015. This recent approved dividend payment is in addition to the dividend payment for the 1st half of the year as disclosed in Note 23.

Acquisition of Independent Power Plants (IPPs) from EDL

The Board of Directors approved the Transfer of the purchase asset of Nam Khan2 Hydropower Plant Project and Houay Lamphan Gnai Hydropower Plant project from EDL. Nonetheless, the Transfer of 2 Hydropower Plant Projects by EDL and the acceptance of the transfer of asset by the company will take place only after both parties have completely fulfilled the conditions which were specified by both parties in the Memorandum of Understanding (MOU) for the Transfer of the Project Asset.

Increased of registered share capital

The Board of Directors approved the increase of the Company's registered capital by issuing not exceeding 464,783,334 new ordinary shares at the par value of 4,000 Kip each and shall be offered for sale to the existing shareholders and/or the specific shareholders and/or public offering. Accordingly, the shares of the Company will be increased from 1,226,216,765 shares to 1,690,985,099 shares.

All above transactions will be proposed to the Annual General Meeting of the Shareholders for final approval after the Board of Director's approval.

2013:

At the Board of Directors' meeting No.1/2014 held on 5 March 2014, the Board of Directors approved significant transactions as below:

Dividend payment approval

The Board of Directors approved a dividend payment in respect of net profit for the 2nd half of the year or for the six-month period from 1 July to 31 December 2013 of Kip 293 per share (31 December 2012: Kip 280 per share) amounting to a total of Kip 359,281 million (31 December 2012: Kip 343,341 million).

This approved dividend was paid on 30 April 2014. This recent approved dividend payment is in addition to the dividend payment for the 1st half of the year as disclosed in Note 23.

26. Post statement of financial position event (continued)

Acquisition of Independent Power Plants (IPPs) from EDL

The Board of Directors approved the acquisition of interest of Nam Sana Hydropower Project from EDL.

All investments will be acquired and transferred to the Company when related conditions in Memorandum of Understanding for the Transfer of the Project Asset are met.

Issuance of corporate debentures

The Board of Directors approved the Company to issue corporate debenture in amount of USD 200-300 million for expansion of the Company's business.

All above transactions was approved by Annual General Meeting of the Shareholders on 24 April 2014.

27. Supplementary information

The Company presents the unaudited statement of income for the three-month period ended 31 December 2014 under this note to the unaudited financial statements. This is in accordance with the reporting and disclosure regulation issued by Lao Securities and Exchange Commission Office (Note 2.1).

Summary of statement of income
For the three-month period ended 31 December 2014

	Unaudited Million Kip
Sales	186,079
Cost of sales	(47,844)
Gross profit	138,235
Other income	1,076
Administrative expenses	(74,107)
Foreign exchange gain/ (loss), net	(12,467)
Interest expense	(7,302)
Share of profit of associates and joints ventures	106,557
Profit before income tax expense	151,992
Income tax expense	(15,401)
Net profit for the period	136,591

