

## 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 3-months period ended 31 March 2019.

### Operational Highlights

The plant successfully passed the annual performance test for the 7<sup>th</sup> Contract Year under the Power Purchase Agreement with OPWP (the "PPA") by demonstrating the Guaranteed Contracted Power Capacity on fuel gas. The performance test on fuel oil was duly completed as well.

The plant operated with a reliability of 99.8% and delivered 942 GWh to the grid. The plant load for the period was 59.24% as against 26.0% in corresponding period of 2018. Also the Company maintained its excellent record of zero lost time accidents, thereby clocking 2,825 lost time accident free days or 813,073 man-hours since inception, which is reflective of our continued focus on health, safety and environment ("HSE").

### Financial Results

	3-month-2019 RO'000s Unaudited	3-month-2018 RO'000s Unaudited	Percentage change
Revenues	12,669	10,057	26.0%
Direct costs	(12,155)	(9,705)	
Gross profit/(loss)	514	352	46.0%
General and administrative expenses	(186)	(176)	
Profit/(loss) before interest and tax	328	176	85.9%
Finance costs (net)	(2,328)	(2,473)	
(Loss) before tax	(2,000)	(2,297)	12.9%
Tax	(414)	(386)	
Net (loss) for the period	(2,414)	(2,683)	10.0%

Higher revenue as compared to the previous year was attributed mainly to higher plant load. The variability of the plant load influences the fuel and energy charges received from the offtaker. However, these charges are passed through to the gas supplier and the O&M service provider, hence no material impact on the Company's profitability. Higher gross profit was attributed mainly to the better availability and lower maintenance expenses due to time differences slightly offset by higher negative fuel margin. Furthermore, the steady reduction in finance costs positively contributed to the better profit before tax. As a result, the net profit is 10% better than the previous year.

The Executive Regulation that clarifies the amendment made to the Tax Laws, has been issued in February 2019 after that the Company has paid the withheld withholding taxes on interests and

services paid to foreign persons. OPWP is expected to compensate the company for those additional costs pursuant to the clauses in PPA.

The share price was 87 Baizas at the end of March 2019.

### **Corporate Social Responsibility**

Following a successful Photo-voltage solar CSR project in Barka school that was sponsored by four power companies, the Company is leading a same group of companies to sponsor a similar project in Sohar area. The Project involve building a steal structure with a shed that covers a playground with an area of 1196 square meters and installation of around 47KW PV system on top of that structure. The total cost is around 60,000 OMR, 15,000 OMR is the donation by the Company.

### **Medium term Outlook**

All reasonable measures are taken by the management to maintain the high availability levels in 2019. 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.

Newly introduced electricity spot market is expected to go live by the end of 2020 and the trial run in mid of 2020. The Company has been continually participating in the spot market working group committees meetings as mandated by the modified generation license. Although the Company is required to participate in the market activities from 2021 onward, all the company's invoices will be settled under the PPA until 2028. Beyond 2028, this Market may constitute one of the options the company may participate in. The Company is protected by PPA for any cost it may incur as a result of the spot Market.

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.

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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Saif Al Harthy  
Chairperson of the Board

# AL BATINAH POWER COMPANY SAOG

## Unaudited condensed income statement

for the three month period ended 31 March

	<i>Notes</i>	<b>2019</b> RO'000s	2018 RO'000s
Revenues		<b>12,669</b>	10,057
Direct costs	3	<b>(12,155)</b>	(9,705)
<b>Gross profit</b>		<b>514</b>	352
General and administrative expenses	4	<b>(186)</b>	(176)
<b>Profit before interest and tax</b>		<b>328</b>	176
Finance costs (net)	5	<b>(2,328)</b>	(2,473)
<b>(Loss) before tax</b>		<b>(2,000)</b>	(2,297)
Tax expense		<b>(414)</b>	(386)
<b>Net (loss) for the period</b>		<b>(2,414)</b>	(2,683)
<b>Earnings per share</b>			
Basic earnings per share (Baizas)	19	<b>(3.58)</b>	(3.98)

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 three month period ended 31 March

	2019 RO'000s	2018 RO'000s
<b>Net (loss) for the period</b>	<b>(2,414)</b>	<b>(2,683)</b>
<b>Other comprehensive (loss)/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	<u>(1,641)</u>	<u>3,139</u>
<b>Total comprehensive (loss)/income for the period</b>	<u><b>(4,055)</b></u>	<u><b>456</b></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

