

## 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 quarter ended 31 March 2017.

### Operational Results

The plant successfully passed the Annual Performance Test for the 5<sup>th</sup> Contract Year under the Power Purchase Agreement by demonstrating the Guaranteed Net Capacity on both fuel oil and gas.

The Plant ran smoothly and efficiently with reliability of 99.4% and delivered 757 GWh to the Omani grid. The plant load for the period was 47.5% as against 31.1% in corresponding period of 2016. The thermal efficiency, which determines the efficiency in the economical utilisation of the gas, was splendid at 101.19%. Again, this admirable performance was achieved with no Lost Time Accidents to any of our staff, thereby clocking 2,099 Lost Time Accident free days since inception, and is reflective of our continued internal focus on Health, Safety, Environment and Quality Management.

### Financial Results

	3-month 2017 RO'000 Unaudited	3-month 2016 RO'000 Unaudited	Percentage change
Revenues	10,509	8,608	22.1%
Direct Costs	(9,870)	(7,803)	(26.5%)
Gross Profit	639	805	(20.6%)
Loss before tax	(2,331)	(2,462)	5.3%
Tax expense	(3,397)	(404)	(740.8%)
Net loss	(5,728)	(2,866)	(99.9)%

Unexpected parts and maintenance cost incurred during the periodical inspection of the plant during the first quarter substantially increased the direct cost and led to the reduction in gross profit. However, better control over the general and administrative cost and a steady reduction in finance costs as compared to Q1 2016 witnessed a reduction in loss before tax.

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 led to an increase in the provision for deferred tax by RO 3.09 million.

The share price was 185 Baizas at the end of March 2017.

### Corporate Social Responsibility

During the quarter, the Company met officials of the various government bodies in the Barka Willayat to discuss and finalise our support to the local community for the year 2017. A final decision in this regard is expected to be taken in the coming 3 months. The Company will strive to serve the community with concerted efforts in the sphere of health, education, sports and social service.

## Medium term Outlook

All reasonable measures are taken by the management to maintain the high reliability levels in 2017.

The change in the income tax rates has necessitated increase in provision for deferred tax which has significantly impacted the financial performance of the Company. We are still awaiting rules to be promulgated by the Tax Department that are expected to clarify the amendment made to other clauses of the Income Tax Law. The total financial impact from Tax Law changes is uncertain at this point of time. The PPA with OPWP provides protection to the Company for such Change of Law and accordingly a formal notification has been made and the matter is being pursued with OPWP.

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 interim financial statements**

**31 March 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

# AL SUWADI POWER COMPANY SAOG

## Unaudited condensed interim financial statements

31 March 2017

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## AL SUWADI POWER COMPANY SAOG

### Unaudited condensed income statement

for the three month period ended 31 March

	<i>Notes</i>	<b>2017</b> <b>RO'000s</b>	2016 RO'000s
Revenues		<b>10,509</b>	8,608
Direct costs	3	<b>(9,870)</b>	(7,803)
<b>Gross profit</b>		<b>639</b>	805
General and administrative expenses	4	<b>(229)</b>	(248)
<b>Profit before interest and tax</b>		<b>410</b>	557
Finance costs (net)	5	<b>(2,741)</b>	(3,019)
<b>(Loss) before tax</b>		<b>(2,331)</b>	(2,462)
Tax expense:	6		
- Current period		<b>(384)</b>	(404)
- Prior period		<b>(3,013)</b>	-
<b>Net (loss) for the period</b>		<b>(5,728)</b>	(2,866)
<b>Earnings per share</b>			
Basic earnings per share (Baizas)	18	<b>(8.02)</b>	(4.01)

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 three month period ended 31 March

	2017	2016
	RO'000	RO'000
<b>Net (loss) for the period</b>	<b>(5,728)</b>	<b>(2,866)</b>
<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	<b>456</b>	<b>(3,558)</b>
<b>Total comprehensive (loss) for the period</b>	<b>(5,272)</b>	<b>(6,424)</b>


