

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 2019.

Operational Results

During the six months the Plant ran with a reliability of 98.8% and delivered 2,280 GWh to the Omani grid. The actual plant load for the period was 71.25%. High plant load is reflective of the plant's high merit ranking among the power generators in the Oman's national grid. However, the plant has certain inherent inefficiency when the plant operates at high generation load and consequently suffers heat rate loss. This increases direct cost and impacts the final financial results. The plant's consistent high generation load and greatly reliable operation was achieved with no Lost Time Accidents to any of our staff, thereby clocking 2,919 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 2019 RO'000 Unaudited	6-month 2018 RO'000 Unaudited	Percentage change
Revenues	38,096	37,609	1.3%
Direct Costs	(26,708)	(26,191)	2.0%
Gross Profit	11,388	11,418	-0.3%
Profit before tax	6,004	5,683	5.7%
Net Profit for the period	5,127	4,042	26.8%

Reduction in finance cost consequent to steady project loan instalment payments and lower tax expenses have assisted the net profit for six months of 2019 to be substantially higher than for the similar period in 2018.

The financial impact on the Company from the Oman's tax law changes - mainly from withholding tax - has been mitigated and the costs incurred in this respect have been recompensed.

The assignment to a leading firm of consultants to evaluate and suggest improvement in the Company's plant performance, especially improving the fuel efficiency, is underway. Once the recommendations are received and thereafter evaluated and found to be financially feasible, the same would be implemented.

The share price was 76 Baizas at the end of June 2019.

Corporate Social Responsibility

Solar power facility for a school run by Ministry of Education at Liwa, in association with three other power companies in Oman, is in progress and the facility is expected to be commissioned by September

2019. Other areas of community support in Barka region are also being pursued with local governmental authorities, as per the Company's CSR Policy.

Medium term Outlook

The second quarter of the year 2019 has seen excellent plant operations, without any forced outage. We expect similar seamless operation for the rest of the year and thereafter. During last quarter of 2019, routine maintenance of all major operational equipment is planned as per the recommendation of the manufacturers. All reasonable measures are being taken up by the management to maintain high reliability levels in the future. 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.



Charles Paul Dexter
Chairperson

AL SUWADI POWER COMPANY SAOG

Unaudited condensed income statement

for the six month period ended 30 June

	<i>Notes</i>	2019 RO'000s	2018 RO'000s
Revenues		38,096	37,609
Direct costs	3	(26,708)	(26,191)
Gross profit		11,388	11,418
General and administrative expenses	4	(397)	(388)
Profit before interest and tax		10,991	11,030
Finance costs (net)	5	(4,987)	(5,347)
Profit before tax		6,004	5,683
Tax expense		(877)	(1,641)
Net profit for the period		5,127	4,042
Earnings per share			
Basic earnings per share (Baizas)	19	7.18	5.66

The attached notes 1 to 20 form 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*

	2019 RO'000s	2018 RO'000s
Net profit for the period	5,127	4,042
Other comprehensive (loss)/income, 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	(3,928)	3,534
Total comprehensive income for the period	<u>1,199</u>	<u>7,576</u>

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

AL SUWADI POWER COMPANY SAOG

Unaudited condensed statement of financial position

as at

	Notes	30 June 2019 RO'000s	Audited 31 December 2018 RO'000s
Assets			
Non-current assets			
Property, plant and equipment	6	269,066	273,016
Right-of-use assets	7	1,517	-
Capital spares		445	413
Total non-current assets		271,028	273,429
Current assets			
Trade and other receivables	8	14,072	5,635
Inventory		1,833	1,812
Short term deposit	9	-	1,461
Cash and cash equivalents	10	8,052	1,274
Total current assets		23,957	10,182
Total assets		294,985	283,611
Equity and liabilities			
Equity			
Share capital	12(a)	71,441	71,441
Legal reserve	12(b)	5,377	5,377
Retained earnings		16,405	13,564
Total equity		93,223	90,382
Hedging reserve	12(c)	(7,218)	(3,290)
Net equity		86,005	87,092
Liabilities			
Non-current liabilities			
Term loans	13	146,523	147,529
Lease liabilities	11	1,408	-
Derivative instruments		8,491	3,871
Deferred tax liability		19,165	18,980
Asset retirement obligation		278	268
End of service benefits		8	7
Total non-current liabilities		175,873	170,655
Current liabilities			
Term loans	13	16,153	15,969
Lease liabilities	11	211	-
Trade and other payables	14	10,713	8,895
Short term borrowing		6,030	1,000
Total current liabilities		33,107	25,864
Total liabilities		208,980	196,519
Total equity and liabilities		294,985	283,611
Net assets per share (Baizas)	18	130.49	126.51

The financial statements were approved and authorised for issue in accordance with a resolution of the Board of Directors on 30 July 2019.