	<i>Notes</i>	31 March 2019 RO'000s	Audited 31 December 2018 RO'000s
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	251,796	253,649
Right-of-use assets	7	3,777	-
Capital spares		412	305
<b>Total non-current assets</b>		<u>255,985</u>	<u>253,954</u>
<b>Current assets</b>			
Trade and other receivables	8	7,037	5,905
Inventory		1,868	1,878
Short term deposit	9	1,807	1,807
Cash and cash equivalents	10	370	2,021
<b>Total current assets</b>		<u>11,082</u>	<u>11,611</u>
<b>Total assets</b>		<u>267,067</u>	<u>265,565</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	12(a)	67,489	67,489
Legal reserve	12(b)	4,493	4,493
Retained earnings		9,521	11,935
<b>Total equity</b>		<u>81,503</u>	<u>83,917</u>
Hedging reserve	12(c)	(4,890)	(3,249)
<b>Net equity</b>		<u>76,613</u>	<u>80,668</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Term loans	13	137,744	137,490
Lease liabilities	11	3,711	-
Derivative instruments		5,752	3,822
Deferred tax liability		16,991	16,867
Asset retirement obligation		261	256
End of service benefits		36	34
<b>Total non-current liabilities</b>		<u>164,495</u>	<u>158,469</u>
<b>Current liabilities</b>			
Term loans	13	14,887	14,887
Lease liabilities	11	129	-
Trade and other payables	14	7,013	9,341
Short term borrowing		3,930	2,200
<b>Total current liabilities</b>		<u>25,959</u>	<u>26,428</u>
<b>Total liabilities</b>		<u>190,454</u>	<u>184,897</u>
<b>Total equity and liabilities</b>		<u>267,067</u>	<u>265,565</u>
<b>Net assets per share (Baizas)</b>	18	<u>120.77</u>	<u>124.34</u>

The financial statements were approved and authorised for issue in accordance with a resolution of the Board of Directors on 24 April 2019.

  
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 three month period ended 31 March

	<i>Notes</i>	<b>2019</b>	2018
		<b>RO'000s</b>	RO'000s
<b>Cash flows from operating activities:</b>			
(Loss) before tax		<b>(2,000)</b>	(2,297)
<i>Adjustments for:</i>			
Depreciation		<b>1,914</b>	1,860
Finance costs (net)		<b>2,328</b>	2,473
Loss on disposals		<b>(0)</b>	-
End of service benefits		<b>2</b>	2
<b>Cash from operations before working capital changes</b>		<b>2,244</b>	2,038
<b>Changes in :</b>			
Trade and other receivables		<b>(1,162)</b>	561
Inventory		<b>10</b>	25
Trade and other payables		<b>(2,649)</b>	606
<b>Cash (used in) generated from operating activities</b>		<b>(1,557)</b>	3,230
Finance costs paid		<b>(1,816)</b>	(1,568)
<b>Net cash flows (used in) generated from operating activities</b>		<b>(3,373)</b>	1,662
<b>Cash flows from investing activities:</b>			
Acquisition of property, plant and equipment		<b>(9)</b>	(0)
Sale proceeds from property, plant and equipment		<b>0</b>	-
<b>Net cash flows (used in) investing activities</b>		<b>(9)</b>	(0)
<b>Cash flows from financing activities:</b>			
Proceeds from (repayment) to short term borrowing - net		<b>1,730</b>	(664)
Interest received		<b>1</b>	1
<b>Net cash flows generated from (used in) financing activities</b>		<b>1,731</b>	(663)
<b>Net change in cash and cash equivalents</b>		<b>(1,651)</b>	999
<b>Cash and cash equivalents at beginning of the period</b>	<i>10</i>	<b>2,021</b>	2,991
<b>Cash and cash equivalents at end of the period</b>	<i>10</i>	<b>370</b>	3,990

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 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 2019</b>	<b>67,489</b>	<b>4,493</b>	<b>11,935</b>	<b>(3,249)</b>	<b>80,668</b>
<i>Total comprehensive (loss) for the period</i>					
Net (loss) for the period	-	-	(2,414)	-	(2,414)
<i>Other comprehensive (loss) for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	(1,641)	(1,641)
Total comprehensive (loss) for the period	-	-	(2,414)	(1,641)	(4,055)
<b>Balance at 31 March 2019</b>	<b>67,489</b>	<b>4,493</b>	<b>9,521</b>	<b>(4,890)</b>	<b>76,613</b>
Balance at 1 January 2018	67,489	3,586	9,493	(5,093)	75,475
<i>Total comprehensive income for the period</i>					
Net (loss) for the period	-	-	(2,683)	-	(2,683)
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	3,139	3,139
Total comprehensive income for the period	-	-	(2,683)	3,139	456
Balance at 31 March 2018	67,489	3,586	6,810	(1,954)	75,931

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 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 2018. 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 2018.

#### (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 2018. From 1 January 2019, the Company has adopted IFRS 16 ‘Leases’ and the impact has been considered in these financial statement.



