AL ANWAR HOLDINGS SAOG

CONSOLIDATED & PARENT COMPANY
FINANCIAL STATEMENTS

30 JUNE 2007

Registered office and principal place of business:

Villa No. 897, Way No. 3013
Shatti Al Qurum
P.O. Box 468
Postal Code 131
Al Hamriya
Sultanate of Oman

Unaudited Consolidated financial statements

30 June 2007

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Directors' Report

Dear Shareholders,

On behalf of the Board of Directors I am pleased to present the un-audited results of Al Anwar Holdings SAOG for the first quarter ended as on 30th June 2007.

Al Anwar Holdings SAOG is an Omani Joint Stock Investment Holding Company registered in the Sultanate of Oman. The business activities of the company include equity participation in new and existing business ventures across various sectors.

Financial Overview of Al Anwar Group:

The consolidated financial statements presented are an outcome of the following:

1. The revenues generated and the costs incurred by its subsidiaries, that are National Aluminium Products Co. SAOG (Napco), Voltamp Manufacturing Co. LLC (VMC –Switchgear & Transformer Divisions), Sun Packaging Co. LLC (SPC).

2. The Share of Profit / (Loss) achieved by Associate Companies in which Al Anwar owns between 20% and 50% of share capital.

3. Dividends from investments.

4. Realized gains made from divestment of matured investments.

Al Anwar group achieved net profit of RO 846 k for the quarter ended 30th June, 2007 as against a net profit of RO 171 K for the quarter ended 31st March, 2006 recording a stupendous increase of 395%.

Al Anwar Holdings SAOG has realised profit of RO 570 k by divesting its stake in Oman Drilling Mud Products during the quarter which accounts for 67% of group net profit for the period.

The Earning per share (EPS) for 3 months has improved to 9.55 Baisas in Q1 2007 as against 2.22 Baisas in Q1 2006 registering an increase of 330% on the increased Share Capital from RO 7.700 million to RO 8.855 million an increase of 15%.

Net asset per share of the company has improved to 138 Baisas per share as on 30.06.07 as against 127 Baisas per share as on 30.06.06 recording an increase of 8.66% on the increased capital.

Status of Investments

Subsidiaries:

(i) Voltamp Manufacturing Co. LLC: a continuously profit making company has further improved its turnover and production levels in the first quarter, in comparison with last year's levels. The company has posted even higher growth in bottom line during this quarter as compared with same period previous year. This phenomenal growth had been possible due to better product mix and better market mix achieved by the company during the period. The installation of manufacturing plant at Qatar is progressing well and is on schedule

(ii) Sun Packaging Co. LLC: The Company has been able to utilise its increased capacity to the extent of 85% since third quarter continuously. Maintaining its trend the company had reported fair growth in top line. However, the bottom line was stressed due to extra ordinary conditions in its export markets and increased depreciation on expansion.

(iii) National Aluminium Products Co. SAOG: The Company has registered a growth of 36% in top line during the first quarter of year 2007 as compared with same period of previous year. The Company has further reported an increase in PAT of 128% during the first quarter as compared with same period during previous year.

Associates:

(i) Falcon Insurance Co. SAOC: The Company is progressing well in writing new businesses and is progressively putting in place risk mitigating policies.

(ii) Al Maha Ceramics Co. SAOC: The Project implementation is on schedule and the factory construction is about to complete. Installation of plant & Machinery is also under process and it is expected that the company would start production by end of the calendar year.

(iii) Al Anwar Blank Co. SAOC: The Company is turning around with the help of strategic partner. The company has developed many new customers and is expected to turn around during the year.

Other investments:

Company's other investment includes investments in Financial services company, under formation, in Saudi Arabia. The proposed financial services company is in the process of obtaining licence from CMA of Saudi Arabia. Company had also started making trading investments during the quarter.

Market Outlook

With continued focus by the parent company on the performance of investee companies, we would be able to utilise the buoyancy in the market to maximise our profitability. Looking into the market and competition scenario investee companies are being guided for backward / forward integration as well as horizontal expansion to improve the value addition resulting in enhanced Return On Investment. New Investments in the Insurance sector and Ceramic Tiles are expected to add to the income and market value of the Company and diversify its income streams.

Thanks and Appreciation:

I would like to convey our extreme thanks and appreciation to His Majesty Sultan Qaboos Bin Said and His Government for incentives and support for all round sustainable development in the Sultanate. I would also like to thank the Capital Market Authority and the Muscat Securities Market for their guidance and support.

I would also like to express my sincere appreciation to the Board of Directors of all Al Anwar Group investee companies for direction given to the managements of these companies. I place on record my sincere thanks and appreciation for the dedicated efforts of the management team and all employees of the holding company and the group companies. I also thank the Bankers of our companies for their continued support to the Company and its Group.

I would also like to convey my sincere thanks to the shareholders of the company for the confidence they have reposed in the company and in its Board.

For & on behalf of the Board of Directors of
Al Anwar Holdings SAOG

Masoud Humaid Al Harthy
Chairman.