Chairperson



Director

The attached notes 1 to 20 form 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>	2019 RO'000s	2018 RO'000s
Cash flows from operating activities:			
Profit before tax		6,004	5,683
<i>Adjustments for:</i>			
Depreciation		4,082	4,002
Finance costs (net)		4,987	5,347
Loss on disposals		0	-
End of service benefits		1	-
Cash from operations before working capital changes		<u>15,074</u>	15,032
Changes in :			
Trade and other receivables		(8,457)	(6,059)
Inventory		(21)	(77)
Trade and other payables		1,853	3,658
Cash generated from operating activities		<u>8,449</u>	12,554
Finance costs paid		(4,468)	(4,758)
Net cash flows generated from operating activities		<u>3,981</u>	7,796
Cash flows from investing activities:			
Acquisition of property, plant and equipment		(57)	(14)
Sale proceeds from property, plant and equipment		0	-
Net cash flows (used in) investing activities		<u>(57)</u>	(14)
Cash flows from financing activities:			
Repayment of term loans		(1,372)	(1,325)
Proceeds from short term borrowing - net		5,030	2,330
Maturity of short term deposit		1,461	1,770
Dividend paid		(2,286)	(2,500)
Interest received		21	15
Net cash flows generated from financing activities		<u>2,854</u>	290
Net change in cash and cash equivalents		6,778	8,072
Cash and cash equivalents at beginning of the period	<i>10</i>	1,274	2,609
Cash and cash equivalents at end of the period	<i>10</i>	<u>8,052</u>	<u>10,681</u>

The attached notes 1 to 20 form 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
Balance at 1 January 2019	71,441	5,377	13,564	(3,290)	87,092
<i>Total comprehensive profit for the period</i>					
Net profit for the period	-	-	5,127	-	5,127
<i>Other comprehensive (loss) for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	(3,928)	(3,928)
Total comprehensive profit for the period	-	-	5,127	(3,928)	1,199
<i>Transaction with owners of the Company</i>					
<i>Contribution and distribution</i>					
Dividend	-	-	(2,286)	-	(2,286)
Total transaction with owners of the Company	-	-	(2,286)	-	(2,286)
Balance at 30 June 2019	71,441	5,377	16,405	(7,218)	86,005
Balance at 1 January 2018	71,441	4,476	11,886	(5,331)	82,472
<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)
Balance at 30 June 2018	71,441	4,476	13,428	(1,797)	87,548

The attached notes 1 to 20 form 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 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 SUWADI POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

	30 June 2019 RO'000s	30 June 2018 RO'000s
3. Direct costs		
Fuel gas	18,871	18,249
Depreciation (note 6 & 7)	4,076	4,000
Operation and maintenance ("O&M") fees (note 15)	3,388	3,484
Insurance	242	253
Fuel oil	39	25
Grid connection fee	8	101
Other O&M expenses	84	79
	<u>26,708</u>	<u>26,191</u>
4. General and administrative expenses		
Secondment fees (note 15)	115	113
Employment costs	84	75
Public company related costs	82	82
Agency fees	26	25
Office rent	10	10
Directors' sitting fees (note 15)	9	10
Depreciation (note 6)	6	2
Other general and administrative expenses	65	71
	<u>397</u>	<u>388</u>
5. Finance costs (net)		
Interest on term loans	4,034	3,817
Amortisation of deferred finance costs	550	600
Swap interest	195	819
Debt Service Reserve Account ("DSRA") LC cost (note 15)	76	78
Interest on short term borrowing	65	50
Interest on lease liabilities	39	-
Exchange loss	33	11
Asset retirement obligation - unwinding of discount	10	10
Interest income	(15)	(11)
Ineffective portion of interest rate hedge	-	(27)
	<u>4,987</u>	<u>5,347</u>