# AL BATINAH POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

	31 March 2019 RO'000s	31 March 2018 RO'000s
<b>3. Direct costs</b>		
Fuel gas	8,204	5,647
Depreciation (note 6 & 7)	1,910	1,858
Operation and maintenance ("O&M") fees (note 15)	1,631	1,641
Seawater extraction	254	250
Insurance	125	128
Fuel oil	8	25
Grid connection fee	7	39
Custom duty (note 15)	1	(3)
Plant site rent	0	41
Other direct costs	15	79
	<b>12,155</b>	<b>9,705</b>
<b>4. General and administrative expenses</b>		
Secondment fees (note 15)	59	60
Employment costs	43	34
Public company related costs	19	20
Agency fees	13	13
Office rent	5	5
Directors' sitting fees (note 15)	5	6
Depreciation (note 6)	4	2
Corporate social responsibility	-	4
Other general and administrative expenses	38	32
	<b>186</b>	<b>176</b>
<b>5. Finance costs (net)</b>		
Interest on term loans	1,881	1,680
Amortisation of deferred finance costs	254	277
Swap interest	91	466
Interest on lease liabilities	51	-
Interest on short term borrowing	36	28
Debt Service Reserve Account ("DSRA") LC cost (note 15)	20	21
Asset retirement obligation - unwinding of discount	5	4
Exchange loss	4	5
Interest income	(14)	(8)
	<b>2,328</b>	<b>2,473</b>

# AL BATINAH POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

### 6. 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 2019	296,359	1,724	142	298,225
Addition during the period	7	0	2	9
Disposal during the period	-	-	(1)	(1)
31 March 2019	<u>296,366</u>	<u>1,724</u>	<u>143</u>	<u>298,233</u>
<b>Depreciation</b>				
1 January 2019	44,123	345	108	44,576
Charge during the period	1,841	17	4	1,862
Disposal during the period	-	-	(1)	(1)
31 March 2019	<u>45,964</u>	<u>362</u>	<u>111</u>	<u>46,437</u>
<b>Carrying amount</b>				
31 March 2019	<u>250,402</u>	<u>1,362</u>	<u>32</u>	<u>251,796</u>
31 December 2018	<u>252,236</u>	<u>1,379</u>	<u>34</u>	<u>253,649</u>

### 7. Right-of-use assets

	Connection Equipment RO'000s	Site Rent RO'000s	Total RO'000s
<b>Cost</b>			
1 January 2019	1,222	2,607	3,829
Addition during the period	-	-	-
Disposal during the period	-	-	-
31 March 2019	<u>1,222</u>	<u>2,607</u>	<u>3,829</u>
<b>Depreciation</b>			
1 January 2019	-	-	-
Charge during the period	33	19	52
Disposal during the period	-	-	-
31 March 2019	<u>33</u>	<u>19</u>	<u>52</u>
<b>Carrying amount</b>			
31 March 2019	<u>1,189</u>	<u>2,588</u>	<u>3,777</u>
31 December 2018	<u>-</u>	<u>-</u>	<u>-</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

	31 March 2019 RO'000s	Audited 31 December 2018 RO'000s
<b>8. Trade and other receivables</b>		
Trade receivables	5,901	4,814
Due from a related party (note 15)	32	0
Prepayments	172	231
Other receivables and accrued income	932	860
	<u>7,037</u>	<u>5,905</u>

### 9. Short term deposit

As per the Common Terms Ageement ("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 lying in the DSPA account has been placed into a short term deposit maturing on 26 April 2019.

	31 March 2019 RO'000s	Audited 31 December 2018 RO'000s
<b>10. Cash and cash equivalents</b>		
Cash in hand and at bank	370	2,021

### 11. Lease liabilities

Lease liabilities included in the statement of financial position as:

Current lease liabilities	129	-
Non-current lease liabilities	3,711	-
	<u>3,840</u>	<u>-</u>

#### 31 March 2019

	Contractual Undiscounted Cash flows RO'000s	Present value of lease payments RO'000s
<b>Amount payable under operating leases</b>		
Within one year	334	129
In 2 to 5 years	1,335	584
More than 5 years	5,818	3,127
	<u>7,487</u>	<u>3,840</u>
Less: unpaid finance cost	(3,647)	-
<b>Present value of lease payments</b>	<u>3,840</u>	<u>3,840</u>

# AL BATINAH POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

### 12. 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>31 March 2019</b>				
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	87,880,172	13.02%	8,788
SEP International Netherlands B.V.	Netherlands	48,254,453	7.15%	4,825
Blue Horizon Sohar Power B.V.	Netherlands	48,254,453	7.15%	4,825
Public Authority for Social Insurance	Omani	45,152,563	6.69%	4,515
Ministry of Defence Pension Fund	Omani	40,200,737	5.96%	4,020
Shareholders with less than 5% shareholding		106,844,810	15.83%	10,686
		<u>674,887,430</u>	<u>100.00%</u>	<u>67,489</u>

