

## BOARD OF DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of Al Suwadi Power Company SAOG (the "Company"), I have the pleasure to present the Directors' Report of the Company for the nine months ended September 2018.

### Operational Results

During the period, the Plant ran smoothly and efficiently with reliability of 99.8% - the best performance since inception and delivered 3,709 GWh to the Omani grid – again highest since inception. The actual plant load for the period was 76.8% as against 73.9% in corresponding period of 2017, translating into 3.8% increase in power generation.

The Plant's good reliability was achieved with no Lost Time Accidents to any of our staff, thereby clocking 2,647 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 months 2018 RO'000s Unaudited	9 months 2017 RO'000s Unaudited	Percentage change
Revenues	63,058	61,227	3.0%
Direct costs	(40,861)	(39,113)	-4.5%
Gross profit	22,197	22,114	0.4%
Profit before tax	13,608	12,997	4.7%
Tax expense	(2,061)	(4,160)	50.5%
Net profit	11,547	8,837	30.7%

Better reliability of the plant, higher generation and 3% increase in gas price have contributed to the increase in the revenue, albeit with some negative impact arising from the indexation mechanism agreed under the Power Purchase Agreement. Reduction in O&M cost led to improvement in gross profit but was partially impacted by thermal inefficiency due to higher plant load factor. Additionally, steady reduction in finance costs during the period, as compared to the nine-month period of 2017, has resulted in 4.7% increase in profit before tax. Finally, the net profit for the period was substantially higher than for the similar period of 2017 by a remarkable 30.7%.

The financial impact on the Company resulting from the tax law changes that were announced last year has been substantially mitigated by invoking 'Change of Law' provision within the Power Purchase Agreement with OPWP.

The cash flow has been robust with OPWP timely settling the dues. The Company has duly met all its commitments under the term loan agreements.

The share price was Baizas 116 at the end of September 2018.

## **Corporate Social Responsibility**

During the period, a joint initiative by Engie group power companies to install solar power facility for school at Barka run by Ministry of Education progressed well and the commissioning of the same is expected before the end of October 2018. Provision of ancillary equipment to the existing X-Ray Unit at the Barka primary health care centre and also providing wheel chairs for disabled at the centre was finalized with the Ministry of Health. The supply and installation is expected to be concluded by the end of October 2018.

During the Year 2019, the Company has plans to similarly install solar power facility for a Government school in Liwa, Batinah region, in association with Engie group power companies. Several other CSR initiatives in Barka region are under discussion with local authorities for the year 2019.

We will strive to serve the community with concerted efforts in the sphere of health, education, sports and social service.

## **Medium term Outlook**

During Q4 2018 and Q1 2019, routine maintenance of all major plant equipment, which has been previously planned as per the recommendation of the manufacturers, would be taken up. All reasonable measures are being taken by the management to maintain high reliability level. Consequently, we expect a steady progress in the Company's financial performance. The Company is also actively pursuing, with the assistance of experts in the power generation, prospects to improve plant efficiency and minimise operational cost.

## **Acknowledgement**

I would like to extend my personal thanks to all personnel associated with the operation of the power plant and the staff of the Company for their hard work and dedication, as well as to those others such as our contractors, whose expertise has assisted us in achieving these excellent results.

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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Ravinder Soin  
Deputy Chairperson

## AL SUWADI POWER COMPANY SAOG

### Unaudited condensed income statement

for the nine month period ended 30 September

	<i>Notes</i>	<b>2018</b> RO'000s	2017 RO'000s
Revenues		<b>63,058</b>	61,227
Direct costs	3	<b>(40,861)</b>	(39,113)
<b>Gross profit</b>		<b>22,197</b>	22,114
General and administrative expenses	4	<b>(549)</b>	(547)
<b>Profit before interest and tax</b>		<b>21,648</b>	21,567
Finance costs (net)	5	<b>(8,040)</b>	(8,570)
<b>Profit before tax</b>		<b>13,608</b>	12,997
Tax expense	6	<b>(2,061)</b>	(4,160)
<b>Net profit for the period</b>		<b>11,547</b>	8,837
<b>Earnings per share</b>			
Basic earnings per share (Baizas)	18	<b>16.16</b>	12.37

