OMAN CABLES INDUSTRY (SAOG)
Unaudited Results for nine months period ended 30 September 2020

Board of Directors Report

Oman Cables Industry (SAOG) "Oman Cables" has the pleasure in submitting the report on the performance of the parent company and the group for nine months period ended 30 September 2020.

Group Performance

The Sales of the Group for the nine months period ended 30 September 2020 was Rial Omani (RO) 129.890 million compared to RO 155.727 million for the same period last year. The Group Net Profit after tax, for the period is RO 2.201 million compared to RO 4.744 million during the same period in 2019. The EBITDA for the period was RO 5.385 million compared to RO 8.670 million during the same period in 2019. The Group is executing 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 nine months period ended 30 September 2020 was RO 99.116 million compared to RO 121.757 million in the same period last year.

The Net Profit after tax for the nine months period ended 30 September 2020 was RO 1.944 million as compared to RO 4.480 million for the same period in 2019. The Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) for the period was RO 4.160 million compared to RO 7.057 million during the same period in 2019.

The results are impacted by recent global developments. Decreasing oil prices and pandemic is causing slow down of projects. The Company is working on cost reduction plans and taking all the necessary measures to minimize the impact.

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

The rod premiums levels being offered by market have improved to a better level than previous year. On the other side, OAPIL was less impacted due to Covid 19 and was able to improve their sales volume and had a more profitable mix. As a consequence, results for the nine months period ended 30 September 2020 are better compared to the same period in 2019. OAPIL continues to focus on the overhead costs.

ACPL is severely impacted from Covid 19 and related measures, with plant closure due to curfew in India. Uncertain situation has affected the cable market. Sales for this period are deviating from same period last year due to postponements on delivery of projects and absence of new projects.

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)

شركة صناعة الكابلات العمانية (ش.م.ع.ع)
Oman Cables Industry (SAOG)
C.R.#: 1186752
OmanCables الكابلات العمانية

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

	As on 30 September 2020 Group	**As on 30 September 2020 Parent Company**	As on 31 December 2019 Group	As on 31 December 2019 Parent Company
	RO'000	**RO'000**	RO'000	RO'000
ASSETS				
Non-current assets				
Property, plant and equipment	**28,236**	**18,273**	29,736	19,272
Right-of-use assets	**1,778**	**1,265**	1,852	1,317
Investment in subsidiaries	**--**	**6,387**	--	6,387
Investment securities	**1,274**	**1,259**	1,181	1,169
Deferred tax assets	**--**	**--**	107	--
Total non-current assets	**31,288**	**27,184**	32,876	28,145
Current assets				
Inventories	**22,121**	**18,090**	24,604	20,337
Trade and other receivables	**57,280**	**52,748**	55,513	50,191
Due from related parties	**4,732**	**4,424**	6,329	6,247
Cash and bank balances	**15,458**	**15,087**	14,671	14,504
Total current assets	**99,591**	**90,349**	101,117	91,279
Total assets	**130,879**	**117,533**	133,993	119,424
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	**14,530**	**13,377**	14,530	13,377
Retained earnings	**73,307**	**71,739**	74,502	72,935
Cumulative changes in fair values	**1,819**	**1,873**	310	753
Total equity	**104,049**	**99,927**	103,735	100,003
Liabilities				
Non-current liabilities				
Deferred tax liability	**795**	**483**	1,194	869
Leases liability	**1,767**	**1,289**	1,737	1,234
Employees' end of service benefits	**1,397**	**1,267**	1,375	1,259
Total non-current liabilities	**3,959**	**3,039**	4,306	3,362
Current liabilities				
Trade and other payables	**17,922**	**12,727**	18,109	11,700
Due to related parties	**595**	**1,078**	1,584	2,822
Bank borrowings	**3,492**	**--**	4,619	--
Leases liability	**157**	**112**	157	112
Taxation	**705**	**650**	1,483	1,425
Total current liabilities	**22,871**	**14,567**	25,952	16,059
Total liabilities	**26,830**	**17,606**	30,258	19,421
Total equity and liabilities	**130,879**	**117,533**	133,993	119,424
Net assets per share (RO)	**1.160**	**1.114**	1.156	1.115

