

OMAN CABLES INDUSTRY (SAOG)
Unaudited Results for six months period ended 30 June 2021

Board of Directors Reports

Oman Cables Industry (SAOG) "Oman Cables" has the pleasure in submitting the report on the performance of the parent company and the group for six months period ended 30 June 2021.

Health and Safety of Employees:

The Group is engaged in the Covid 19 vaccination program all employees and their families. 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.

Group Performance

The Sales of the Group for the six months period ended 30 June 2021 was Rial Omani (RO) 110.0 million compared to RO 91.2 million for the same period last year, increase of 20.6%. The Group Net Profit after tax, for the period is RO 3.4 million compared to RO 2.4 million during the same period in 2020, increase of 41.7%. The EBITDA for the period was RO 6.2 million compared to RO 3.2 million during the same period in 2020, increase of 48.4%.

Oman Cables (Parent) Performance

Sales of Oman Cables for the six months period ended 30 June 2021 was RO 83.8 million compared to RO 69.6 million in the same period last year, increase of 20.4%.

The Net Profit after tax for the six months period ended 30 June 2021 was RO 2.4 million as compared to RO 1.8 million for the same period in 2020, increase of 33.3%. The Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) for the period was RO 4.3 million compared to RO 2.8 million during the same period in 2020, increase of 53.6%.

The recovery on business environment is visible in the first half of the year 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 second quarter with a healthy mix. Increasing conductor sales helped to improve the profitability. OAPIL continues to focus on the overhead cost reduction. As a consequence, results for the six months period ended 30 June 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 second 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.


Fabio Romeo
Chairman

Oman Cables Industry (SAOG)



OMAN CABLES INDUSTRY (SAOG)
Unaudited Results for six months period ended 30 June 2021
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(BALANCE SHEET)

	As on 30 June 2021 Group RO'000	As on 30 June 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	25,917	16,510	27,013	17,278
Right-of-use assets	3,383	2,374	3,476	2,438
Intangible asset	463	463	490	490
Investment in subsidiaries	--	6,387	--	6,387
Investment securities	1,264	1,248	1,270	1,255
Deferred tax assets	60	--	35	--
Total non-current assets	31,087	26,982	32,284	27,848
Current assets				
Inventories	24,671	20,548	15,835	11,611
Trade and other receivables	61,543	53,197	48,720	43,703
Due from related parties	6,955	4,116	7,160	4,695
Cash and bank balances	23,598	23,232	31,434	31,402
Total current assets	116,767	101,093	103,149	91,411
Total assets	147,854	128,075	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	75,700	73,005	73,439	71,745
Cumulative changes in fair values	1,441	2,133	1,982	2,525
Total equity	106,281	101,670	104,561	100,802
Liabilities				
Non-current liabilities				
Deferred tax liability	870	538	961	621
Leases liability	3,186	2,279	3,353	2,382
Employees' end of service benefits	1,379	1,227	1,398	1,262
Total non-current liabilities	5,435	4,044	5,712	4,265
Current liabilities				
Trade and other payables	29,921	20,866	18,679	12,457
Due to related parties	144	719	668	665
Bank borrowings	4,965	--	4,622	--
Leases liability	262	172	262	172
Taxation	846	604	929	898
Total current liabilities	36,138	22,361	25,160	14,192
Total liabilities	41,573	26,405	30,872	18,457
Total equity and liabilities	147,854	128,075	135,433	119,259
Net assets per share (RO)	1.185	1.133	1.166	1.124

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UNAUDITED CONSOLIDATED INCOME STATEMENT

	6 Month ended 30 June 2021 Group	6 Month ended 30 June 2021 Parent Company	6 Month ended 30 June 2020 Group	6 Month ended 30 June 2020 Parent Company
	RO' 000	RO'000	RO'000	RO'000
Sales	110,054	83,781	91,241	69,572
Cost of sales	(101,825)	(78,050)	(84,814)	(64,752)
Gross profit	8,229	5,731	6,427	4,820
Other income	220	180	106	131
Administrative expenses	(2,249)	(1,781)	(2,278)	(1,868)
Selling and distribution expenses	(1,788)	(1,122)	(1,774)	(945)
Depreciation	(90)	(75)	(88)	(74)
Operating profit	4,322	2,933	2,393	2,064
Finance costs	(352)	(184)	(224)	(111)
Finance income	146	144	131	128
Profit before income tax	4,116	2,893	2,300	2,081
Income tax expense	(689)	(467)	(266)	(312)
Profit for the period	3,427	2,426	2,034	1,769
Attributable to:				
Non-controlling interests	--	--	--	--
Equity holders of the parent	3,427	2,426	2,034	1,769
Basic and diluted earnings per share attributable to ordinary equity holders of the parent company (RO)	0.038	0.027	0.023	0.020
Gross profit margin	7.48%	6.84%	7.04%	6.93%
Net profit margin	3.11%	2.90%	2.23%	2.54%

