

OMAN CABLES INDUSTRY (SAOG)

Unaudited Results for three months period ended 31 March 2021

Oman Cables Industry (SAOG) "Oman Cables" has the pleasure in submitting the report on the performance of the parent company and the group for three months period ended 31 March 2021.

Group Performance

The Sales of the Group for the three months period ended 31 March 2021 was Rial Omani (RO) 53.5 million compared to RO 51.9 million for the same period last year, increase of 3.0%. The Group Net Profit after tax, for the period is RO 2.4 million compared to RO 1.6 million during the same period in 2020, increase of 54.3%. The EBITDA for the period was RO 3.8 million compared to RO 2.7 million during the same period in 2020, increase of 39.7%. The Group is also continuing to execute several plans aimed at protecting the health and safety of the employees by engaging into extensive testing and sanitization programs under medical support during the current circumstances of Covid19.

Oman Cables (Parent) Performance

Sales of Oman Cables for the three months period ended 31 March 2021 was RO 42.9 million compared to RO 40.5 million in the same period last year, increase of 5.9%.

The Net Profit after tax for the three months period ended 31 March 2021 was RO 1.6 million as compared to RO 1.4 million for the same period in 2020, increase of 15.2%. The Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) for the period was RO 2.5 million compared to RO 2.3 million during the same period in 2020, increase of 12.7%.

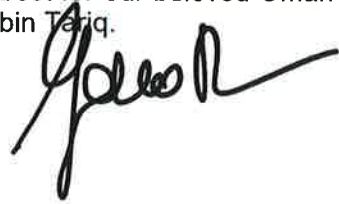
The recovery on business environment is visible in the first quarter with the support of increasing oil prices. The Company continues to work on cost reduction plans and will take all the necessary measures to improve the result.

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

OAPIL was able to improve the sales volume during the first quarter with a healthy mix. Increasing conductor sales, which is a value-added product, helped to improve the profitability. OAPIL continues to focus on the overhead cost reduction. As a consequence, results for the three months period ended 31 March 2021 are better compared to the same period in 2020.

ACPL is severely impacted from Covid 19 during 2020 and continue to suffer in the first quarter of 2021 as uncertain situation effects the cable market. Increasing raw material prices put pressure on ACPL profitability. ACPL is applying cost reduction projects to be more competitive.

Oman Cables is recognizing the support extended by various Government Authorities and wish the best for our beloved Oman to further develop under the leadership of His Majesty Sultan Haitham bin Tariq.



**Board of Directors
Oman Cables Industry (SAOG)**



OMAN CABLES INDUSTRY (SAOG)
Unaudited Results for three months period ended 31 March 2021
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(BALANCE SHEET)

| | As on 31 March 2021 Group RO'000 | As on 31 March 2021 Parent Company RO'000 | As on 31 December 2020 Group RO'000 | As on 31 December 2020 Parent Company RO'000 |
|--------------------------------------|--|--|---|---|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 26,545 | 16,953 | 27,013 | 17,278 |
| Right-of-use assets | 3,429 | 2,406 | 3,476 | 2,438 |
| Intangible asset | 477 | 477 | 490 | 490 |
| Investment in subsidiaries | -- | 6,387 | -- | 6,387 |
| Investment securities | 1,270 | 1,255 | 1,270 | 1,255 |
| Deferred tax assets | 31 | -- | 35 | -- |
| Total non-current assets | 31,752 | 27,478 | 32,284 | 27,848 |
| Current assets | | | | |
| Inventories | 23,371 | 19,836 | 15,835 | 11,611 |
| Trade and other receivables | 60,579 | 52,239 | 48,720 | 43,703 |
| Due from related parties | 9,440 | 6,894 | 7,160 | 4,695 |
| Cash and bank balances | 28,699 | 28,395 | 31,434 | 31,402 |
| Total current assets | 122,089 | 107,364 | 103,149 | 91,411 |
| Total assets | 153,841 | 134,842 | 135,433 | 119,259 |
| 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 | 14,747 | 13,594 | 14,747 | 13,594 |
| Retained earnings | 74,663 | 72,184 | 73,439 | 71,745 |
| Cumulative changes in fair values | 2,881 | 3,396 | 1,982 | 2,525 |
| Total equity | 106,684 | 102,112 | 104,561 | 100,802 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Deferred tax liability | 1,106 | 773 | 961 | 621 |
| Leases liability | 3,139 | 2,245 | 3,353 | 2,382 |
| Employees' end of service benefits | 1,402 | 1,264 | 1,398 | 1,262 |
| Total non-current liabilities | 5,647 | 4,282 | 5,712 | 4,265 |
| Current liabilities | | | | |
| Trade and other payables | 32,381 | 25,151 | 18,679 | 12,457 |
| Due to related parties | 1,984 | 1,912 | 668 | 665 |
| Bank borrowings | 5,499 | -- | 4,622 | -- |
| Leases liability | 262 | 172 | 262 | 172 |
| Taxation | 1,384 | 1,213 | 929 | 898 |
| Total current liabilities | 41,510 | 28,448 | 25,160 | 14,192 |
| Total liabilities | 47,157 | 32,730 | 30,872 | 18,457 |
| Total equity and liabilities | 153,841 | 134,842 | 135,433 | 119,259 |
| Net assets per share (RO) | 1.189 | 1.138 | 1.166 | 1.124 |