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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	Capital Work-in- progress RO'000s	Total RO'000s
Cost					
1 January 2019	317,903	1,717	105	4	319,729
Addition during the period	4	-	2	51	57
Disposal during the period	-	-	(1)	-	(1)
30 June 2019	<u>317,907</u>	<u>1,717</u>	<u>106</u>	<u>55</u>	<u>319,785</u>
Depreciation					
1 January 2019	46,288	345	80	-	46,713
Charge during the period	3,965	36	6	-	4,007
Disposal during the period	-	-	(1)	-	(1)
30 June 2019	<u>50,253</u>	<u>381</u>	<u>85</u>	<u>-</u>	<u>50,719</u>
Carrying amount					
30 June 2019	<u>267,654</u>	<u>1,336</u>	<u>21</u>	<u>55</u>	<u>269,066</u>
31 December 2018	<u>271,615</u>	<u>1,372</u>	<u>25</u>	<u>4</u>	<u>273,016</u>

7. Right-of-use assets

	Connection Equipment RO'000s	Site Rent RO'000s	Total RO'000s
Cost			
1 January 2019	1,318	274	1,592
Addition during the period	-	-	-
Disposal during the period	-	-	-
30 June 2019	<u>1,318</u>	<u>274</u>	<u>1,592</u>
Depreciation			
1 January 2019	-	-	-
Charge during the period	71	4	75
Disposal during the period	-	-	-
30 June 2019	<u>71</u>	<u>4</u>	<u>75</u>
Carrying amount			
30 June 2019	<u>1,247</u>	<u>270</u>	<u>1,517</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 SUWADI POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

	30 June 2019 RO'000s	Audited 31 December 2018 RO'000s
8. Trade and other receivables		
Trade receivables	13,841	4,533
Prepayments	39	237
Other receivables and accrued income	192	865
	<u>14,072</u>	<u>5,635</u>

9. Short term deposit

As per the Common Terms Agreement ("CTA"), the Company is required to maintain a Debt Service Provisioning Account ("DSPA") to ensure funds are available to service the loan instalments and interest on due date. At each repayment date at the end of October, the Company is required to put the scheduled amount towards the next six monthly payment. The amount in the DSPA cannot be utilized for any purpose other than servicing the loan instalments and interest and is as such restricted cash. The amount in the DSPA as at 31 December 2018 was put into a short term deposit which matured on 26 April 2019.

	30 June 2019 RO'000s	Audited 31 December 2018 RO'000s
10. Cash and cash equivalents		
Cash in hand	2	1
Cash at bank	8,050	1,273
	<u>8,052</u>	<u>1,274</u>

11. Lease liabilities

Lease liabilities included in the statement of financial position as:

Current lease liabilities	211	-
Non-current lease liabilities	1,408	-
	<u>1,619</u>	<u>-</u>

30 June 2019

	Contractual Undiscounted Cash flows RO'000s	Present value of lease payments RO'000s
Amount payable under operating leases		
Within one year	197	211
In 2 to 5 years	786	551
More than 5 years	1,268	857
	<u>2,251</u>	<u>1,619</u>
Less: unpaid finance cost	(632)	-
Present value of lease payments	<u>1,619</u>	<u>1,619</u>

AL SUWADI 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
30 June 2019				
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	76,875,591	10.76%	7,688
SEP International Netherlands B.V.	Netherlands	51,080,055	7.15%	5,108
Sojitz Global Investment B.V.	Netherlands	51,080,055	7.15%	5,108
Public Authority for Social Insurance	Omani	47,622,697	6.67%	4,762
Ministry of Defence Pension Fund	Omani	45,218,671	6.33%	4,522
Shareholders with less than 5% shareholding		126,761,669	17.74%	12,676
		714,406,340	100.00%	71,441

