#### **BOARD OF DIRECTORS' REPORT**

Dear Shareholders,

On behalf of the Board of Directors of Al Suwadi Power Company SAOG ("ASPC" or the "Company"), I have the pleasure to present the Report of the Company for the half year ended 30 June 2017.

#### **Operational Results**

The Plant ran smoothly and efficiently with a healthy reliability of 99.6% and delivered 2,141 GWh to the Omani grid, 20.7% higher than 1,773 GWh delivered in the six months ended June 2016, translating into a plant load factor of 66.8%. Again, this excellent plant performance was achieved with no Lost Time Accidents to any of our staff, thereby clocking 2,190 Lost Time Accident free days since inception, and is reflective of our continued internal focus on Health, Safety, Environment and Quality Management.

#### **Financial Results**

	6-month 2017 RO'000 Unaudited	6-month 2016 RO'000 Unaudited	Percentage change
Revenues	35,715	32,842	8.7%
Direct costs	(24,319)	(21,158)	(14.9%)
Gross profit	11,396	11,684	(2.5%)
Profit before tax	5,359	5,248	2.1%
Tax expense			[
- Current period	(765)	(808)	
- Prior period	(3,013)	-	
Net profit after tax	1,581	4,440	(64.4%)

Better Plant availability and thermal efficiency have primarily contributed to a decent gross profit achieved by the Company, albeit at a marginally lower ratio as compared to the previous year. Additionally, a steady reduction in finance cost further contributed to a healthy increase of 2.1% in profit before tax as compared to the results of six months ended June 2016.

However, the increase in the income tax rate from 12% to 15% has necessitated substantial deferred tax provision to be made for the shortfall now arising in the previous years' deferred tax provision and as such, the net profit has been steeply reduced to RO 1.58 million.

The share price was 180 Baizas at the end of June 2017.

## **Corporate Social Responsibility**

The Company has finalized, in coordination with the Barka municipality, to re-build and refurbish a disused children's play park at Muraisi in Barka vilayat. In addition to the civil work of rebuilding the park, various children's play activities are going to be provided. After a due process of tendering conducted by the municipality, order has been placed on a most competitive local contractor. The total amount committed on this project is RO 14,825 and the project is expected to be completed by mid-November 2017.

Concerted efforts in the Corporate Social Initiatives for future years in the approved spheres of Corporate Social Responsibility activities are being pursued.

#### **Medium term Outlook**

As agreed within the Power Purchase Agreement, the Change of Law protection for the financial impact arising from the new tax law changes which primarily include increase in corporate income tax rate and applicability of the withholding tax on interest and services payments to foreign persons has been notified to OPWP. Further, interpretations of the new tax law provisions relating to various issues are also being sought from the tax department. Once obtained and the costs are ascertained and the necessary details are collated, a financial claim will be lodged with OPWP. We are confident in our efforts to get recompense from OPWP with minimum impact on the financial results except for the 'non-cash' substantial additional deferred tax provision that is required to be made to fully adhere to the International Accounting Standards.

We expect the plant reliability to remain similarly high for the balance of the year and to sustain improvements currently seen in other operational parameters. All reasonable measures are being taken by the management to achieve this. As explained earlier, the tax impact on the financial results for the current year has been severe and the final results for 2017 would also be considerably impacted.

Finally, on behalf of the Board of Directors, I would like to extend our deep appreciation and gratitude to His Majesty Sultan Qaboos Bin Said and His Government for their continued support and encouragement to the private sector by creating an environment that allows us to participate effectively in the growth of the Sultanate's economy and to dedicate our achievements to the building of a strong nation.

Charles Paul Dexter Chairperson

Unaudited condensed interim financial statements

30 June 2017

Registered office:

P.O. Box 39 Postal Code 103 Bareeq Al Shatti Sultanate of Oman Principal place of business:

Hai Asam Barka Sultanate of Oman

# **Unaudited condensed interim financial statements**

30 June 2017

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# Unaudited condensed income statement

for the six month period ended 30 June

	Notes	2017 RO'000s	2016 RO'000s
Revenues		35,715	32,842
Direct costs	3	(24,319)	(21,158)
Gross profit		11,396	11,684
General and administrative expenses	4	(395)	(419)
Profit before interest and tax		11,001	11,265
Finance costs (net)	5	(5,642)	(6,017)
Profit before tax		5,359	5,248
Tax expense:	6		
- Current period		(765)	(808)
- Prior period		(3,013)	-
Net profit for the period	_	1,581	4,440
Earnings per share			
Basic earnings per share (Baizas)	18	2.21	6.22

# Unaudited condensed statement of profit or loss and other comprehensive income

for the six month period ended 30 June

	2017	2016
	RO'000s	RO'000s
Net profit for the period	1,581	4,440
Other comprehensive income / (loss) for the period, net of income tax:		
Item that will be reclassified to profit or loss		
Cash flow hedges - effective portion of changes in fair value	1,258	(6,112)
Total comprehensive income / (loss) for the period	2,839	(1,672)

