

## 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 nine months period ended September 2017.

### Operational Results

The Plant ran smoothly and efficiently with a healthy reliability of 99.74% and delivered 3,573 GWh to the Omani grid, 13.6% higher than 3,145 GWh delivered in the nine months period ended September 2016, translating into a plant load factor of 73.9%. Again, this excellent plant performance was achieved with no Lost Time Accidents to any of our staff, thereby clocking 2,282 Lost Time Accident free days since inception, and is reflective of our continued internal focus on Health, Safety, Environment and Quality Management.

### Financial Results

	9-month 2017 RO'000s Unaudited	9-month 2016 RO'000s Unaudited	Percentage change
Revenues	61,227	58,081	5.4%
Direct costs	(39,113)	(35,545)	10.0%
Gross profit	22,114	22,536	-1.9%
Profit before tax	12,997	12,943	0.4%
Tax expense			
- Current period	(1,147)	(1,212)	
- Prior period	(3,013)	-	
Net profit for the period	8,837	11,731	-24.7%

Better Plant availability and higher power generation has seen decent rise in revenue over the previous year, albeit with some negative impact arising from indexation mechanism agreed under the Power Purchase Agreement. Impact from lower thermal efficiency also contributed to the reduction in gross profit. The steady reduction in finance cost has resulted in marginal increase in the pre-tax profit. The increase in the income tax rate from 12% to 15% during the current year has necessitated setting aside a large sum as deferred tax provision and as such, the net profit has steeply reduced by 24.7% to RO 8.83 million.

The share price was 140 Baizas at the end of September 2017.

### Corporate Social Responsibility

As reported earlier, in coordination with the Barka municipality, the Company has issued contract to rebuild 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. The amount committed for 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 changes in tax law which primarily include increase in corporate income tax rate and withholding tax applicability on interest and services payments to foreign persons has been notified to OPWP. The Company has provided details of actual impact till date and current assessment of potential impact the tax amendments may have on its business in future and is now awaiting OPWP's response. The Company awaits issuance of Executive Regulations by the tax department which will clarify the amendments in tax law. Meanwhile, the Company continues to seek guidance from tax department on interpretation of new tax law provisions as and when required.

A major plant maintenance exercise, extended hot gas path inspection ('eHGPI'), is planned for one of the gas turbines in November–December of the current year. We expect the plant to continue with its good record of high level of reliability and to deploy sustained efforts to improve plant performance. As explained earlier, the tax impact on the financial results for the nine months ended September 2017 has been severe and the final results for 2017 would similarly be adversely 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.



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Charles Paul Dexter  
Chairperson

**AL SUWADI POWER COMPANY SAOG****Unaudited condensed income statement***for the nine month period ended 30 September*

	<i>Notes</i>	<b>2017</b> <b>RO'000s</b>	2016 RO'000s
Revenues		<b>61,227</b>	58,081
Direct costs	3	<b>(39,113)</b>	(35,545)
<b>Gross profit</b>		<b>22,114</b>	22,536
General and administrative expenses	4	<b>(547)</b>	(582)
<b>Profit before interest and tax</b>		<b>21,567</b>	21,954
Finance costs (net)	5	<b>(8,570)</b>	(9,011)
<b>Profit before tax</b>		<b>12,997</b>	12,943
Tax expense:	6		
- Current period		<b>(1,147)</b>	(1,212)
- Prior period		<b>(3,013)</b>	-
<b>Net profit for the period</b>		<b>8,837</b>	11,731
<b>Earnings per share</b>			
Basic earnings per share (Baizas)	18	<b>12.37</b>	16.42

The notes on pages 6 to 12 form an integral part of these condensed interim financial statements.

**AL SUWADI POWER COMPANY SAOG****Unaudited condensed statement of profit or loss and other comprehensive income***for the nine month period ended 30 September*

	<b>2017</b>	2016
	<b>RO'000s</b>	RO'000s
<b>Net profit for the period</b>	<b>8,837</b>	11,731
<b>Other comprehensive income / (loss) for the period, net of income tax:</b>		
<i>Item that will be reclassified to profit or loss</i>		
Cash flow hedges - effective portion of changes in fair value	<u>2,598</u>	<u>(3,976)</u>
<b>Total comprehensive income for the period</b>	<u><b>11,435</b></u>	<u>7,755</u>

The notes on pages 6 to 12 form an integral part of these condensed interim financial statements.