UNAUDITED CONSOLIDATED INCOME STATEMENT

	9 Month ended 30 September 2020 Group RO' 000	**9 Month ended 30 September 2020 Parent Company RO'000**	9 Month ended 30 September 2019 Group RO'000	9 Month ended 30 September 2019 Parent Company RO'000
Sales	**129,890**	**99,116**	155,727	121,757
Cost of sales	**(120,990)**	**(92,259)**	(143,081)	(111,099)
Gross profit	**8,900**	**6,857**	12,646	10,658
Other income	**228**	**187**	532	99
Administrative expenses	**(3,704)**	**(3,062)**	(4,556)	(3,788)
Selling and distribution expenses	**(2,648)**	**(1,575)**	(2,532)	(1,631)
Depreciation	**(138)**	**(113)**	(95)	(72)
Operating profit	**2,638**	**2,294**	5,995	5,266
Finance costs	**(341)**	**(183)**	(251)	(84)
Finance income	**186**	**176**	114	97
Profit before income tax	**2,483**	**2,287**	5,858	5,279
Income tax expense	**(282)**	**(343)**	(891)	(799)
Profit for the period	**2,201**	**1,944**	4,967	4,480
Attributable to:				
Non-controlling interests	**--**	**--**	(223)	--
Equity holders of the parent	**2,201**	**1,944**	4,744	4,480
Basic and diluted earnings per share attributable to ordinary equity holders of the parent company (RO)	**0.025**	**0.022**	0.053	0.050
Gross profit margin	**6.85%**	**6.92%**	8.12%	8.75%
Net profit margin	**1.69%**	**1.96%**	3.19%	3.68%

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	9 Month ended 30 September 2020 Group	**9 Month ended 30 September 2020 Parent Company**	9 Month ended 30 September 2019 Group	9 Month ended 30 September 2019 Parent Company
	RO' 000	**RO'000**	RO'000	RO'000
Profit for the period	**2,201**	**1,944**	4,967	4,480
Other comprehensive (loss)/income				
Items that may be reclassified Subsequently to profit or loss:				
Net movement in hedging commodity future contracts, net of tax	**1,512**	**1,120**	268	503
Exchange difference on foreign currency translation of subsidiary	**(3)**	**--**	(4)	--
Other comprehensive (loss)/ income for the period	**1,509**	**1,120**	264	503
Total comprehensive income for the period	**3,710**	**3,064**	5,231	4,983
Attributable to:				
Equity holders of the parent	**3,710**	**3,064**	5,123	4,983
Non-controlling interests	**--**	**--**	108	--
	3,710	**3,064**	5,231	4,983

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 Month ended 30 September 2020 Group RO'000	**9 Month ended 30 September 2020 Parent Company RO'000**	9 Month ended 30 September 2019 Group RO'000	9 Month ended 30 September 2019 Parent Company RO'000
Cash from operations	**8,430**	**5,881**	2,906	2,721
Tax Paid	**(1,358)**	**(1,358)**	(1,727)	(1,727)
Director Remuneration	**(117)**	**(117)**	(117)	(117)
Interest paid	**(234)**	**(97)**	(114)	(38)
Net cash from operating activities	**6,721**	**4,309**	948	839
Net cash (used) / generated in investing activities	**(770)**	**(404)**	(110)	(185)
Dividend paid	**(3,140)**	**(3,140)**	(4,037)	(4,037)
Net cash generated in financing activities	**(2,024)**	**(182)**	(1,983)	--
Net increase/(decrease) in cash and cash equivalents	**787**	**583**	(5,182)	(3,383)
Cash and cash equivalents brought forward	**14,671**	**14,504**	16,821	15,865
Cash and cash equivalents carried forward	**15,458**	**15,087**	11,639	12,482
Cash and cash equivalents at the end of the period comprise:				
Current accounts	**15,436**	**15,067**	11,607	12,449
Cash in hand	**22**	**20**	32	33
Cash and cash equivalents	**15,458**	**15,087**	11,639	12,482

D STATEMENT OF CHANGES IN EQUITY

Group	Attributable to the equity holders of the parent								
	Share capital	Share premium	Legal reserve	General reserve	Retained earnings	Cumulative changes in fair values	Total	Non-controlling interests	Total Equity
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
As at 1 January 2019	8,970	978	4,445	13,887	70,724	(715)	98,289	4,435	102,724
Profit for the year	--	--	--	--	6,972	--	6,972	251	7,223
Other comprehensive income	--	--	--	--	--	1,025	1,025	--	1,025
Total comprehensive income					6,972	1,025	7,997	251	8,248
Increase in investment in a subsidiary (note11)	--	--	--	--	1,486	--	1,486	(4,686)	(3,200)
Dividend for the year 2018	--	--	--	--	(4,037)	--	(4,037)	--	(4,037)
Transfer to general reserve	--	--	--	643	(643)	--	--	--	--
At 31 December 2019	8,970	978	4,445	14,530	74,502	310	103,735	-	103,735
As at 1 January 2020	**8,970**	**978**	**4,445**	**14,530**	**74,502**	**310**	**103,735**	**-**	**103,735**
Profit for the period	**--**	**--**	--	**--**	**2,201**	**--**	**2,201**	**--**	**2,201**
Other comprehensive income	**--**	**--**	--	**--**	**--**	**1,509**	**1,509**	**--**	**1,509**
Total comprehensive income					**2,201**	**1,509**	**3,710**	**--**	**3,710**
Increase in investment in a subsidiary (note11)	**--**	**--**	--	**--**	**(256)**	**--**	**(256)**	**--**	**(256)**
Dividend for the year 2019	**--**	**--**	--	**--**	**(3,140)**	**--**	**(3,140)**	**--**	**(3,140)**
Transfer to general reserve	**--**	**--**	--	**--**	**--**	**--**	**--**	**--**	**--**
At 30 September 2020	**8,970**	**978**	**4,445**	**14,530**	**73,307**	**1,819**	**104,049**	**--**	**104,049**

