

## 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 half year ended 30 June 2018.

### Operational Results

The Plant ran smoothly and efficiently with reliability of 99.72% and delivered 2,333 GWh to the Omani grid. The plant load for the period was 72.85% as against 66.78% in corresponding period of 2017. The Plant's good reliability was achieved with no Lost Time Accidents to any of the staff, thereby clocking 2,555 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 months 2018 RO'000 Unaudited	6 months 2017 RO'000 Unaudited	Percentage change
Revenues	37,609	35,715	5.3%
Direct Costs	-26,191	-24,319	-7.7%
Gross Profit	11,418	11,396	0.2%
Profit before tax	5,683	5,359	6.0%
Tax expense	-1,641	-3,778	56.6%
Net profit	4,042	1,581	155.7%

Better plant reliability, higher generation and 3% increase in gas prices have increased the revenues. Reduction in the O&M cost improved the gross profit but was partially impacted by thermal inefficiency due to higher plant load. Additionally, steady reduction in finance cost during the period as compared to the six-month period of 2017 has resulted in 6% increase in profit before tax. During 2017, increase in corporate income tax rate from 12% to 15% had triggered a one-time additional deferred tax provision for prior years. Finally, the net profit for the period was substantially higher than corresponding period of 2017.

Following the changes made in the Income Tax Law during February 2017, the protection available to the Company under the Change of Law provision of the Power Purchase Agreement was invoked. Recently, Oman Power and Water Procurement Company (OPWP) has conveyed its position on the matter which substantially mitigates adverse financial impact on the Company resulting from the tax law changes.

The share price was 119 Baizas at the end of June 2018.

### Corporate Social Responsibility

The solar power facility for school at Barka run by Ministry of Education is being implemented. The management has discussed with Ministry of Health to provide ancillary equipment to the X Ray Unit at the Barka primary health care centre as also providing wheel chairs to the centre. This is expected to be agreed and implemented in the second half of year 2018.

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

#### **Medium term Outlook**

During the period, routine maintenance of all major operational equipment, which was planned as per the recommendation of the manufacturers, was successfully concluded. All reasonable measures are being taken by the management to maintain high reliability levels in 2018. Consequently, we expect a steady progress in the Company's financial performance.

#### **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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Charles Paul Dexter  
Chairperson

## AL SUWADI POWER COMPANY SAOG

### Unaudited condensed income statement

for the six month period ended 30 June

	<i>Notes</i>	<b>2018</b> <b>RO'000s</b>	2017 RO'000s
Revenues		<b>37,609</b>	35,715
Direct costs	3	<b>(26,191)</b>	(24,319)
<b>Gross profit</b>		<b>11,418</b>	11,396
General and administrative expenses	4	<b>(388)</b>	(395)
<b>Profit before interest and tax</b>		<b>11,030</b>	11,001
Finance costs (net)	5	<b>(5,347)</b>	(5,642)
<b>Profit before tax</b>		<b>5,683</b>	5,359
Tax expense	6	<b>(1,641)</b>	(3,778)
<b>Net profit for the period</b>		<b>4,042</b>	1,581
<b>Earnings per share</b>			
Basic earnings per share (Baizas)	18	<b>5.66</b>	2.21

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 six month period ended 30 June*

	<b>2018</b>	2017
	<b>RO'000s</b>	RO'000s
<b>Net profit for the period</b>	<b>4,042</b>	1,581
<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>3,534</b>	1,258
<b>Total comprehensive income for the period</b>	<b><u>7,576</u></b>	<u>2,839</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 June 2018 RO'000s	Audited 31 December 2017 RO'000s
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	277,000	280,988
Capital spares		413	413
<b>Total non-current assets</b>		<b>277,413</b>	<b>281,401</b>
<b>Current assets</b>			
Trade and other receivables	8	9,789	3,734
Inventory		1,822	1,745
Short term deposit	9	-	1,770
Cash and cash equivalents	10	10,681	2,609
<b>Total current assets</b>		<b>22,292</b>	<b>9,858</b>
<b>Total assets</b>		<b>299,705</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		13,428	11,886
<b>Shareholders' fund</b>		<b>89,345</b>	<b>87,803</b>
Hedging reserve	11(c)	(1,797)	(5,331)
<b>Total equity</b>		<b>87,548</b>	<b>82,472</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Term loans	12	161,551	162,324
Derivative instruments		2,117	6,307
Deferred tax liability		18,202	15,933
Asset retirement obligation		258	249
End of service benefits		7	6
<b>Total non-current liabilities</b>		<b>182,135</b>	<b>184,819</b>
<b>Current liabilities</b>			
Term loans	12	15,336	15,288
Trade and other payables	13	10,356	6,680
Short term borrowing		4,330	2,000
<b>Total current liabilities</b>		<b>30,022</b>	<b>23,968</b>
<b>Total liabilities</b>		<b>212,157</b>	<b>208,787</b>
<b>Total equity and liabilities</b>		<b>299,705</b>	<b>291,259</b>
<b>Net assets per share (Baizas)</b>	17	<b>125.06</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 25 July 2018.