# Unaudited condensed statement of financial position

as at

Notes				Audited
Non-current assets		Notes	30 June	31 December
Non-current assets			2017	2016
Property, plant and equipment         7         285,384         289,494           Capial spares         294         289           Total non-current assets         285,678         289,638           Current assets         8         9,704         3,800           Inventory         1,790         1,845           Short term deposit         9         -         1,922           Cash and cash equivalents         10         10,620         3,682           Total assets         22,114         11,250           Total assets         307,792         300,888           Equity and liabilities         8         1,741         71,441           Equity and liabilities         11(a)         71,441         71,441           Share capital         11(a)         71,441         71,441           Legal reserve         11(b)         3,911         3,911           Share cholders' fund         87,132         85,266           Hedging reserve         11(c)         8,861         9,939           Total equity         78,451         78,327           Liabilities         2         175,663         176,339           Derivative instruments         1         2         175,663 <t< td=""><td>Assets</td><td></td><td>RO'000s</td><td>RO'000s</td></t<>	Assets		RO'000s	RO'000s
Capital spares         294         289           Total non-current assets         285,678         289,638           Current assets         3,800           Inventory         1,790         1,845           Short term deposit         9         1,790         1,945           Short term deposit         9         1,0520         3,682           Total current assets         10         10,620         3,682           Total current assets         22,114         11,250           Total assets         307,792         300,888           Equity and liabilities         22,114         11,250           Equity and liabilities         28,261         1,441         71,441         71,441           Legal reserve         11(b)         3,911         3,911         8,216         1,411	Non-current assets			
Current assets         285,678         289,638           Current assets         7 rade and other receivables         8         9,704         3,800           Inventory         1,790         1,845           Short term deposit         9         -         1,923           Cash and cash equivalents         10         10,620         30,888           Total current assets         221,114         11,252           Total assets         307,792         300,888           Equity         307,792         300,888           Equity         11(a)         71,441         71,441           Share capital         11(a)         71,441         71,441           Legal reserve         11(b)         3,911         3,911           Retained earnings         11,780         12,914           Shareholders' fund         87,132         88,266           Hedging reserve         11(c)         (8,681)         (9,939)           Total equity         78,451         78,327           Labilities         10,282         11,401           Deferred tax liability         10,282         11,401           Deferred tax liability         14,287         10,683           Asset retirement obligation	Property, plant and equipment	7	285,384	289,349
Current assets         8         9,704         3,800           Inventory         1,790         1,845           Short term deposit         9         -         1,923           Cash and cash equivalents         10         10,620         3,682           Total current assets         22,114         11,250           Total assets         307,792         300,888           Equity and liabilities         307,792         300,888           Equity and liabilities         5         5           Equity and liabilities         8         9,704         3,918           Share capital         11(a)         71,441         71,441           Legal reserve         11(b)         3,911         3,911           Retained earnings         11,780         12,914           Share cholders' fund         87,132         88,266           Hedging reserve         11(c)         (8,681)         (9,939)           Total equity         78,451         78,327           Liabilities         10,282         11,401           Deferred tax liabilities         10,282         11,401           Deferred tax liability         14,287         10,683           Asset retirement obligation         664	Capital spares	_	294	289
Trade and other receivables         8         9,704         3,800           Inventory         1,790         1,845           Short term deposit         9         -         1,923           Cash and cash equivalents         10         10,620         3,682           Total current assets         22,114         11,250           Total assets         307,792         300,888           Equity and liabilities         2         11,441         71,441         71,441         71,441         1,441         Legal reserve         11(b)         3,911         3,931         3,931         3,931         3,931         3,931         3,931         3,931         3,931         3,931         3,932         3,932         3,932         3,932         3,932	Total non-current assets	_	285,678	289,638
1,790   1,845   1,923   1,92	Current assets			
Short term deposit         9         -         1,923           Cash and cash equivalents         10         10,620         3,682           Total current assets         22,114         11,250           Total assets         307,792         300,888           Equity and liabilities         Equity           Equity         71,441         71,441           Share capital         11(a)         71,441         71,441           Legal reserve         11(b)         3,911         3,911         3,911           Shareholders' fund         87,132         88,266           Hedging reserve         11(c)         (8,681)         (9,939)           Total equity         78,451         78,327           Liabilities         87         13         175,663         176,339           Deferred tax liability         10,282         11,401         10,682         11,401         10,683 <td>Trade and other receivables</td> <td>8</td> <td>9,704</td> <td>3,800</td>	Trade and other receivables	8	9,704	3,800
Cash and cash equivalents         10         10,620         3,682           Total current assets         22,114         11,250           Total assets         307,792         300,888           Equity and liabilities         Equity           Share capital         11(a)         71,441         71,441           Legal reserve         11(b)         3,911         3,911           Retained earnings         11,780         12,914           Shareholders' fund         87,132         82,266           Hedging reserve         11(c)         (8,681)         (9,939)           Total equity         78,451         78,327           Liabilities         80,681         (9,939)           Total equity         10,282         11,401           Derivative instruments         10,282         11,401           Derivative instruments         10,282         11,401           Deferred tax liability         14,287         10,683           Asset retirement obligation         664         637           End of service benefits         5         5           Total non-current liabilities         200,901         199,065           Current liabilities         200,901         199,065 <td< td=""><td>Inventory</td><td></td><td>1,790</td><td>1,845</td></td<>	Inventory		1,790	1,845
Total current assets         22,114         11,250           Total assets         307,792         300,888           Equity and liabilities         Equity           Equity         Share capital         11(a)         71,441         71,441           Legal reserve         11(b)         3,911         3,911         3,911           Retained earnings         11,780         12,914         12,914           Shareholders' fund         87,132         88,266         16,661         (9,939)           Total equity         11(c)         (8,681)         (9,939)           Total equity         78,451         78,327           Liabilities         87,132         88,266           Hedging reserve         11(c)         (8,681)         (9,939)           Total equity         78,451         78,327           Liabilities         10,282         11,401           Deferred tax liability         10,282         11,401           Deferred tax liability         14,287         10,683           Asset retirement obligation         664         637           Equity         5         5         5           Total non-current liabilities         200,901         199,065           Cu	Short term deposit	9	*	1,923
Total assets         307,792         300,888           Equity and liabilities           Equity           Share capital         11(a)         71,441         71,441           Legal reserve         11(b)         3,911         3,911         3,911         3,911         3,911         3,911         3,911         3,911         3,911         3,911         3,911         3,911         3,911         3,911         3,912         8,266         Hedging reserve         11(c)         (8,681)         (9,939)           Total equity         17,563         17,563         17,533         17,563         17,633         17,683         18,332         11,401         Deferred tax liabilities         12,282         11,401         Deferred tax liabilities         12,283         12,283         12,283         12,283         12,283         12,283         12,283         12,283 </td <td>Cash and cash equivalents</td> <td>10</td> <td>10,620</td> <td>3,682</td>	Cash and cash equivalents	10	10,620	3,682
Equity and liabilities           Equity         Feature (a)         11(a)         71,441         71,441         71,441         71,441         12,441         12,914         12,914         11,780         12,914         12,914         11,780         12,914         12,914         11,780         12,914         12,914         13,322         88,266         14,266         14,287         10,282         14,287         10,282         11,720         12,327         12         175,663         176,339         176,339         12         175,663         176,339         12         11,282         11,408         11,4287         10,683         Asset retirement obligation         664         637         633         Asset retirement obligation         664         637         633         64         637         633         633         64         637         633         633         64         637         633         633         64         637         633         633         64         637         633         633         633         64         637         633         633         64         637         633         633         633         633         633         633         633         633         633         633         633	Total current assets	_	22,114	11,250
Share capital   11(a)   71,441   71,441   12gal reserve   11(b)   3,911   3,	Total assets	_	307,792	300,888
Share capital         11(a)         71,441         71,441           Legal reserve         11(b)         3,911         3,911           Retained earnings         11,780         12,914           Shareholders' fund         87,132         88,266           Hedging reserve         11(c)         (8,681)         (9,939)           Total equity         78,451         78,327           Liabilities         Non-current liabilities           Term loans         12         175,663         176,339           Derivative instruments         10,282         11,401           Deferred tax liability         14,287         10,683           Asset retirement obligation         6664         637           End of service benefits         5         5           Total non-current liabilities         200,901         199,065           Current liabilities         13         10,741         6,696           Short term borrowing         3,040         2,080           Total current liabilities         28,440         23,496           Total equity and liabilities         307,792         300,888	Equity and liabilities			
Legal reserve       11(b)       3,911       3,911         Retained earnings       11,780       12,914         Shareholders' fund       87,132       88,266         Hedging reserve       11(c)       (8,681)       (9,939)         Total equity       78,451       78,327         Liabilities       Non-current liabilities         Term loans       12       175,663       176,339         Derivative instruments       10,282       11,401         Deferred tax liability       14,287       10,683         Asset retirement obligation       664       637         End of service benefits       5       5         Total non-current liabilities       200,901       199,065         Current liabilities       1       14,659       14,720         Trade and other payables       13       10,741       6,696         Short term borrowing       3,040       2,080         Total current liabilities       28,440       23,496         Total equity and liabilities       307,792       300,888	Equity			
Retained earnings         11,780         12,914           Shareholders' fund         87,132         88,266           Hedging reserve         11(c)         (8,681)         (9,939)           Total equity         78,451         78,327           Liabilities           Non-current liabilities           Term loans         12         175,663         176,339           Derivative instruments         10,282         11,401           Deferred tax liability         14,287         10,683           Asset retirement obligation         664         637           End of service benefits         5         5           Total non-current liabilities         200,901         199,065           Current liabilities           Term loans         12         14,659         14,720           Trade and other payables         13         10,741         6,696           Short term borrowing         3,040         2,080           Total current liabilities         28,440         23,496           Total liabilities         229,341         222,561           Total equity and liabilities         307,792         300,888	Share capital	11(a)	71,441	71,441
Shareholders' fund         87,132         88,266           Hedging reserve         11(c)         (8,681)         (9,939)           Total equity         78,451         78,327           Liabilities         Non-current liabilities           Term loans         12         175,663         176,339           Derivative instruments         10,282         11,401           Deferred tax liability         14,287         10,683           Asset retirement obligation         664         637           End of service benefits         5         5           Total non-current liabilities         200,901         199,065           Current liabilities         12         14,659         14,720           Trade and other payables         13         10,741         6,696           Short term borrowing         3,040         2,080           Total current liabilities         28,440         23,496           Total liabilities         229,341         222,561           Total equity and liabilities         307,792         300,888	Legal reserve	11(b)	3,911	3,911
Hedging reserve         II(c)         (8,681)         (9,939)           Total equity         78,451         78,327           Liabilities         Non-current liabilities           Term loans         12         175,663         176,339           Derivative instruments         10,282         11,401           Deferred tax liability         14,287         10,683           Asset retirement obligation         664         637           End of service benefits         5         5           Total non-current liabilities         200,901         199,065           Current liabilities         12         14,659         14,720           Trade and other payables         13         10,741         6,696           Short term borrowing         3,040         2,080           Total current liabilities         28,440         23,496           Total liabilities         229,341         222,561           Total equity and liabilities         307,792         300,888	Retained earnings	_	11,780	12,914
Total equity         78,451         78,327           Liabilities           Non-current liabilities           Term loans         12         175,663         176,339           Derivative instruments         10,282         11,401           Deferred tax liability         14,287         10,683           Asset retirement obligation         664         637           End of service benefits         5         5           Total non-current liabilities         200,901         199,065           Current liabilities         12         14,659         14,720           Trade and other payables         13         10,741         6,696           Short term borrowing         3,040         2,080           Total current liabilities         28,440         23,496           Total liabilities         229,341         222,561           Total equity and liabilities         307,792         300,888	Shareholders' fund		87,132	88,266
Liabilities         Non-current liabilities         Term loans       12       175,663       176,339         Derivative instruments       10,282       11,401         Deferred tax liability       14,287       10,683         Asset retirement obligation       664       637         End of service benefits       5       5         Total non-current liabilities       200,901       199,065         Current liabilities       12       14,659       14,720         Trade and other payables       13       10,741       6,696         Short term borrowing       3,040       2,080         Total current liabilities       28,440       23,496         Total liabilities       229,341       222,561         Total equity and liabilities       307,792       300,888	Hedging reserve	11(c)	(8,681)	(9,939)
Non-current liabilities         Term loans       /2       175,663       176,339         Derivative instruments       10,282       11,401         Deferred tax liability       14,287       10,683         Asset retirement obligation       664       637         End of service benefits       5       5         Total non-current liabilities       200,901       199,065         Current liabilities       12       14,659       14,720         Trade and other payables       /3       10,741       6,696         Short term borrowing       3,040       2,080         Total current liabilities       28,440       23,496         Total liabilities       229,341       222,561         Total equity and liabilities       307,792       300,888	Total equity	_	78,451	78,327
Term loans         /2         175,663         176,339           Derivative instruments         10,282         11,401           Deferred tax liability         14,287         10,683           Asset retirement obligation         664         637           End of service benefits         5         5           Total non-current liabilities         200,901         199,065           Current liabilities         12         14,659         14,720           Trade and other payables         /3         10,741         6,696           Short term borrowing         3,040         2,080           Total current liabilities         28,440         23,496           Total liabilities         229,341         222,561           Total equity and liabilities         307,792         300,888	Liabilities			
Derivative instruments         10,282         11,401           Deferred tax liability         14,287         10,683           Asset retirement obligation         664         637           End of service benefits         5         5           Total non-current liabilities         200,901         199,065           Current liabilities         12         14,659         14,720           Trade and other payables         13         10,741         6,696           Short term borrowing         3,040         2,080           Total current liabilities         28,440         23,496           Total liabilities         229,341         222,561           Total equity and liabilities         307,792         300,888	Non-current liabilities			
Deferred tax liability         14,287         10,683           Asset retirement obligation         664         637           End of service benefits         5         5           Total non-current liabilities         200,901         199,065           Current liabilities         12         14,659         14,720           Trade and other payables         13         10,741         6,696           Short term borrowing         3,040         2,080           Total current liabilities         28,440         23,496           Total liabilities         229,341         222,561           Total equity and liabilities         307,792         300,888	Term loans	12	175,663	176,339
Asset retirement obligation       664       637         End of service benefits       5       5         Total non-current liabilities       200,901       199,065         Current liabilities       12       14,659       14,720         Trade and other payables       13       10,741       6,696         Short term borrowing       3,040       2,080         Total current liabilities       28,440       23,496         Total liabilities       229,341       222,561         Total equity and liabilities       307,792       300,888	Derivative instruments		10,282	11,401
End of service benefits         5         5           Total non-current liabilities         200,901         199,065           Current liabilities         12         14,659         14,720           Trade and other payables         13         10,741         6,696           Short term borrowing         3,040         2,080           Total current liabilities         28,440         23,496           Total liabilities         229,341         222,561           Total equity and liabilities         307,792         300,888	Deferred tax liability		14,287	10,683
Total non-current liabilities         200,901         199,065           Current liabilities         12         14,659         14,720           Trade and other payables         13         10,741         6,696           Short term borrowing         3,040         2,080           Total current liabilities         28,440         23,496           Total liabilities         229,341         222,561           Total equity and liabilities         307,792         300,888	Asset retirement obligation		664	637
Current liabilities         Term loans       12       14,659       14,720         Trade and other payables       13       10,741       6,696         Short term borrowing       3,040       2,080         Total current liabilities       28,440       23,496         Total liabilities       229,341       222,561         Total equity and liabilities       307,792       300,888	End of service benefits	_	5	5
Term loans         12         14,659         14,720           Trade and other payables         13         10,741         6,696           Short term borrowing         3,040         2,080           Total current liabilities         28,440         23,496           Total liabilities         229,341         222,561           Total equity and liabilities         307,792         300,888	Total non-current liabilities	_	200,901	199,065
Trade and other payables       /3       10,741       6,696         Short term borrowing       3,040       2,080         Total current liabilities       28,440       23,496         Total liabilities       229,341       222,561         Total equity and liabilities       307,792       300,888	Current liabilities			
Short term borrowing         3,040         2,080           Total current liabilities         28,440         23,496           Total liabilities         229,341         222,561           Total equity and liabilities         307,792         300,888	Term loans	12	14,659	
Total current liabilities28,44023,496Total liabilities229,341222,561Total equity and liabilities307,792300,888	Trade and other payables	13	•	
Total liabilities         229,341         222,561           Total equity and liabilities         307,792         300,888	-	_		
Total equity and liabilities 307,792 300,888	Total current liabilities	_	28,440	23,496
	Total liabilities	_	229,341	222,561
Net assets per share (Baizas) /7 121.96 123.55	Total equity and liabilities	_	307,792	300,888
	Net assets per share (Baizas)	17	121.96	123.55