ผู้อำนวยการใหญ่
Managing Director



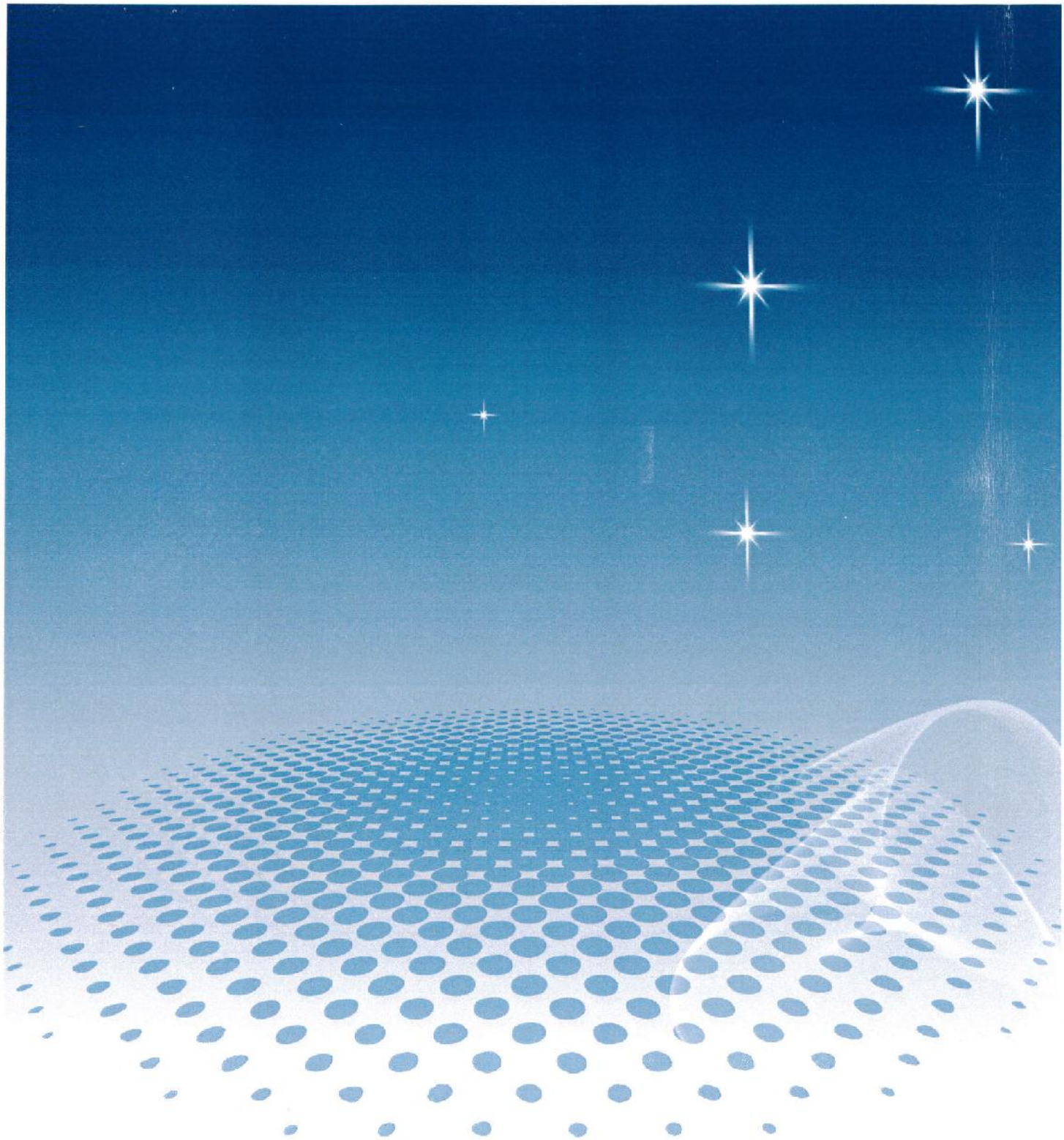
ບຸນລ້ຽນ ສີວັນເພັງ

หัวหน้าพะแนกบัญชี
Manager of Accounting Division

อันแสง อันมะวิง

หัวหน้าพะแนกการตรวจสอบภายใน
Manager of Internal Audit Division

มะนิวัน ยอดกองมี



ສຳນັກງານໃຫຍ່ຕັ້ງຖະໜົນ ລາວ - ໄທ, ຕູ້ ປ.ນ 2392, ບ້ານ ທົ່ງກາງ ເມືອງ ສີສັດຕະນາກ, ນະຄອນຫລວງວຽງຈັນ.
ສປປ ລາວ ໂທລະສັບ : (856-21) 316142, ແຟັກ : (856-21) 316141
E-Mail : edlgenhq@edlgen.com.la; Website : www.edlgen.com.la

APPENDIX 2 SUBSCRIPTION FORM

RO

Subscription Form for Right Offering of New Ordinary Shares of EDL-Generation Public Company

Right Offering to the existing shareholders of 408,738,922 new ordinary shares at a ratio of **3** existing shares to **1** new share (any fraction of share(s) shall be discarded) with par value of 4,000 Kip at the offering price of **6,000** Kip per share.

