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.

The Company holds 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 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 17 January 2018.

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 2017.

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 26 March 2018, a dividend of 45% on paid up share capital, i.e. 45 baisa per share amounting to RO 4,036,500 for the year 2017 was approved by the shareholders (2016 – 85% on paid up share capital for 2016 i.e. 85 baisa per share amounting to RO 7,624,500). The amount has been paid during this period.

5 SEGMENTAL REPORTING

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. 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 2017.

7 RELATED PARTY TRANSACTIONS

	30 September 2018 Group	**30 September 2018 Parent company**	31 December 2017 Group	31 December 2017 Parent company
	RO'000	**RO'000**	RO'000	RO'000
Purchases and other expenses:				
Shareholders	**53**	**53**	12	12
Subsidiary	**--**	**2,222**	--	4,025
Total	**53**	**2,275**	12	4,037
Sales and other income:				
Shareholders	**9,689**	**9,689**	4,823	4,823
Subsidiary	**--**	**--**	--	--
Other related party	**--**	**--**	--	--
Total	**9,689**	**9,689**	4,823	4,823

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 2018 Group	**30 September 2018 Parent company**	31 December 2017 Group	31 December 2017 Parent company
	RO'000	**RO'000**	RO'000	RO'000
Due from Related party	**4,413**	**4,412**	4,315	4,315
Provisions	**--**	**--**	--	--
Write-offs	**--**	**--**	--	--
Receivable from related parties	**4,413**	**4,412**	4,315	4,315
Due to Related party	**47**	**501**	4	454
Payable to related parties	**47**	**501**	**4**	**454**

8 CONTINGENT LIABILITIES

	As on 30 September 2018 Group RO' 000	**As on 30 September 2018 Parent Company RO' 000**	As on 31 December 2017 Group RO' 000	As on 31 December 2017 Parent Company RO' 000
Letters of credit	**11,945**	**7,313**	14,923	12,228
Letters of guarantee	**13,544**	**13,094**	17,499	17,173
	25,489	**20,407**	32,422	29,401

9 CAPITAL COMMITMENT

Capital Commitments authorized and contracted as on 30 September 2018 is RO 0.235 million (Parent Company RO 0.159 million) compared to RO 0.102 million (Parent Company RO 0.102 million) as on 31 December 2017.

10 BORROWINGS

The Parent Company and Group does not have any Long term borrowings as on 30 September 2018 and also on 31 December 2017.

11 SUBSEQUENT EVENTS

No material events subsequent to the interim period, took place after 30 September 2018.

12 COMPARATIVES

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