## AL SUWADI POWER COMPANY SAOG


## Unaudited condensed statement of financial position

as at

	Notes	30 September 2017 RO'000s	Audited 31 December 2016 RO'000s
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	283,382	289,349
Capital spares		294	289
<b>Total non-current assets</b>		<b>283,676</b>	<b>289,638</b>
<b>Current assets</b>			
Trade and other receivables	8	8,143	3,800
Inventory		1,787	1,845
Short term deposit	9	-	1,923
Cash and cash equivalents	10	18,796	3,682
<b>Total current assets</b>		<b>28,726</b>	<b>11,250</b>
<b>Total assets</b>		<b>312,402</b>	<b>300,888</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	11(a)	71,441	71,441
Legal reserve	11(b)	3,911	3,911
Retained earnings		19,036	12,914
Shareholders' fund		94,388	88,266
Hedging reserve	11(c)	(7,341)	(9,939)
<b>Total equity</b>		<b>87,047</b>	<b>78,327</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Term loans	12	175,986	176,339
Derivative instruments		8,693	11,401
Deferred tax liability		14,907	10,683
Asset retirement obligation		678	637
End of service benefits		6	5
<b>Total non-current liabilities</b>		<b>200,270</b>	<b>199,065</b>
<b>Current liabilities</b>			
Term loans	12	14,659	14,720
Trade and other payables	13	10,426	6,696
Short term borrowing		-	2,080
<b>Total current liabilities</b>		<b>25,085</b>	<b>23,496</b>
<b>Total liabilities</b>		<b>225,355</b>	<b>222,561</b>
<b>Total equity and liabilities</b>		<b>312,402</b>	<b>300,888</b>
<b>Net assets per share (Baizas)</b>	17	<b>132.12</b>	<b>123.55</b>

The financial statements were approved and authorised for issue in accordance with resolution of the Board of Directors on 25 October 2017.

  
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 Chairperson

  
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 Director

The notes on pages 6 to 12 form an integral part of these condensed interim financial statements.

**AL SUWADI POWER COMPANY SAOG****Unaudited condensed statement of cash flows***for the nine month period ended 30 September*

	<i>Notes</i>	<b>2017</b>	2016
		<b>RO '000s</b>	RO '000s
<b>Cash flows from operating activities:</b>			
Net profit for the period		<b>8,837</b>	11,731
<i>Adjustments for:</i>			
Tax expense		<b>4,160</b>	1,212
Finance costs (net)		<b>8,570</b>	9,011
Depreciation		<b>6,015</b>	6,016
End of service benefits		<b>1</b>	(5)
		<b>27,583</b>	27,965
 <i>Changes in:</i>			
Trade and other receivables		<b>(4,326)</b>	(4,652)
Inventory		<b>58</b>	179
Trade and other payables		<b>3,326</b>	5,312
Cash generated from operating activities		<b>26,641</b>	28,804
Finance costs paid (net)		<b>(7,217)</b>	(7,497)
Net cash generated from operating activities		<b>19,424</b>	21,307
 <b>Cash flows from investing activities:</b>			
Acquisition of property, plant and equipment		<b>(48)</b>	(5)
Acquisition of capital spares		<b>(5)</b>	-
Net cash (used in) investing activities		<b>(53)</b>	(5)
 <b>Cash flows from financing activities:</b>			
Repayment of term loans		<b>(1,385)</b>	(1,596)
Repayment of short term borrowing		<b>(2,080)</b>	(280)
Maturity of short term deposit		<b>1,923</b>	2,503
Dividend paid		<b>(2,715)</b>	(2,643)
Net cash (used in) financing activities		<b>(4,257)</b>	(2,016)
 <b>Net change in cash and cash equivalents</b>	 <i>10</i>	 <b>15,114</b>	 19,286
<b>Cash and cash equivalents at beginning of the period</b>		<b>3,682</b>	354
<b>Cash and cash equivalents at end of the period</b>	<i>10</i>	<b>18,796</b>	19,640

The notes on pages 6 to 12 form an integral part of these condensed interim financial statements.