The financial statements were approved and authorised for issue in accordance with resolution of the Board of Directors on 26 July 2017.

Chairperson

Director

# **Unaudited condensed statement of cash flows** for the six month period ended 30 June

for the six month period chaca so that	Notes	2017 RO '000s	2016 RO '000s
Cash flows from operating activities:		KO 0008	KO 0008
Net profit for the period		1,581	4,440
Adjustments for:		_,	.,
Tax expense		3,778	808
Finance costs (net)		5,642	6,017
Depreciation		4,011	4,010
End of service benefits		· -	4
	_	15,012	15,279
Changes in:			
Trade and other receivables		(5,904)	(5,865)
Inventory		55	(17)
Trade and other payables	_	3,921	2,157
Cash generated from operating activities		13,083	11,554
Finance costs paid		<b>(4,877)</b>	(5,239)
End of service benefits paid	_	-	(8)
Net cash generated from operating activities		8,206	6,307
Cash flows from investing activities:			
Acquisition of property, plant and equipment		(46)	(1)
Acquisition of capital spares	_	(5)	
Net cash (used in) investing activities	_	(51)	(1)
Cash flows from financing activities:			
Repayment of term loans		(1,385)	(1,596)
Proceeds from / (repayment of) short term borrowing		960	(280)
Maturity of short term deposit		1,923	2,503
Dividend paid	_	(2,715)	(2,643)
Net cash (used in) financing activities	_	(1,217)	(2,016)
Net change in cash and cash equivalents	10	6,938	4,290
Cash and cash equivalents at beginning of the period		3,682	354
Cash and cash equivalents at end of the period	10	10,620	4,644