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 2019	8,970	978	2,990	12,734	71,186	(903)	95,955
Profit for the year	--	--	--	--	6,429	--	6,429
Other comprehensive income	--	--	--	--	--	1,656	1,656
Total comprehensive income	--	--	--	--	6,429	1,656	8,085
Dividend for the year 2018	--	--	--	--	(4,037)	--	(4,037)
Transfer to general reserve	--	--	--	643	(643)	--	--
At 31 December 2019	8,970	978	2,990	13,377	72,935	753	100,003
At 1 January 2020	**8,970**	**978**	**2,990**	**13,377**	**72,935**	**753**	**100,003**
Profit for the period	**--**	**--**	**--**	**--**	**1,944**	**--**	**1,944**
Other comprehensive income	**--**	**--**	**--**	**--**	**--**	**1,120**	**1,120**
Total comprehensive income	**--**	**--**	**--**	**--**	**1,944**	**1,120**	**3,064**
Dividend for the year 2019	**--**	**--**	**--**	**--**	**(3,140)**	**--**	**(3,140)**
Transfer to general reserve	**--**	**--**	**--**	**--**	**--**	**--**	**--**
At 30 September 2020	**8,970**	**978**	**2,990**	**13,377**	**71,739**	**1,873**	**99,927**

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 LLC ("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) There has been a change in the Accounting policy on Inventory valuation. Earlier the parent was applying the weighted average principle of Inventory valuation. The parent has implemented a new ERP system which went live in January 2020, and the method of Inventory valuation now applied is First in First out principle. The inventory value difference due to this valuation principle change is not material, therefore no restatements are reflected in these financial statements.

b) Other than the above the accounting policies applied in these interim condensed financial statements are the same accounting policies as applied to audited Financial Statements for the company as included in the audit report issued on 23 January 2020.

c) 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 2019.

3 NON-RECURRING ITEMS

During the period under review there were no non-recurring items.

4 DIVIDEND

As proposed by the Board of Directors to the shareholders, a dividend of 35% on paid up share capital, i.e. 35 baisa per share amounting to RO 3,139,500 for the year 2019, was approved by the shareholders (2018 – 45% on paid up share capital for 2018 i.e. 45 baisa per share amounting to RO 4,036,500). The dividend was paid in April 2020.

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 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 2019.

7 RELATED PARTY TRANSACTIONS

	30 September 2020 Group RO'000	**30 September 2020 Parent company RO'000**	31 December 2019 Group RO'000	31 December 2019 Parent company RO'000
Purchases and other expenses:				
Shareholders	**1,831**	**1,831**	4169	4169
Subsidiaries	**--**	**2,856**	--	2915
Total	**1,831**	**4,687**	4,169	7,084
Sales and other income:				
Shareholders	**10,717**	**10,717**	9,807	9,807
Subsidiaries	**--**	**68**	--	--
Other related party	**--**	**--**	--	--
Total	**10,717**	**10,785**	9,807	9,807

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 September 2020 Group RO'000	**30 September 2020 Parent company RO'000**	31 December 2019 Group RO'000	31 December 2019 Parent company RO'000
Due from Related party	**4,732**	**4,424**	6,329	6,247
Provisions	**--**	**--**	--	--
Write-offs	**--**	**--**	--	--
Receivable from related parties	**4,732**	**4,424**	6,329	6,247
Due to Related party	**595**	**1,078**	1,584	2,822
Payable to related parties	**595**	**1,078**	1,584	2,822

8 CONTINGENT LIABILITIES

	As on 30 September 2020 Group RO' 000	**As on 30 September 2020 Parent Company RO' 000**	As on 31 December 2019 Group RO' 000	As on 31 December 2019 Parent Company RO' 000
Letters of credit	**11,203**	**5,043**	14,749	8,589
Letters of guarantee	**12,445**	**12,217**	12,873	12,462
	23,648	**17,260**	27,622	21,051

9 CAPITAL COMMITMENT

Capital Commitments authorized and contracted as on 30 September 2020 is RO 0.392 million (Parent Company RO 0.144 million) compared to RO 0.804 million (Parent Company RO 0.391 million) as on 31 December 2019.

10 BORROWINGS

The Parent Company and Group does not have any Long-term borrowings as on 30 September 2020 and also on 31 December 2019.

11 SUBSEQUENT EVENTS

No material events subsequent to the interim period, took place after 30 September 2020.

12 COMPARATIVES

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