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UNAUDITED CONSOLIDATED INCOME STATEMENT

| | 3 Month ended 31 March 2021 Group | 3 Month ended 31 March 2021 Parent Company | 3 Month ended 31 March 2020 Group | 3 Month ended 31 March 2020 Parent Company |
|--|---|---|---|---|
| | RO' 000 | RO'000 | RO'000 | RO'000 |
| Sales | 53,471 | 42,894 | 51,928 | 40,494 |
| Cost of sales | (48,407) | (39,261) | (48,233) | (37,591) |
| Gross profit | 5,064 | 3,633 | 3,695 | 2,903 |
| Other income | 60 | 25 | 23 | 10 |
| Administrative expenses | (1,340) | (1,114) | (1,094) | (885) |
| Selling and distribution expenses | (798) | (577) | (783) | (386) |
| Depreciation | (45) | (37) | (45) | (38) |
| Operating profit | 2,941 | 1,930 | 1,796 | 1,604 |
| Finance costs | (166) | (101) | (110) | (55) |
| Finance income | 90 | 90 | 93 | 92 |
| Profit before income tax | 2,865 | 1,919 | 1,779 | 1,641 |
| Income tax expense | (475) | (314) | (230) | (248) |
| Profit for the period | 2,390 | 1,605 | 1,549 | 1,393 |
| Attributable to: | | | | |
| Non-controlling interests | -- | -- | -- | -- |
| Equity holders of the parent | 2,390 | 1,605 | 1,549 | 1,393 |
| Basic and diluted earnings per share attributable to ordinary equity holders of the parent company (RO) | 0.027 | 0.018 | 0.017 | 0.016 |
| Gross profit margin | 9.47% | 8.47% | 7.12% | 7.17% |
| Net profit margin | 4.47% | 3.74% | 2.98% | 3.44% |

OMAN CABLES INDUSTRY (SAOG)
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UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | 3 Month ended 31 March 2021 Group RO' 000 | 3 Month ended 31 March 2021 Parent Company RO'000 | 3 Month ended 31 March 2020 Group RO'000 | 3 Month ended 31 March 2020 Parent Company RO'000 |
|---|--|---|---|---|
| Profit for the period | 2,390 | 1,605 | 1,549 | 1,393 |
| Other comprehensive (loss)/income Items that may be reclassified Subsequently to profit or loss: | | | | |
| Net movement in hedging commodity future contracts, net of tax | 898 | 871 | (2,973) | (3,953) |
| Exchange difference on foreign currency translation of subsidiary | 1 | -- | (14) | -- |
| Other comprehensive (loss)/ income for the period | 899 | 871 | (2,987) | (3,953) |
| Total comprehensive income for the period | 3,289 | 2,476 | (1,438) | (2,560) |
| Attributable to: | | | | |
| Equity holders of the parent | 3,289 | 2,476 | (1,438) | (2,560) |
| Non-controlling interests | -- | -- | -- | -- |
| | 3,289 | 2,476 | (1,438) | (2,560) |

OMAN CABLES INDUSTRY (SAOG)
Unaudited Results for three months period ended 31 March 2021
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 3 Month ended 31 March 2021 Group RO'000 | 3 Month ended 31 March 2021 Parent Company RO'000 | 3 Month ended 31 March 2020 Group RO'000 | 3 Month ended 31 March 2020 Parent Company RO'000 |
|---|---|---|---|---|
| Cash from operations | (3,082) | (2,780) | 1,147 | (438) |
| Tax Paid | (29) | -- | (1,358) | (1,358) |
| Director Remuneration | -- | -- | -- | -- |
| Interest paid | (107) | (56) | (77) | (32) |
| Net cash from operating activities | (3,218) | (2,836) | (288) | (1,828) |
| Net cash (used) / generated in investing activities | (377) | (274) | (369) | (294) |
| Dividend paid | -- | -- | -- | -- |
| Net cash generated in financing activities | 671 | (86) | (1,756) | (80) |
| Net increase/(decrease) in cash and cash equivalents | (2,924) | (3,196) | (2,413) | (2,202) |
| Cash and cash equivalents brought forward | 31,623 | 31,591 | 14,671 | 14,504 |
| Cash and cash equivalents carried forward | 28,699 | 28,395 | 12,258 | 12,302 |
| Cash and cash equivalents at the end of the period comprise: | | | | |
| Current accounts | 28,670 | 28,368 | 12,326 | 12,279 |
| Cash in hand | 29 | 27 | 24 | 23 |
| Cash and cash equivalents | 28,699 | 28,395 | 12,350 | 12,302 |