**AL SUWADI POWER COMPANY SAOG****Unaudited condensed statement of changes in equity***for the nine month period ended 30 September*

	Share capital RO'000s	Legal reserve RO'000s	Retained earnings RO'000s	Hedging reserve RO'000s	Total RO'000s
<b>Balance at 1 January 2017</b>	<b>71,441</b>	<b>3,911</b>	<b>12,914</b>	<b>(9,939)</b>	<b>78,327</b>
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	8,837	-	8,837
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	2,598	2,598
<i>Total comprehensive income for the period</i>	-	-	8,837	2,598	11,435
<i>Transactions with owners of the Company</i>					
<i>Contribution and distribution</i>					
Dividend	-	-	(2,715)	-	(2,715)
<i>Total transactions with owners of the Company</i>	-	-	(2,715)	-	(2,715)
<b>Balance at 30 September 2017</b>	<b>71,441</b>	<b>3,911</b>	<b>19,036</b>	<b>(7,341)</b>	<b>87,047</b>
Balance at 1 January 2016	71,441	3,004	11,326	(12,772)	72,999
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	11,731	-	11,731
<i>Other comprehensive (loss) for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	(3,976)	(3,976)
<i>Total comprehensive income for the period</i>	-	-	11,731	(3,976)	7,755
<i>Transactions with owners of the Company</i>					
<i>Contribution and distribution</i>					
Dividend	-	-	(2,643)	-	(2,643)
<i>Total transactions with owners of the Company</i>	-	-	(2,643)	-	(2,643)
Balance at 30 September 2016	71,441	3,004	20,414	(16,748)	78,111

The notes on pages 6 to 12 form an integral part of these condensed interim financial statements.

# AL SUWADI POWER COMPANY SAOG

## 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.



**AL SUWADI POWER COMPANY SAOG****Notes to the unaudited condensed interim financial statements**

	<b>30 September 2017 RO '000s</b>	30 September 2016 RO '000s
<b>3. Direct costs</b>		
Fuel gas	<b>26,864</b>	23,112
Depreciation (note 7)	<b>6,007</b>	6,006
Operation and maintenance ("O&M") fees	<b>5,362</b>	5,227
Insurance	<b>374</b>	395
Grid connection fee	<b>159</b>	160
Fuel oil	<b>59</b>	322
Custom duties	<b>15</b>	192
Other O&M expenses	<b>273</b>	131
	<b>39,113</b>	35,545
<b>4 General and administrative expenses</b>		
Secondment fees	<b>184</b>	184
Employment costs	<b>99</b>	102
Public company related costs	<b>84</b>	90
Agency fees	<b>38</b>	37
Office rent	<b>18</b>	18
Directors' sitting fees (note 14)	<b>14</b>	15
Depreciation (note 7)	<b>8</b>	10
Corporate social responsibility	<b>-</b>	15
Other general and administrative expenses	<b>102</b>	111
	<b>547</b>	582
<b>5. Finance costs (net)</b>		
Interest on term loans	<b>5,124</b>	4,626
Interest rate swap	<b>2,299</b>	3,131
Amortisation of deferred finance costs	<b>971</b>	1,043
Debt Service Reserve Account ("DSRA") LC cost	<b>149</b>	151
Asset retirement obligation-unwinding of discount	<b>41</b>	38
Exchange loss	<b>33</b>	35
Interest on working capital loan	<b>28</b>	10
Interest income	<b>(29)</b>	(17)
Ineffective portion of interest rate hedge	<b>(46)</b>	(6)
	<b>8,570</b>	9,011
<b>6. Tax expense</b>		

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.

**AL SUWADI POWER COMPANY SAOG****Notes to the unaudited condensed interim financial statements****7. Property, plant and equipment**

	Property, plant and equipment	Decommi ssioning asset	Technical spares	Other assets	Total
	RO'000s	RO'000s	RO'000s	RO'000s	RO'000s
<b>Cost</b>					
1 January 2017	317,851	467	1,717	94	320,129
Additions during the period	43	-	2	3	48
Disposals during the period	-	-	-	(3)	(3)
30 September 2017	<u>317,894</u>	<u>467</u>	<u>1,719</u>	<u>94</u>	<u>320,174</u>
<b>Depreciation</b>					
1 January 2017	30,447	45	207	81	30,780
Charge during the period	5,946	9	52	8	6,015
Disposals during the period	-	-	-	(3)	(3)
30 September 2017	<u>36,393</u>	<u>54</u>	<u>259</u>	<u>86</u>	<u>36,792</u>
<b>Carrying amount</b>					
30 September 2017	<u>281,501</u>	<u>413</u>	<u>1,460</u>	<u>8</u>	<u>283,382</u>
31 December 2016	<u>287,404</u>	<u>422</u>	<u>1,510</u>	<u>13</u>	<u>289,349</u>

