

PART 2
DESCRIPTION OF THE ISSUER

1. COMPANY INFORMATION

1.1 General Information of the Company

Company Name	:	EDL-Generation Public Company
Incorporation Date	:	15 December 2010
Type of Business	:	<ol style="list-style-type: none">1. To generate and sell (wholesale) electricity to EDL as well as construct the transmission lines and substations as necessary.2. To invest in the generation assets, which are constructed and planned by EDL or the shares wholly owned or partially owned by EDL in the EDL's IPPs.3. To provide operation and maintenance services to other power
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
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Website	:	www.edlgen.com.la
Use of Proceeds	:	For investment and/or investment in related business and/or used as working capital

1.2 Company Background

From 2008, the State Enterprise of Electricity du Laos has implemented the directives of the Government of Lao PDR on the business restructuring of the Electricity Industry in Lao PDR. In 2008 the Electricity du Laos that was a state enterprise and has the function to product, transmit and selling electricity energy had contracted with the Financial Consultancy Service KTZMICO to study the feasibility to readjust business structure of the Electricity du Laos in the purpose that the Electricity Industry in Lao PDR can grown up and develop in response to the need of the Nation.

In 2010, the result from the study certified that the electricity production/Generating part of Electricity du Laos can be generated as capital for the creation of new company – EDL-Generation Public Company in order to increase the Capital of the Enterprise by selling the 25% of its share (initial public offering), and then these shares should be registered in the Lao Securities Exchange.

Under the Leading of Securities and Exchange Commission Office, the Professional/Technical Committee was setting up to prepare the registration of Electricity du Laos (EDL) in the Lao Securities Exchange. This Committee was composed of people from concerned sectors/ministries. In the EDL was setting up an office to upgrade the production part of EDL to an autonomous public company.

This process concerned many ministries, sectors and organizations of the Nation including the National Assembly (Parliament) and the Prime Minister Office, especially the exception of the implementation of some provisions and articles of the Laws, rules and regulations of Lao PDR that are related with the Assets Market and Stock Market. Because the problems related with the stock market is new for Lao PDR and because all was pressed in this period in order to prepare every thing for death line that defined by the Lao Government – the 11th January 2011 that is the first day of the Lao Securities Exchange (the buying and selling the share of many companies).

On 13th December 2010, The Parliament (National Assembly) issued the Decision of the Permanent Committee of National Assembly No. 132/PCNA on the approval and the exception in the implementing some laws, rules and regulations that are related with Assets Management and Stock Market. Side by Side with the National Assembly the Prime Minister issued the Decree No.526/PM on the exception in implementing rules and regulations that are specially related on the issue of the shares and the initial public offering and the registration of EDL-Generation Public Company.

On the 15th December 2010 Ministry of Industry and Trade (Business Registration Office) issued the business license No. 4637/BRO.MOIC dated 15th December 2010 to the EDL-Generation Public Company with Registered Capital in 2,605,792,200,000 Lao Kip (LAK) and proposed the fund raising (Capital increasing) by selling the new issued share of the Company to the staff of the Company, the staff of EDL and the general public. This proposal is approved by the permission of the Securities and Exchange Commission Office No. 002/SECO dated 15th December 2010 and 217,149,000 shares was issued.

By implementing the legal and judicial documentation that described above, the State Enterprise of Electricity du Laos had transferred all assets of the electricity production part of EDL to the EDL-Generation Public Company as follows: hydropower Plant Nam Ngeum 1, Nam Mang 3, Nam Leuk, Xe Set 1, Xe Set 2, Xe Labam and Nam Song (now is in the phase of Construction and expected to be for the service in 2011). The total of installing power is 387MW and each year they can generate electricity in average of 1,923.5 million KWH to the EDL-Generation Public Company. On 15th December 2010, the EDL-Generation Public Enterprise was established. It is the first public company in Lao PDR and it has all foundations to deal business activities in accordance with laws, rules and regulations of Lao PDR.

On 7 January 2011, the company had the registered capital with the total of 3,474,388,200,000 Kip, which amounts to 868,597,050 shares. On 11 January 2011, EDL-Gen was officially listed on the Lao Securities Exchange (LSX).

In the middle of 2012, EDL-Gen sold successfully Right offering and Public offering in order to purchased shares of four Independence Power Producer (IPPs) from EDL. The four IPPs are 60% of shares in Theun Hinboun, 25% of shares in Nam Ngum 2, 20% of shares in *Houay Ho* and 10% of shares in Nam Lik 1-2 hydro power plants. The total installed capacity of these four IPPs amount 494 MW, increasing EDL-Gen's installed capacity of 881 MW. At the end of 2012, EDL-Gen has registered capital of 4,904,867,060,000 kip and 1,226,216,765 shares.

In October 2014, EDL-Gen became the first public company in Lao PDR to have an investment grade credit rating by TRIS Rating Co., Ltd. at “BBB+”.

On 12 December 2014, EDL-Gen officially issued debentures and successfully raised the targeted THB 6,500 million. This financial capital are being invested for an additional 392 MW, comprising of 4 hydropower projects to be transferred from EDL to EDL-Gen with a combined installed capacity of 292 MW; and the acquisitions of shares from EDL held at 5 IPPs with a total of 100 MW.

On 10 February 2015, EDL-Gen has successfully transferred shares of Nam Ngum 5 Hydropower plant (15%) from EDL which increased the total installed capacity of the company to 899 MW.

To promote continued growth, in September 2015 EDL-Gen issued the third ordinary share under RO and PO, raising 2,754 billion kip. This amount of fund will finance a further 513.1 MW, including 5 wholly-owned projects from EDL with a combined 277.9 MW, shares from EDL in 6 IPPs with equity attributed installed capacity of 108.3 MW. The registered capital of the company increased to 6,717,214,788,000 kip and the total share grew up to 1,679,303,697 shares. The shareholders structure remained the same.

On 24 December 2015, EDL-Gen Completion of asset transferring 3 hydropower plant projects: Nam Khan 2 hydropower plant project with an installed capacity of 130 MW, Houay Lamphan Gnai hydropower plant project with an installed capacity of 88 MW and Nam Sana hydropower plant project with an installed capacity of 14 MW from EDL which increased the total installed capacity of the company to 1,131 MW.

1.3 Vision

The Company has strongly desire:

1. To be a number one leading company in Lao PDR in ensuring a reliable electric power supplier for the socio-economic development of Lao PDR.
2. To be a company which strongly contributes to the realization of Lao PDR's vision of being a battery of ASEAN in order to contribute and ensure sustainable and reliable power supplier to ASEAN community.

1.4 Missions

1. To be a number one leading company in electricity generating business to provide Lao PDR and neighboring nations, with sustainable power at a reasonable prices and to create the shareholder's value.
2. To stand side by side with EDL and coordinate closely with EDL in order to maintain power reliability and effectively respond to the needs of the social and economic development of Lao PDR as well as the ASEAN nations.
3. To upgrade and train its staff, so that they can actively participate in the development of the company with pride, responsibility and ownership.

1.5 Key Milestones

Date	Major Development
15 December 2010	: The Company incorporated and obtained power plants which are Nam Ngum 1, Nam Leuk, Nam Mang 3, Nam Song, Xeset 1, Xeset 2, and Selabam from EDL
6 January 2011	: The Company's shareholders' meeting approved the increase of the capital to Kip 3,474,388,200,000 for the initial public offering.
11 January 2011	The Company became one of the first public companies in Lao PDR having its securities listed on the LSX with the registered capital of Kip 3,474,388,200,000.
18 July 2012	: The Company increased its capital to 4,904,867,060,000 Kip by making offers to EDL and the Public.
June-December 2012	: During June – December 2012, the Company invested in shares of 4 IPPs including Nam Ngum 2, Nam Lik 1-2, Theun Hinboun, and Houay Ho which added up its installed capacity to 881 MW in total.
12 December 2014	: The Company officially issued debentures and successfully raised the targeted THB 6,500 million. This financial capital are being invested for an additional 392 MW, comprising of 4 hydropower projects to be transferred from EDL with a combined installed capacity of 292 MW; and the acquisitions of shares from EDL held at 5 IPPs with a total of 100 MW.
10 February 2015	The Company has successfully transferred shares of Nam Ngum 5 Hydropower plant (15%) from EDL which increased the total installed capacity of the company to 899 MW.
September 2015	The Company issued the third ordinary share under RO and PO, raising 2,754,000,000,000 Kip. This amount of fund will finance a further 513.1 MW, including 5 wholly-owned projects from EDL with a combined 277.9 MW, shares from EDL in 6 IPPs with equity attributed installed capacity of 108.3 MW. The

registered capital of the company increased to 6,717,214,788,000 kip and the total share grew up to 1,679,303,697 shares. The shareholders structure remained the same.

24 December 2015

The Company completed asset transferring 3 hydropower plant projects: Nam Khan 2 hydropower plant project with an installed capacity of 130 MW, Houay Lamphan Gnai hydropower plant project with an installed capacity of 88 MW and Nam Sana hydropower plant project with an installed capacity of 14 MW from EDL which increased the total installed capacity of the company to 1,131 MW.

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 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:

2.1 Business Risks

2.1.1 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.

2.1.2 Risk relating to Concession Agreements (“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.

2.1.3 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.

2.1.4 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.

2.1.5 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.

2.1.6 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.

2.2 Plant Performance Risks

2.2.1 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.

2.2.2 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.

2.2.3 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.

2.2.4 Possible Inadequate Insurance Cover / Safety, Health and Environment Risk ("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 commerciality 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.

2.2.5 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.

2.2.6 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.

2.3 Investments in Additional Projects

2.3.1 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.

2.3.2 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.

2.3.3 Transfer of EDL effect on the Company's business and results of operations a 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.

2.3.4 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.

2.4 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.

2.5 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.

2.6 Legal Risks

2.6.1 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.

2.6.2 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").

2.6.3 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.

2.7 Economic Risks

2.7.1 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 privatizing the electricity generation industry could change in the future. However, according to the CAs between the GOL and the Company, the Company shall be entitled to compensation from the GOL in case of any Change in the Lao Law adversely affects the economic position of the Company.

2.7.2 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.