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>2018</b>	2017
	<b>RO'000s</b>	RO'000s
<b>Net profit for the period</b>	<b>11,547</b>	8,837
<b>Other comprehensive income, 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	<b>4,458</b>	2,598
<b>Total comprehensive income for the period</b>	<b>16,005</b>	11,435

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 2018 RO'000s	Audited 31 December 2017 RO'000s
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	275,006	280,988
Capital spares		415	413
<b>Total non-current assets</b>		<b>275,421</b>	<b>281,401</b>
<b>Current assets</b>			
Trade and other receivables	8	8,120	3,734
Inventory		1,815	1,745
Short term deposit	9	-	1,770
Cash and cash equivalents	10	14,331	2,609
<b>Total current assets</b>		<b>24,266</b>	<b>9,858</b>
<b>Total assets</b>		<b>299,687</b>	<b>291,259</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	11(a)	71,441	71,441
Legal reserve	11(b)	4,476	4,476
Retained earnings		20,933	11,886
<b>Shareholders' fund</b>		<b>96,850</b>	<b>87,803</b>
Hedging reserve	11(c)	(873)	(5,331)
<b>Total equity</b>		<b>95,977</b>	<b>82,472</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Term loans	12	161,850	162,324
Derivative instruments		1,027	6,307
Deferred tax liability		18,785	15,933
Asset retirement obligation		263	249
End of service benefits		7	6
<b>Total non-current liabilities</b>		<b>181,932</b>	<b>184,819</b>
<b>Current liabilities</b>			
Term loans	12	15,336	15,288
Trade and other payables	13	6,442	6,680
Short term borrowing		-	2,000
<b>Total current liabilities</b>		<b>21,778</b>	<b>23,968</b>
<b>Total liabilities</b>		<b>203,710</b>	<b>208,787</b>
<b>Total equity and liabilities</b>		<b>299,687</b>	<b>291,259</b>
<b>Net assets per share (Baizas)</b>	17	<b>135.57</b>	<b>122.90</b>

The financial statements were approved and authorised for issue in accordance with a resolution of the Board of Directors on 24 October 2018.

  
Deputy Chairperson

  
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>2018</b>	2017
		<b>RO'000s</b>	RO'000s
<b>Cash flows from operating activities:</b>			
Net profit for the period		11,547	8,837
<i>Adjustments for:</i>			
Depreciation		6,004	6,015
Finance costs (net)		8,040	8,570
Tax expense		2,061	4,160
End of service benefits		1	1
		<u>27,653</u>	<u>27,583</u>
Changes in :			
Trade and other receivables		(4,373)	(4,313)
Inventory		(70)	58
Trade and other payables		(597)	3,326
Cash generated from operating activities		<u>22,613</u>	<u>26,654</u>
Finance costs paid		(6,833)	(7,246)
Net cash generated from operating activities		<u>15,780</u>	<u>19,408</u>
<b>Cash flows from investing activities:</b>			
Acquisition of property, plant and equipment		(22)	(48)
Acquisition of capital spares		(2)	(5)
Net cash (used in) investing activities		<u>(24)</u>	<u>(53)</u>
<b>Cash flows from financing activities:</b>			
Repayment of term loans		(1,325)	(1,385)
Repayment of short term borrowing - net		(2,000)	(2,080)
Maturity of short term deposit		1,770	1,923
Dividend paid		(2,500)	(2,715)
Interest received		21	16
Net cash (used in) financing activities		<u>(4,034)</u>	<u>(4,241)</u>
<b>Net change in cash and cash equivalents</b>		<b>11,722</b>	<b>15,114</b>
<b>Cash and cash equivalents at beginning of the period</b>	<i>10</i>	<b>2,609</b>	<b>3,682</b>
<b>Cash and cash equivalents at end of the period</b>	<i>10</i>	<u><b>14,331</b></u>	<u><b>18,796</b></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 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 2018</b>	<b>71,441</b>	<b>4,476</b>	<b>11,886</b>	<b>(5,331)</b>	<b>82,472</b>
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	11,547	-	11,547
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	4,458	4,458
Total comprehensive income for the period	-	-	11,547	4,458	16,005
<i>Transaction with owners of the Company</i>					
<i>Contribution and distribution</i>					
Dividend	-	-	(2,500)	-	(2,500)
<i>Total transaction with owners of the Company</i>	-	-	(2,500)	-	(2,500)
<b>Balance at 30 September 2018</b>	<b>71,441</b>	<b>4,476</b>	<b>20,933</b>	<b>(873)</b>	<b>95,977</b>
Balance at 1 January 2017	71,441	3,911	12,914	(9,939)	78,327
<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>					
<i>Cash flow hedges - effective portion of changes in fair value</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	2,598	2,598
Total comprehensive income for the period	-	-	8,837	2,598	11,435
<i>Transaction with owners of the Company</i>					
<i>Contribution and distribution</i>					
Dividend	-	-	(2,715)	-	(2,715)
<i>Total transaction with owners of the Company</i>	-	-	(2,715)	-	(2,715)
Balance at 30 September 2017	71,441	3,911	19,036	(7,341)	87,047