31 December 2018

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	87,922,172	13.03%	8,792
SEP International Netherlands B.V.	Netherlands	48,254,453	7.15%	4,825
Blue Horizon Sohar Power B.V.	Netherlands	48,254,453	7.15%	4,825
Public Authority for Social Insurance	Omani	45,152,563	6.69%	4,515
Ministry of Defence Pension Fund	Omani	40,890,737	6.06%	4,089
Shareholders with less than 5% shareholding		106,112,810	15.72%	10,613
		<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 2018: 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 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 BATINAH POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

	<b>31 March 2019 RO'000s</b>	Audited 31 December 2018 RO'000s
<b>13. Term loans</b>		
Term loans	157,407	157,407
Less: current portion	(14,887)	(14,887)
Non-current portion	142,520	142,520
Less: unamortised transaction cost	(4,776)	(5,030)
	<u>137,744</u>	<u>137,490</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 31 March 2019 and 31 December 2018, the outstanding amounts were as follows:

Commercial Facility	45,785	45,785
Hermes Covered Variable Facility	43,762	43,762
Hermes Covered Fixed Facility	27,933	27,933
KEXIM Direct Facility	27,196	27,196
KEXIM Covered Facility	12,731	12,731
	<u>157,407</u>	<u>157,407</u>

#### 14. Trade and other payables

Fuel gas payable and accrual	4,854	5,987
Accrued finance cost	1,578	1,363
Due to related parties (note 15)	219	397
Other payables and accruals	362	1,594
	<u>7,013</u>	<u>9,341</u>

#### 15. 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 three month period ended are as follows:

	<b>31 March 2019 RO'000s</b>	31 March 2018 RO'000s
Key management benefits	<u>104</u>	<u>90</u>

# AL BATINAH POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

### 15. Related party transactions (continued)

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

	<b>31 March 2019 RO '000s</b>	31 March 2018 RO '000s
Suez-Tractebel Operation & Maintenance Oman LLC	1,640	1,682
Al Suwadi Power Company SAOG	99	48
Kahrabel Operations & Maintenance (Oman) LLC	32	33
Sojitz Corporation	29	20
ENGIE SA	9	10
International Power SA Dubai Branch	9	8
Middle East Investment LLC	5	-
Directors'	5	6
Shikoku Electric Power Co., Inc.	2	11
Public Authority for Social Insurance	2	2
Multitech LLC	-	5
	<u>1,832</u>	<u>1,825</u>

The nature of the above transactions is as follows:

Operation and maintenance ("O&M") fees (note 3)	1,631	1,641
Sharing of costs	99	48
Secondment fees (note 4)	59	60
DSRA LC cost (note 5)	20	21
Professional fees	9	8
Directors' sitting fees (note 4)	5	6
Other O&M expenses	4	38
Custom duties	1	(3)
Others	4	6
	<u>1,832</u>	<u>1,825</u>

	<b>31 March 2019 RO '000s</b>	Audited 31 December 2018 RO '000s
Balance due from a related party		
Al Suwadi Power Company SAOG	<u>32</u>	<u>-</u>

Balances due to related parties comprised:

Suez-Tractebel Operation & Maintenance Oman LLC	139	238
Kahrabel Operations & Maintenance (Oman) LLC	21	32
ENGIE SA	15	87
International Power SA Dubai Branch	14	5
Public Authority for Social Insurance	12	1
Middle East Investment LLC	9	5
Shikoku Electric Power Co., Inc.	4	2
Sojitz Corporation	4	11
Directors'	1	15
Kahrabel FZE	-	1
	<u>219</u>	<u>397</u>

## AL BATINAH POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

#### 16. 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 2018.

#### 17. 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 2018 as reduced by amounts accounted for during the three month period ended 31 March 2019.
- b) The Company has placed purchase orders for RO 180,031 which are outstanding as at 31 March 2019 (RO 213,937 as at 31 December 2018).

#### 18. 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>31 March 2019</b>	Audited 31 December 2018
Net assets - shareholder funds (RO'000s)	<b>81,503</b>	83,917
Weighted average number of shares outstanding during the period/year ('000s)	<b>674,887</b>	674,887
Net asset per share (Baizas)	<b>120.77</b>	124.34

The management believes that the hedging deficit of RO 4.89 million as at 31 March 2019 (RO 3.25 million as at 31 December 2018) 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.

#### 19. 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 2019</b>	31 March 2018
Net loss for the period (RO'000s)	<b>(2,414)</b>	(2,683)
Weighted average number of shares outstanding during the period ('000s)	<b>674,887</b>	674,887
Basic earnings per share (Baizas)	<b>(3.58)</b>	(3.98)

#### 20. Comparative figures

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