Date: 09/08/2007

AL ANWAR HOLDINGS SAOG

SUMMARY OF UNAUDITED CONSOLIDATED RESULTS (For Three Months) ended 30 June 2007

	30th June 07	**30th June 06**
	RO '000	RO '000
Total Assets	19,367	12,553
Net Assets	12,234	9,761
Net Assets per Share	0.138	0.127
Current Ratio	1.139	1.257
Gross Profit	1,924	546
Gross Profit Margin	19.62%	17.13%
Net Profit	1,171	215
Net Profit attributable to ordinary shareholders.	846	171
Earnings Per Share for the three months (in Baizas)	9.55	2.22
Share Capital in RO'000	8,855	7,700

Notes:

1. Share Capital was increased from RO 7.700 Million to RO 8.855 Million through Stock dividend.

Director

Director

Director

AL ANWAR HOLDINGS SAOG

UNAUDITED CONSOLIDATED BALANCE SHEET
at 30 June 2007

(Amount in RO' 000)

	30th June 2007		30th June 2006	
	Group	**Parent Company**	**Group**	**Parent Company**
Asset				
Fixed Assets	9,173	25	3,046	16
Investments	3,325	12,064	5,802	9,484
Investment held to maturity	363		197	-
Investment available for sale	2,023		1,615	-
Other Assets	1,586		179	-
Current Assets	23,720	497	8,386	959
Less: Current Liabilities	(20,823)	(612)	(6,672)	(25)
Total	**19,367**	**11,974**	**12,553**	**10,434**
Liabilities				
Shareholders' Funds				
Share Capital	8,855	8,855	7,700	7,700
Reserves	1,050	811	735	684
Fair Value Reserve	11		(5)	
Retained Earnings	2,318	1,696	1,331	1,650
Sub Total	12,234	11,362	9,761	10,034
Minority Interest	4,536		1,269	-
Long Term Liabilities	2,597	612	1,523	400
Total	**19,367**	**11,974**	**12,553**	**10,434**
Net Asset Value	0.138	0.128	0.127	0.130

Notes:

1. Share Capital was increased from RO 7.700 Million to RO 8.855 Million through stock dividend.
2. The complete accounts, in either Arabic or English as requested, will be sent by mail to any shareholder, within 7 days of receipt of written request.
3. The complete accounts are available with the Issues and Listing Department of MSM.

Director Director Director

AL ANWAR HOLDINGS SAOG

UNAUDITED CONSOLIDATED STATEMENT OF INCOME
for the three months period ended 30 June 2007

(Amount in RO' 000)

	30th June 2007		30th June 2006	
	Group	**Parent Company**	**Group**	**Parent Company**
Income				
Sales	9,807	-	3,187	-
Dividend Income	-	57	48	147
Other Income	46	13	43	30
Share of Profit/(loss)	(57)	-	104	-
Total Income	**9,796**	**71**	**3,382**	**177**
Expenses				
Cost of Sales	7,883	-	2,641	-
Administration, General expenses	646	68	279	49
Depreciation & Amortisation	412	2	128	2
Finance Charges	178	21	105	24
Total Expeses	**9,119**	**91**	**3,153**	**75**
Net operating profit for the period	**677**	**(20)**	**229**	**102**
Realised gain on sale of Investment	588	570	-	-
Unrealised gain / (loss) on Investments			-	-
Net profit for the period before tax	**1,265**	**550**	**229**	**102**
Less: Taxation	94	-	14	-
Net Profit for the period	**1,171**	**550**	**215**	**102**
Less Minority Interest	325	-	44	-
Profit /(loss) attributable to the shareholders of the parent company	**846**	**550**	**171**	**102**

Director Director Director

AL ANWAR HOLDINGS SAOG

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the three months period ended 30 June 2006

Group	Share capital	Legal reserve	Retained earnings	Fair value Reserve	Total
At 31 March 2006	5,000	735	1,160	(5)	6,890
Rights issue	2,700	--	--	--	2,700
Net profit for the period	--	--	171	--	171
At 30 June 2006	7,700	735	1,331	(5)	9,761
At 31 March 2007	7,700	1,050	2,627	11	11,388
Transfer to Share Capital	1,155	-	(1,155)	-	-
Net profit for the period	--	--	846	-	846
At 31 December 2006	8,855	1,050	2,318	11	12,234

Parent	Share capital	Legal reserve	Retained earnings	Total
At 31 March 2006	5,000	684	1,548	7,232
Rights issue	2,700	--	--	2,700
Net profit for the period	--	--	102	102
At 30 June 2006	7,700	684	1,650	10,034
At 31 March 2007	7,700	811	2,301	10,812
Transfer to Share Capital	1,155	-	(1,155)	-
Net profit for the period	--	--	550	550
At 31 December 2006	8,855	811	1,696	11,362