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), and 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 2017. 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 2017.

#### (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.

#### Change in 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 2017. From 1 January 2018, the Company has adopted IFRS 15 ‘Revenue from Contracts with Customers’ and IFRS 9 ‘Financial Instruments’ and concluded that there is no material impact on these financial statement.



# AL SUWADI POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

	30 September 2018 RO'000s	30 September 2017 RO'000s
<b>3. Direct costs</b>		
Fuel gas	28,856	26,864
Depreciation (note 7)	6,000	6,007
Operation and maintenance ("O&M") fees (note 14)	5,255	5,362
Insurance	374	374
Grid connection fee	153	159
Custom duties	39	15
Fuel oil	31	59
Other O&M expenses	153	273
	<b>40,861</b>	<b>39,113</b>
<b>4. General and administrative expenses</b>		
Secondment fees (note 14)	177	184
Employment costs	117	106
Public company related costs	83	84
Agency fees	38	38
Office rent	15	18
Directors' sitting fees (note 14)	14	14
Depreciation (note 7)	4	8
Other general and administrative expenses	101	95
	<b>549</b>	<b>547</b>
<b>5. Finance costs (net)</b>		
Interest on term loans	5,917	5,124
Swap interest	1,043	2,299
Amortisation of deferred finance costs	899	971
Debt Service Reserve Account ("DSRA") LC cost (note 14)	149	149
Interest on working capital	50	28
Exchange loss	32	33
Asset retirement obligation - unwinding of discount	14	41
Ineffective portion of interest rate hedge	(30)	(46)
Interest income	(34)	(29)
	<b>8,040</b>	<b>8,570</b>
<b>6. Tax expense</b>		
Income tax recognised in the income statement:		
Deferred tax with respect to current period	1,258	1,147
Deferred tax with respect to prior period	803	3,013
	<b>2,061</b>	<b>4,160</b>

(a) In May 2018, the Secretariat General of Taxation ("SGT") has issued decision in respect of the objection filed by the Company for assessment orders for years 2012 and 2013. The SGT accepted the Company's tax return for year 2012, however, maintained the initial assessment order issued by tax department for year 2013. As a result, deferred tax provision based on final decision by the SGT has been recorded in these financial statements.

(b) In 2017, 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%. Accordingly, the effect of increase in tax rate on prior years was incorporated in comparative financial statements.

