

REPORT OF THE BOARD OF DIRECTORS
**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(BALANCE SHEET)**
UNAUDITED CONSOLIDATED INCOME STATEMENT

Oman Cables Industry (SAOG) has the pleasure in submitting the report on the performance of the parent company and the group for three month period ended 31 March 2019.

Oman Cables (Parent) Performance

Sales of Oman Cables for the three month period ended 31 March 2019 was Rial Omani (RO) 39.3 million compared to RO 52.2 million in the same period last year.

The Net Profit after tax for the three month period ended 31 March 2019 was RO 1.7 million as compared to RO 2.2 million for the same period in 2018. The Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) for the period was RO 2.6 million compared to RO 3.2 million during the same period in 2018.

The results continue to be impacted due to competitive pressure on prices and volumes due to sluggish market condition. The Company is taking all the necessary measures to improve the profitability.

Oman Aluminum Processing Industries LLC, Sohar (OAPIL) (subsidiary) and Associated Cables Private Ltd (ACPL), India (Subsidiary)

The rod premiums levels being offered by market have stabilized at a better level than budgeted. As a consequence, results for the three month period ended 31 March 2019 are better compared to the same period in 2018. OAPIL continues to focus on the overhead costs.

ACPL performs slightly better than previous year from business perspective, expansion plan on the machinery side is on progress as per the plan.

Group Performance

The Sales of the Group for the three month period ended 31 March 2019 was RO 50.2 million compared to RO 64.4 million for the same period last year. The Group Net Profit after tax (after Non-Controlling Interest), for the period is RO 1.7 million compared to RO 2.1 million during the same period in 2018. The EBITDA for the period was RO 2.9 million compared to RO 3.7 million during the same period in 2018.

Oman Cables is recognizing the support extended by various Government Authorities and is grateful to His Majesty Sultan Qaboos Bin Said for his able leadership and wish him the best of health.

Board of Directors
Oman Cables Industry (SAOG)

The complete accounts in either Arabic or English will be made available by mail within seven (7) days to any share holder who requests for them.

	As on 31 March 2019 Group	As on 31 March 2019 Parent Company	As on 31 December 2018 Group	As on 31 December 2018 Parent Company
	RO'000	RO'000	RO'000	RO'000
ASSETS				
Non-current assets				
Property, plant and equipment	33,008	21,912	31,740	20,977
Investment in subsidiaries	--	3,188	--	3,188
Investment securities	1,263	1,236	1,286	1,234
Total non-current assets	34,271	26,336	33,026	25,399
Current assets				
Inventories	28,646	23,409	25,152	20,858
Trade and other receivables	53,017	50,005	62,463	54,910
Due from related parties	1,954	915	1,892	1,626
Cash and bank balances	8,922	8,387	16,821	15,865
Total current assets	92,539	82,716	106,328	93,259
Total assets	126,810	109,052	139,354	118,658
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	8,970	8,970	8,970	8,970
Share premium	978	978	978	978
Legal reserve	4,445	2,990	4,445	2,990
General reserve	13,887	12,734	13,887	12,734
Retained earnings	68,401	68,874	70,724	71,186
Cumulative changes in fair values	639	746	(715)	(903)
Equity attributable to equity holders of the parent	97,320	95,292	98,289	95,955
Non-controlling interests	4,136	--	4,435	--
Total equity	101,456	95,292	102,724	95,955
Liabilities				
Non-current liabilities				
Long term liability	2,001	1,429	--	--
Deferred tax liability	1,250	774	1,279	802
Employees' end of service benefits	1,306	1,130	1,318	1,196
Total non-current liabilities	4,557	3,333	2,597	1,998
Current liabilities				
Trade and other payables	17,814	9,886	26,929	18,323
Due to related parties	--	141	288	588
Bank borrowings	2,528	--	4,965	--
Taxation	455	400	1,851	1,794
Total current liabilities	20,797	10,427	34,033	20,705
Total liabilities	25,354	13,760	36,630	22,703
Total equity and liabilities	126,810	109,052	139,354	118,658
Net assets per share (RO)	1.085	1.062	1.096	1.070

	3 Months ended 31 March 2019 Group	3 Months ended 31 March 2019 Parent Company	3 Months ended 31 March 2018 Group	3 Months ended 31 March 2018 Parent Company
	RO' 000	RO'000	RO'000	RO'000
Sales	50,228	39,310	64,408	52,178
Cost of sales	(45,993)	(35,587)	(59,451)	(47,594)
Gross profit	4,235	3,723	4,957	4,584
Other income	42	38	87	68
Administrative expenses	(1,450)	(1,221)	(1,375)	(1,083)
Selling and distribution expenses	(753)	(514)	(866)	(658)
Depreciation	(34)	(25)	(37)	(25)
Operating profit	2,040	2,001	2,766	2,886
Finance costs	(52)	15	(116)	(50)
Finance income	24	14	21	14
Tax on acquisition of shares of an associate	--	--	(247)	(247)
Profit before income tax	2,012	2,030	2,424	2,603
Income tax expense	(305)	(305)	(416)	(428)
Profit for the period	1,707	1,725	2,008	2,175
Profit for the period attributable to Non-controlling interests	11	--	82	--
Profit for the period Attributable to Shareholders of the parent company	1,718	1,725	2,090	2,175
Basic and diluted earnings per share attributable to ordinary equity holders of the parent company (RO)	0.019	0.019	0.023	0.024
Gross profit margin	8.43%	9.47%	7.70%	8.79%
Net profit margin	3.40%	4.39%	3.12%	4.17%

**UNAUDITED CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME**

	3 Months ended 31 March 2019 Group	3 Months ended 31 March 2019 Parent Company	3 Months ended 31 March 2018 Group	3 Months ended 31 March 2018 Parent Company
	RO' 000	RO'000	RO'000	RO'000
Profit for the period	1,707	1,725	2,008	2,175
Other comprehensive (loss)/income Items that may be reclassified Subsequently to profit or loss:				
Net movement in hedging commodity future contracts	1,061	1,649	(1,032)	(1,222)
Exchange difference on foreign currency translation of subsidiary	1	--	--	--
Net movement in available for sale investments	--	--	--	--
Other comprehensive (loss)/ income for the year	1,062	1,649	(1,032)	(1,222)
Total comprehensive income for the period	2,769	3,374	976	953
Attributable to:				
Equity holders of the parent	3,068	3,374	965	953
Non-controlling interests	(299)	--	11	--
	2,769	3,374	976	953