2.7.3 Exchange rate risks and exchange controls

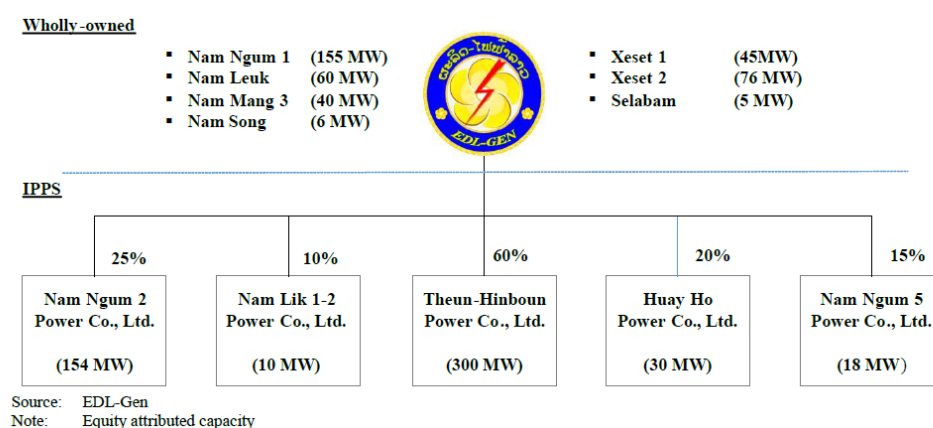
The Issuer will pay principal and interest on the Debentures in US\$. This presents certain risks relating to currency conversions as the Issuer's financial activities are denominated principally in a currency other than US\$. These include the risk that exchange rates may significantly change and monetary authorities with jurisdiction over the Issuer may impose or modify exchange controls that could adversely affect an applicable exchange rate and procedures. As a result, investors may receive less interest or principal than expected, or no interest or principal.

3. BUSINESS OPERATION

3.1 Company Profile

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 3.1 Corporate structure



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	-

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.

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:

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	300	2,259	1998,2012
Nam Ngum2	25%	Vientaine	615	153.8	2,310	2011
Houay Ho	20%	Attapeu	152	30.4	403	1999
Nam Lik1-2	10%	Vientaine	100	10.0	435.0	2010
Total			1,367.0	494.2	5,407.2	

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:

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			1487	512.2	5907.2	

To promote continued growth, in September 2015 EDL-Gen issued the third ordinary share under RO and PO, raising 2,754 billion kip. This amount of fund will finance a further 513.1 MW, including 5 wholly-owned projects from EDL with a combined 277.9 MW, shares from EDL in 6 IPPs with equity attributed installed capacity of 108.3 MW. The registered capital of the company increased to 6,717,214,788,000 kip and the total share grew up to 1,679,303,697 shares. The shareholders structure remained the same.

On 24 December 2015, EDL-Gen Completion of asset transferring 3 hydropower plant projects as details follows:

Power Plant	Location	Installed Capacity (MW)	Designed Energy Capacity (GWh p.a.)	COD
Nam Sana	Vientiane	14.0	49.0	2014
Houay Lamphanh Gnai	Xekong	88.0	480	2015
Nam Khan 2	Luang Prabang	130.0	558	2015
Total 10 Wholly-owned		619.0	1087	-

As at the date of this prospectus, the Company currently owns 10 hydropower plants, with a combined installed capacity of 619 MW and 5 IPPs hydropower plants with a total capacity (equity attributed) of 512.2 MW, with the grand total capacity of 1,131 MW.

Company's Business Strategy

The Company intends to maintain its position as the leading domestic power generation company. The Company expects to expand to meet the rapidly growing domestic demand for electricity. However, upon the grant of the GOL, the Company expects to develop the key foreign markets on the doorsteps of Lao PDR: Thailand, China, Vietnam and Cambodia. 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: carbon credit, project development services and operation and maintenance services. This combination of core revenues and new businesses should enable the Company to achieve its aim of being one of Asia's fastest growing and most profitable generating businesses. To achieve these aims, the Company intends to:

- i) Grow its Core Domestic Lao Generation Business. Electricity demand in the domestic market grew at approximately 18 percent per year during the period 2001-2009. The PDP 2010-2020 (Revision-1) forecasts that this market will grow at a Compound Annual Growth Rate (CAGR) of 18 percent during the period 2010-2020. Per capita consumption of electricity in Lao PDR is still very low compared to its Asian neighbors and this represents a significant growth opportunity for the Company. While Lao PDR is a relatively small country, the growth potential of the Company's domestic opportunity is considerable. The Company may utilize its close relationships with both EDL and the GOL in order to optimize 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.
- ii) Seek Growth or Jointly Invest in IPPs for Electricity Sales to its Energy Hungry Neighbors. 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 developed power generation assets for the domestic market and EDL or LHSE takes a stake in these IPPs for export. 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.
- iii) Enter New Markets where the Company is Well-Positioned. The Company intends to seek out opportunities, where appropriate, to leverage existing technical expertise, local knowledge and its assets to add to the Company's operating revenues from non-power sales businesses. For example, the Company may seek clean development mechanism (carbon credit) revenues from existing hydropower assets. Lao PDR's neighboring 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.

The Company's strategic planning and business development plan from 2011 – 2019, stipulated as the following main items:

1. To plan and operate the businesses effectively in order to make the liquidity and business operations of EDL getting better step by step.
2. To protect the right and benefit of shareholders as the first priority and at the highest level.
3. To plan to increase the install capacity of generation of EDL-Gen from 387 MW in 2011 up to 2,272 MW in 2019 by mobilizing the capital to invest in the dams that are managed by EDL and joint venture by EDL, herein includes the operating and under constructing dams.
4. To improve management system of EDL-Gen for reaching the international standard level step by step.

From 2011 – 2019, the Company expects to increase the install capacity of generation to 2,272 MW (From 387 MW in 2011) by using capital from the shares issuing and revenue from the generation in 2011 as the initial point, herein may increase funding by the capital mobilizing:

EDL-Gen's expects to increase the install capacity of the generation into 3 periods below:

- In 2011 – 2012 the capacity of the generation will expect to increase from the existing install capacity 387 MW to 881 MW;
- In 2013 – 2015 from 881 MW to 1,020 MW, and
- In 2015 – 2019 from 1,020 MW to 2,272 MW.

The Company's Future Growth

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.

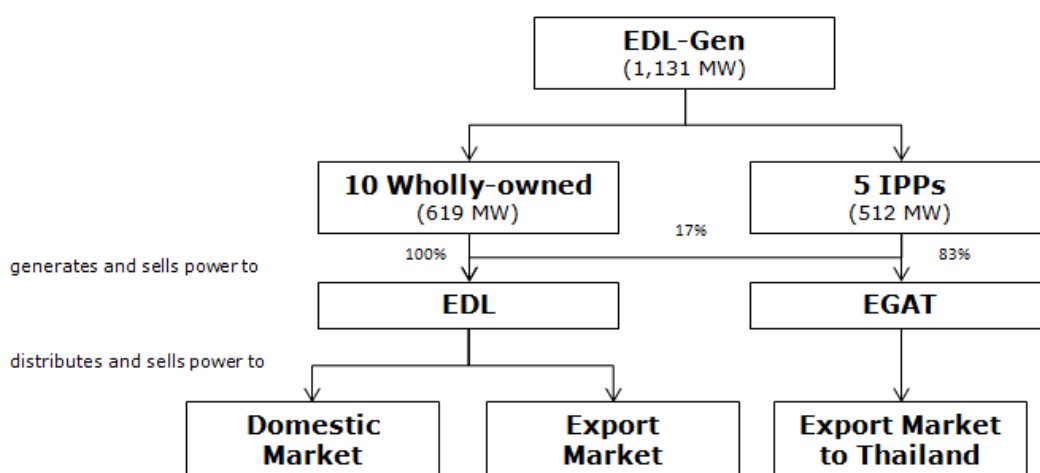
3.2 Revenue Structure

The Company's total revenue for the year 2015 was 1,150,175 million Kip, decreasing by 12.82% from that for the year 2014. The Company's revenue was mainly from sales of electricity generated by seven hydropower plants (assets transferred to the Company on the incorporation date), which was 847,759 million Kip or 73.71% of total revenue and exceeding the plan by 3.95%. The below table represents the Company's revenue structure:

(Unit: million Kip)

HPP	2013		2014		2015	
	Planned	Actual	Planned	Actual	Planned	Actual
Nam Ngum 1	450,880	496,474	457,689	482,851	462,373	515,757
Xeset 1	62,061	71,137	62,486	75,354	61,164	57,383
Xeset 2	101,717	110,034	97,653	107,639	105,830	91,124
Nam Leuk	89,008	90,205	91,668	81,192	91,349	93,490
Nam Mang 3	74,356	77,916	77,975	74,268	78,949	76,583
Nam Song	5,068	5,426	4,916	5,427	4,789	3,616
Selabum	9,841	11,236	9,985	12,462	10,064	9,807
Total	792,931	862,429	802,372	839,193	815,519	847,759
Share of profit from associates and joint ventures		453,746		474,467		286,218
Other income		6,700		5,680		16,198
Grand Total		1,322,875		1,319,340		1,150,175

Figure 3.2 Revenue structure breakdown by customers



Revenues from wholly-owned hydropower plants

The main source of the Company's revenue is the sales of electricity to EDL produced by the wholly-owned hydropower plants. The electricity sales are based on the tariff agreed with EDL and set out in the PPA with the term of 30 years, a renewal period of ten years and the requirement to transfer the relevant generation asset back to the GOL at the end of the term or on contract termination.

Prior to the establishment of the Company, EDL designed a tariff structure to provide the Company with an attractive, reliable revenue stream. The tariff was based on tariff rate of comparable IPPs with assumptions regarding escalation rate, internal rate of return (IRR) and royalty fee.

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.