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 six month period ended 30 June

	<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		4,042	1,581
<i>Adjustments for:</i>			
Depreciation		4,002	4,011
Finance costs (net)		5,347	5,642
Tax expense		1,641	3,778
		<u>15,032</u>	15,012
Changes in :			
Trade and other receivables		(6,059)	(5,909)
Inventory		(77)	55
Trade and other payables		3,658	3,921
Cash generated from operating activities		<u>12,554</u>	13,079
Finance costs paid		<u>(4,758)</u>	(4,885)
Net cash generated from operating activities		<u>7,796</u>	8,194
<b>Cash flows from investing activities:</b>			
Acquisition of property, plant and equipment		(14)	(46)
Acquisition of capital spares		-	(5)
Net cash (used in) investing activities		<u>(14)</u>	(51)
<b>Cash flows from financing activities:</b>			
Repayment of term loans		(1,325)	(1,385)
Proceeds from short term borrowing - net		2,330	960
Maturity of short term deposit		1,770	1,923
Dividend paid		(2,500)	(2,715)
Interest received		15	12
Net cash generated from /(used in) financing activities		<u>290</u>	(1,205)
<b>Net change in cash and cash equivalents</b>		<b>8,072</b>	6,938
<b>Cash and cash equivalents at beginning of the period</b>	<i>10</i>	<b>2,609</b>	3,682
<b>Cash and cash equivalents at end of the period</b>	<i>10</i>	<u><b>10,681</b></u>	<u>10,620</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 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
<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	-	-	4,042	-	4,042
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	3,534	3,534
Total comprehensive income for the period	-	-	4,042	3,534	7,576
<i>Transaction with owners of the Company</i>					
<i>Contribution and distribution</i>					
Dividend	-	-	(2,500)	-	(2,500)
Total transaction with owners of the Company	-	-	(2,500)	-	(2,500)
<b>Balance at 30 June 2018</b>	<b>71,441</b>	<b>4,476</b>	<b>13,428</b>	<b>(1,797)</b>	<b>87,548</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	-	-	1,581	-	1,581
<i>Other comprehensive income for the period net of income tax</i>					
<i>Cash flow hedges - effective portion of changes in fair value</i>					
	-	-	-	1,258	1,258
Total comprehensive income for the period	-	-	1,581	1,258	2,839
<i>Transaction with owners of the Company</i>					
<i>Contribution and distribution</i>					
Dividend	-	-	(2,715)	-	(2,715)
Total transaction with owners of the Company	-	-	(2,715)	-	(2,715)
Balance at 30 June 2017	71,441	3,911	11,780	(8,681)	78,451

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

	<b>30 June 2018 RO'000s</b>	30 June 2017 RO'000s
<b>3. Direct costs</b>		
Fuel gas	<b>18,249</b>	16,215
Depreciation (note 7)	<b>4,000</b>	4,005
Operation and maintenance ("O&M") fees (note 14)	<b>3,484</b>	3,473
Insurance	<b>253</b>	249
Grid connection fee	<b>101</b>	106
Fuel oil	<b>25</b>	55
Other O&M expenses	<b>79</b>	216
	<b>26,191</b>	24,319
<b>4. General and administrative expenses</b>		
Secondment fees (note 14)	<b>113</b>	122
Public company related costs	<b>82</b>	84
Employment costs	<b>75</b>	73
Agency fees	<b>25</b>	25
Office rent	<b>10</b>	13
Directors' sitting fees (note 14)	<b>10</b>	9
Depreciation (note 7)	<b>2</b>	6
Other general and administrative expenses	<b>71</b>	63
	<b>388</b>	395
<b>5. Finance costs (net)</b>		
Interest on term loans	<b>3,817</b>	3,310
Swap interest	<b>819</b>	1,585
Amortisation of deferred finance costs	<b>600</b>	648
Debt Service Reserve Account ("DSRA") LC cost (note 14)	<b>78</b>	78
Interest on working capital	<b>50</b>	28
Exchange loss	<b>11</b>	10
Asset retirement obligation - unwinding of discount	<b>10</b>	27
Interest income	<b>(11)</b>	(8)
Ineffective portion of interest rate hedge	<b>(27)</b>	(36)
	<b>5,347</b>	5,642
<b>6. Tax expense</b>		
Income tax recognised in the income statement:		
Deferred tax with respect to current period	<b>839</b>	765
Deferred tax with respect to prior period	<b>802</b>	3,013
	<b>1,641</b>	3,778
(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	2	-	12	14
Disposal during the period	-	-	(1)	(1)
<b>30 June 2018</b>	<b>317,899</b>	<b>1,717</b>	<b>104</b>	<b>319,720</b>
<b>Depreciation</b>				
1 January 2018	38,357	276	86	38,719
Charge during the period	3,966	34	2	4,002
Disposal during the period	-	-	(1)	(1)
<b>30 June 2018</b>	<b>42,323</b>	<b>310</b>	<b>87</b>	<b>42,720</b>
<b>Carrying amount</b>				
<b>30 June 2018</b>	<b>275,576</b>	<b>1,407</b>	<b>17</b>	<b>277,000</b>
31 December 2017	279,540	1,441	7	280,988