# Unaudited condensed statement of changes in equity for the six month period ended 30 June

	Share capital RO'000s	Legal reserve RO'000s	Retained earnings RO'000s	Hedging reserve RO'000s	Total RO'000s
Balance at 1 January 2017	71,441	3,911	12,914	(9,939)	78,327
Total comprehensive income for the period					
Net profit for the period	-	-	1,581	-	1,581
Other comprehensive income for the period net of income tax					
Cash flow hedges - effective portion of changes in					
fair value		-	-	1,258	1,258
Total comprehensive income for the period	-	-	1,581	1,258	2,839
Transactions with owners of the Company					
Contribution and distribution Dividend			(2,715)		(2,715)
Total transactions with owners of the Company	<del></del>		(2,715)		(2,715)
Balance at 30 June 2017	71,441	3,911	11,780	(8,681)	78,451
Balance at 1 January 2016	71,441	3,004	11,326	(12,772)	72,999
Total comprehensive (loss) for the period					
Net profit for the period			4,440		4,440
Other comprehensive (loss) for the period net of income tax					
Cash flow hedges - effective portion of changes in					
fair value	-	_	_	(6,112)	(6,112)
Total comprehensive (loss) for the period	-	-	4,440	(6,112)	(1,672)
Transactions with owners of the Company					
Contribution and distribution					
Dividend		-	(2,643)	-	(2,643)
Total transactions with owners of the Company		-	(2,643)	_	(2,643)
Balance at 30 June 2016	71,441	3,004	13,123	(18,884)	68,684

# Notes to the unaudited condensed interim financial statements

## 1 Legal status and principal activities

Al Suwadi Power Company (the "Company") was registered as a closed Omani Joint Stock Company ("SAOC") on 2 August 2010 under the Commercial Companies Law of Oman. Subsequently, the Company was converted to a Public Joint Stock Company ("SAOG") and was listed on the Muscat Securities Market on 23 June 2014.

The Company's objectives are to develop, finance, design, construct, operate, maintain, insure and own a power generating facility (the Barka 3 Power Plant with a capacity of about 750MW), associated gas interconnection facilities and other relevant infrastructure; to make available the demonstrated power capacity; and to sell the electrical energy generated to Oman Power and Water Procurement Company SAOC. Accordingly, the Plant is considered and managed as one reportable segment. Commercial Operation of the Plant was achieved by the Company on 4 April 2013.

#### 2. Basis of preparation and significant accounting policies

#### Basis of preparation

#### (a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, applicable requirements of the Oman Commercial Companies Law of 1974 (as amended) ("CCL") and disclosure requirements of the Capital Market Authority of the Sultanate of Oman ("CMA"). Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual financial statements as at and for the year ended 31 December 2016. The condensed interim financial statements do not include all information required for full annual financial statements prepared in accordance with International Financial Reporting Standards (IFRSs).

#### (b) Basis of measurement

These condensed interim financial statements are prepared on historical cost basis except for provision for asset retirement obligation and deferred finance costs which are measured at amortised cost and certain financial instruments which are measured at fair value.

#### (c) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in these condensed interim financial statements are same as those that were applied to the financial statements as at and for the year ended 31 December 2016.

#### (d) Presentation currency

These condensed interim financial statements have been presented in Rial Omani which is the presentation currency, and all values are rounded to the nearest thousand (RO'000) except where otherwise stated.

#### Significant accounting policies

The significant accounting policies applied by the Company in these condensed interim financial statements are consistent with those applied by the Company in its financial statements as at and for the year ended 31 December 2016.

# Notes to the unaudited condensed interim financial statements

2017 RO '000s RO '000s   RO '000s   RO '000s
Fuel gas       16,215       13,257         Depreciation (note 7)       4,005       4,004         Operation and maintenance ("O&M") fees       3,473       3,379         Insurance       249       269         Grid connection fee       106       107         Fuel oil       55       33         Custom duties       13       11         Other O&M expenses       203       98         24,319       21,158
Fuel gas       16,215       13,257         Depreciation (note 7)       4,005       4,004         Operation and maintenance ("O&M") fees       3,473       3,379         Insurance       249       269         Grid connection fee       106       107         Fuel oil       55       33         Custom duties       13       11         Other O&M expenses       203       98         24,319       21,158
Depreciation (note 7)       4,005       4,004         Operation and maintenance ("O&M") fees       3,473       3,379         Insurance       249       269         Grid connection fee       106       107         Fuel oil       55       33         Custom duties       13       11         Other O&M expenses       203       98         24,319       21,158
Operation and maintenance ("O&M") fees       3,473       3,379         Insurance       249       269         Grid connection fee       106       107         Fuel oil       55       33         Custom duties       13       11         Other O&M expenses       203       98         24,319       21,158
Insurance       249       269         Grid connection fee       106       107         Fuel oil       55       33         Custom duties       13       11         Other O&M expenses       203       98         24,319       21,158
Grid connection fee       106       107         Fuel oil       55       33         Custom duties       13       11         Other O&M expenses       203       98         24,319       21,158
Fuel oil 55 33 Custom duties 13 11 Other O&M expenses 203 98 24,319 21,158
Custom duties         13         11           Other O&M expenses         203         98           24,319         21,158
Other O&M expenses 203 98 24,319 21,158  4 General and administrative expenses
24,319 21,158  4 General and administrative expenses
4 General and administrative expenses
Secondment fees 122 124
Public company related costs 84 88
Employment costs 66 71
Agency fees 25 25
Office rent 13 11
Directors' sitting fees (note 14) 9 10
Depreciation (note 7) 6 6
Corporate social responsibility - 7
Other general and administrative expenses 70 77
<b>395</b> 419
5. Finance costs (net)
Interest on term loans 3,310 3,039
Interest rate swap 2,122
Amortisation of deferred finance costs 648 696
Debt Service Reserve Account ("DSRA") LC cost 78 80
Interest on working capital 28 10
Asset retirement obligation-unwinding of discount 27 25
Exchange loss 10 12
Interest income (8)
Ineffective portion of interest rate hedge (36) 38
<b>5,642</b> 6,017

# 6. Tax expense

The Royal Decree 9/2017 was issued on 19 February 2017 and published in the official gazette on 26 February 2017 amending certain provisions of the Income Tax Law 28/2009, including increase in corporate income tax rate from 12% to 15%. The effect of increase in tax rate has been recognized in these financial statements.

## Notes to the unaudited condensed interim financial statements

## 7. Property, plant and equipment

		Property, plant and equipment RO'000s	Decommi ssioning asset RO'000s	Technical spares RO'000s	Other assets RO'000s	Total RO'000s
	Cost					
	1 January 2017	317,851	467	1,717	94	320,129
	Additions during the period	43	-	2	1	46
	30 June 2017	317,894	467	1,719	95	320,175
	Depreciation					
	1 January 2017	30,447	45	207	81	30,780
	Charge during the period	3,964	6	35	6	4,011
	30 June 2017	34,411	51	242	87	34,791
	Carrying amount					
	30 June 2017	283,483	416	1,477	8	285,384
	31 December 2016	287,404	422	1,510	13	289,349
						Audited
				30	) June	31 December
					2017	2016
				RO	0'000s	RO'000s
8.	Trade and other receivabl	es				
	Trade receivables				9,495	3,043
	Prepayments				23	243
	Other receivables				186	514
					9,704	3,800

#### 9. Short term deposit

As per the Common Terms Agreement, the Company is required to maintain a Debt Service Provisioning Account ("DSPA") to ensure funds are available to service the loan instalments and interest on due date. At each repayment date at the end of October, the Company is required to put the scheduled amount towards the next six monthly payment. The amount in the DSPA cannot be utilised for any purpose other than servicing the loan instalments and interest and is as such restricted cash. The amount in the DSPA at 31 December 2016 was invested as a short term deposit which matured on 25 April 2017.