## AL SUWADI POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

#### 7. Property, plant and equipment

	Property, plant and equipment RO'000s	Technical Spares RO'000s	Other assets RO'000s	Total RO'000s
<b>Cost</b>				
1 January 2018	317,897	1,717	93	319,707
Addition during the period	10	-	12	22
Disposal during the period	-	-	(11)	(11)
30 September 2018	<u>317,907</u>	<u>1,717</u>	<u>94</u>	<u>319,718</u>
<b>Depreciation</b>				
1 January 2018	38,357	276	86	38,719
Charge during the period	5,949	51	4	6,004
Disposal during the period	-	-	(11)	(11)
30 September 2018	<u>44,306</u>	<u>327</u>	<u>79</u>	<u>44,712</u>
<b>Carrying amount</b>				
30 September 2018	<u>273,601</u>	<u>1,390</u>	<u>15</u>	<u>275,006</u>
31 December 2017	<u>279,540</u>	<u>1,441</u>	<u>7</u>	<u>280,988</u>

	Audited
<b>30 September</b>	31 December
<b>2018</b>	<b>2017</b>
<b>RO'000s</b>	<b>RO'000s</b>

#### 8. Trade and other receivables

Trade receivables	7,620	2,737
Due from a related party (note 14)	2	33
Prepayments	340	237
Other receivables and accrued income	158	727
	<u>8,120</u>	<u>3,734</u>

#### 9. Short term deposit

As per the Common Terms Agreement ("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 in the DSPA cannot be utilized 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 2017 was put into a short term deposit which matured on 27 April 2018.

#### 10. Cash and cash equivalents

Short term deposit (less than 3 months)	9,009	-
Cash at bank	5,321	2,608
Cash in hand	1	1
	<u>14,331</u>	<u>2,609</u>

Cash at bank includes RO 4,000 (31 December 2017: RO 4,000) as margin money towards a bank guarantee.

# AL SUWADI POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

### 11. Equity

#### (a) Share capital

The details of the shareholders are as follows:

	Nationality	No. of shares held of nominal value 100 Bzs. each	% of total	Aggregate nominal value of shares held RO '000
<b>30 September 2018</b>				
Kahrabel FZE	UAE	213,607,492	29.90%	21,361
Middle East Investment LLC	Omani	102,160,110	14.30%	10,216
Civil Service Employees Pension Fund	Omani	76,858,091	10.76%	7,686
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	47,560,197	6.66%	4,756
Ministry of Defence Pension Fund	Omani	45,703,564	6.40%	4,570
Shareholders with less than 5% shareholding		126,356,776	17.68%	12,636
		<u>714,406,340</u>	<u>100.00%</u>	<u>71,441</u>
<b>31 December 2017</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	76,858,091	10.76%	7,686
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	47,560,197	6.66%	4,756
Ministry of Defence Pension Fund	Omani	46,149,064	6.46%	4,615
Shareholders with less than 5% shareholding		125,911,276	17.62%	12,591
		<u>714,406,340</u>	<u>100.00%</u>	<u>71,441</u>

The Company has authorized, issued and paid-up share capital of RO 71,440,634 consisting of 714,406,340 shares of RO 0.1 each (31 December 2017: RO 71,440,634 consisting of 714,406,340 shares of RO 0.1 each).

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 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 is 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 2018 RO'000s</b>	Audited 31 December 2017 RO'000s
<b>12. Term loans</b>		
Term loans	<b>182,590</b>	183,915
Less: current portion	<b>(15,336)</b>	(15,288)
Non-current portion	<b>167,254</b>	168,627
Less: unamortised transaction cost	<b>(5,404)</b>	(6,303)
	<b>161,850</b>	162,324

On 16 September 2010, the Company entered into a CTA, 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 2018 and 31 December 2017, the outstanding amounts were as follows:

Hermes Covered Variable Facility	<b>51,547</b>	51,794
Commercial Facility	<b>43,339</b>	43,995
KEXIM Direct Facility	<b>36,737</b>	36,913
Hermes Covered Fixed Facility	<b>31,721</b>	31,874
KEXIM Covered Facility	<b>19,246</b>	19,339
	<b>182,590</b>	183,915

