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 51% shareholding in Oman Aluminum Processing Industries LLC ("the subsidiary") which was incorporated in the Sultanate of Oman in 2008 and commenced its operations from July 2010.

2 SIGNIFICANT ACCOUNTING POLICIES

a) The accounting policies applied in these condensed interim financial statements are the same accounting policies as applied to Financial Statements for the company as included in the audit report issued on 20 January 2016.

b) Estimates & Judgments
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 2015.

3 NON RECURRING ITEMS

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

4 DIVIDEND

In the Annual General Meeting of the Parent Company held on 8 March 2016, a dividend of 90% on paid up share capital, i.e. RO 0.090 per share amounting to RO 8,073,000 for the year 2015 was approved by the shareholders (2015 – 90% on paid up share capital for 2014 i.e. RO 0.090 per share amounting to RO 8,073,000). The amount has been paid during this period.

5 SEGMENTAL REPORTING

The Parent Company manufactures electrical cables and conductors and the Subsidiary manufactures rods and electrical 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. Accordingly, specific segmental information in respect of parent company and subsidiary is not provided.

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 2015.

7 RELATED PARTY TRANSACTIONS

	30 September 2016 Group	**30 September 2016 Parent company**	31 December 2015 Group	31 December 2015 Parent company
	RO'000	**RO'000**	RO'000	RO'000
Purchases and other expenses:				
Associate Companies	**2,166**	**2,166**	1846	1846
Shareholders	**6**	**6**	--	--
Subsidiary	**--**	**1,689**	--	1801
Total	**2,172**	**3,861**	1,846	3,647
Sales and other income:				
Shareholders	**539**	**539**	568	568
Subsidiary	**--**	**684**	--	2638
Other related party	**--**	**--**	--	--
Total	**539**	**1,223**	568	3,206

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 2016 Group	**30 September 2016 Parent company**	31 December 2015 Group	31 December 2015 Parent company
	RO'000	**RO'000**	RO'000	RO'000
Due from Related party	**246**	**136**	397	397
Provisions	**--**	**--**	--	--
Write-offs	**--**	**--**	--	--
Receivable from related parties	**246**	**136**	397	397
Due to Related party	**123**	**913**	197	849
Payable to related parties	**123**	**913**	197	849

8 CONTINGENT LIABILITIES

	As on 30 September 2016 Group RO' 000	As on 30 September 2016 Parent Company RO' 000	As on 31 December 2015 Group RO' 000	As on 31 December 2015 Parent Company RO' 000
Letters of credit	**9,853**	**9,853**	16,966	8,587
Letters of guarantee	**17,212**	**17,142**	14,409	14,263
	27,065	**26,995**	31,375	22,850

During the year 2013 an ex-employee filed a complaint before the Department of labour disputes in the Ministry of Manpower, Sultanate of Oman, which included a claim for unfair dismissal and various compensation elements. Since the parties did not reach an agreement, the matter was referred to the court. The amount claimed by the ex-employee is RO 8,548,628.600. In 2015, the primary court passed a judgement and obliged the Company to pay RO 942,810. An appeal was filed by both the parties against the primary court decision in the appeal court. The additional amount claimed by the other party in the appeal court is around RO 7,500,000. As on the reporting date the case is pending in the appeal court. The Company, as a matter of prudence, has booked a liability to the extent of amount decided by the primary court.

9 CAPITAL COMMITMENT

Capital Commitments authorized and contracted as on 30 September 2016 is RO 0.603 million (Parent Company RO 0.568 million) compared to RO 1.237 million (Parent Company RO 0.988 million) as on 31 December 2015.

10 BORROWINGS

The Long term borrowing as on 30 September 2016 is RO 2.438 million (Parent Company RO Nil), compared to RO 3.250 million (Parent Company RO Nil) as on 31 December 2015. During this period, additional borrowing was RO Nil and repayment was RO 0.812 million (Parent Company RO Nil).

11 SUBSEQUENT EVENTS

No material events subsequent to the interim period, took place after 30 September 2016.

12 COMPARATIVES

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