#### 10 Cash and cash equivalents

Cash in hand	1	0
Cash at bank	10,619	3,682
	10,620	3,682

Cash at bank includes RO 4,000 (31 December 2016: RO 4,000) as margin money towards a bank guarantee.

## Notes to the unaudited condensed interim financial statements

#### 11. Equity

#### (a) Share capital

The details of shareholders are as follows:

		Aggregate
No. of shares held o	f	nominal value of
lity nominal value	e % of total	shares held
100 Bzs. eacl	1	RO'000s
JAE 213,607,492	29.90%	21,361
nani 102,160,110	14.30%	10,216
nani 76,156,700	10.66%	7,616
nds 51,080,055	7.15%	5,108
nds 51,080,055	7.15%	5,108
nani 47,037,197	6.58%	4,701
nani 46,093,564	6.45%	4,608
127,191,167	17.81%	12,723
714,406,340	100.00%	71,441
JAE 213,607,492	29.90%	21,361
nani 102,160,110	14.30%	10,216
nani 67,868,714	9.50%	6,787
nds 51,080,055	7.15%	5,108
nds 51,080,055	7.15%	5,108
nani 46,506,409	6.51%	4,651
nani 45,218,671	6.33%	4,522
136,884,834	19.16%	13,688
714,406,340	100.00%	71,441
	Ality nominal value 100 Bzs. each 100 Bzs. each 102,160,110 102,160,110 103,160,055 104,080,055 104,093,564 127,191,167 114,406,340   JAE 213,607,492 102,160,110 103,160,110 104,160,110 105,160,110 106,160,110 107,160,110 108,160,110 109,160,110	UAE 213,607,492 29.90% and 76,156,700 10.66% ands 51,080,055 7.15% and 47,037,197 6.58% 127,191,167 17.81% 714,406,340 100.00%  UAE 213,607,492 29.90% 127,191,167 17.81% 127,191,167 17.81% 100.00%  UAE 213,607,492 29.90% and 51,080,055 7.15% and 46,506,409 6.51% and 45,506,409 6.51% and 45,218,671 6.33% 136,884,834 19.16%

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares are ordinary and rank equally with regard to the Company's residual assets.

#### (b) Legal reserve

Article 106 of the Commercial Companies Law of 1974 requires that 10% of Company's net profit be transferred to a non-distributable legal reserve until the amount of legal reserve becomes equal to at least one-third of the Company's issued share capital.

## (c) Hedging reserve

Hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

## Notes to the unaudited condensed interim financial statements

			Audited
		30 June	31 December
		2017	2016
		RO'000s	RO'000s
12.	Term loans		
	Termloans	197,250	198,635
	Less: current portion	(14,659)	(14,720)
	Non-current portion	182,591	183,915
	Less: Unamortised transaction cost	(6,928)	(7,576)
		175,663	176,339

On 16 September 2010, the Company entered into a Common Terms Agreement, for credit facilities with a consortium of international banks, export credit agencies and a local bank, with Credit Agricole Corporate & Investment Bank as the Global Facility Agent, Offshore Security Trustee, Offshore Account Bank, KEXIM Facility Agent and Commercial Facility Agent; with Bank Muscat SAOG as Onshore Security Agent and Onshore Account Bank; and with KfW IPEX-Bank GmBH as the Hermes Facility Agent.

At 30 June 2017 and 31 December 2016, the outstanding amounts were as follows:

	Hermes Covered Variable Facility	56,646	56,916
	Commercial Facility	44,225	44,881
	KEXIM Direct Facility	40,370	40,562
	Hermes Covered Fixed Facility	34,859	35,025
	KEXIM Covered Facility	21,150	21,251
		197,250	198,635
13.	Trade and other payables		
	Fuel gas payable and accrual	7,128	3,467
	Accrued finance cost	1,793	1,718
	Due to related parties (note 14)	1,411	1,067
	Trade payables	-	99
	Other payables and accruals	409	345
		10,741	6,696

#### 14. Related party transactions

Related parties comprise the shareholders, directors, key management personnel and business entities that have the ability to control or exercise significant influence over financial and operating decisions of the Company and entities over which certain shareholders are able to exercise significant influence. Prices and terms of these transactions, which are entered into in the normal course of business, are on mutually agreed terms and conditions.

Key management personnel are those having authority for planning, directing and controlling the activities of the Company directly or indirectly. Total compensation paid to the top five employees, including key management personnel for the six month period ended are as follows:

	30 June	30 June
	2017	2016
	RO '000s	RO '000s
Top five employees	157	156

# Notes to the unaudited condensed interim financial statements

# 14 Related party transactions (continued)

The Company had the following transactions with related parties during the six month period ended:

Both Processor         2016         2010           Noez-Tractchel Operations & Maintenance Oman LLC         3,620         3,020           Al Batinah Power Company SAOG         117         87           Kahrabel Operations & Maintenance (Oman) LLC         140         124           International Power S.A. Dubai Branch         14         22           INGIE S.A. (Electrabel S.A.)**         35         373           Multitech LLC         17         18           Directori         9         10           Soljitz Corporation         9         9           Soljitz Corporation         9         9           Shikoku Electric Power Co. Inc.         9         9           Public Authority for Social Insurance         8         8           Laborelec Middle East         -         11           Laborelec Middle East         7         11           Bubic Authority for Social Insurance         8         8           Laborelec Middle East         7         16           Charles Geld Ede         7.00         2.706           SM fixed fee         2,706         2.706           Okh fixed fee         2,706         2.706           Sharing of Costs         114         9		30 June	30 June
Suez-Tractebel Operations & Maintenance Oman ILIC         3,620         3,78           Al Batinah Power Company SAOG         117         87           Kahrabel Operation & Maintenance (Oman) ILIC         140         124           International Power SA. Dubai Branch         14         222           ENGIE S.A. (Electrabel S.A.)*         35         37           Multicech ILIC         17         18           Directors'         9         10           Sojitz Corporation         9         9           Sojitz Corporation         9         9           Shikoku Electric Power Co. Inc.         9         9           Public Authority for Social Insurance         8         3           Laborelec Middle East         -         11           Laborelec Middle East         -         11           Raborelec Middle East         76         680           Baborelec Middle East         767         680           Baborelec Middle East         767         680           O&M fixed fee         2,706         2,700           O&M fixed fee         767         680           Oharing of Costs         117         87           Ober Oxed M expenses         13         18		2017	2016
Al Batinah Power Company SAOG         117         87           Kahrabel Operation & Maintenance (Ornan) LLC         140         124           International Power S.A. Dubai Branch         14         222           ENGE S.A. (Electrabel S.A.)*         35         37           Multitech LLC         17         18           Directors'         9         10           Sojitz Corporation         9         9           Shikoku Electric Power Co. Inc.         9         9           Public Authority for Social Insurance         8         8           Laborelec Middle East         3,78         3,74           The nature of the above transactions is as follows:         1         8           C&M fixed fee         2,706         2,700           O&M fixed fee         2,706         2,700           C&M variable fee         767         680           Sharing of costs         117         87           Other O&M expenses         134         18           Scoondment fee         122         124           Directors' sitting fees (note 4)         1         2           Others         18         1           Directors' sitting fees (note 4)         2         4         3		RO '000s	RO '000s
Al Batinah Power Company SAOG         117         87           Kahrabel Operation & Maintenance (Ornan) LLC         140         124           International Power S.A. Dubai Branch         14         222           ENGE S.A. (Electrabel S.A.)*         35         37           Multitech LLC         17         18           Directors'         9         10           Sojitz Corporation         9         9           Shikoku Electric Power Co. Inc.         9         9           Public Authority for Social Insurance         8         8           Laborelec Middle East         3,78         3,74           The nature of the above transactions is as follows:         1         8           C&M fixed fee         2,706         2,700           O&M fixed fee         2,706         2,700           C&M variable fee         767         680           Sharing of costs         117         87           Other O&M expenses         134         18           Scoondment fee         122         124           Directors' sitting fees (note 4)         1         2           Others         18         1           Directors' sitting fees (note 4)         2         4         3	Suez-Tractebel Operations & Maintenance Oman LLC	3,620	3,409
Kahrabel Operation & Maintenance (Oman) LLC         140         122           International Power S.A. Dubai Branch         14         222           ENGIE S.A. (Electrabel S.A.)**         35         37           Multitech LLC         17         18           Directors'         9         10           Spiz Corporation         9         9           Shikoku Electric Power Co. Inc.         9         9           Public Authority for Social Insurance         8         8           Laborelec Middle East         1         1           Laborelec Middle East         2,706         2,706           CoMf fixed fee         2,706         2,706           Scharing of costs         117         87           Sharing of costs         117         87           Other O&M expenses         134         18           Secondment fee         12         12           Directors' sitting fees (note 4)         1         3           Others         13         11           Directors' sitting fees (note 4)         1         2         1           Others         1         2         1           Others         1         3         3         1 <tr< th=""><th></th><th></th><th></th></tr<>			
International Power S.A. Dubai Branch         14         22           ENGES A. (Electrabel S.A.)*         35         37           Multitech LLC         17         18           Directors*         9         10           Sojitz Corporation         9         9           Shikoku Electric Power Co. Inc.         9         9           Public Authority for Social Insurance         8         8           Laborelec Middle East         -         11           Laborelec Middle East         -         1           Dewell Authority for Social Insurance         8         8           Laborelec Middle East         -         1           The nature of the above transactions is as follows:         -         1           Cabor Mixed fee         2,706         2,706           O&M fixed fee         2,706         2,700           O&M graph fee         767         68           Sharing of costs         117         87           Other O&M expenses         14         33           Scondment fee         122         124           DSRA LC fee         78         80           Professional fees         14         33           Custom dutes         13		140	124
BY CIRIES A. (Electrabel S.A.)*         35         37           Multirech LLC         17         18           Directors'         9         10           Sojitz Corporation         9         9           Shikoku Electric Power Co. Inc.         9         9           Public Authority for Social Insurance         8         8           Laborelec Middle East         11         3,978         3,744           The nature of the above transactions is as follows:         1         1         1           Death fixed fee         2,706         2,706         2,700           O&M variable fee         767         680           Sharing of costs         1117         87           Other O&M expenses         114         13           Secondment fee         122         124           DSRA LC fee         78         8           Professional fees         14         33           Outer of William (a)         13         11           Directors' sitting fees (note 4)         9         10           Others         18         1         1           Others         18         1         1           Customatics (a)         20         1 <t< th=""><th></th><th>14</th><th>22</th></t<>		14	22
Multitech LLC         17         18           Directors'         9         10           Sojitz Corporation         9         9           Shikoku Electric Power Co. Inc.         9         9           Public Authority for Social Insurance         8         8           Laborelec Middle East         1         11           Laborelec Middle East         1         1           The nature of the above transactions is as follows:		35	37
Sojitz Corporation         9         9           Shikoku Electric Power Co. Inc.         9         9           Public Authority for Social Insurance         8         8           Laborelec Middle East         11         3,778         3,744           Laborelec Middle East         2,706         2,700 <td></td> <td>17</td> <td>18</td>		17	18
Sojitz Corporation         9         9           Shikoku Electric Power Co. Inc.         9         9           Public Authority for Social Insurance         8         8           Laborelec Middle East         11         3,778         3,744           Laborelec Middle East         2,706         2,700 <td>Directors'</td> <td>9</td> <td>10</td>	Directors'	9	10
Shikkoku Electric Power Co. Inc.         9         9           Public Authority for Social Insurance         8         8           Laborelec Middle East         1         3.978         3.744           Laborelec Middle East         1         3.978         3.744           The nature of the above transactions is as follows:         3.978         3.744           Co&M fixed fee         2,706         2,700         2,700           O&M rixed fee         2,706         2,700         6           O&M variable fee         767         680         7         6         7         6         7         6         7         6         7         6         7         6         7         6         7         6         8         9         9         9         9 <th< th=""><th></th><th>9</th><th>9</th></th<>		9	9
Laborelec Middle East         -         11           3.978         3.744           The nature of the above transactions is as follows:         -           O&M fixed fee         2,706         2,700           O&M variable fee         767         680           Sharing of costs         117         87           Other O&M expenses         134         18           Secondment fee         122         124           DSRA LC fee         78         80           Professional fees         14         33           Custom duties         13         11           Directors' sitting fees (note 4)         9         10           Others         18         1           Audited         31,978         3,744           Others         30 June         31 December           Professional fees (note 4)         9         10           Others         18         1           Others         18         1           Support         2017         2016           Robited         30 June         31 December           Balances due to related parties at 30 June 2017 and 31 December         1,227         896           Kahrabel Operation & Maintenance O		9	9
Laborelec Middle East         -         11           3.978         3.744           The nature of the above transactions is as follows:         -           O&M fixed fee         2,706         2,700           O&M variable fee         767         680           Sharing of costs         117         87           Other O&M expenses         134         18           Secondment fee         122         124           DSRA LC fee         78         80           Professional fees         14         33           Custom duties         13         11           Directors' sitting fees (note 4)         9         10           Others         18         1           Audited         31,978         3,744           Others         30 June         31 December           Professional fees (note 4)         9         10           Others         18         1           Others         18         1           Support         2017         2016           Robited         30 June         31 December           Balances due to related parties at 30 June 2017 and 31 December         1,227         896           Kahrabel Operation & Maintenance O		8	8
Name	-	_	11
The nature of the above transactions is as follows:         Common transactions is as for		3.978	
O&M variable fee         767         680           Sharing of costs         117         87           Other O&M expenses         134         18           Secondment fee         122         124           DSRA LC fee         78         80           Professional fees         14         33           Custom duties         13         11           Directors' sitting fees (note 4)         9         10           Others         18         1           Audited         30 June         30 June           Professional fees (note 4)         30 June         Round           Others         18         1           Audited         30 June         1         2016           Rob         80         80         80           Balances due to related parties at 30 June 2017 and 31 December 2016 comprised         Rob         Rob           Suez-Tractebel Operation & Maintenance Oman LLC         1,227         896           Kahrabel Operation & Maintenance (Oman) LLC         59         60           ENGIE S.A. (Electrabel S.A.)*         43         7           Interactors'         14         1           Multitech LLC         10         3 <t< th=""><th>The nature of the above transactions is as follows:</th><th></th><th></th></t<>	The nature of the above transactions is as follows:		
Sharing of costs         117         87           Other O&M expenses         134         18           Secondment fee         122         124           DSRA LC fee         78         80           Professional fees         14         33           Custom duties         13         11           Directors' sitting fees (note 4)         9         10           Others         18         1           Audited         3,978         3,744           Professional fees (note 4)         30 June         Audited           Others         18         1           Audited         3,978         3,744           Professional fees         4         30 June           Balances         18         1           Budited         30 June         30 June         80 for 80 for 900           Balances due to related parties at 30 June 2017 and 31 December 2016 compose         30 for 900         80 for 900           Suez-Tractebel Operations & Maintenance Oman LLC         1,227         896           Kahrabel Operations & Maintenance (Oman) LLC         59         60           ENGES A. (Electrabel S.A.)*         4         7           International Power S.A. (Dubai Branch         14	O&M fixed fee	2,706	2,700
Other O&M expenses         134         18           Secondment fee         122         124           DSRA LC fee         78         80           Professional fees         14         33           Custom duties         13         11           Directors' sitting fees (note 4)         9         10           Others         18         1           Audited         3,978         3,744           Professional fees         18         1           Others         18         1           Audited         3,978         3,744           Audited         30 June         31 December           2017         2016         RO '000s         RO '000s           Balances due to related parties at 30 June 2017 and 31 December 2016 compose         31 December         2016         RO '000s         RO '000s           Balances due to related parties at 30 June 2017 and 31 December 2016 compose         1,227         896         896         896         896         896         896         896         996         996         996         996         996         996         996         996         996         996         996         996         996         996         996         996	O&M variable fee	767	680