Name (English) _____ **A/c no.** _____

Holding Quantity	Allocation Quantity	Offering Price	Subscription Amount (Kip)
		6,000 Kip	

Attachment ; Individual: ( ) Copy of ID Card (Lao nationality) ( ) Copy of Passport (Foreigner) (to be certified for true copy by the holder)

Legal entity: ( ) Copy of ID Card or Passport of Authorized Signatures (Certified True copy of the holder)

Checker: _____( )

Subscription Date: ____ /____/____ Subscription No. _____

Subscriber please clearly fill in the spaces below

Address _____ Telephone No. (Residence) _____

Mobile Phone _____ E-Mail Address _____

hereby subscribe for the rights offering shares in accordance with my shareholding in EDL-Generation Public Company as follows :

Subscription details	No. of Share subscribed	Offering Price	Amount Due (Kip)
☐ To subscribe in full entitlement.		6,000 Kip	
☐ To subscribe some part of entitlement.		6,000 Kip	
☐ To subscribe in excess of the entitlement (only the excess portion).		6,000 Kip	
Total Subscription			

Made payable to Bank: **BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC (BCEL)** as the following accounts:-

☐ A/c Name: **LXS (EDL GENERATION PLC FOR SHARE SUBSCRIPTION)** A/c No.: 010110001120190001 Currency: **LAK** Amount _____LAK Date:_____

☐ A/c Name: **LXS (EDL GENERATION PLC FOR SHARE SUBSCRIPTION)** A/c No.: 010110201120190001 Currency: **THB** Amount_____THB Date:_____

☐ A/c Name: **LXS (EDL GENERATION PLC FOR SHARE SUBSCRIPTION)** A/c No.: 010110101120190001 Currency: **USD** Amount_____USD Date:_____

BCEL Address: **No.1 Pangkham Street, Vientiane, Lao PDR.** SWIFT Code **: COEBLALA**

If the shares are allotted to me/us, I/we hereby agree to the underwriter to issue a share certificate in the name of "Lao Securities Depository Center" for the allotted shares and arrange further to_____Securities Company Limited, deposits the said Shares with Lao Securities Depository Center for my/our securities trading account name_____no._____.
(Name of subscriber must be the same as the name of the securities trading account)

If I/we have not been allotted the Share or have been allotted lower than the subscribed amount, I/we agree to have the payment or excess payment returned to me/us by deposit into my/our account as the following information. (only 1 account may be chosen)

☐ Deposit to my/our account at Bank_____Branch_____A/c No._____

☐ Transfer to my/our trading account with KT ZMICO Securities Co., Ltd (Cash Balance) A/c no._____

☐ Remit to the **Overseas Bank** _____ Branch _____Bank A/c No._____

A/c Name _____SWIFT Code _____Currency _____

Address_____ Country _____

(**Note**: Bank charges or any other expenses will be deducted from the refund amount to subscriber).

I /We hereby undertake to subscribe the above ordinary shares as allocated to me/us and shall not cancel this offering subscription including acceptance of fund return in the case that my/our subscription is to be refused because of incompletion of document as required by the Company or any other reasons.

Signature _____ **Subscriber**

(_____)

*** Please be aware that there is risk involved in stock investment and make sure you have thoroughly studied all information before deciding on the share subscription.***

✂----------

RO

Subscription Receipt for Right Offering of New Ordinary Shares of EDL-Generation Public Company (Please subscriber completes this portion)

Subscription Date: _____/_____/_____ Subscription No. _____

Evidence of subscription fund payment from (name of subscriber) **Name (English)** _____ for the subscription of Right Offering of new ordinary shares of EDL-Generation Public Company of _____ shares, offering price : 6,000 Kip, Amount : _____ Kip , Payment Date: _____ / _____ / _____ has been submitted and duly received.

