

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of Al Batinah Power Company SAOG (the "Company"), I have the pleasure to present the Directors' Report of the Company for the 9-months period ended 30 September 2020.

Operational Highlights

The Company maintained its excellent record of zero lost time accidents, thereby clocking 3,374 lost time accident free days or 958,253 man-hours since inception, which is reflective of our continued focus on health, safety, security and environment ("HSSE"). The Company was able to continue a smooth operation despite COVID-19 pandemic consequences.

The plant operated with a reliability of 99.77% and delivered 1,489 GWh to the grid. The plant load for the period was 30.76% compared to 27.42% in the corresponding period of 2019.

Financial Results

	9-month-2020 RO'000s Unaudited	9-month-2019 RO'000s Unaudited	Percentage change
Revenues	45,534	44,350	2.7%
Direct costs	(24,387)	(23,255)	
Gross profit	21,147	21,095	0.2%
General and administrative expenses	(571)	(548)	
Profit before interest and tax	20,576	20,547	0.1%
Finance costs (net)	(6,438)	(7,122)	
Profit before tax	14,138	13,425	5.3%
Tax	(1,336)	(1,227)	
Net Profit for the period	12,802	12,198	5.0%

Higher revenues and direct costs as compared to the previous year were attributed mainly to higher plant load factor. The variability of the plant load influences the fuel and energy charges received from the Oman Power & Water Procurement Company SAOC ("OPWP"). However, these charges are passed through to the gas supplier and the O&M service provider and hence have no material impact on the Company's profitability. Higher gross profit was attributed mainly to an extra operating day due to a leap year. Furthermore, the steady reduction in the finance costs positively contributed to the better profit before tax. As a result, the net profit is 5.0% better than the corresponding period of the previous year.

The Company distributed a cash dividend of 2.8 baizas per share in June 2020

The share price was 53 Baizas at the end of September 2020.

Corporate Social Responsibility

The Company allocated 35,000 OMR for the CSR initiatives for the year 2020. After successful Photo-voltage solar CSR projects in schools in Barka and Liwa which were sponsored by four power companies, the Company is joining the same group of companies to sponsor a similar project in Qutaiba bin Muslim School in AL Khamil Walayat. The project involves building around 148KW PV system on top of a steel structure shed. The total cost is around 60,000 OMR (15,000 OMR by the Company). Also, the Company contributed amount of 20,000 OMR to the COVID-19 special account that has been opened by the Ministry of Health to receive contributions to support medical services to combat COVID-19.

Medium term Outlook

All reasonable measures are taken by the management to maintain high availability levels in 2020. Any change in the power supply and demand landscape in the Sultanate has substantially no impact on the financial performance of the Company since its net profit is mainly derived from its plant availability.

The unprecedented COVID-19 pandemic situation has no material impact on the Company's business thus far and the plant had invoked its business continuity plan to cope up with the crisis.

The Company continues to take actions to close the gaps identified in the DCS/SCADA cyber security audit report issued by the Authority for Public Services Regulation ("APSR"). APSR is being updated on regular basis on the actions taken by the Company to ensure due compliance to the cyber security standards.

The Company has been closely monitoring the financial market conditions for any opportunities to avoid the cash sweep that is scheduled from April 2023 as agreed in the Finance Documents. However, the current COVID-19 pandemic creates more challenges in the global and local financial markets which narrow the opportunities to achieve this task.

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 Haitham Bin Tariq 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.



Saif Al Harthy
Chairperson of the Board

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

	<i>Notes</i>	2020 RO'000s	2019 RO'000s
Revenues		45,534	44,350
Direct costs	3	(24,387)	(23,255)
Gross profit		21,147	21,095
General and administrative expenses	4	(571)	(548)
Profit before interest and tax		20,576	20,547
Finance costs (net)	5	(6,438)	(7,122)
Profit before tax		14,138	13,425
Tax expense		(1,336)	(1,227)
Net profit for the period		12,802	12,198
Earnings per share			
Basic earnings per share (Baizas)	20	18.97	18.07

The attached notes 1 to 20 form part of these condensed interim financial statements.