OMAN CABLES INDUSTRY (SAOG)
Unaudited Results for three months period ended 31 March 2021

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| Group | Attributable to the equity holders of the parent | | | | | | Total RO'000 | Total Equity RO'000 |
|---|--|------------------|------------------|--------------------|----------------------|---|-----------------|---------------------------|
| | Share capital | Share premium | Legal reserve | General reserve | Retained earnings | Cumulative changes in fair values | | |
| | RO'000 | RO'000 | RO'000 | RO'000 | RO'000 | RO'000 | | |
| As at 1 January 2020 | 8,970 | 978 | 4,445 | 14,530 | 74,502 | 310 | 103,735 | 103,735 |
| Profit for the year | -- | -- | -- | -- | 2,294 | -- | 2,294 | 2,294 |
| Other comprehensive income | -- | -- | -- | -- | -- | 1,672 | 1,672 | 1,672 |
| Total comprehensive income | | | | | 2,294 | 1,672 | 3,966 | 3,966 |
| Increase in investment in a subsidiary (note11) | -- | -- | -- | -- | -- | -- | -- | -- |
| Dividend for the year 2019 | -- | -- | -- | -- | (3,140) | -- | (3,140) | (3,140) |
| Transfer to general reserve | -- | -- | -- | 217 | (217) | -- | -- | -- |
| At 31 December 2020 | 8,970 | 978 | 4,445 | 14,747 | 73,439 | 1,982 | 104,561 | 104,561 |
| As at 1 January 2021 | 8,970 | 978 | 4,445 | 14,747 | 73,439 | 1,982 | 104,561 | 104,561 |
| Profit for the period | -- | -- | -- | -- | 2,390 | -- | 2,390 | 2,390 |
| Other comprehensive income | -- | -- | -- | -- | -- | 899 | 899 | 899 |
| Total comprehensive income | | | | | 2,390 | 899 | 3,289 | 3,289 |
| Increase in investment in a subsidiary (note11) | -- | -- | -- | -- | -- | -- | -- | -- |
| Dividend for the year 2020 | -- | -- | -- | -- | (1,166) | -- | (1,166) | (1,166) |
| Transfer to general reserve | -- | -- | -- | -- | -- | -- | -- | -- |
| At 31 March 2021 | 8,970 | 978 | 4,445 | 14,747 | 74,663 | 2,881 | 106,684 | 106,684 |

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| Parent Company | Share capital | Share premium | Legal reserve | General reserve | Retained earnings | Cumulative changes in fair values | Total |
|-----------------------------|---------------|---------------|---------------|-----------------|-------------------|-----------------------------------|---------|
| | RO'000 | RO'000 | RO'000 | RO'000 | RO'000 | RO'000 | RO'000 |
| At 1 January 2020 | 8,970 | 978 | 2,990 | 13,377 | 72,936 | 754 | 100,005 |
| Profit for the year | -- | -- | -- | -- | 2,166 | -- | 2,166 |
| Other comprehensive income | -- | -- | -- | -- | -- | 1,771 | 1,771 |
| Total comprehensive income | -- | -- | -- | -- | 2,166 | 1,771 | 3,937 |
| Dividend for the year 2019 | -- | -- | -- | -- | (3,140) | -- | (3,140) |
| Transfer to general reserve | -- | -- | -- | 217 | (217) | -- | -- |
| At 31 December 2020 | 8,970 | 978 | 2,990 | 13,594 | 71,745 | 2,525 | 100,802 |
| At 1 January 2021 | 8,970 | 978 | 2,990 | 13,594 | 71,745 | 2,525 | 100,802 |
| Profit for the period | -- | -- | -- | -- | 1,605 | -- | 1,605 |
| Other comprehensive income | -- | -- | -- | -- | -- | 871 | 871 |
| Total comprehensive income | -- | -- | -- | -- | 1,605 | 871 | 2,476 |
| Dividend for the year 2020 | -- | -- | -- | -- | (1,166) | -- | (1,166) |
| Transfer to general reserve | -- | -- | -- | -- | -- | -- | -- |
| At 31 March 2021 | 8,970 | 978 | 2,990 | 13,594 | 72,184 | 3,396 | 102,112 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Oman Cables Industry SAOG (“the company / the parent company”) is registered in the Sultanate of Oman as a public joint stock company. The company’s principal activity is the manufacture and sale of electrical cables and conductors.