Secondment fee         122         124           DSRA LC fee         78         80           Professional fees         14         33           Custom duties         13         11           Directors' sitting fees (note 4)         9         10           Others         18         1           A Undited 30 June A United 3	Sharing of costs	117	87
DSRA LC fee         78         80           Professional fees         14         33           Custom duties         13         11           Directors' sitting fees (note 4)         9         10           Others         18         1           Audited           3,978         3,744           Audited           30 June         30 June         31 December           2017         2016         RO '000s         RO '000s           Balances due to related parties at 30 June 2017 and 31 December 2016 comprised:         RO '000s         RO '000s           Suez-Tractebel Operations & Maintenance Oman LLC         1,227         896           Kahrabel Operation & Maintenance (Oman) LLC         59         60           ENGIE S.A. (Electrabel S.A.)*         43         7           International Power S.A. Dubai Branch         14         1           Directors'         14         17           Multitech LLC         10         3           Sojitz Corporation         10         2           Shikoku Electric Power Co. Inc.         10         2           Al Batinah Power Company SAOG         7         65           ENGIE-European Maintenance Support         7<	Other O&M expenses	134	18
Professional fees         14         33           Custom duties         13         11           Directors' sitting fees (note 4)         9         10           Others         18         1           Audited 3,978         3,744           Audited 31 Date           30 June         30 June 2017         2016           RO '000s         RO '000s         RO '000s           Balances due to related parties at 30 June 2017 and 31 December 2016 company 30         1,227         896           Kahrabel Operations & Maintenance Oman LLC         1,227         896           Kahrabel Operation & Maintenance (Oman) LLC         59         60           ENGIE S.A. (Electrabel S.A.)*         43         7           International Power S.A. Dubai Branch         14         17           Multitech LLC         10         3           Sojitz Corporation         10         2           Shikoku Electric Power Co. Inc.         10         2           Al Batinah Power Company SAOG         7         65           ENGIE-European Maintenance Support         7         6           Public Authority for Social Insurance         5         15           Laborelec Middle East         5         6	Secondment fee	122	124
Custom duties         13         11           Directors' sitting fees (note 4)         9         10           Others         18         1           Audited 3,978         3,744           Audited 3,978         3,744           Audited 3,978         3,744           Audited 3,979         2016           RO '000s         RO '000s         RO '000s           Suez-Tractebel Operations & Maintenance Oman LLC         1,227         896           Kahrabel Operation & Maintenance (Oman) LLC         19         60           ENGIE S.A. (Electrabel S.A.)*         43         7           International Power S.A. Dubai Branch         14         1-           Directors'         14         1-           Multitech LLC         10         3           Sojitz Corporation         10         2           Shikoku Electric Power Co. Inc.         10         2           Al Batinah Power Company SAOG         7         65           ENGIE-European Maintenance Support         7         6           Public Authority for Social Insurance         5         15           Laborelec Middle East         5         -	DSRA LC fee	78	80
Directors' sitting fees (note 4)         9         10           Others         18         1           Audited 3,978         3,744           Audited 30 June 2017 and 31 December 2016 recember 2016         RO '000s           Balances due to related parties at 30 June 2017 and 31 December 2016 comprissed:           Suez-Tractebel Operations & Maintenance Oman LLC         1,227         896           Kahrabel Operation & Maintenance (Oman) LLC         59         60           ENGIE S.A. (Electrabel S.A.)*         43         7           International Power S.A. Dubai Branch         14         1-           Directors'         14         17           Multitech LLC         10         3           Sojitz Corporation         10         2           Shikoku Electric Power Co. Inc.         10         2           Al Batinah Power Company SAOG         7         65           ENGIE-European Maintenance Support         7         -           Public Authority for Social Insurance         5         15           Laborelec Middle East         5         -	Professional fees	14	33
Others         18         1           Audited           3,978         3,744           Audited           30 June         Audited           30 June         30 June         2016         RO '000s           Balances due to related parties at 30 June 2017 and 31 December 2016 comprissed:           Suez-Tractebel Operations & Maintenance Oman LLC         1,227         896           Kahrabel Operation & Maintenance (Oman) LLC         59         60           ENGIE S.A. (Electrabel S.A.)*         43         7           International Power S.A. Dubai Branch         14         1           Directors'         14         17           Multitech LLC         10         3           Sojitz Corporation         10         2           Shikoku Electric Power Co. Inc.         10         2           Al Batinah Power Company SAOG         7         65           ENGIE-European Maintenance Support         7         -           Public Authority for Social Insurance         5         15           Laborelec Middle East         5         -	Custom duties	13	11
Others         18         1           Audited           3,978         3,744           Audited           30 June         Audited           30 June         30 June         2016         RO '000s           Balances due to related parties at 30 June 2017 and 31 December 2016 comprissed:           Suez-Tractebel Operations & Maintenance Oman LLC         1,227         896           Kahrabel Operation & Maintenance (Oman) LLC         59         60           ENGIE S.A. (Electrabel S.A.)*         43         7           International Power S.A. Dubai Branch         14         1           Directors'         14         17           Multitech LLC         10         3           Sojitz Corporation         10         2           Shikoku Electric Power Co. Inc.         10         2           Al Batinah Power Company SAOG         7         65           ENGIE-European Maintenance Support         7         -           Public Authority for Social Insurance         5         15           Laborelec Middle East         5         -	Directors' sitting fees (note 4)	9	10
Audited           30 June         Audited           30 June         Audited           2017         2016         RO '000s           Balances due to related parties at 30 June 2017 and 31 December 2016 comprised:           Suez-Tractebel Operations & Maintenance Oman LLC         1,227         896           Kahrabel Operation & Maintenance (Oman) LLC         59         60           ENGIE S.A. (Electrabel S.A.)*         43         7           International Power S.A. Dubai Branch         14         1-           Directors'         14         17           Multitech LLC         10         3           Sojitz Corporation         10         2           Shikoku Electric Power Co. Inc.         10         2           Al Batinah Power Company SAOG         7         65           ENGIE-European Maintenance Support         7         -           Public Authority for Social Insurance         5         15           Laborelec Middle East         5         -		18	1
30 June 2017         31 December 2016           2016         RO '000s           Balances due to related parties at 30 June 2017 and 31 December 2016 comprised:           Suez-Tractebel Operations & Maintenance Oman LLC         1,227         896           Kahrabel Operation & Maintenance (Oman) LLC         59         60           ENGIE S.A. (Electrabel S.A.)*         43         7           International Power S.A. Dubai Branch         14         1-           Directors'         14         17           Multitech LLC         10         3           Sojitz Corporation         10         2           Shikoku Electric Power Co. Inc.         10         2           Al Batinah Power Company SAOG         7         65           ENGIE-European Maintenance Support         7         -           Public Authority for Social Insurance         5         15           Laborelec Middle East         5         -		3,978	3,744
2017 RO '000s         2016 RO '000s           Balances due to related parties at 30 June 2017 and 31 December 2016 comprised:           Suez-Tractebel Operations & Maintenance Oman LLC         1,227         896           Kahrabel Operation & Maintenance (Oman) LLC         59         60           ENGIE S.A. (Electrabel S.A.)*         43         7           International Power S.A. Dubai Branch         14         -           Directors'         14         17           Multitech LLC         10         3           Sojitz Corporation         10         2           Shikoku Electric Power Co. Inc.         10         2           Al Batinah Power Company SAOG         7         65           ENGIE-European Maintenance Support         7         -           Public Authority for Social Insurance         5         15           Laborelec Middle East         5         -			Audited
Balances due to related parties at 30 June 2017 and 31 December 2016 comprised:         RO '000s           Suez-Tractebel Operations & Maintenance Oman LLC         1,227         896           Kahrabel Operation & Maintenance (Oman) LLC         59         60           ENGIE S.A. (Electrabel S.A.)*         43         7           International Power S.A. Dubai Branch         14         -           Directors'         14         17           Multitech LLC         10         3           Sojitz Corporation         10         2           Shikoku Electric Power Co. Inc.         10         2           Al Batinah Power Company SAOG         7         65           ENGIE-European Maintenance Support         7         -           Public Authority for Social Insurance         5         15           Laborelec Middle East         5         -		30 June	31 December
Balances due to related parties at 30 June 2017 and 31 December 2016 comprised:  Suez-Tractebel Operations & Maintenance Oman LLC Kahrabel Operation & Maintenance (Oman) LLC ENGIE S.A. (Electrabel S.A.)*  International Power S.A. Dubai Branch Directors' 14  Multitech LLC 10  Sojitz Corporation 10  2  Shikoku Electric Power Co. Inc. 11  Al Batinah Power Company SAOG ENGIE-European Maintenance Support Public Authority for Social Insurance Laborelec Middle East  5   Suez-Tractebel Operations & Maintenance Oman LLC 19  60  10  11  12  13  14  17  17  18  16  17  18  18  18  19  10  10  10  10  10  10  10  10  10		2017	2016
Suez-Tractebel Operations & Maintenance Oman LLC       1,227       896         Kahrabel Operation & Maintenance (Oman) LLC       59       60         ENGIE S.A. (Electrabel S.A.)*       43       7         International Power S.A. Dubai Branch       14       -         Directors'       14       17         Multitech LLC       10       3         Sojitz Corporation       10       2         Shikoku Electric Power Co. Inc.       10       2         Al Batinah Power Company SAOG       7       65         ENGIE-European Maintenance Support       7       -         Public Authority for Social Insurance       5       15         Laborelec Middle East       5       -		RO '000s	RO '000s
Kahrabel Operation & Maintenance (Oman) LLC       59       60         ENGIE S.A. (Electrabel S.A.)*       43       7         International Power S.A. Dubai Branch       14       -         Directors'       14       17         Multitech LLC       10       3         Sojitz Corporation       10       2         Shikoku Electric Power Co. Inc.       10       2         Al Batinah Power Company SAOG       7       65         ENGIE-European Maintenance Support       7       -         Public Authority for Social Insurance       5       15         Laborelec Middle East       5       -	Balances due to related parties at 30 June 2017 and 31 December 2016	comprised:	
ENGIE S.A. (Electrabel S.A.)*       43       7         International Power S.A. Dubai Branch       14       -         Directors'       14       17         Multitech LLC       10       3         Sojitz Corporation       10       2         Shikoku Electric Power Co. Inc.       10       2         Al Batinah Power Company SAOG       7       65         ENGIE-European Maintenance Support       7       -         Public Authority for Social Insurance       5       15         Laborelec Middle East       5       -	Suez-Tractebel Operations & Maintenance Oman LLC	1,227	896
International Power S.A. Dubai Branch         14         -           Directors'         14         17           Multitech LLC         10         3           Sojitz Corporation         10         2           Shikoku Electric Power Co. Inc.         10         2           Al Batinah Power Company SAOG         7         65           ENGIE-European Maintenance Support         7         -           Public Authority for Social Insurance         5         15           Laborelec Middle East         5         -	Kahrabel Operation & Maintenance (Oman) LLC	59	60
Directors'       14       17         Multitech LLC       10       3         Sojitz Corporation       10       2         Shikoku Electric Power Co. Inc.       10       2         Al Batinah Power Company SAOG       7       65         ENGIE-European Maintenance Support       7       -         Public Authority for Social Insurance       5       15         Laborelec Middle East       5       -	ENGIE S.A. (Electrabel S.A.)*	43	7
Multitech LLC       10       3         Sojitz Corporation       10       2         Shikoku Electric Power Co. Inc.       10       2         Al Batinah Power Company SAOG       7       65         ENGIE-European Maintenance Support       7       -         Public Authority for Social Insurance       5       15         Laborelec Middle East       5       -	International Power S.A. Dubai Branch	14	-
Sojitz Corporation         10         2           Shikoku Electric Power Co. Inc.         10         2           Al Batinah Power Company SAOG         7         65           ENGIE-European Maintenance Support         7         -           Public Authority for Social Insurance         5         15           Laborelec Middle East         5         -	Directors'	14	17
Shikoku Electric Power Co. Inc.  Al Batinah Power Company SAOG  ENGIE-European Maintenance Support  Public Authority for Social Insurance  Laborelec Middle East  10 2 7 65 5 15 Laborelec Middle East	Multitech LLC	10	3
Al Batinah Power Company SAOG       7       65         ENGIE-European Maintenance Support       7       -         Public Authority for Social Insurance       5       15         Laborelec Middle East       5       -	Sojitz Corporation	10	2
ENGIE-European Maintenance Support 7 - Public Authority for Social Insurance 5 15 Laborelec Middle East 5 -	Shikoku Electric Power Co. Inc.	10	2
Public Authority for Social Insurance 5 15 Laborelec Middle East 5 -	Al Batinah Power Company SAOG	7	65
Laborelec Middle East 5 -	ENGIE-European Maintenance Support	7	-
	Public Authority for Social Insurance	5	15
<b>1,411</b> 1,067	Laborelec Middle East	5	
		1,411	1,067