	Audited
<b>30 September</b>	31 December
<b>2017</b>	2016
<b>RO'000s</b>	RO'000s

**8. Trade and other receivables**

Trade receivables	7,621	3,043
Prepayments	339	243
Due from a related party (note 14)	1	-
Other receivables	182	514
	<u>8,143</u>	<u>3,800</u>

**9. Short term deposit**

As per the CTA, 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 lying 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 as at 31 December 2016 was invested as a short term deposit which matured on 25 April 2017.

**AL SUWADI POWER COMPANY SAOG****Notes to the unaudited condensed interim financial statements**

	<b>30 September 2017 RO'000s</b>	Audited 31 December 2016 RO'000s
<b>10. Cash and cash equivalents</b>		
Short term deposit (less than 3 months)	<b>10,278</b>	-
Cash at bank	<b>8,517</b>	3,682
Cash in hand	<b>1</b>	0
	<b>18,796</b>	3,682

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

**11. Equity***(a) Share capital*

The details of shareholders are as follows:

<b>30 September 2017</b>	<b>Nationality</b>	<b>No. of shares held of nominal value 100 Bzs. each</b>	<b>% of total</b>	<b>Aggregate nominal value of shares held RO'000s</b>
Kahrabel FZE	UAE	213,607,492	29.90%	21,361
Multitech LLC	Omani	102,160,110	14.30%	10,216
Civil Service Employees Pension Fund	Omani	76,156,700	10.66%	7,616
SEP International Netherlands B.V.	Netherlands	51,080,055	7.15%	5,108
Blue Horizon Barka Power B.V.	Netherlands	51,080,055	7.15%	5,108
Public Authority for Social Insurance	Omani	47,242,197	6.61%	4,722
Ministry of Defence Pension Fund	Omani	46,093,564	6.45%	4,608
Shareholders with less than 5% shareholding		<b>126,986,167</b>	<b>17.78%</b>	<b>12,702</b>
		<b>714,406,340</b>	<b>100.00%</b>	<b>71,441</b>

<b>31 December 2016</b>				
Kahrabel FZE	UAE	213,607,492	29.90%	21,361
Multitech LLC	Omani	102,160,110	14.30%	10,216
Civil Service Employees Pension Fund	Omani	67,868,714	9.50%	6,787
SEP International Netherlands B.V.	Netherlands	51,080,055	7.15%	5,108
Blue Horizon Barka Power B.V.	Netherlands	51,080,055	7.15%	5,108
Public Authority for Social Insurance	Omani	46,506,409	6.51%	4,651
Ministry of Defence Pension Fund	Omani	45,218,671	6.33%	4,522
Shareholders with less than 5% shareholding		136,884,834	19.16%	13,688
		<b>714,406,340</b>	<b>100.00%</b>	<b>71,441</b>

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.

# AL SUWADI POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

	<b>30 September</b>	Audited 31 December
	<b>2017</b>	2016
	<b>RO'000s</b>	RO'000s
<b>12. Term loans</b>		
Term loans	<b>197,250</b>	198,635
Less: current portion	<b>(14,659)</b>	(14,720)
Non-current portion	<b>182,591</b>	183,915
Less: Unamortised transaction cost	<b>(6,605)</b>	(7,576)
	<b>175,986</b>	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 September 2017 and 31 December 2016, the outstanding amounts were as follows:

Hermes Covered Variable Facility	<b>56,646</b>	56,916
Commercial Facility	<b>44,225</b>	44,881
KEXIM Direct Facility	<b>40,370</b>	40,562
Hermes Covered Fixed Facility	<b>34,859</b>	35,025
KEXIM Covered Facility	<b>21,150</b>	21,251
	<b>197,250</b>	198,635