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

Share of profit from associates and joint ventures

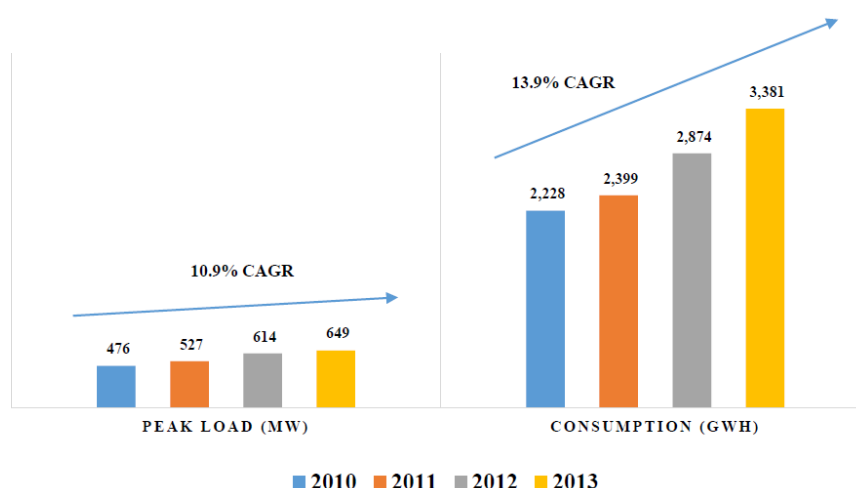
The Company has been transferred the whole rights, titles and interests in the 5 IPPs from EDL since the date of Share Transfer Agreement. The Company receives shares of profit from the 5 IPPs as per the Company's shareholding proportion in them.

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) supplied 100% of power generated to EDL.

3.3 Electricity Sector of the Lao PDR

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.

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.

3.3.1 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.

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 Sport	GWh	-	n/a	-	n/a	3.0	0.1%	7.4	0.2%	144.9%

Consumer Category	Units	2010	%	2011	%	2012	%	2013	%	CAGR
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

3.3.2 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.

3.3.3 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.

3.4 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.

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	2017	Laos
3.	Nam Khan 2	Luang Prabang	130.00	2015	Laos
4.	Nam Khan 3	Luang Prabang	60.00	2016	Laos
5.	Xeset 3	Champasak	23.00	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	2019	Laos
Total			555.00		

Source: EDL-Gen

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

No.	Name of Project	Location (Province)	Installed Capacity (MW)	Planned Market	Remark
2.	Nam Beng	Oudomxay	34.00	Laos	Under Construction
3.	Nam Ou 2	phongsaly	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
7.	Nam Tha 1	Luangnamtha	168.00	Laos	Under Construction
8.	Nam Mang 1	bolikhamxay	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
	Nam Long	Luangnamtha	5.00	Laos	
Total			2,667.00		

Source: EDL-Gen

3.4.1 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:

Power Plant	Equity Stake	Location	Equity Attributed Capacity (MW)	Designed Energy Capacity (GWh p.a.)	COD
Wholly-owned					
HLP Gnai	100%	Sekong	88.0	480	2015
Nam Khan2	100%	Luang Prabang	130.0	558.0	2015
Nam Khan3	100%	Luang Prabang	60.0	240.0	2016
Nam Sana	100%	Vientiane	14.0	49.0	2014
Total			292.0	1327.0	
IPPs					
Nam long	20%	Luang Nam Tha	1.0	37.0	2015
Nam Ou2	15%	Phongsaly	18.0	502.0	2016
Nam Ou5	15%	Phongsaly	36.0	1,049.0	2017
Nam Ou6	15%	Phongsaly	27.0	739.0	2017
Total			82.0	2327.0	
Grand Total			374.0	3654.0	

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.

3.4.2 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:

Portfolio of Assets

No.	Name of Project	Location (Province)	Stake to acquire	Equity Attributed Capacity (MW)	Planned Market	Remarks	Expected Transfer or Completion
EDL (Portfolio of Assets) the both parties, as the case may be.levant EDLlevant EDL							
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%	23.9	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				277.9			
EDL.Total of Assetsy							
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	2017
5.	Nam Mang 1	Bolikhamxay	10%	6.4	Laos	Under Construction	2017
6.	Nam Tha 1	Louangnamtha Borkeo	20%	33.6	Laos	Under Construction	2018
Sub Total				108.3			
Direct investment by the Company in other power projects							
1.	Nam Phoun	Xayaburi	51%	22.95	Laos	Under Project Development Agreement (PDA) Stage	2018
2.	Nam Bi1.2.3	Sekong	80%	108.0	Laos	Undergoing Feasibility Study	2018
Sub Total				130.95			
Total				517.15			

Source: EDL-Gen

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	1,718,010,000,000	1,718,010,000,000	62.38	2015-2018
2.	EDL's shares in IPPs	669,465,000,000	669,465,000,000	24.31	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	28,431,000,000	28,431,000,000	1.03	2015-2018
Sub Total		2,754,000,000,000	2,754,000,000,000	100.00	

Source: EDL-Gen

3.5 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:

- 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;
- Increasing government revenues from Independent Power Plant (IPP) export investments and honoring power export commitments with neighboring countries by promoting a producer development carried out by private sector;
- Promoting 500kV grid development within the Greater Mekong Sub-region (GMS) to integrate the power systems of Lao PDR and its neighbors.

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:

- The Government of Thailand for the supply of 7,000 MW until 2015, pending further discussions to expand to 12,000 MW;
- The Government of Vietnam for the supply of 5,000 MW until 2020; and
- 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.

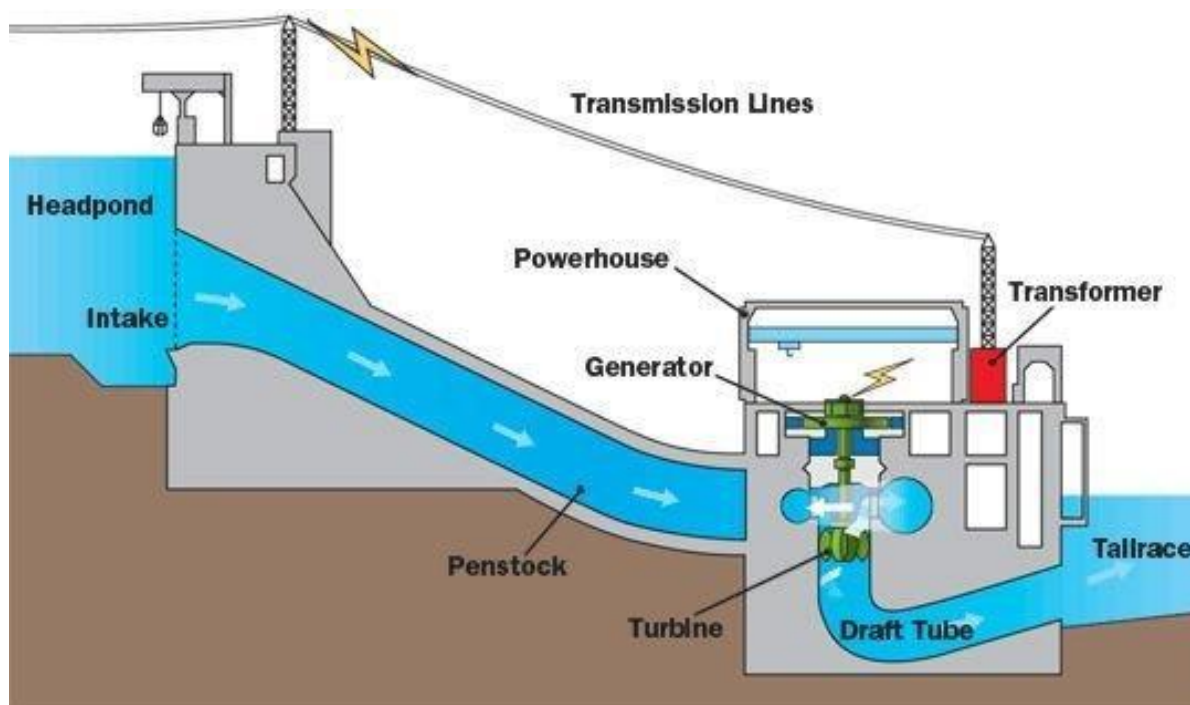
3.6 Production Process

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

Hydropower Production Process



Source: EDL-Gen

3.7 Operation and Maintenance

The maintenance of the Company 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.

3.8 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 Company being satisfied as to the commerciality 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 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.

3.9 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 in the SHE management manual. The manual contains SHE policy, 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

3.10 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.

4. OPERATING ASSETS

4.1 Wholly-owned Hydropower Plants

As of 30 June 2016, Company has 10 wholly-owned hydropower plants, of which aggregate installed capacity is 619 MW. A summary of 10 wholly-owned hydropower plants is set out in table below, followed by detailed description of each of the asset.

Assets Transferred to the Company on the Incorporation Date (Wholly-Owned)

Power Plant	Location	Installed Capacity (MW)	COD
North			
Nam Khan 2	Luang Prabang	130.0	2015
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
Nam Sana	Vientiane	14.00	2014
South			
Xeset 1	Saravanh	45.0	1991
Xeset 2	Saravanh	76.0	2009
Xelabam	Champasak	5.0	1969
Houay Lamphanh Gnai	Xekong	88.0	2015
Total		619.0	

Data as of 30 June 2016

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. NNG1 HPP 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, the Nam Ngum 1 Hydropower Plant has installed capacity of 155 MW. The 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 was 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 NNG1 HPP 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 utilize 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 NNG1 HPP up to 995 GWh. Moreover, the completion of Nam Leuk Hydropower Plant has increased the average annual energy production of NNG1 HPP up to 1,025 GWh.

Summary of Principal Technical Data of NNG1 HPP

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	:	6 m
5. Spillway		
Type of gate	:	Radial
Number	:	4
Width x Height	:	12.5 m x 10.0 m

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 generating 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 Ngum 1 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. 214.00)	:	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

3) Nam Leuk Hydro Power Plant

Nam Leuk Hydropower Plant was completed in 2000, having capacity of 60 MW and two generator units with capacity 30 MW each. The project is located approximately ten 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 m³/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 m³/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 115kV 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 mm³.

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 106 mm ³
Reservoir dead storage	:	31 x 106 mm ³
Annual runoff	:	517 x 106 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

4) Nam Mang 3 Hydro Power 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 more thoroughly environmental impacts, was 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 km² and the water is diverted from Huay 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 km², reservoir area (full supply level) of 10.2 km², average discharge of 4.19 m³/s and total discharge of 132 km³/year.

Nam Mang 3 Hydropower Plant construction is divided into two phases. The total construction cost of the first phase is USD 63 million and the second phase is USD 27 million. In both phases, 80 percent of the fund 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 106 m ³
Active storage	:	44.5 x 106 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) Xeset 1 Hydro Power 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 utilizing 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 ten 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 three MW capacity each. All works were carried out in one stage and completed in 1991 after two and a half years of construction.