### 13. Trade and other payables

Fuel gas payable and accrual	<b>3,267</b>	3,882
Accrued finance cost	<b>1,853</b>	1,622
Due to related parties (note 14)	<b>950</b>	769
Trade payables	<b>4</b>	2
Other payables and accruals	<b>368</b>	405
	<b>6,442</b>	6,680

### 14. Related party transactions

Related parties comprise the shareholders, directors, key management personnel, 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 benefits

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

	<b>30 September 2018 RO'000s</b>	30 September 2017 RO'000s
Key management benefits	<b>228</b>	232

## 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 2018</b>	30 September 2017
	<b>RO '000s</b>	RO '000s
Suez-Tractebel Operation & Maintenance Oman LLC	5,342	5,846
Kahrabel Operations & Maintenance (Oman) LLC	217	210
Al Batinah Power Company SAOG	160	185
ENGIE SA	69	69
International Power SA Dubai Branch	38	33
Middle East Investment LLC	29	-
Sojitz Corporation	16	16
Shikoku Electric Power Co., Inc.	16	16
Public Authority for Social Insurance	15	15
Laborelec Middle East	15	13
Directors'	14	14
Multitech LLC	4	33
Tractebel Engineering S.A.	-	4
Sohar Power Company SAOG	-	1
SMN Barka Power SAOC	-	1
Al Kamil Power Company SAOG	-	1
	<b>5,935</b>	<b>6,457</b>

The nature of the above transactions is as follows:

Operation and maintenance ("O&M") fees (note 3)	5,255	5,362
Secondment fees (note 4)	177	184
Sharing of costs	160	185
DSRA LC cost (note 5)	149	149
Backcharge of expenses	40	46
Custom duties	39	302
Professional fees	38	50
Technical services	15	-
Directors' sitting fees (note 4)	14	14
Other O&M expenses	48	165
	<b>5,935</b>	<b>6,457</b>

	<b>30 September 2018</b>	Audited 31 December 2017
	<b>RO '000s</b>	RO '000s

Balances due to related parties comprised:

Suez-Tractebel Operation & Maintenance Oman LLC	783	728
ENGIE SA	76	7
Middle East Investment LLC	28	-
Laborelec Middle East	13	7
Shikoku Electric Power Co., Inc.	13	2
Sojitz Corporation	13	2
Public Authority for Social Insurance	12	2
Al Batinah Power Company SAOG	9	-
International Power SA Dubai Branch	3	3
Directors'	-	15
Multitech LLC	-	3
Kahrabel Operations & Maintenance (Oman) LLC	-	0
	<b>950</b>	<b>769</b>

Balance due from a related party comprised:

Kahrabel Operations & Maintenance (Oman) LLC	2	-
Al Batinah Power Company SAOG	-	33
	<b>2</b>	<b>33</b>

## 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 2017.

#### 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 2017 as reduced by amounts accounted for during the nine month period ended 30 September 2018.
- b) The Company has placed purchase orders for RO 64,293 which are outstanding as at 30 September 2018 (RO 14,549 as at 31 December 2017).

#### 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 2018</b>	Audited 31 December 2017
Net assets - shareholder funds (RO'000s)	<b>96,850</b>	87,803
Weighted average number of shares outstanding during the period/year ('000s)	<b>714,406</b>	714,406
Net asset per share (Baizas)	<u><b>135.57</b></u>	<u>122.90</u>

The management believes that the hedging deficit of RO 0.87 million as at 30 September 2018 (RO 5.33 million as at 31 December 2017) 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 agreements, 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 2018</b>	30 September 2017
Net profit for the period (RO'000s)	<b>11,547</b>	8,837
Weighted average number of shares outstanding during the period ('000s)	<b>714,406</b>	714,406
Basic earnings per share (Baizas)	<u><b>16.16</b></u>	<u>12.37</u>

#### 19. Comparative figures

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