The Company holds 100% (2019: 51%) shareholding in Oman Aluminium Processing Industries SPC (“the subsidiary”) which was incorporated in the Sultanate of Oman in the year 2008 and commenced its operations from July 2010. On 5 December 2019 the “Company” acquired 49% shares making it a wholly owned subsidiary.

The Company holds 100% (2019: 100%) shares in Associated Cables Private Limited, India (“the subsidiary”) which was registered in India in July 1973.

2 SIGNIFICANT ACCOUNTING POLICIES

a) The accounting policies applied in this interim condensed financial statement are the same accounting policies as applied to audited Financial Statements for the company as included in the audit report issued on 28 January 2021.

b) Estimates & Judgements

The interim condensed consolidated financial statements for this period are prepared in accordance with IAS 34 which required management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2020.

3 NON-RECURRING ITEMS

Costs that occur on a one-time basis and are unlikely to occur again in the normal course of business are reported as non-recurring items. In the first quarter of 2021, OCI incurred a cost of RO 0.592 million for restructuring actions at management level.

4 DIVIDEND

As proposed by the Board of Directors, a dividend of 13% on paid up share capital, i.e. 13 baisa per share amounting to RO 1,166,100 for the year 2020, was approved by the shareholders in the Annual General Meeting (2019 – 35% on paid up share capital for 2019 i.e. 35 baisa per share amounting to RO 3,139,500). The dividend was paid in April 2021.

5 SEGMENTAL REPORTING

Management has determined the operating segments based on the reports reviewed by the key decision makers (Board of directors) that are used to make strategic decisions. The Group is engaged in one business segment which is manufacturing and sale of electrical

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cables and conductors as per different specifications based on market requirements. A substantial portion of the products are sold for use within Middle East and North Africa (MENA) and international markets.

6 STATEMENT OF COMPLIANCE

The condensed interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 31 December 2020.

7 RELATED PARTY TRANSACTIONS

| | 31 March 2021 Group RO'000 | 31 March 2021 Parent company RO'000 | 31 December 2020 Group RO'000 | 31 December 2020 Parent company RO'000 |
|--------------------------------------|-------------------------------------|---|--|--|
| Purchases and other expenses: | | | | |
| Shareholders | 187 | 187 | 2,147 | 2,147 |
| Subsidiaries | -- | 2,566 | -- | 3,937 |
| Total | 1,831 | 4,687 | 2,147 | 6,084 |
| Sales and other income: | | | | |
| Shareholders | 5,032 | 5,032 | 13,592 | 13,592 |
| Subsidiaries | -- | 53 | -- | 116 |
| Other related party | -- | -- | -- | -- |
| Total | 5,032 | 5,085 | 13,592 | 13,708 |

Loans, Advances, Receivables Due, Provisions and Write-offs

Loans, advances and receivables due from related parties or holders of 10% or more of the company's shares, or their family members, minus all provisions and write-offs which have been made on these accounts at any time, are further analyzed as follows:

| | 31 March 2021 Group RO'000 | 31 March 2021 Parent company RO'000 | 31 December 2020 Group RO'000 | 31 December 2020 Parent company RO'000 |
|--|-------------------------------------|---|--|--|
| Due from Related party | 9,440 | 6,894 | 7,160 | 4,695 |
| Provisions | -- | -- | -- | -- |
| Write-offs | -- | -- | -- | -- |
| Receivable from related parties | 9,440 | 6,894 | 7,160 | 4,695 |
| Due to Related party | 1,984 | 1,912 | 668 | 665 |
| Payable to related parties | 1,984 | 1,912 | 668 | 665 |

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8 CONTINGENT LIABILITIES

| | As on 31 March 2021 Group RO' 000 | As on 31 March 2021 Parent Company RO' 000 | As on 31 December 2020 Group RO' 000 | As on 31 December 2020 Parent Company RO' 000 |
|----------------------|---|---|--|--|
| Letters of credit | 9,661 | 3,501 | 9,843 | 3,683 |
| Letters of guarantee | 14,407 | 13,835 | 12,222 | 11,860 |
| | ----- 24,068 ===== | ----- 17,336 ===== | ----- 22,065 ===== | ----- 15,543 ===== |

9 CAPITAL COMMITMENT

Capital Commitments authorized and contracted as on 31 March 2021 is RO 1.578 million (Parent Company RO 1.379 million) compared to RO 1.143 million (Parent Company RO 0.937million) as on 31 December 2020.

10 BORROWINGS

The Parent Company and Group does not have any Long-term borrowings as on 31 March 2021 and also as on 31 December 2020.

11 SUBSEQUENT EVENTS

No material events subsequent to the interim period, took place after 31 March 2021.

12 COMPARATIVES

Certain comparative figures have been reclassified to confirm with the presentation adopted in these financial statements.