 $<sup>\</sup>ast$  Effective 29 July 2016, Electrabel S.A. letter of credit has been replaced by ENGIE S.A.

# Notes to the unaudited condensed interim financial statements

#### 15 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2016.

#### 16 Commitments

- a) Operation and maintenance commitments and land lease commitments are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2016 as reduced by amounts accounted for during the six month period ended 30 June 2017.
- b) The Company has placed purchase orders for RO 99,419 which are outstanding as at 30 June 2017 (RO 82,324 as at 31 December 2016).

#### 17 Net assets per share

Net assets per share is calculated by dividing the net assets attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

	30 June 2017	Audited 31 December 2016
Net assets - shareholder funds (RO'000s)	87,132	88,266
Weighted average number of shares outstanding during the period ('000s)	714,410	714,410
Net assets per share (Baizas)	121.96	123.55

The management believes that the hedging deficit of RO 8.68 million as at 30 June 2017 [RO 9.94 million as at 31 December 2016] represents the loss which the Company would incur, if it opts to terminate its swap agreements on this date. However, under the terms of its Financing Documents, the Company is not permitted to terminate the swap agreements. Accordingly the hedging deficit has been excluded from the Shareholder Funds.

#### 18 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

	30 June 2017	30 June 2016
Net profit for the period (RO'000s)	1,581	4,440
Weighted average number of shares outstanding during the period ('000s)	714,410	714,410
Basic earnings per share (Baizas)	2.21	6.22

## 19 Comparative figures

Certain comparative figures have been reclassified where necessary to conform to the presentation adopted in these condensed interim financial statements.