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

	2020	2019
	RO'000s	RO'000s
Net profit for the period	12,802	12,198
Other comprehensive (loss), net of income tax:		
<i>Item that will be reclassified to profit or loss</i>		
Cash flow hedges - effective portion of changes in fair value	<u>(3,584)</u>	<u>(4,993)</u>
Total comprehensive income for the period	<u>9,218</u>	<u>7,205</u>

The attached notes 1 to 20 form part of these condensed interim financial statements.


AL BATINAH POWER COMPANY SAOG

Unaudited condensed statement of financial position

as at

	Notes	30 September 2020 RO'000s	Audited 31 December 2019 RO'000s
Assets			
Non-current assets			
Property, plant and equipment	7	240,782	246,322
Right-of-use assets	8	3,301	3,479
Capital spares		583	487
Total non-current assets		244,666	250,288
Current assets			
Inventory		1,898	1,911
Trade and other receivables	9	20,319	5,118
Short term deposit	10	-	1,578
Cash and cash equivalents	11	12,923	1,883
Total current assets		35,140	10,490
Total assets		279,806	260,778
Equity and liabilities			
Equity			
Share capital	13(a)	67,489	67,489
Legal reserve	13(b)	5,468	5,468
Retained earnings		26,893	15,981
Total equity		99,850	88,938
Hedging reserve	13(c)	(10,400)	(6,816)
Net equity		89,450	82,122
Liabilities			
Non-current liabilities			
Term loans	14	122,065	122,685
Lease liabilities	12	3,363	3,553
Derivative instruments		12,236	8,019
Deferred tax liability		18,604	17,901
Asset retirement obligation		291	276
End of service benefits		26	22
Total non-current liabilities		156,585	152,456
Current liabilities			
Term loans	14	15,680	15,794
Lease liabilities	12	137	128
Trade and other payables	15	17,954	5,040
Short term borrowing		-	5,238
Total current liabilities		33,771	26,200
Total liabilities		190,356	178,656
Total equity and liabilities		279,806	260,778
Net assets per share (Baizas) - adjusted	19	147.95	131.78

The financial statements were approved and authorised for issue in accordance with a resolution of the Board of Directors on 27 October 2020.



 Chairperson



 Director

The attached notes 1 to 20 form part of these condensed interim financial statements.

AL BATINAH POWER COMPANY SAOG

Unaudited condensed statement of cash flows

for the nine month period ended 30 September

	<i>Notes</i>	2020 RO'000s	2019 RO'000s
Cash flows from operating activities:			
Profit before tax		14,138	13,425
<i>Adjustments for:</i>			
Depreciation		5,766	5,760
Finance costs (net)		6,438	7,122
Loss on disposals		-	(0)
End of service benefits		4	(15)
Cash from operations before working capital changes		<u>26,346</u>	26,292
Changes in :			
Trade and other receivables		(15,205)	(1,159)
Inventory		12	(28)
Trade and other payables		12,609	(5,078)
Cash generated from operating activities		<u>23,762</u>	20,027
Lease payments		(337)	(252)
Finance costs paid		(5,407)	(5,976)
Net cash flows generated from operating activities		<u>18,018</u>	13,799
Cash flows from investing activities:			
Acquisition of property, plant and equipment		(48)	(90)
Sale proceeds from property, plant and equipment		-	0
Net cash flows (used in) investing activities		<u>(48)</u>	(90)
Cash flows from financing activities:			
Repayment of term loans		(1,420)	(1,271)
Proceeds from short term borrowing - net		(5,238)	(2,200)
Maturity of short term deposit		1,578	1,807
Dividend paid		(1,890)	(1,890)
Interest received		40	35
Net cash flows (used in) financing activities		<u>(6,930)</u>	(3,519)
Net change in cash and cash equivalents		11,040	10,190
Cash and cash equivalents at beginning of the period	<i>11</i>	1,883	2,021
Cash and cash equivalents at end of the period	<i>11</i>	<u>12,923</u>	<u>12,211</u>

The attached notes 1 to 20 form part of these condensed interim financial statements.