If the shares are allotted to me/us, I/we hereby agree to the underwriter to issue a share certificate in the name of "Lao Securities Depository Center" for the allotted shares and arrange further to _____Securities Company Limited, my/our securities trading account no._____

Authorized Officer_____( )

PO

Subscription Form for New Ordinary Shares of EDL-Generation Public Company

Public offering of 44,348,010 new ordinary shares with par value of 4,000 Kip at the offering price of **6,800** Kip per share

(Each subscriber must subscribe for a minimum of 1 share)

Subscription Date : _____ / _____ / _____ Subscription No._____

Subscriber please clearly fill in the spaces below

Name – Last Name _____

( ) ID Card ( ) Alien Card ( ) Passport ( ) Company Registration Certificate No. _____

Nationality _____ Date of Birth _____ / _____ / _____ Occupation _____

Address _____Country_____

Telephone No. _____Mobile Phone _____

Fax No. _____ E-Mail **:** _____

Hereby subscribe for and request allotment of new ordinary shares of EDL-Generation Public Company as follows:

No. of Share subscribed	Offering Price (Kip)	Amount Due (Kip)	Amount (Words)
	6,800		

Made payable to Bank: **BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC (BCEL)** as the following accounts:-

☐ A/c Name: **LXS (EDL GENERATION PLC FOR SHARE SUBSCRIPTION)** A/c No.: 010110001120190001 Currency: **LAK** Amount _____ LAK Date:_____

☐ A/c Name: **LXS (EDL GENERATION PLC FOR SHARE SUBSCRIPTION)** A/c No.: 010110201120190001 Currency: **THB** Amount_____THB Date:_____

☐ A/c Name: **LXS (EDL GENERATION PLC FOR SHARE SUBSCRIPTION)** A/c No.: 010110101120190001 Currency: **USD** Amount_____USD Date:_____

BCEL Address: **No.1 Pangkham Street, Vientiane, Lao PDR.** SWIFT Code **: COEBLALA**

If the shares are allotted to me/us , I/we hereby agree to the underwriter to issue a share certificate in the name of "Lao Securities Depository Center" for the allotted shares and arrange further to_____ Securities Company Limited to deposit the said Shares with Lao Securities Depository Center for my/our securities trading account name_____no._____

(Name of the subscriber must be the same as the name of the securities trading account)

If I/we have not been allotted the Share or have been allotted lower than the subscribed amount, I/we agree to have the payment or excess payment returned to me/us by deposit into my/our account as the following information. (only 1 account may be chosen)

☐ Deposit to my/our account at Bank_____Branch_____A/c No._____

☐ Transfer to my/our trading account with KT ZMICO Securities Co.,Ltd (Cash Balance) A/c no._____

☐ Remit to the **Overseas Bank** _____ Branch _____Bank A/c No._____

A/c Name _____SWIFT Code _____Currency _____

Address_____ Country _____

(**Note** : Bank charges or any other expense will be deducted from the refund amount to the subscriber).

I/We hereby undertake to subscribe the above ordinary shares as allocated to me/us and shall not cancel this offering subscription including acceptance of fund return in the case that my/our subscription is to be refused because of incompletion of document as required by the Company or any other reasons.

Signature _____ **Subscriber**

(_____)

*** Please be aware that there is risk involved in stock investment and make sure you have thoroughly studied all information before deciding on the share subscription.***

Document Required **Individual :-** Copy of ID Card (Lao nationality) / Copy of Passport (Foreigner)

Juristic Person :- Copy of ID Card or Passport of Authorized Person(s)

>>> For officer uses only >>>	Checker: _____ _____ / _____ / _____	Input: _____ _____ / _____ / _____

PO

Subscription Receipt for New Ordinary Shares of EDL-Generation Public Company (Subscriber please also fill out this portion)

Subscription Date : _____ / _____ / _____ Subscription No._____

Evidence of subscription fund payment from (name of subscriber) _____ for the subscription of new ordinary shares of **EDL-Generation Public Company** of _____shares , offering price : 6,800 Kip, Amount : _____Kip,

Payment Date : _____ / _____ / _____ has been submitted and duly received.

If the shares are allotted to me/us, I/we hereby agree to the underwriter to issue a share holding certificate in the name of "Lao Securities Depository Center" for the allotted shares and arrange further to_____Securities Company Limited, for my/our securities trading account no._____.

Authorized Officer _____ ( )