Summary of important technical information of Xeset 1 Hydropower Plant

1. Storage:

Catchment area	:	325 km ²
Reservoir dead storage	:	0.3 x 106 m ³
Full water level	:	482 masl
Low water level	:	478 masl

2. Dam

Height	:	10 m
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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 m³/s
Maximum operation discharge No. 3, 4 or 5 : 9.5 m³/s

6) Xeset 2 Hydro Power 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 five 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 total cost was approximately USD 135.5 million. Eighty 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

- **Xeset 2 Dam Area**
 - Catchments area : 392 km²
 - Mean annual precipitation : 2066 mm
 - Mean annual evaporation : 1188 mm
 - Normal storage level of the reservoir : 813 masl
 - Design flood level of the reservoir : 816 masl
 - Total storage capacity : 800,000 m³
 - Installed capacity : 2 x 38 MW

- **Houay Tapoung Dam Area**
 - Normal storage level of the reservoir : 824 masl
 - Design flood level of the reservoir : 826 masl

7) Xelabam Hydro Power Plant

Xelabam 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

8) Nam Sana Hydropower Plant

Nam Sana Hydropower Plant is located in Kasi district, Vientiane province, 7.5 km from Rd. 13 north. The Nam Sana Hydropower Plant is a run of river plant and 3 units with an installed capacity of 14 MW and average capacity of 4.69 MW per unit.

Summary of important technical information of Nam Sana Hydropower Plant

1. Storage		
Catchment area	:	96 km ²
Mean Operating water Level	:	642 masl
Minimum Operation Level	:	640 masl
2. Main Dam and Embankment		
Type	:	Concrete Weir
Height	:	7 m
Length	:	30 m
3. Powerhouse		
Type	:	Surface
Dimension of Substructure	:	48.9 m x 16.75 m
4. Generating Equipment		
4.1 Turbines		
Number and Type of hydraulic Turbine	:	3/Horizontal Francis
Rated Output	:	14 MW
Rated Speed	:	750 rpm
Rated Head	:	145.77 m
Rated Discharge	:	4.07 m ³ /s per unit
4.2 Main Generators		
Rated generator output when operating	:	4690 kW
at the rated net head of 145.77 m and discharge of 3.69 m ³		
Maximum generator output when operating:	:	5159 kW
at the rated net head of 145.77 m and discharge of 4.07 m ³		
Rate Power Factor	:	0.85 lagging
Rate Frequency	:	50 Hz
Rate Voltage	:	6.6 kV
Rate Speed	:	750 rpm

4.3 Main Transformers	
Number and Type of transformers	: 3/3-phase, 2 windings. Oil
Rated Capacity	: 6.5 KV
Vector Group	: Ynd1
Rated No-Load Voltage Ratio	: 6.6 kV / 22kV
Short Circuit Impedance	: 7.63%

5. Double circuit 22 kV Nam sana switchyard to Kasi Substation.

9) Houay Lamphan Gnai Hydropower Plant

Houay Lamphan Gnai hydropower Plant is located in Kafe Village Thataeng district, Sekong province, 10 km (with a width of 8 m) from Power house site and Dam is located in Thongvide Village Thataeng district, Sekong province. 18 km (with a width of 8 m) from dam site. The Houay lamphan Gnai Hydropower Plant is a Reservoir plant and 2 units with an installed capacity of 88 MW and average capacity of 44 MW per unit.

Summary of important technical information of Nam Sana Hydropower Plant

1. Reservoir	
Catchment area	: 237 km ²
Est. long term mean flow	: 11,4 m ³ /s
Total reservoir storage	: 141 x 10 ⁶ m ³
Reservoir storage below the normal level	: 122 x 10 ⁶ m ³
Regulation reservoir capacity	: 19 x 10 ⁶ m ³
Normal storage water level	: 820 m
Dead water level	: 795 m
Reservoir areas at the normal water level	: 6.8 km ²
2. Main Dam	
Type	: Clay core rock – fill dam
Max. height	: 75,6 m
Crest length	: 557,3 m
Crest elevation	: 195 m
Crest width	: 8 m
3. Saddle Dam	
Type	: Homogenous earth dam
Max. height	: 75.6 m
Crest length	: 557.3 m
4. Spillway Tunnel	
No. of gate	: 2
Type	: WES curved weir
Opening diameter	: 7,5 m(W) x m(H)
Design Flood Discharge	: 718 m ³ /s
5. Flood Discharge Tunnel	
Opening diameter	: Radium 10m (pressurized/unpressurized)
Design Flood Discharge	: 718 m ³ /s
Check Flood Discharge	: 618 m ³ /s
6. Headrace Tunnel	
No. of Tunnel	: 1
Length	: 2,598 m
Diameter	: 2.4 m
Lining	: Reinforced concrete lining

7. Penstock		
Length	:	2134,2 m
Inner Diameter	:	2 m/m-trunk/branch
Max. Static Head	:	614
8. Powerhouse		
Powerhouse structure		
Type	:	Reinforced concrete
Dimension of Main Hall	:	44,7 m(L)x 31 m(W) x 31 m(H)
Dimension of secondary Hall	:	46 m(L) x 40,7 m(W)
9. Generating Equipment		
No and Type of turbines	:	2 units / Vertical Shaft (Pelton type)
Rated Head	:	529 m
Rated Rotation d	:	428 r/min
Rate Discharge	:	9,69 m ³ /s (per Unit)
Total Installed Capacity	:	88 MW
Energy Output	:	480 GWh per year
Type of Generator	:	3 phase AC synchronous
Rated capacity	:	44 MW
Rated Voltage	:	11 kV
10. Interconnection with the EDL's Grid System		
Transmission Line Voltage	:	115 kV
Conductors Size	:	300 mm ³
No of circuits	:	2
Length of Transmission Line	:	9 km
Transmission Destination	:	Nongbonk Substation (Sekong Province)

A single line diagram is to be attached indicating the following:

- Delivery Point : Switchyard of Project Power Station
- Metering Point – in – duty and back-up meters: Switchyard of Project Power Station.

10) Nam Khan 2

Nam Khan 2 is located in Nongdy Village, Xiengngern district, Luangpranang province, 34 km (with a width of 7 m) from Xiengngern. The Nam Khan 2 Hydropower Plant is a Reservoir plant and 2 units with an installed capacity of 130 MW and average capacity of 65 MW per unit.

Summary of important technical information of Nam Sana Hydropower Plant

1. Reservoir		
Catchment area	:	5167 km ²
Est. long term mean flow	:	67 m ³ /s
Total reservoir storage	:	686.2 10 ⁹ m ³
Reservoir storage below the normal level	:	10 ⁹ m ³
Regulation reservoir capacity	:	10 ⁹ m ³
Normal storage water level	:	470 m
Dead water level	:	465 m
Reservoir areas at the normal water level	:	30 km ²

2.	Main Dam		
	Type	:	CFRD
	Max. height	:	136 m
	Crest length	:	10 m
	Crest elevation	:	481 m
	Crest width	:	371.75 m
3.	Spillway Tunnel		
	No. of gate	:	4
	Type	:	Open type
	Opening diameter	:	13.5 m(W) x 20(H)
	Design Flood Discharge	:	9,974 m ³ /s
5.	Flood Discharge Tunnel		
	Opening diameter	:	Unpressurized
	Design Flood Discharge	:	m ³ /s
	Check Flood Discharge	:	m ³ /s
6.	Headrace Tunnel		
	No. of Tunnel	:	1
	Length	:	173.3 m
	Diameter	:	7 m
	Lining	:	Reinforced concrete lining
7.	Penstock		
	Length	:	147.7 m
	Inner Diameter	:	5.4, 3.7
	Max. Static Head	:	m
8.	Powerhouse		
	Powerhouse structure		
	Type	:	Hall
	Dimension of Main Hall	:	56 m(L)x 18.5 m(W) x 60.5 m(H)
9.	Generating Equipment		
	No and Type of turbines	:	2 units / Verticl Shaft (Francis type)
	Rated Head	:	111 m
	Rated Rotation d	:	272.7 r/min
	Rate Discharge	:	67 m ³ /s
	Total Installed Capacity	:	130 MW
	Energy Output	:	558 GWh per year
	Type of Generator	:	3 phase AC synchronous
	Rated capacity	:	66 MW
	Rated Voltage	:	11 kV
10.	Interconnection with the EDL's Grid System		
	Transmission Line Voltage	:	115 kV
	Conductors Size	:	240 mm ³
	No of circuits	:	2
	Length of Transmission Line	:	23.792 km
	Transmission Destination	:	Luangprabang2 Substation

A single line diagram is to be attached indicating the following:

- Delivery Point : Switchyard of Project Power Station
- Metering Point – in – duty and back-up meters: Switchyard of Project Power Station.

4.2 Project Investments in IPPs

As of 30 June 2016, the Company has invested in five IPPs in order to improve the Company's capacity to respond the increase of demand for power. The five IPPs increased the Company's installed capacity to 1,131 MW. The summary of the IPPs which the Company invested in is set out in table below, followed by detailed description of each IPP.

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	2010	2012
Theun-Hinboun	Bolikhamxai	60	300.0	1998,2012	2012
Houay Ho	Champasak	20	30.4	1999	2012
Nam Ngum 5	Vientiane	15	18.0	2012	2015
Total IPP Capacity			512.2		

1) Theun Hinboun Hydropower Project

Theun Hinboun Hydropower 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 Gnuang (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 THPC (excluding the expansion and Nam Gnuang Projects) is the 'run-of-river' dam hydropower project which diverts approximately 110 m³/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 THPC (excluding the Expansion and Nam Gnuang 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 THPC. In addition, THPC 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, THPC 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, THPC 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, THPC 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 Bolikhamxai province.

Following its operation for many years, THPC found the additional effects caused by the Project which have been left unsolved. Therefore, at the end of 1999, THPC 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, THPC 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, THPC 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 Hydropower Project (excluding the Expansion and Nam Gnuang Projects) is as follows:

- 1. Reservoir**
 - Catchment area : 8,937 km²
 - Yearly averaged discharge capacity : 460 m³/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 m³/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 m³/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 m³
- 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

2) Houay Ho Hydropower Project

Houay Ho Hydropower 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. HHPC was incorporated on 27 June 1996 and HHPC 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 Project of HHPC achieved its official commercial operation on 3 September 1999.