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UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 Month ended 30 June 2021 Group RO' 000	6 Month ended 30 June 2021 Parent Company RO'000	6 Month ended 30 June 2020 Group RO'000	6 Month ended 30 June 2020 Parent Company RO'000
Profit for the period	3,427	2,426	2,034	1,769
Other comprehensive (loss)/income Items that may be reclassified Subsequently to profit or loss:				
Net movement in hedging commodity future contracts, net of tax	(532)	(392)	1,455	1,350
Exchange difference on foreign currency translation of subsidiary	(9)	--	(13)	--
Other comprehensive (loss)/ income for the period	(541)	(392)	1,442	1,350
Total comprehensive income for the period	2,886	2,034	3,476	3,119
Attributable to:				
Equity holders of the parent	2,886	2,034	3,476	3,119
Non-controlling interests	--	--	--	--
	2,886	2,034	3,476	3,119

OMAN CABLES INDUSTRY (SAOG)
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UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 Month ended 30 June 2021 Group RO'000	6 Month ended 30 June 2021 Parent Company RO'000	6 Month ended 30 June 2020 Group RO'000	6 Month ended 30 June 2020 Parent Company RO'000
Cash from operations	(5,448)	(5,733)	8,251	5,890
Tax Paid	(803)	(774)	(1,356)	(1,358)
Director Remuneration	(49)	(49)	(117)	(117)
Interest paid	(267)	(135)	(148)	(61)
Net cash from operating activities	(6,567)	(6,691)	6,630	4,354
Net cash (used) / generated in investing activities	(584)	(416)	(243)	(323)
Dividend paid	(1,166)	(1,166)	(3,140)	(3,140)
Net cash generated in financing activities	292	(86)	(2,499)	(89)
Net increase/(decrease) in cash and cash equivalents	(8,025)	(8,359)	748	802
Cash and cash equivalents brought forward	31,623	31,591	14,671	14,504
Cash and cash equivalents carried forward	23,598	23,232	15,419	15,306
Cash and cash equivalents at the end of the period comprise:				
Current accounts	23,567	23,202	15,394	15,281
Cash in hand	31	30	25	25
Cash and cash equivalents	23,598	23,232	15,419	15,306

OMAN CABLES INDUSTRY (SAOG)
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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	Share capital	Share premium	Legal reserve	General reserve	Retained earnings	Cumulative changes in fair values	Total Equity
	RO'000	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
Profit for the year	--	--	--	--	2,294	--	2,294
Other comprehensive income	--	--	--	--	--	1,672	1,672
Total comprehensive income					2,294	1,672	3,966
Increase in investment in a subsidiary (note11)	--	--	--	--	--	--	--
Dividend for the year 2019	--	--	--	--	(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
As at 1 January 2021	8,970	978	4,445	14,747	73,439	1,982	104,561
Profit for the period	--	--	--	--	3,427	--	3,427
Other comprehensive income	--	--	--	--	--	(541)	(541)
Total comprehensive income					3,427	(541)	2,886
Increase in investment in a subsidiary (note11)	--	--	--	--	--	--	--
Dividend for the year 2020	--	--	--	--	(1,166)	--	(1,166)
Transfer to general reserve	--	--	--	--	--	--	--
At 30 June 2021	8,970	978	4,445	14,747	75,700	1,441	106,281

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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	--	--	--	--	2,426	--	2,426
Other comprehensive income	--	--	--	--	--	(392)	(392)
Total comprehensive income	--	--	--	--	2,426	(392)	2,034
Dividend for the year 2020	--	--	--	--	(1,166)	--	(1,166)
Transfer to general reserve	--	--	--	--	--	--	--
At 30 June 2021	8,970	978	2,990	13,594	73,005	2,133	101,670

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. During this period, OCI incurred a cost of RO 0.529 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

	30 June 2021 Group RO'000	30 June 2021 Parent company RO'000	31 December 2020 Group RO'000	31 December 2020 Parent company RO'000
Purchases and other expenses:				
Shareholders	706	706	2,147	2,147
Subsidiaries	--	3,783	--	3,937
Total	706	4,489	2,147	6,084
Sales and other income:				
Shareholders	5,866	5,866	13,592	13,592
Subsidiaries	--	86	--	116
Other related party	--	--	--	--
Total	5,866	5,952	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:

	30 June 2021 Group RO'000	30 June 2021 Parent company RO'000	31 December 2020 Group RO'000	31 December 2020 Parent company RO'000
Due from Related party	6,955	4,116	7,160	4,695
Provisions	--	--	--	--
Write-offs	--	--	--	--
Receivable from related parties	6,955	4,116	7,160	4,695
Due to Related party	144	719	668	665
Payable to related parties	144	719	668	665

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8 CONTINGENT LIABILITIES

	As on 30 June 2021 Group RO' 000	As on 30 June 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	12,483	6,323	9,843	3,683
Letters of guarantee	14,578	14,019	12,222	11,860
	27,061	20,342	22,065	15,543
	27,061	20,342	22,065	15,543

9 CAPITAL COMMITMENT

Capital Commitments authorized and contracted as on 30 June 2021 is RO 1.077 million (Parent Company RO 0.952 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 30 June 2021 and also as on 31 December 2020.

11 SUBSEQUENT EVENTS

No material events subsequent to the interim period, took place after 30 June 2021.

12 COMPARATIVES

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