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 25 January 2017.

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 2016.

3 NON RECURRING ITEMS

During the period under review the results of OAPIL (subsidiary) was severely impacted due to disruption in supply of input metal from Sohar Aluminum since 5 August 2017. Due to Supply disruption, OAPIL production level has been affected.

4 DIVIDEND

In the Annual General Meeting of the Parent Company held on 26 March 2017, a dividend of 85% on paid up share capital, i.e. RO 0.085 per share amounting to RO 7,624,500 for the year 2016 was approved by the shareholders (2016 – 90% on paid up share capital for 2015 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 2016.

7 RELATED PARTY TRANSACTIONS

	30 September 2017 Group	**30 September 2017 Parent company**	31 December 2016 Group	31 December 2016 Parent company
	RO'000	**RO'000**	RO'000	RO'000
Purchases and other expenses:				
Associate Companies	**1,247**	**1,247**	2241	2241
Shareholders	**8**	**8**	6	6
Subsidiary	**--**	**1,783**	--	2315
Total	**1,255**	**3,038**	2,247	4,562
Sales and other income:				
Shareholders	**2,710**	**2,710**	779	779
Subsidiary	**--**	**--**	--	684
Other related party	**--**	**--**	--	--
Total	**2,710**	**2,710**	779	1,463

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 2017 Group	**30 September 2017 Parent company**	31 December 2016 Group	31 December 2016 Parent company
	RO'000	**RO'000**	RO'000	RO'000
Due from Related party	**2,543**	**2,419**	175	174
Provisions	**--**	**--**	--	--
Write-offs	**--**	**--**	--	--
Receivable from related parties	**2,543**	**2,419**	175	174
Due to Related party	**1**	**288**	--	813
Payable to related parties	**1**	**288**	--	813

8 CONTINGENT LIABILITIES

	As on 30 September 2017 Group RO' 000	**As on 30 September 2017 Parent Company RO' 000**	As on 31 December 2016 Group RO' 000	As on 31 December 2016 Parent Company RO' 000
Letters of credit	**6,872**	**6,872**	16,521	11,902
Letters of guarantee	**16,549**	**16,430**	17,782	17,548
	23,421	**23,302**	34,303	29,450

9 CAPITAL COMMITMENT

Capital Commitments authorized and contracted as on 30 September 2017 is RO 0.161 million (Parent Company RO 0.154 million) compared to RO 0.657 million (Parent Company RO 0.638 million) as on 31 December 2016.

10 BORROWINGS

The current maturities of Long term borrowing as on 30 September 2017 is RO 0.813 million (Parent Company RO Nil), compared to RO 1.625 million (Parent Company RO Nil) as on 31 December 2016. During this period, additional borrowing was RO Nil and repayment was RO 0.812 (Parent Company RO Nil).

11 SUBSEQUENT EVENTS

No material events subsequent to the interim period, took place after 30 September 2017.

12 COMPARATIVES

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