The summary of the important technical information of the Houay Ho Hydropower Project is as follows:

- 1. Reservoir**

Reservoir area	:	37 km ²
Maximum flood level	:	883 masl
Minimum flood level	:	861 masl
Effective volume	:	527 x 106 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	:	1.11 x 106 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)

3) Nam Lik 1-2 Hydropower Project

Nam Lik 1-2 Hydropower 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 NLPC 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 Hydropower Project is as follows:

- 1. Reservoir**
 - Catchment area : 1,993 km²
 - Estimated long term mean flow : 883 masl
 - Total reservoir storage : 84.9 m³/s
 - Reservoir storage below the normal level : 1.33 x 10⁹ m³
 - Regulation reservoir capacity : 0.97 x 10⁹ m³
 - Normal storage water level : 305.0 m
 - Dead water level : 275.0 m
 - Reservoir areas at the normal water level : 46 km²

- 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 m³/s

- 5. Flood Discharge Tunnel**
 - Opening dimension : Radium 6 m/ 10 m x 12 m (pressurized / unpressurized)
 - Design flood discharge : 1,371 m³/s
 - Check flood discharge : 1,390 m³/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 m³/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

4) Nam Ngum 2 Hydropower Project

Nam Ngum 2 Hydropower Project (615 MW) achieved its initial operation dated on 26 March 2011 and is expected to complete its commercial operation date at the beginning of January 2013. 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 Hydropower Project has generating capacity of 2,310 GWh per year. All the power generated from Nam Ngum 2 Hydropower Project is distributed to Thailand via EGAT grid which would result in the benefits of both Thailand and Lao PDR.

Nam Ngum 2 Hydropower 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 Project is as follows:

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) 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.

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

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

4.3 Obligated Assets

As of 30 June 2015, the Company did not have any obligated, mortgaged, or pledged operating assets.

5. FUTURE PROJECTS

5.1 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.

5.1.1 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 continue 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.

Lao PDR Domestic Demand Profile

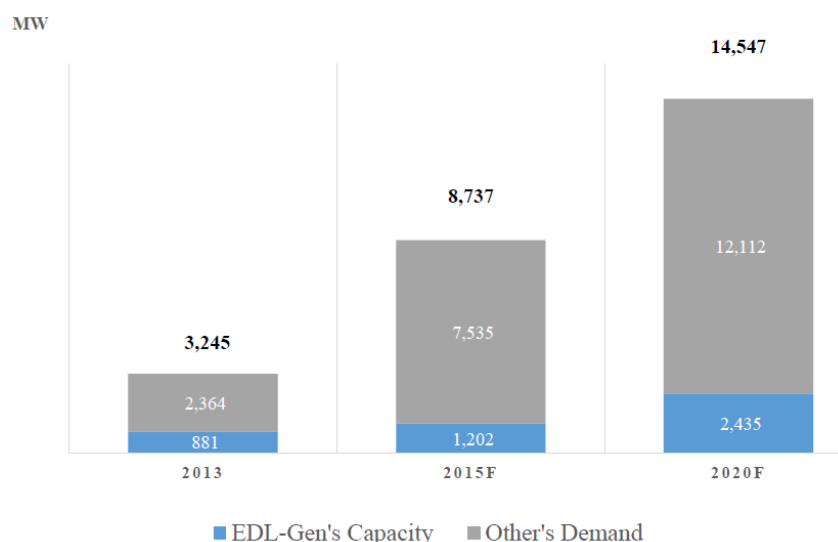
	2010	2011	2012	2013	CAGR 2010 - 2013	2020F
Domestic consumption (GWh)	2,228.15	2,399.36	2,874.21	3,380.96	13.9%	11,661.77
Growth		7.7%	19.8%	17.6%		
Peak load (MW)	475.78	527.09	613.56	649.13	10.9%	3,488
Growth		10.8%	16.4%	5.8%		

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.



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.

5.1.2 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 (Bolikhamsay 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.

5.1.3 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.

5.1.4 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.

5.1.5 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 is 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.

5.1.6 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, NLDC has a plan to control four Regional Control Centres (RCC) as follows:

- (i) Central Regional Control Centre located at Phontong substation, Vientiane Capital;
- (ii) Northern Regional Control Centre located at Sansouk substation, Luang Prabang province;
- (iii) Southern Regional Control Centre located at Thakhek substation, Khammouan province; and
- (iv) Southern Regional Control Centre located at Bangyo substation, Champasak province.

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

- (i) Hydropower Plant Control Centre for the Northern and Central areas, located at Nam Ngum 1 Hydropower Plant, Vientiane province; and
- (ii) Southern Hydropower Plant Control Centre located at Xeset 1 Hydropower Plant, Saravan province;

5.2 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 CO₂, 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.

5.3 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.

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.

5.4 Investment Plans

5.4.1 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.

5.4.2 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.

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.	Nam Hinboun	Khammuan	30.00	2017	Laos
2.	Nam Khan 3	Luang Prabang	60.00	2016	Laos
3.	Xeset 3	Champasak	23.0	2016	Laos
4.	Nam Chein 1	Xieng Khuang	104.00	2016	Laos
5.	Nam Ngum 1 Ext DFE	Vientiane	80.00	2018	Laos
6.	Nam Ngum 1 Ext Unit 6	Vientiane	40.00	2019	Laos
Total			337.00		

Sources: EDL-Gen

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	phongsaly	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	bolikhamxay	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

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	6.00	Laos	
2.	Nam Phao	Bolikhamxay	1.7	Laos	
3.	Nam Long	Luangnamtha	5.00	Laos	
Total			12.7		

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

Investment plans in Other IPPs (selected projects)

No.	Name of Project	Location (Province)	Installed Capacity (MW)	Planned Market	Remark
1.	Nam Nhone	Bokeo	3.00	Laos	
2.	Nam Theun 2	Khammuan	1075.00	Laos / Thailand	
3.	Tad Salen	Savannakhet	3.20	Laos	
4.	Xenam Noy 1	Attapeu	14.80	Laos	
5.	Xekaman 1	Attapeu	290.00	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	390.00	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	272.00	Laos / Thailand	Under Construction
12.	Nam San 3A and 3B	Xieng Kuang	114.00	Laos	Under Construction
13.	Xekatom	Champasak	81	Laos	Under Construction
14.	Houay Por	Saravan	15.00	Laos	Under Construction
Total			4255		

Source: EDL-Gen

5.4.3 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:

List of Hydropower Projects to be Purchased in connection with Debenture

Power Plant	Equity Stake	Location	Equity Attributed Capacit	Designed Energy Capacit	COD
Wholly owned					
HLP Gmai	100%	Sekong	88.0	480	2015
Nam Khan2	100%	Luang Prabang	130.0	558.0	2015
Nam Khan3	100%	Luang Prabang	60.0	240 249.5	2016
Nam Sana	100%	Vientiane	14.0	49.049.5	2014
Tota			292.0	1327	
IPPs					
Nam Long	20%	Luang Nam Tha	1.0	37.0	2015
Nam Ou2	15%	Phongsaly	18.0	502	2016
Nam Ou5	15%	Phongsaly	36.0	1,049.0	2017
Nam Ou6	15%	Phongsaly	27.0	739.0	2017
Total			82.0	2327	
Grand			374.	3654 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.

5.4.4 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-Gen's wholly-owned generation assets in connection with the use of proceeds;
- (ii) EDL-Gen's shares in IPPs;
- (iii) EDL-Gen's Maintenance and Financing Cost;
- (iv) Working capital.

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

Details of the Portfolio of Assets are as follows:

Portfolio of Assets

No.	Project Name	Capacity (MW)	GWh	Project Cost (MUSD)	Stake (%)	Equity (MW)	Investment (MUSD)	COD	Plant Factor
EDL-Gen's wholly-owned generation assets in connection with the use of proceeds									
1	Selabam (Expansion)	8	23	25.96	100%	8	5.96	2017	32%
2	Xeset2 (Expansion)	10	25	27.00	100%	10	2.00	2017	29%
Total (1)		18	48	52.96		18	7.96		

Source: EDL-Gen

No.	Project Name	Capacity (MW)	GWh	Project Cost (MUSD)	Stake (%)	Equity (MW)	Investment (MUSD)	COD	Plant Factor
EDL-Gen : IPP Projects									
1	Nam Theun 1	650	2,510	1,438	15%	97.50	64.71	2022	44%
2	PakBeng	912	4,268	2,300	19%	173.30	131.10	2023	53%
3	Solar	32	54	37	60%	19.20	37.00	2017	19%
4	Nam Dik 1,2,3	40	211	112	70%	28.00	28.00	2021	60%
Total (2)		1,634	7,043	3,887		318.00	260.81		

Source: EDL-Gen

No.	Project Name	Capacity (MW)	GWh	Project Cost (MUSD)	Stake (%)	Equity (MW)	Investment (MUSD)	COD	Plant Factor
EDL-Gen : Maintenance and Financing Cost									
1	Xeset1-2 Overhaul	-	-	8.10	100%	-	8.10	2016	-
2	Nam Mang3 Overhaul (2 units)	-	-	21.30	100%	-	21.30	2016	-
3	Nam Phoun Finance Cost	45	182	100.50	51%	22.95	3.85	2019	46%
4	Nam Bi1,2,3 Finance Cost	135	554	276.00	80%	104.00	46.15	2022	47%
Total (3)		180	736	405.90		126.95	79.40		

Source: EDL-Gen

Total (1) + (2)+(3) = USD 348.17 Million

6. LEGAL DISPUTES

As of 31 March 2016, the Company was not sued in any court or there was no any legal dispute which may affect the assets of the Company over 5% of shareholders' equity.