AL BATINAH 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
Balance at 1 January 2020	67,489	5,468	15,981	(6,816)	82,122
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	12,802	-	12,802
<i>Other comprehensive (loss) for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	(3,584)	(3,584)
<i>Total comprehensive income for the period</i>	-	-	12,802	(3,584)	9,218
<i>Transactions with owners of the Company</i>					
<i>Contribution and distribution</i>					
Dividend	-	-	(1,890)	-	(1,890)
<i>Total transactions with owners of the Company</i>	-	-	(1,890)	-	(1,890)
Balance at 30 September 2020	67,489	5,468	26,893	(10,400)	89,450
Balance at 1 January 2019	67,489	4,493	11,935	(3,249)	80,668
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	12,198	-	12,198
<i>Other comprehensive (loss) for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	(4,993)	(4,993)
<i>Total comprehensive income for the period</i>	-	-	12,198	(4,993)	7,205
<i>Transactions with owners of the Company</i>					
<i>Contribution and distribution</i>					
Dividend	-	-	(1,890)	-	(1,890)
<i>Total transactions with owners of the Company</i>	-	-	(1,890)	-	(1,890)
Balance at 30 September 2019	67,489	4,493	22,243	(8,242)	85,983

The attached notes 1 to 20 form part of these condensed interim financial statements.

AL BATINAH POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

1 Legal status and principal activities

Al Batinah 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 Sohar 2 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 (“OPWP”). Accordingly, the Plant is considered and managed as one reportable segment. Commercial Operation of the Plant was achieved by the Company on 3 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 Commercial Companies Law of Sultanate of Oman (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 2019. 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 2019.

(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 2019.

AL BATINAH POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

	30 September 2020 RO'000s	30 September 2019 RO'000s
3. Direct costs		
Fuel gas	12,547	11,457
Depreciation (note 7 & 8)	5,755	5,749
Operation and maintenance ("O&M") fees (note 16)	4,688	4,606
Seawater extraction	780	762
Insurance	400	369
Fuel oil	13	54
Grid connection fee	12	11
Custom duty (note 16)	10	(35)
Plant site rent	-	2
Other direct costs	182	280
	<u>24,387</u>	<u>23,255</u>
4. General and administrative expenses		
Secondment fees (note 16)	185	178
Employment costs	127	136
Public company related costs	65	66
Agency fees	42	39
Corporate social responsibility	20	1
Directors' sitting fees (note 16)	19	13
Office rent	15	15
Depreciation (note 7)	11	11
Other general and administrative expenses	87	89
	<u>571</u>	<u>548</u>
5. Finance costs (net)		
Interest on term loans	3,805	5,564
Swap interest	1,552	381
Amortisation of deferred finance costs	686	759
Interest on lease liabilities	157	185
Debt Service Reserve Account ("DSRA") LC cost (note 16)	140	139
Interest on short term borrowing	77	79
Exchange loss	42	47
Asset retirement obligation - unwinding of discount	16	14
Interest income	(37)	(46)
	<u>6,438</u>	<u>7,122</u>
6. Tax expense		

The Company has received the assessment notice for the years from 2013 to 2016 from the Tax Authority and has filed the objection against the assessment. On 10 August 2020, the Tax Authority has issued the final tax assessment for the years from 2013 to 2016 and they have accepted most of the Company's position. The tax returns for the years from 2017 to 2019 remain unassessed to date. The management is of the opinion that the final tax liability for the years 2017 to 2019 would not be material to the Company's financial position as at 30 September 2020.

AL BATINAH 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	Capital Work-in- progress RO'000s	Total RO'000s
Cost					
1 January 2020	296,398	1,727	147	73	298,345
Addition during the period	10	5	2	31	48
Disposal during the period	-	-	(3)	-	(3)
30 September 2020	<u>296,408</u>	<u>1,732</u>	<u>146</u>	<u>104</u>	<u>298,390</u>
Depreciation					
1 January 2020	51,488	415	120	-	52,023
Charge during the period	5,524	53	11	-	5,588
Disposal during the period	-	-	(3)	-	(3)
30 September 2020	<u>57,012</u>	<u>468</u>	<u>128</u>	<u>-</u>	<u>57,608</u>
Carrying amount					
30 September 2020	<u>239,396</u>	<u>1,264</u>	<u>18</u>	<u>104</u>	<u>240,782</u>
31 December 2019	<u>244,910</u>	<u>1,312</u>	<u>27</u>	<u>73</u>	<u>246,322</u>