### 13. Trade and other payables

Fuel gas payable and accrual	<b>7,024</b>	3,467
Accrued finance cost	<b>2,034</b>	1,718
Due to related parties (note 14)	<b>1,178</b>	1,067
Trade payables	<b>-</b>	99
Other payables and accruals	<b>190</b>	345
	<b>10,426</b>	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 nine month period ended are as follows:

	<b>30 September</b>	30 September
	<b>2017</b>	2016
	<b>RO '000s</b>	RO '000s
Top five employees	<b>232</b>	229

**AL SUWADI POWER COMPANY SAOG****Notes to the unaudited condensed interim financial statements****14 Related party transactions (continued)**

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

	<b>30 September 2017 RO '000s</b>	30 September 2016 RO '000s
Suez-Tractebel Operations & Maintenance Oman LLC	<b>5,846</b>	5,419
Kahrabel Operation & Maintenance (Oman) LLC	<b>210</b>	184
Al Batinah Power Company SAOG	<b>185</b>	122
ENGIE S.A.	<b>69</b>	-
Multitech LLC	<b>33</b>	33
International Power S.A. Dubai Branch	<b>33</b>	32
Sojitz Corporation	<b>16</b>	17
Shikoku Electric Power Co., Inc.	<b>16</b>	20
Public Authority for Social Insurance	<b>15</b>	15
Directors'	<b>14</b>	15
Laborelec Middle East	<b>13</b>	11
Tractebel Engineering S.A.	<b>4</b>	-
Sohar Power Company SAOG	<b>1</b>	-
SMN Barka Power SAOC	<b>1</b>	-
Al Kamil Power SAOG	<b>1</b>	-
Electrabel S.A.	<b>-</b>	69
	<b>6,457</b>	5,937

The nature of the above transactions is as follows:

O&M fixed fee	<b>4,075</b>	4,019
O&M variable fee	<b>1,287</b>	1,208
Custom duties	<b>302</b>	192
Sharing of costs	<b>185</b>	122
Secondment fee	<b>184</b>	184
Other O&M expenses	<b>165</b>	-
DSRA LC fee	<b>149</b>	151
Professional fees	<b>50</b>	43
Directors' sitting fees (note 4)	<b>14</b>	15
Others	<b>46</b>	3
	<b>6,457</b>	5,937

	<b>30 September 2017 RO '000s</b>	Audited 31 December 2016 RO '000s
Balances due from a related party comprised:		
Sohar Power Company SAOG	<b>1</b>	-

Balances due to related parties comprised:

Suez-Tractebel Operations & Maintenance Oman LLC (net)	<b>962</b>	896
Kahrabel Operation & Maintenance (Oman) LLC	<b>52</b>	60
ENGIE S.A.	<b>54</b>	-
Multitech LLC	<b>26</b>	3
Directors'	<b>17</b>	17
Sojitz Corporation	<b>13</b>	2
Shikoku Electric Power Co., Inc.	<b>13</b>	2
Public Authority for Social Insurance	<b>12</b>	15
Laborelec Middle East	<b>18</b>	-
Tractebel Engineering S.A.	<b>4</b>	-
Al Batinah Power Company SAOG	<b>4</b>	65
International Power S.A. Dubai Branch	<b>3</b>	-
Electrabel S.A.	<b>-</b>	7
	<b>1,178</b>	1,067

# AL SUWADI POWER COMPANY SAOG

## 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 nine month period ended 30 September 2017.
- b) The Company has placed purchase orders for RO 203,039 which are outstanding as at 30 September 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/year.

	<b>30 September 2017</b>	Audited 31 December 2016
Net assets - shareholder funds (RO'000s)	<b>94,388</b>	88,266
Weighted average number of shares outstanding during the period/year ('000s)	<b>714,406</b>	714,406
Net assets per share (Baizas)	<b>132.12</b>	123.55

The management believes that the hedging deficit of RO 7.34 million as at 30 September 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.

	<b>30 September 2017</b>	30 September 2016
Net profit for the period (RO'000s)	<b>8,837</b>	11,731
Weighted average number of shares outstanding during the period ('000s)	<b>714,406</b>	714,406
Basic earnings per share (Baizas)	<b>12.37</b>	16.42

### 19 Comparative figures

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