7. CAPITAL STRUCTURE

7.1 Registered and Paid in Capital

As at 31 March 2016, the registered capital and paid in capital are as follow:

Registered Capital: 6,717,214,788,000 Kip with 1,679,303,697 shares

Paid-in Capital: 6,717,214,788,000 Kip with 1,679,303,697 shares

7.2 Equity Structure

The Company's major shareholder is EDL with shareholding of 75%. The below table represents the list of major shareholders of the Company as of 26 July 2016:

No.	Name of Shareholders	No. of Shares	% of Total
1	Electricite du Laos	1,259,477,773	75.00%
2	Ratch-Lao Services Company Limited	94,848,324	5.65%
3	RH International (Singapore) Corporation Pte., Ltd.	74,929,210	4.46%
4	Banque Pour le Commerce Exterieur Lao	38,350,000	2.28%
5	Krung Thai Bank Public Company Limited	25,839,533	1.54%
6	Dragon Capital Clean Development Ltd.	12,232,608	0.73%
7	Senglaty Savanhkham	11,528,200	0.69%
8	Mekong Holding Ins.	8,283,598	0.49%
9	Gulf International Investment Hong Kong Limited	7,766,666	0.46%
10	NT Asian Discovery Master Fund	7,210,538	0.43%
Total Top 10 Shareholders		1,540,466,450	91.73%
Total Shareholders		1,679,303,697	100.00%

7.3 Debentures / Bills of Exchange

7.3.1 Debentures

As of 31 March 2016, Company has the debentures with the outstanding of THB 6.5 billion as the following details

1. EDLGEN19DA

Debenture Name	:	Debentures of EDL-Generation Public Company No. 1/2557 Series 1 Due B.E. 2562 (2019)
Debenture Type	:	Unsubordinated and unsecured Debentures
Number of Debentures Offered	:	1,500,000 (one million and five hundred thousand) units
Nominal Amount	:	Baht 1,000 (one thousand) per unit
Value of Debentures Offered	:	Baht 1,500,000,000 (one billion and five hundred million)
Issue Date	:	12 December 2014
Tenor	:	5 (five) years
Maturity Date	:	12 December 2015
Interest Rate	:	4.95 (four point nine five) percent per annum
Registrar	:	Thailand Securities Depository Company Limited
Debentureholders' Representative	:	Bank of Ayudhya Public Company Limited

2. EDLGEN21DA

Debenture Name	:	Debentures of EDL-Generation Public Company No. 1/2557 Series 2 Due B.E. 2564 (2021)
Debenture Type	:	Unsubordinated and unsecured Debentures
Number of Debentures Offered	:	2,000,000 (two million) units
Nominal Amount	:	Baht 1,000 (one thousand) per unit
Value of Debentures Offered	:	Baht 2,000,000,000 (two billion)
Issue Date	:	12 December 2014
Tenor	:	7 (seven) years
Maturity Date	:	12 December 2015
Interest Rate	:	5.20 (five point two zero) percent per annum
Registrar	:	Thailand Securities Depository Company Limited
Debentureholders' Representative	:	Bank of Ayudhya Public Company Limited

3. EDLGEN24DA

Debenture Name	:	Debentures of EDL-Generation Public Company No. 1/2557 Series 3 Due B.E. 2567 (2024)
Debenture Type	:	Unsubordinated and unsecured Debentures
Number of Debentures Offered	:	3,000,000 (three million) units
Nominal Amount	:	Baht 1,000 (one thousand) per unit
Value of Debentures Offered	:	Baht 3,000,000,000 (three billion)
Issue Date	:	12 December 2014
Tenor	:	10 (ten) years
Maturity Date	:	12 December 2015
Interest Rate	:	5.45 (five point four five) percent per annum
Registrar	:	Thailand Securities Depository Company Limited
Debentureholders' Representative	:	Bank of Ayudhya Public Company Limited

7.3.2 Bills of Exchange

As at 31 March 2016, the Company did not have any outstanding bills of exchange.

8. ORGANIZATION STRUCTURE

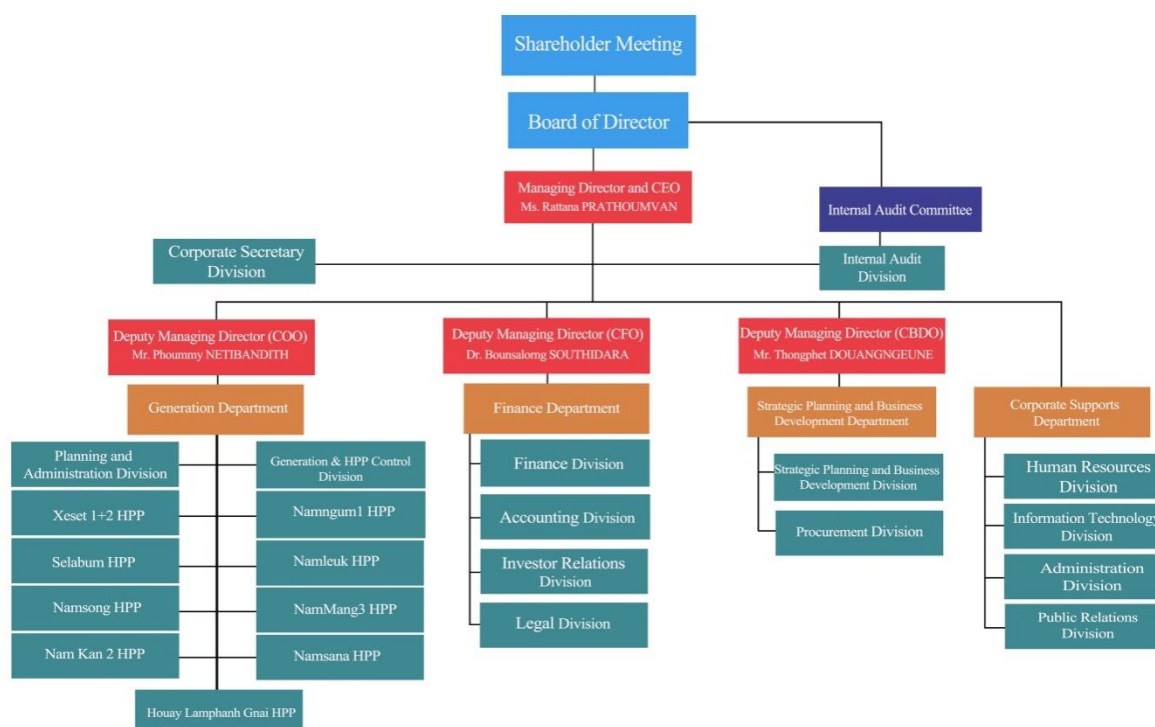
8.1 Management Structure

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 ten directors;
- 2) Director General's Committee that is composed of three directors.

Below is the organization chart of the Company.

Organization Chart of EDL - Generation Public Company



8.2 Board of Directors

As at the date of this Prospectus, the Board of Directors of the Company is composed of ten directors who are qualified and have experiences in the management as follows:

No.	Name	Position
1.	Dr. Khammany Inthirath	Chairman
2.	Mr. Bounoum Syvanpheng	Vice Chairman
3.	Ms. Rattana Prathoumvan	Director
4.	Mr. Bounma Manyvong	Director
5.	Ms. Vanida Savaddy	Director
6.	Mr. Sychath Boutsakitirath	Director
7.	Assoc. Prof. Dr. Kongsy Sengmany	Independent Director
8.	Prof. Dr. Khamlusa Nouansavanh	Independent Director
9.	Assoc. Prof. Dr. Mr. Khampheui Phommachanh	Independent Director

8.2.1 Authorization of Directors

Authorized Directors of the Company consist of:

- i) 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
- ii) Any two directors jointly sign together with the Company's seal affixed.

8.2.2 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.

8.2.3 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 meetings of the shareholders and Board of Directors, 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; 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 center 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 capitalization, 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 auditors and fixing remuneration of such auditors 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 authorized persons in order to ensure that such management and authorized 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 authorize 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 enterprises;
- 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.

8.2.4 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 members 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.

8.3 Director General's Committee

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

No.	Name	Position
1.	Ms Rattana Prathoumvan	Managing Director (Chief Executive Officer)
2.	Mr. Thongphet Douangngeune	Deputy Managing Director (Chief business development Officer)
3.	Dr. Bounsalong Southidara	Deputy Managing Director (Chief Financial Officer).
4	Mr. Phoummy Netibandith	Deputy Managing Director(Chief Operating Officer)

8.3.1 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 organization 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 organization 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 appropriated. 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 auditors 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;
- 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.

8.4 Management Team

As at the date of this Prospectus, the Management Team of the Company is composed of three members of the Director General's Committee and four department directors as follows:

No.	Name	Position
1.	Ms Rattana Prathoumvan	Managing Director (Chief Executive Officer)
2.	Mr Thongphet Douangngeune	Deputy Managing Director(Chief Business Development Officer)
3.	Dr Bounsalong Southidara	Deputy Managing Director (Chief Financial Officer)
4.	Mr Phoummy Netibandith	Deputy Managing Director(Chief Operating Officer)
5.	Mr. Viratha Phonekeo	Assistant to CEO ,Director of Strategic Planning and Business Development
6.	Ms. Souksanh Phongphila	Assistant to CEO, Director of Corporate Support and Administration Department
7.	Mr. Phetsamone Luangaphay	Director of Generation Department
8.	Mr. Vanhseng Vannavong	Director of Finance Department

8.5 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 March 2016, the Company had 636 staffs of whom 123 are females and all of them were allocated to every office/site of the Company, detail as follows:

Office/Site	Number of Staff	Male staffs	Female Staffs
Head office	78	53	25
Nam Ngum 1 HPP	165	125	40
Nam Mung 3 HPP	74	63	11
Nam Leuk HPP	69	57	12
Xeset 1-2 HPP	142	118	24
Selabum HPP	54	46	8
Namsong HPP	27	24	3
Tad Salen HPP	9	9	0
Nam Sana HPP	18	18	0

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 center) and overseas. In addition, the Company collaborated with International Centre for Hydropower (ICH) to organize a training course in the theme of "Dam Safety Inspection", where 24 officials from 12 countries attended.

9. INTERNAL CONTROL

9.1 The Committee

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

9.1.1 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 Directors, connection with these actions through 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 be summarised as follows:

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

The Company's, Co

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

9.1.2 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.

9.1.3 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.

9.2 Other Aspects of Management

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

9.2.1 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.

9.2.2 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.

9.2.3 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.

9.2.4 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.

9.2.5 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.

9.2.6 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.

9.2.7 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.

10. FINANCIAL STATUS AND OPERATING DATA

The following summary of non-consolidated statement of financial position and income statement as of 31 December 2013, 2014, 2015, 31 March 2015 and 31 March 2016 and for the years or 3-month periods then ended, have been provided based on the Company's financial statements that have been audited and/or reviewed by PricewaterhouseCoopers (Lao) Co., Ltd. and are included elsewhere in this Prospectus. The summary of other financial data as of 31 December 2013, 2014, 2015, 31 March 2015 and 31 March 2016 and for the years or 3-month periods then ended have been derived from the Company's accounting records.