31 December 2018

Kahrabel FZE	UAE	213,607,492	29.90%	21,361
Middle East Investment LLC	Omani	102,160,110	14.30%	10,216
Civil Service Employees Pension Fund	Omani	76,858,091	10.76%	7,686
SEP International Netherlands B.V.	Netherlands	51,080,055	7.15%	5,108
Blue Horizon Barka Power B.V.	Netherlands	51,080,055	7.15%	5,108
Public Authority for Social Insurance	Omani	47,560,197	6.66%	4,756
Ministry of Defence Pension Fund	Omani	45,753,564	6.40%	4,575
Shareholders with less than 5% shareholding		126,306,776	17.68%	12,631
		714,406,340	100.00%	71,441

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 2018: 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

	30 June 2019 RO'000s	Audited 31 December 2018 RO'000s
13. Term loans		
Term loans	167,254	168,626
Less: current portion	<u>(16,153)</u>	<u>(15,969)</u>
Non-current portion	151,101	152,657
Less: unamortised transaction cost	<u>(4,578)</u>	<u>(5,128)</u>
	<u>146,523</u>	<u>147,529</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 June 2019 and 31 December 2018, the outstanding amounts were as follows:

Hermes Covered Variable Facility	46,051	46,449
Commercial Facility	42,850	43,148
KEXIM Direct Facility	32,820	33,103
Hermes Covered Fixed Facility	28,339	28,583
KEXIM Covered Facility	17,194	17,343
	<u>167,254</u>	<u>168,626</u>
14. Trade and other payables		
Fuel gas payable and accrual	7,916	5,547
Accrued finance cost	1,442	1,454
Due to related parties (note 15)	1,246	536
Other payables and accruals	109	1,358
	<u>10,713</u>	<u>8,895</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 six month period ended are as follows:

	30 June 2019 RO'000s	30 June 2018 RO'000s
Key management benefits	<u>153</u>	<u>148</u>

AL SUWADI 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 six month period ended:

	30 June 2019 RO '000s	30 June 2018 RO '000s
Suez-Tractebel Operation & Maintenance Oman LLC	3,446	3,495
Al Batinah Power Company SAOG	160	111
Kahrabel Operations & Maintenance (Oman) LLC	105	132
Middle East Investment LLC	46	13
ENGIE SA	35	35
International Power SA Dubai Branch	37	38
Directors'	9	10
Sojitz Corporation	8	9
Shikoku Electric Power Co., Inc.	8	9
Public Authority for Social Insurance	8	8
Laborelec Middle East	0	6
Multitech LLC	-	4
	3,862	3,870

The nature of the above transactions is as follows:

Operation and maintenance ("O&M") fees (note 3)	3,388	3,484
Sharing of costs	160	111
Secondment fees (note 4)	115	113
DSRA LC cost (note 5)	76	78
Other O&M expenses	53	4
Professional fees	36	38
Backcharge of expenses	21	19
Directors' sitting fees (note 4)	9	10
Custom duties	4	7
Technical services	0	6
	3,862	3,870

	30 June 2019 RO '000s	Audited 31 December 2018 RO '000s
Balances due to related parties comprised:		
Suez-Tractebel Operation & Maintenance Oman LLC	1,110	395
Al Batinah Power Company SAOG	40	-
Middle East Investment LLC	31	5
ENGIE SA	22	93
Kahrabel Operations & Maintenance (Oman) LLC	21	16
Shikoku Electric Power Co., Inc.	5	2
Sojitz Corporation	5	2
Public Authority for Social Insurance	5	1
Laborelec Middle East	4	4
Tractebel Engineering S.A.	3	3
Directors'	-	15
	1,246	536

AL SUWADI 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 six month period ended 30 June 2019.
- b) The Company has placed purchase orders for RO 352,745 which are outstanding as at 30 June 2019 (RO 72,508 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.

	30 June 2019	Audited 31 December 2018
Net assets - shareholder funds (RO'000s)	93,223	90,382
Weighted average number of shares outstanding during the period/year ('000s)	714,406	714,406
Net asset per share (Baizas)	130.49	126.51

The management believes that the hedging deficit of RO 7.22 million as at 30 June 2019 (RO 3.29 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.

	30 June 2019	30 June 2018
Net profit for the period (RO'000s)	5,127	4,042
Weighted average number of shares outstanding during the period ('000s)	714,406	714,406
Basic earnings per share (Baizas)	7.18	5.66

20. Comparative figures

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