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

	<i>Notes</i>	31 March 2017 RO'000s	Audited 31 December 2016 RO'000s
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	287,385	289,349
Capital spares		294	289
<b>Total non-current assets</b>		<b>287,679</b>	<b>289,638</b>
<b>Current assets</b>			
Trade and other receivables	8	5,100	3,800
Inventory		1,829	1,845
Short term deposit	9	1,923	1,923
Cash and cash equivalents	10	2,844	3,682
<b>Total current assets</b>		<b>11,696</b>	<b>11,250</b>
<b>Total assets</b>		<b>299,375</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		7,186	12,914
<b>Shareholders' fund</b>		<b>82,538</b>	<b>88,266</b>
Hedging reserve	11(c)	(9,483)	(9,939)
<b>Total equity</b>		<b>73,055</b>	<b>78,327</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Term loans	12	176,664	176,339
Derivative instruments		11,244	11,401
Deferred tax liability		13,761	10,683
Asset retirement obligation		650	637
End of service benefits		5	5
<b>Total non-current liabilities</b>		<b>202,324</b>	<b>199,065</b>
<b>Current liabilities</b>			
Term loans	12	14,720	14,720
Trade and other payables	13	7,326	6,696
Short term borrowing		1,950	2,080
<b>Total current liabilities</b>		<b>23,996</b>	<b>23,496</b>
<b>Total liabilities</b>		<b>226,320</b>	<b>222,561</b>
<b>Total equity and liabilities</b>		<b>299,375</b>	<b>300,888</b>
<b>Net assets per share (Baizas)</b>	17	<b>115.53</b>	<b>123.55</b>

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

  
 \_\_\_\_\_  
 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 three month period ended 31 March

	<i>Notes</i>	<b>2017</b>	2016
		<b>RO '000s</b>	RO '000s
<b>Cash flows from operating activities:</b>			
Net (loss) for the period		(5,728)	(2,866)
<i>Adjustments for:</i>			
Tax expense		3,397	404
Finance costs (net)		2,741	3,019
Depreciation		2,005	2,005
		<u>2,415</u>	<u>2,562</u>
<i>Changes in</i>			
Trade and other receivables		(1,300)	(2,265)
Inventory		16	(41)
Trade and other payables		412	1,247
Cash generated from operating activities		<u>1,543</u>	<u>1,503</u>
Finance costs paid		(2,205)	(2,250)
End of service benefits paid		-	(2)
Net cash (used in) operating activities		<u>(662)</u>	<u>(749)</u>
<b>Cash flows from investing activities:</b>			
Acquisition of property, plant and equipment		(41)	(1)
Acquisition of capital spares		(5)	-
Net cash (used in) investing activities		<u>(46)</u>	<u>(1)</u>
<b>Cash flows from financing activities:</b>			
(Repayment of) / proceeds from short term borrowing		(130)	720
Net cash (used in) financing activities		<u>(130)</u>	<u>720</u>
<b>Net change in cash and cash equivalents</b>	<i>10</i>	<b>(838)</b>	<b>(30)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<u>3,682</u>	354
<b>Cash and cash equivalents at end of the period</b>	<i>10</i>	<u><u>2,844</u></u>	<u><u>324</u></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 three month period ended 31 March

	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 (loss) for the period</i>					
Net (loss) for the period	-	-	(5,728)	-	(5,728)
<i>Other comprehensive profit for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	456	456
<i>Total comprehensive (loss) for the period</i>	-	-	(5,728)	456	(5,272)
<b>Balance at 31 March 2017</b>	<b>71,441</b>	<b>3,911</b>	<b>7,186</b>	<b>(9,483)</b>	<b>73,055</b>
Balance at 1 January 2016	71,441	3,004	11,326	(12,772)	72,999
<i>Total comprehensive (loss) for the period</i>					
Net (loss) for the period			(2,866)		(2,866)
<i>Other comprehensive (loss) for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	(3,558)	(3,558)
<i>Total comprehensive (loss) for the period</i>	-	-	(2,866)	(3,558)	(6,424)
Balance at 31 March 2016	71,441	3,004	8,460	(16,330)	66,575

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.