8. Right-of-use assets

	Connection Equipment RO'000s	Site Rent RO'000s	Total RO'000s
Cost			
1 January 2020	999	2,717	3,716
Addition during the period	-	-	-
30 September 2020	<u>999</u>	<u>2,717</u>	<u>3,716</u>
Depreciation			
1 January 2020	125	112	237
Charge during the period	94	84	178
30 September 2020	<u>219</u>	<u>196</u>	<u>415</u>
Carrying amount			
30 September 2020	<u>780</u>	<u>2,521</u>	<u>3,301</u>
31 December 2019	<u>874</u>	<u>2,605</u>	<u>3,479</u>

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payment associated with these leases as an expense on a straight-line basis over the lease term.

AL BATINAH POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

	30 September 2020 RO'000s	Audited 31 December 2019 RO'000s
9. Trade and other receivables		
Trade receivables	19,639	4,506
Prepayments	418	239
Due from a related party (note 16)	43	19
Accrued income	-	300
Other receivables	219	54
	<u>20,319</u>	<u>5,118</u>

10. 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 payments. 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 2019 was put into a short term deposit which matured on 28 April 2020.

	30 September 2020 RO'000s	Audited 31 December 2019 RO'000s
11. Cash and cash equivalents		
Short term deposits (less than 3 months)	12,304	-
Cash in hand and at bank	619	1,883
	<u>12,923</u>	<u>1,883</u>

12. Lease liabilities

Lease liabilities included in the statement of financial position as:

Current lease liabilities	137	128
Non-current lease liabilities	3,363	3,553
	<u>3,500</u>	<u>3,681</u>

	30 September 2020		31 December 2019	
	Contractual Undiscounted Cash flows RO'000s	Present value of lease payments RO'000s	Contractual Undiscounted Cash flows RO'000s	Present value of lease payments RO'000s
Amount payable under operating leases				
Within one year	340	137	337	128
In 2 to 5 years	1,396	682	1,385	640
More than 5 years	4,247	2,681	4,599	2,913
	<u>5,983</u>	<u>3,500</u>	<u>6,321</u>	<u>3,681</u>
Less: unpaid finance cost	(2,483)	-	(2,640)	-
Present value of lease payments	<u>3,500</u>	<u>3,500</u>	<u>3,681</u>	<u>3,681</u>

AL BATINAH POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

13. 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
30 September 2020				
Kahrabel FZE	UAE	201,791,343	29.90%	20,179
Middle East Investment LLC	Omani	96,508,899	14.30%	9,651
Civil Service Employees Pension Fund	Omani	88,082,380	13.05%	8,808
SEP International Netherlands B.V.	Netherlands	48,254,453	7.15%	4,825
Sojitz Global Investment B.V.	Netherlands	48,254,453	7.15%	4,825
Public Authority for Social Insurance	Omani	44,678,563	6.62%	4,468
Ministry of Defence Pension Fund	Omani	40,200,737	5.96%	4,020
Shareholders with less than 5% shareholding		107,116,602	15.87%	10,713
		<u>674,887,430</u>	<u>100.00%</u>	<u>67,489</u>

31 December 2019

Kahrabel FZE	UAE	201,791,343	29.90%	20,179
Middle East Investment LLC	Omani	96,508,899	14.30%	9,651
Civil Service Employees Pension Fund	Omani	87,452,380	12.96%	8,745
SEP International Netherlands B.V.	Netherlands	48,254,453	7.15%	4,825
Sojitz Global Investment B.V.	Netherlands	48,254,453	7.15%	4,825
Public Authority for Social Insurance	Omani	44,678,563	6.62%	4,468
Ministry of Defence Pension Fund	Omani	40,200,737	5.96%	4,020
Shareholders with less than 5% shareholding		107,746,602	15.96%	10,776
		<u>674,887,430</u>	<u>100.00%</u>	<u>67,489</u>