The financial statements are prepared and presented in accordance with Laos Accounting Manual (LAM) issued by the Ministry of Finance of the Lao PDR which is a set of instructions based on accrual basis of accounting. Accordingly, there are significant differences between LAM and International Financial Reporting Standards (IFRS). Investors should read the summary of non-consolidated financial information below in conjunction with the Company's non-consolidated financial statements and the accompanying notes included elsewhere in this Prospectus.

10.1 Key Financial Status and Financial Performance

Financial Status

<i>Unit: Million Kip</i>	2013 (Audited)	2014 (Audited)	2015 (Audited)	30 March 2015 (Unaudited)	30 March 2016 (Unaudited)
Balance Sheet					
Assets					
Cash and cash equivalents	159,914	1,251,534	1,213,770	520,906	910,077
Short-term investment	20,000	20,000	20,000	424,800	20,000
Trade and other receivables	519,355	502,382	373,684	389,033	678,577
Spare parts and supplies, net	3,020	4,043	4,088	3,806	4,247
Other current assets	5,905	7,595	7,086	14,031	5,230
Total current assets	708,194	1,785,554	1,618,628	1,352,576	1,618,131
Investments in associates	571,745	610,357	710,598	628,413	732,207
Interests in joint ventures	1,298,247	1,498,609	1,558,324	1,465,356	1,517,958
Advance payment for investment	474,411	779,005	3,690,647	1,214,431	3,084,632
Assets under concession, net	4,011,109	4,145,851	4,342,731	4,098,966	10,152,213
Swap contract assets, net	-	-	-	5,396	-
Intangible assets	-	-	787	-	688
Deposit at financial institution pledged as collateral	-	-	38,704	-	38,566
Other non-current assets	3,465	1,885	7,953	28,064	7,592
Total non-current assets	6,358,977	7,035,707	10,349,744	7,440,626	15,533,856
Total Assets	7,067,171	8,821,261	11,968,372	8,793,202	17,151,987

<i>Unit: Million Kip</i>	2013 (Audited)	2014 (Audited)	2015 (Audited)	30 March 2015 (Unaudited)	30 March 2016 (Unaudited)
<u>Liabilities</u>					
Trade and other payables	30,823	174,589	130,940	153,753	135,618
Current portion of long-term borrowings	132,003	99,519	178,007	99,764	181,354
Accrued expenses	66,077	134,936	91,818	87,956	61,072
Accrued income tax	9,278	4,306	8,200	-	7,293
Other current liabilities	18,808	40	162	36	174
Total current liabilities	256,989	413,390	409,127	341,509	385,511
Long-term borrowings, net	805,295	499,263	841,457	457,477	760,619
Debenture, net	-	1,575,862	1,452,163	1,603,889	1,483,359
Payable – swap contract, net	-	11,105	161,397	-	124,369
Other non-current liabilities	-	-	-	-	5,219,071
Total non-current liabilities	805,295	2,086,230	2,455,017	2,061,366	7,587,418
Total Liabilities	1,062,284	2,499,620	2,864,144	2,402,875	7,972,929
<u>Equity</u>					
Share capital	4,904,867	4,904,867	6,717,215	4,904,867	6,717,215
Share premium	142,229	142,229	985,621	142,229	985,621
Legal reserve	206,442	297,210	361,294	297,210	361,294
Translating financial statements	7,001	(1,476)	(2,119)	(1,361)	(2,011)
Retained earnings	744,348	978,811	1,042,217	1,047,382	1,116,939
Total Equity	6,004,887	6,321,641	9,104,228	6,390,327	9,179,058
Total Liabilities and Equity	7,067,171	8,821,261	11,968,372	8,793,202	17,151,987

Financial Performance

<i>Unit: Million Kip</i>	2013 (Audited)	2014 (Audited)	2015 (Audited)	3M 2015 (Unaudited)	3M 2016 (Unaudited)
Statements of Income					
Sales	862,429	839,193	847,759	142,282	286,318
Other income	6,700	5,680	16,198	2,490	3,388
Share of profit of associates and JVs	453,746	474,467	286,218	42,148	(18,865)
Total revenues	1,322,875	1,319,340	1,150,175	186,920	270,841
Cost of sales (excl. Depre.)	(36,875)	(34,058)	(51,001)	(15,943)	(8,338)
Administrative expenses	(113,489)	(123,528)	(121,027)	(21,680)	(22,720)
EBITDA (excl. FX gain/loss)	1,172,511	1,161,754	978,147	149,297	248,206
Depreciation	(167,060)	(181,555)	(225,442)	(47,389)	(131,106)
Foreign exchange gain, net	24,463	(18,098)	(9,975)	(11,531)	4,964
EBIT	1,029,914	962,101	742,730	90,377	113,641
Interest expenses	(30,845)	(31,722)	(61,937)	(18,772)	(28,477)
Income tax expense	(27,327)	(22,695)	(39,954)	(3,034)	(10,442)
Net profit	971,742	907,684	640,839	68,571	74,722

Statements of Cash Flows

<i>Unit: Million Kip</i>	2013 (Audited)	2014 (Audited)	2015 (Audited)	3M 2015 (Unaudited)	3M 2016 (Unaudited)
Statements of Cash flows					
Cash flows from operating activities	609,577	647,822	801,954	116,672	(101,139)
Cash flows from investing activities	69,340	(219,740)	(3,288,926)	(783,270)	(115,502)
Cash flows from financing activities	(682,758)	652,745	2,449,683	(65,221)	(87,480)
Net Change in Cash and cash equivalents	(3,841)	1,080,827	(37,289)	(731,819)	(304,121)
Cash and cash equivalent beginning of the year	164,511	159,914	1,251,534	1,251,534	1,213,770
Effect of exchange rate changes on cash and cash equivalent	(756)	10,793	(475)	1,191	428
Cash and cash equivalent ending of the year	159,914	1,251,534	1,213,770	520,906	910,077

Key Financial Ratio

	2013 (Audited)	2014 (Audited)	2015 (Audited)	3M 2015 (Unaudited)	3M 2016 (Unaudited)
Profitability Ratio					
Gross Profit Margin (%)	76.35%	74.31%	67.39%	55.49%	51.30%
Operating Profit Margin (%)	66.80%	58.10%	53.80%	20.70%	36.30%
Net Profit Margin (%)	73.83%	69.10%	75.59%	48.19%	26.10%
Return on Equity (%)	16.76%	14.73%	8.31%	0.89%	0.96%
Liquidity Ratio					
Current Ratio (times)	2.76	4.32	3.96	3.96	4.20
Account Receivables Turnover (times)	3.70	3.29	3.87	0.37	0.42
Account Receivables Day (days)	97	109	93	984.33	853.20
Efficiency Ratio					
Return on Assets (%)	14.10%	11.43%	6.16%	0.66%	0.58%
Return on Fixed Assets (%)	15.66%	13.55%	7.37%	0.77%	0.65%
Assets Turnover (times)	0.12	0.10	0.07	0.02	0.02
Solvency Ratio					
Debt to Equity(times)	0.18	0.40	0.31	0.38	0.87
Interest Bearing Debt to Equity (times)	0.13	0.33	0.27	0.32	0.83
Interest Coverage (times)	18.18	15.87	8.47	5.82	11.73
Debt Service Coverage (times)	5.80	3.14	5.04	2.49	2.47

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

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

The discussion and analysis of financial conditions and results of operation of the Company are based on the expectation on 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.

10.2.1 For the year 2015

For the year 2015, the operating results were recorded as follows. Total revenues and net profit were Kip 1,150,175 million (declining by 12.82 percent from the previous year) and Kip 640,839 million (dropped by 29.40 percent from the previous year), respectively. Total assets as at ending 2015 were Kip 11,968,372 million (increasing by 35.68 percent from the total assets recorded at the same period of the previous year). As at ending 2015, the Company posted total liabilities of Kip 2,864,144 million and total equity of Kip 9,104,228 million, equaling 23.93 percent and 76.07 percent of total assets, respectively.

Report and Analysis of the Operating Results

Revenues

The Company's revenues are mainly from the sales of electricity to EDL, which can be broken down as per the following table:

Revenues (Million Kip)		
	2014	2015
Electricity Sales	839,193	847,759
Other Revenues	5,680	16,198
Share of profit of associates and JVs	474,467	286,218
Total Revenues	1,319,340	1,150,175

For the operating results of the year 2015, the main source of revenues was from the sales of electricity, which appeared to be Kip 847,759 million, accounting for 73.71 percent of total revenues. The electricity sales increased by 1.02% from the year 2014 as a result of the increase of electricity generated and the escalation of tariff according to the PPAs. In addition, the share of profit of associates and JVs was Kip 286,218 million and other revenues which mostly came from interest income was equal to Kip 16,198 million. For the year 2015, electricity production for sales was at approximately 1,995.12 GWh with the tariff rate at Kip 430.70 per KWh according to the PPAs. The following table is the detail of electricity production in the period of 2015.

	Total	Nam Ngum 1	Nam Mang 3	Nam Leuk	Xeset 1+2	Selabam	Nam Song
Electricity Production (GWh)	1,995.12	1,209.68	181.03	221.64	350.71	23.36	8.69

Operating Expenses

The Company's total expenses consist of cost of sales and selling and administrative expenses. The following table sets out the expenses broken down by each item:

Expenses (Million Kip)		
	2014	2015
<i>Cost of sales</i>		
Depreciation and Amortization	181,555	225,442
Other	34,058	51,001
Total Cost of Sales	215,613	276,443
Total Selling and Administrative Expenses	123,528	121,027
Total Expenses	339,141	397,470

Expenses

For the operating results at ending 2015, the Company had total expenses of Kip 397,470 million, increasing by 17.20% from the previous year. The main factors of such increases were the growth of cost of sales and the selling and administrative expenses, as per the details below:

- Cost of sales were equaling Kip 276,443 million for the year 2015 or 24.03 percent of the total revenues. The cost of sales mainly consisted of depreciation and amortization according to the concession term under the CAs for a period of 30 years equaling Kip 225,442, or 81.55 percent of the total cost of sales, apart from depreciation and amortization are maintenance expenses, fuel and staff costs.
- Selling and Administrative expenses were Kip 121,027 million for the year 2015, or 10.52 percent of the total revenues respectively. Most of the expenses incurred in selling and administrative expenses were salary and welfare.