#### 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>31 March 2017 RO '000s</b>	31 March 2016 RO '000s
<b>3. Direct costs</b>		
Fuel gas	<b>5,903</b>	3,994
Depreciation (note 7)	<b>2,002</b>	2,002
Operation and maintenance ("O&M") fees	<b>1,612</b>	1,534
Insurance	<b>123</b>	161
Grid connection fee	<b>54</b>	54
Fuel oil	<b>16</b>	9
Custom duties	<b>7</b>	5
Other O&M expenses	<b>153</b>	44
	<b>9,870</b>	7,803
<b>4 General and administrative expenses</b>		
Public company related costs	<b>79</b>	80
Secondment fees	<b>61</b>	62
Employment costs	<b>37</b>	40
Agency fees	<b>12</b>	12
Office rent	<b>6</b>	6
Directors' sitting fees (note 14)	<b>4</b>	5
Corporate social responsibility	<b>-</b>	7
Depreciation (note 7)	<b>3</b>	3
Other general and administrative expenses	<b>27</b>	33
	<b>229</b>	248
<b>5. Finance costs (net)</b>		
Interest on term loans	<b>1,569</b>	1,502
Interest rate swap	<b>819</b>	1,086
Amortisation of deferred finance costs	<b>325</b>	349
Debt Service Reserve Account ("DSRA") LC cost	<b>24</b>	26
Asset retirement obligation-unwinding of discount	<b>13</b>	12
Interest on working capital	<b>11</b>	4
Exchange loss	<b>6</b>	5
Ineffective portion of interest rate hedge	<b>(20)</b>	35
Interest income	<b>(6)</b>	(0)
	<b>2,741</b>	3,019
<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	40	-	-	1	41
31 March 2017	<u>317,891</u>	<u>467</u>	<u>1,717</u>	<u>95</u>	<u>320,170</u>
<b>Depreciation</b>					
1 January 2017	30,447	45	207	81	30,780
Charge during the period	1,982	3	17	3	2,005
31 March 2017	<u>32,429</u>	<u>48</u>	<u>224</u>	<u>84</u>	<u>32,785</u>
<b>Carrying amount</b>					
31 March 2017	<u>285,462</u>	<u>419</u>	<u>1,493</u>	<u>11</u>	<u>287,385</u>
31 December 2016	<u>287,404</u>	<u>422</u>	<u>1,510</u>	<u>13</u>	<u>289,349</u>

	31 March 2017 RO'000s	Audited 31 December 2016 RO'000s
<b>8. Trade and other receivables</b>		
Trade receivables	4,875	3,043
Prepayments	130	243
Due from related parties (note 14)	17	-
Other receivables	78	514
	<u>5,100</u>	<u>3,800</u>

### 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 has been put into a short term deposit maturing on 25 April 2017.

### 10 Cash and cash equivalents

Cash in hand	1	0
Cash at bank	2,843	3,682
	<u>2,844</u>	<u>3,682</u>

Cash at bank includes RO 4,000 (31 December 2016: 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 shareholders are as follows:

31 March 2017	Nationality	No. of shares held of		Aggregate
		nominal value 100 Bzs. each	% of total	nominal value of shares held RO'000s
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	73,523,892	10.29%	7,352
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	47,037,197	6.58%	4,704
Ministry of Defence Pension Fund	Omani	46,093,564	6.45%	4,609
Shareholders with less than 5% shareholding		129,823,975	18.18%	12,983
		<b>714,406,340</b>	<b>100.00%</b>	<b>71,441</b>

31 December 2016

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 a 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>31 March</b>	Audited 31 December
	<b>2017</b>	2016
	<b>RO'000s</b>	RO'000s
<b>12. Term loans</b>		
Term loans	<b>198,635</b>	198,635
Less: current portion	<b>(14,720)</b>	(14,720)
Non-current portion	<b>183,915</b>	183,915
Less: Unamortised transaction cost	<b>(7,251)</b>	(7,576)
	<b>176,664</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 31 March 2017 and 31 December 2016, the outstanding amounts were as follows:

Hermes Covered Variable Facility	<b>56,916</b>	56,916
Commercial Facility	<b>44,881</b>	44,881
KEXIM Direct Facility	<b>40,562</b>	40,562
Hermes Covered Fixed Facility	<b>35,025</b>	35,025
KEXIM Covered Facility	<b>21,251</b>	21,251
	<b>198,635</b>	198,635