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

#### 8. Trade and other receivables

Trade receivables	9,613	2,737
Due from a related party (note 14)	-	33
Prepayments	41	237
Other receivables and accrued income	135	727
	<b>9,789</b>	<b>3,734</b>

#### 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 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 was put into a short term deposit which matured on 27 April 2018.

#### 10. Cash and cash equivalents

Cash in hand	1	1
Cash at bank	10,680	2,608
	<b>10,681</b>	<b>2,609</b>

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 June 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	46,149,064	6.46%	4,615
Shareholders with less than 5% shareholding		125,911,276	17.62%	12,591
		<b>714,406,340</b>	<b>100.00%</b>	<b>71,441</b>

31 December 2017

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
		<b>714,406,340</b>	<b>100.00%</b>	<b>71,441</b>

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 June 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>(5,703)</b>	(6,303)
	<b>161,551</b>	162,324

On 16 September 2010, the Company entered into a Common Terms Agreement (“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 June 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>7,153</b>	3,882
Accrued finance cost	<b>1,584</b>	1,622
Due to related parties (note 14)	<b>1,131</b>	769
Trade payables	<b>0</b>	2
Other payables and accruals	<b>488</b>	405
	<b>10,356</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 six month period ended are as follows:

	<b>30 June 2018 RO'000s</b>	30 June 2017 RO'000s
Key management benefits	<b>148</b>	157

## 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 six month period ended:

	<b>30 June 2018 RO '000s</b>	30 June 2017 RO '000s
Suez-Tractebel Operation & Maintenance Oman LLC	3,495	3,620
Kahrabel Operations & Maintenance (Oman) LLC	132	140
Al Batinah Power Company SAOG	111	117
International Power SA Dubai Branch	38	14
ENGIE S.A.	35	35
Middle East Investment LLC	13	-
Directors'	10	9
Sojitz Corporation	9	9
Shikoku Electric Power Co., Inc.	9	9
Public Authority for Social Insurance	8	8
Laborelec Middle East	6	-
Multitech LLC	4	17
	<b>3,870</b>	<b>3,978</b>

The nature of the above transactions is as follows:

Operation and maintenance ("O&M") fees (note 3)	3,484	3,473
Secondment fees (note 4)	113	122
Sharing of costs	111	117
DSRA LC cost (note 5)	78	78
Professional fees	38	14
Backcharge of expenses	19	18
Directors' sitting fees (note 4)	10	9
Custom duties	7	13
Technical services	6	-
Other O&M expenses	4	134
	<b>3,870</b>	<b>3,978</b>

	<b>30 June 2018 RO '000s</b>	Audited 31 December 2017 RO '000s
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Balances due to related parties comprised:

Suez-Tractebel Operation & Maintenance Oman LLC	1,018	728
ENGIE S.A.	42	7
Kahrabel Operations & Maintenance (Oman) LLC	30	0
Middle East Investment LLC	13	-
Laborelec Middle East	9	7
Public Authority for Social Insurance	5	2
Shikoku Electric Power Co., Inc.	5	2
Sojitz Corporation	5	2
International Power SA Dubai Branch	3	3
Al Batinah Power Company SAOG	1	-
Directors'	-	15
Multitech LLC	-	3
	<b>1,131</b>	<b>769</b>

Balance due from a related party comprised:

Al Batinah Power Company SAOG	-	33
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## 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 six month period ended 30 June 2018.
- b) The Company has placed purchase orders for RO 47,950 which are outstanding as at 30 June 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 June 2018</b>	Audited 31 December 2017
Net assets - shareholder funds (RO'000s)	<b>89,345</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)	<b>125.06</b>	122.90

The management believes that the hedging deficit of RO 1.79 million as at 30 June 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 June 2018</b>	30 June 2017
Net profit for the period (RO'000s)	<b>4,042</b>	1,581
Weighted average number of shares outstanding during the period ('000s)	<b>714,406</b>	714,406
Basic earnings per share (Baizas)	<b>5.66</b>	2.21

#### 19. Comparative figures

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