Profit before Financial Costs and Corporate Income Tax

For the operating results of the year 2015, the Company's profits before financial costs and corporate income tax were Kip 742,730 million.

Profit Before Financial Costs and Corporate Income Tax (Million Kip)		
	2014	2015
Total Revenues	1,319,340	1,150,175
Total Expenses	(339,141)	(397,470)
Foreign Exchange Gain (Loss), net	(18,098)	(9,975)
Profit Before Financial Costs and Corporate Income Tax	962,101	742,730
Interest Expenses	(31,722)	(61,937)
Income Tax Expenses	(22,695)	(39,954)
Net Profit	907,684	640,839

Financial Costs

For the year 2015, the Company's interest expenses were Kip 61,937 million or 5.39 percent of the total revenues, which consisted of the interest expenses for the long term borrowing of each dam transferred to the Company together with the assets and debts and the interest of the debenture issued in 2014. The interest was charged between 1.75 to 5.45 percent per annum.

Corporate Income Tax expenses

For the year 2015, the corporate income tax was Kip 39,954 million or 3.47 percent of total revenues. Due to the Company being listed on the LSX, the Company received the privilege of five

percent reduction on corporate income tax for a period of four years from 2011 to 2014 since year 2015 corporate income tax started 10 percent.

Net Profit

Net profit for the year 2015 was Kip 640,839 or 55.72 percent of the total revenues. These can be considered to be a high rate compared to the other businesses since most of the costs of electricity generation in the hydropower business are for the maintenance and depreciation which are only accounting expenses, not real cash flows.

Report and Analysis of Financial Position

Assets Analysis

As at 31 December 2015, the Company's total assets were Kip 11,968,372 million, growing by Kip 3,147,111 million or 35.68% from the end of the year 2014. Such growth of the assets was mainly due to:

- Investments in associates and interests in joint ventures amounting to Kip 2,268,922 million increased by Kip 159,956 million or 7.58 percent from the ending 2014. The increase in such items was caused by the share of profit of associates amounting to Kip 100,241 million and share of profit of interest in joint ventures amounting to Kip 59,715 million.
- Advance payment for investment amounting to Kip 3,690,647 increased by Kip 2,911,642 million or 373.76 percent compared to the ending 2013, majorly due to the advance payments paid to EDL for the costs occurred from the project assets under related MOU.
- Net assets under the CAs amounting to Kip 4,342,731, most of which were hydropower plants with the term of the CAs at 30 years, increased by Kip 196,880 million compared to the ending 2014. Such change in the net assets under the CAs was caused by the depreciation and the value of the new plant and machineries.

Liabilities Analysis

As at 31 December 2015, the Company's total liabilities were Kip 2,864,144 million, increasing by Kip 364,524 million or 14.58 percent compared to the end of 2014. The growth during the year 2015 was mainly due to the increase of long-term borrowings amounting to Kip 420,682 million. Most of the Company's liabilities were debentures and long-term borrowings in the proportion to total liabilities of 50.70% and 35.59% as at 31 December 2015, respectively. The Company's borrowings consist of unsecured borrowings denominated in US dollars and Japanese Yen of which generally carry interest rates at 1.75% - 5.45% per annum.

Shareholders' Equity Analysis

As at 31 December 2015, the shareholders' equity amounted to Kip 9,104,228 million. Most of the shareholders' equity consists of paid up capital after the initial public offering and capital increased shares offering amounted to Kip 6,717,215 million from the initial registered capital on the date of the incorporation which amounted to Kip 2,605,792 million with the par value at Kip 4,000 per share.

The Company's retained earnings amounted to Kip 1,042,217 million increased by Kip 63,406 million or 6.48% comparing to the end of 2014 as a result of the increase in net profit for the period.

10.2.2 For three-month period ended 31 March 2016

For the period of January – March 2016 operating results, the Company recorded total revenues and net profit of Kip 270,841 million and Kip 74,722 million, respectively. According to the Financial Statements as at 31 March 2016, total assets were Kip 17,151,987 million (increasing by 43.31 percent from the total assets recorded at the end of December 2015), total liabilities were Kip 7,972,929 million and total equity were Kip 9,179,058 million.

Report and Analysis of the Operating Results

Revenues

The following table represents the Company's revenues structure for the three-month period ended 31 March 2015 and 31 March 2016:

Revenues (Million Kip)		
	Jan – Mar 2015	Jan – Mar 2016
Electricity Sales	142,282	286,318
Other Revenues	2,490	3,388
Share of profit of associates and JVs	42,148	(18,865)
Total Revenues	186,920	270,841

The Company's main source of revenues was from the sales of electricity, which appeared to be Kip 286,318 million during January - March 2016, accounting for 105.71 percent of its total revenues. The electricity sales increased by 101.23 percent from the same period in 2015. During January - March 2016, the Company's electricity generation reached 526.51GWh or 6.06 percent surpassed the plan, details are as follow:

	Total	Nam Ngum 1	Nam Mang 3	Nam Leuk	Xeset 1+2	Sela bam	Nam Song	HLP Gnai	Nam khan2	Namsana
Electricity Production (GWh)	526.51	313.00	2.88	31.68	18.80	1.48	1.95	89.24	64.31	3.17

Operating Expenses

The following table represents the Company's operating expenses for the three-month period ended 31 March 2015 and 31 March 2016:

Expenses (Million Kip)		
	Jan – Mar 2015	Jan – Mar 2016
<i>Cost of sales</i>		
Depreciation and Amortization	47,389	131,106
Other	15,943	8,338
Total Cost of Sales	63,332	139,444
Total Selling and Administrative Expenses	21,680	22,720
Total Expenses	85,012	162,164

During January - March 2016, the Company had total expenses of Kip 162,164 million, increased by 90.75 percent from the same period in 2015. The Company's operating expenses included;

- Cost of sales, accounting for 85.99 percent of total expense, mainly consisted of depreciation and amortization according to the concession term under the CAs equaling Kip 131,106 million and other costs such as are maintenance expenses, fuel and staff costs.
- Selling and Administrative Expenses is accounting for 14.01 percent of total expense, dropped from 25.50% in the same period of 2015.

Profit before Financial Costs and Corporate Income Tax

For the operating results for the period of January - March 2016, the Company's profits before financial costs and corporate income tax were Kip 113,064 million and 74,722 million respectively.

Profit Before Financial Costs and Corporate Income Tax (Million Kip)		
	Jan – Mar 2015	Jan – Mar 2016
Total Revenues	186,920	270,841
Total Expenses	(85,012)	(162,164)
Foreign Exchange Gain (Loss), net	(11,531)	4,964
Profit Before Financial Costs and Corporate Income Tax	90,377	113,064
Interest Expenses	(18,772)	(28,477)
Income Tax Expenses	(3,034)	(10,442)
Net Profit	68,571	74,722

Financial Costs

During January - March 2016, the Company's interest expenses were Kip 28,477 million which consisted of the interest expenses for the long term borrowing of each dam transferred to the Company together with the assets and debts and the interest of the debenture issued in 2014. The interest was charged between 1.75 to 5.45 percent per annum.

Corporate Income Tax expenses

For the period of January - March 2016, the corporate income tax was Kip 10,442 million, equaling the tax rate of 12.34 percent of the profit before tax.

Net Profit

Net profit for the period of January - March 2016 was Kip 74,722 million or 27.59 percent of the total revenue.

Report and Analysis of Financial Position

Assets Analysis

As at 31 March 2016, the total value of the assets of the Company was Kip 17,151,987 million, increasing by Kip 5,183,615 million or 43.31 percent compared to the end of the year 2015. The main reason was the growth of assets under CAs, and trade and other receivables as per the details below:

- Net assets under the CAs amounting to Kip 10,152,213, most of which were hydropower plants, increased by Kip 5,809,482 million compared to the ending 2015. The increase is mainly due to the transfer to the project assets of Houay Lamphan Ngai, Nam Khan 2 and Nam Sana Hydro Power Projects between the Company and EDL.
- Trade and other receivables amounting to Kip 678,577 million increased by Kip 304,893 million or 44.93 percent compared to the ending 2015, mainly due to the increasing of account receivable for parent company portion.

Liabilities Analysis

As at 31 March 2016, the Company's total liabilities were Kip 7,972,929 million, increasing by Kip 5,108,785 million or 178.37 percent compared to the end of 2015. The growth during the period was mainly due to the increase of debt which came along with the transfer of the assets of Houay Lamphan Gnai, Nam Khan 2 and Nam Sana Hydro Power Projects. Most of the Company's liabilities were debenture and total long-term borrowings in the proportion to total liabilities of 95.87% as at 31 March 2016. The Company's borrowings consist of unsecured borrowings denominated in US dollars and Japanese Yen of which generally carry interest rates at 1.75% - 5.45% per annum.

Shareholders' Equity Analysis

As at 31 March 2016, the shareholders' equity amounted to Kip 9,179,058 million. Most of the shareholders' equity consists of paid up capital and retained earnings amounted to Kip 6,717,215 and 1,116,939 million, respectively. The total debt to equity ratio was 0.87 times, increasing from 0.38 times at the end of the year 2015 owing to the transfer of assets which came together with assets and debt.

11. OTHER RELATED INFORMATION

Duty on Submission of Financial Statements:

- 1) The Company is required to submit the following financial statements in both English and Lao languages to Lao Securities Commission Office (“LSCO”) and disclose to the public through the disclosure system of the Lao Stock Exchange (“LSX”):
 - unaudited quarterly financial statements, no later than 45 days from the end of each quarter;
 - reviewed half-year financial statements, no later than 60 days from the end of each of half-year; and
 - audited annual financial statements, no later than 120 days from the end of each financial year.
- 2) The Company will submit its financial statements in English language to the Office of the Securities and Exchange Commission of Thailand, within the same period as that required by LSCO and/or LSX under 1. Above.

The investors may find the financial statements on the Company’s website:

<http://www.edlgen.com.la/en/financial.php>

The Issuer’s Representative in Thailand:

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Financial Advisor:

None

Sole Advisor:

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