### 13. Trade and other payables

Fuel gas payable and accrual	<b>4,127</b>	3,467
Accrued finance cost	<b>1,931</b>	1,718
Due to related parties (note 14)	<b>1,025</b>	1,067
Trade payables	-	99
Other payables and accruals	<b>243</b>	345
	<b>7,326</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 three month period ended are as follows:

	<b>31 March</b>	31 March
	<b>2017</b>	2016
	<b>RO '000s</b>	RO '000s
Top five employees	<b>74</b>	80

# 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 three month period ended:

	<b>31 March 2017 RO '000s</b>	31 March 2016 RO '000s
Suez-Tractebel Operations & Maintenance Oman LLC	<b>1,735</b>	1,539
Kahrabel Operation & Maintenance (Oman) LLC	<b>77</b>	62
Al Batinah Power Company SAOG	<b>46</b>	39
International Power S.A. Dubai Branch	<b>10</b>	12
ENGIE S.A. (Electrabel S.A.)*	<b>11</b>	12
Multitech LLC	<b>5</b>	6
Directors'	<b>4</b>	5
Sojitz Corporation	<b>3</b>	3
Shikoku Electric Power Co. Inc.	<b>3</b>	3
Public Authority for Social Insurance	<b>2</b>	3
	<b>1,896</b>	1,684

The nature of the above transactions is as follows:

	<b>1,309</b>	1,299
O&M fixed fee	<b>1,309</b>	1,299
O&M variable fee	<b>303</b>	235
Other O&M expenses	<b>116</b>	-
Secondment fee	<b>61</b>	62
Sharing of costs	<b>46</b>	39
DSRA LC fee	<b>24</b>	26
Professional fees	<b>10</b>	12
Custom duties	<b>7</b>	5
Directors' sitting fees (note 4)	<b>4</b>	5
Others	<b>16</b>	1
	<b>1,896</b>	1,684

	<b>31 March 2017 RO '000s</b>	Audited 31 December 2016 RO '000s
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Balances due to related parties at 31 March 2017 and 31 December 2016 comprised:

Suez-Tractebel Operations & Maintenance Oman LLC	<b>929</b>	896
Kahrabel Operation & Maintenance (Oman) LLC	<b>21</b>	60
ENGIE S.A. (Electrabel S.A.)*	<b>18</b>	7
International Power S.A. Dubai Branch	<b>13</b>	-
Directors'	<b>11</b>	17
Multitech LLC	<b>9</b>	3
ENGIE-European Maintenance Support	<b>7</b>	-
Laborelec Middle East	<b>5</b>	-
Public Authority for Social Insurance	<b>4</b>	15
Sojitz Corporation	<b>4</b>	2
Shikoku Electric Power Co. Inc.	<b>4</b>	2
Al Batinah Power Company SAOG	<b>-</b>	65
	<b>1,025</b>	1,067

Balance due from a related party at 31 March 2017 and 31 December 2016 comprised:

Kahrabel Operation & Maintenance (Oman) LLC	<b>17</b>	-
Al Batinah Power Company SAOG	<b>0</b>	-
	<b>17</b>	-

\* Effective 29 July 2016, Electrabel S.A. letter of credit has been replaced by ENGIE S.A.

## 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 three month period ended 31 March 2017.
- b) The Company has placed purchase orders for RO 62,995 which are outstanding as at 31 March 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.

	<b>31 March 2017</b>	Audited 31 December 2016
Net assets - shareholder funds (RO'000s)	<b>82,538</b>	88,266
Weighted average number of shares outstanding during the period ('000s)	<b>714,410</b>	714,410
Net assets per share (Baizas)	<b>115.53</b>	123.55

The management believes that the hedging deficit of RO 9.48 million as at 31 March 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>31 March 2017</b>	31 March 2016
Net (loss) for the period (RO'000s)	<b>(5,728)</b>	(2,866)
Weighted average number of shares outstanding during the period ('000s)	<b>714,410</b>	714,410
Basic earnings per share (Baizas)	<b>(8.02)</b>	(4.01)

#### 19 Comparative figures

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