The Company has authorized, issued and paid-up share capital of RO 67,488,743 consisting of 674,887,430 shares of RO 0.1 each (31 December 2019: RO 67,488,743 consisting of 674,887,430 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 132 of the Commercial Companies Law requires that 10% of Company's net profits, after deduction of taxes for establishing a legal reserve until such legal reserve amounts to at one-third of the Company's 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 BATINAH POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

	30 September 2020 RO'000s	Audited 31 December 2019 RO'000s
14. Term loans		
Term loans	141,100	142,520
Less: current portion	(15,680)	(15,794)
Non-current portion	125,420	126,726
Less: unamortised transaction cost	(3,355)	(4,041)
	<u>122,065</u>	<u>122,685</u>

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 September 2020 and 31 December 2019, the outstanding amounts were as follows:

Commercial Facility	44,486	45,040
Hermes Covered Variable Facility	37,878	38,217
Hermes Covered Fixed Facility	24,177	24,394
KEXIM Direct Facility	23,540	23,751
KEXIM Covered Facility	11,019	11,118
	<u>141,100</u>	<u>142,520</u>

15. Trade and other payables

Fuel gas payable and accrual	15,574	2,891
Accrued interest cost	1,445	1,237
Due to related parties (note 16)	741	505
Other payable and accruals	194	407
	<u>17,954</u>	<u>5,040</u>

16. 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:

	30 September 2020 RO'000s	30 September 2019 RO'000s
Key management benefits	<u>308</u>	<u>277</u>

AL BATINAH POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

16. Related party transactions *(continued)*

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

	30 September 2020 RO '000s	30 September 2019 RO '000s
Suez-Tractebel Operation & Maintenance Oman LLC	4,709	4,625
Al Suwadi Power Company SAOG	177	228
Kahrabel Operations & Maintenance (Oman) LLC	100	113
Sojitz Corporation	100	97
ENGIE SA	65	64
International Power SA Dubai Branch	35	37
Middle East Investment LLC	31	31
Directors'	19	13
Shikoku Electric Power Co., Inc.	15	15
Public Authority for Social Insurance	14	14
	5,265	5,237

The nature of the above transactions is as follows:

Operation and maintenance ("O&M") fees (note 3)	4,688	4,606
Sharing of costs	177	228
Secondment fees (note 4)	185	178
DSRA LC cost (note 5)	140	139
Professional fees	35	37
Directors' sitting fees (note 4)	19	13
Other O&M expenses	9	16
Custom duty	10	(35)
Capital spares	-	45
Others	2	10
	5,265	5,237

	30 September 2020 RO '000s	Audited 31 December 2019 RO '000s
Balance due from a related party		
Al Suwadi Power Company SAOG	43	19

Balances due to related parties comprised:

Suez-Tractebel Operation & Maintenance Oman LLC	595	432
ENGIE SA	53	6
Middle East Investment LLC	25	3
Sojitz Corporation	22	10
Kahrabel Operations & Maintenance (Oman) LLC	16	31
Shikoku Electric Power Co., Inc.	13	2
Public Authority for Social Insurance	11	1
International Power SA Dubai Branch	6	5
Directors'	0	15
Kahrabel FZE	-	-
	741	505

AL BATINAH POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

17. 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 2019.

18. 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 2019 as reduced by amounts accounted for during the nine month period ended 30 September 2020.
- b) The Company has placed purchase orders for RO 84,542 which are outstanding as at 30 September 2020 (RO 63,311 as at 31 December 2019).

19. Net assets per share - adjusted

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.

	30 September 2020	Audited 31 December 2019
Net assets - shareholder funds (RO'000s)	99,850	88,938
Weighted average number of shares outstanding during the period/year ('000s)	674,887	674,887
Net asset per share (Baizas) - adjusted	147.95	131.78

The management believes that the hedging deficit of RO 10.40 million as at 30 September 2020 (RO 6.82 million as at 31 December 2019) 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 Total Equity.

20. Basic earnings per share

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

	30 September 2020	30 September 2019
Net profit for the period (RO'000s)	12,802	12,198
Weighted average number of shares outstanding during the period ('000s)	674,887	674,887
Basic earnings per share (Baizas)	18.97	18.07