AL ANWAR HOLDINGS SAOG

CONSOLIDATED STATEMENT OF CASH FLOWS
for the three months period ended 30 June 2007

	for the Three months ended June 30, 2007		For the Three months ended June 30, 2006 (RO '000)	
	Group	**Parent**	**Group**	**Parent**
Cash from operations	359	157	503	206
Less:				
Tax Paid	100	-	-	-
Interest paid	81	21	105	24
Net Cash from operating activities	178	136	398	182
Net Cash used in investing activities	(1,154)	(590)	(782)	-687
Net Cash used in financing activities	158	(475)	1,017	1,030
Net increase (decrease) in cash and cash equivalents	(818)	(929)	633	525
Cash and Cash equivalents brought forward	2,432	1,345	263	253
Cash and Cash equivalents carried forward	1,614	416	896	778

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Al Anwar Holdings SAOG (the "Parent Company") is an Omani joint stock company incorporated on 28 December 1994 and registered in the Sultanate of Oman. The business activities of Al Anwar Holdings SAOG and it's subsidiary companies (together referred to as the "Group" and defined in note 5) include promotion of and participation in a variety of ventures in financial services and industrial sector in the Sultanate of Oman.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), the requirements of the Commercial Companies Law of the Sultanate of Oman 1974 (as amended) and the rules for disclosure and requirements prescribed by the Capital Market Authority.

In the current year, the Group has adopted all applicable new and revised Standards and Interpretations issued by IASB and the IFRIC that are effective for accounting periods beginning on 1 January 2005.

The amendment to IAS 39 (Fair Value option) which is applicable for annual periods beginning 1 January 2006 changes the definition of "financial instruments classified at fair value through profit or loss" and restricts the ability to designate financial instruments as part of this category. The Board of Directors believe that the Group will comply with the amended criteria for the designation of "financial instruments at fair value through profit and loss" and accordingly no significant impact will arise on the adoption of the above amendment. The Group has applied this amendment from annual periods beginning 1 January 2006.

The following accounting policies have been consistently applied by the Group in dealing with items considered material to the Group's financial statements and are consistent with those used in previous years:

a) Basis of accounting

The consolidated financial statements have been prepared under the historical cost convention, except that investments at fair value through profit and loss are stated at their fair values and the held-to-maturity investments and Government soft loans are stated at amortised cost.

b) Basis of consolidation

The consolidated balance sheet incorporates the assets and liabilities of the Parent and it's subsidiaries. All significant inter-company balances, transactions, income and expenses have been eliminated on consolidation.

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains or losses arising from transactions with associates are eliminated to the extent of the Group's interest in the enterprise.

c) Investments

Subsidiary

A subsidiary is a company in which the Group owns more than one half of the voting power or exercises control. The financial statements of the subsidiaries are included in the consolidated financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Investments (continued)

Associate
An entity over which the Group exercises significant influence but not control is classified as an associate and is accounted for using the equity method.

The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis.

Investments held to maturity
Investments which are held with a positive intent and ability to hold until maturity are classified as held to maturity. They are initially recognised at cost and subsequently remeasured at amortised cost.

Investments at fair value through profit and loss
Investments at fair value through profit and loss are held for trading investments which are acquired with the intention of short term profit making. They are re-measured at fair value after initial recognition. Gains and losses on re-measurement are reported in the income statement.

Fair value measurement
For investments actively traded in organized financial markets, fair value is generally determined by reference to stock exchange quoted market bid prices at the close of business on the balance sheet date. Unquoted investments are valued at fair value when they can be reliably measured; otherwise they are stated at cost.

Dividend income
Dividend income from investments is accounted when the right to receive payment is established. Interest income on investments available for sale is recognised when the entitlement arises.

d) Intangible assets

Goodwill
Goodwill arising on acquisition of subsidiaries and associates is initially recognised at cost, being the excess of cost of business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill is subsequently measured at cost less accumulated impairment losses. Negative goodwill is recognised immediately in the consolidated statement of income. Impairment losses, if any, in respect of goodwill arising on consolidation of subsidiaries and investment in associates are assessed on an annual basis.

In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment.

Technical know-how fees
Fees paid for technical know how to acquire necessary expertise to manufacture and assemble certain transformers and use of trademarks and name, are stated at cost less amortisation and impairment losses [refer policy j) below].

Amortisation
Amortisation is charged to the statement of income on a straight-line basis over the estimated useful lives of intangible assets. Technical know-how fees are amortised over an estimated useful life of 5 – 8 years from the date they are available for use.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Subsequent expenditure is capitalized only when it is probable that it will result in increased future economic benefits. All other expenditure is recognised in the consolidated statement of income as an expense as incurred.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses [refer policy j) below], if any.

Depreciation is charged to the consolidated statement of income on a straight-line basis over the estimated useful economic lives of items of property, plant and equipment. The estimated useful lives are as follows:

	Years
Buildings on leasehold land	5-20
Plant, machinery and equipment	3-20
Motor vehicles	3-5
Furniture and fixtures	3-8

f) Leases

Operating lease payments are recognised in the consolidated statement of income on a straight line basis.

g) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. Cost of raw materials is based on the weighted average method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Work in progress and finished goods includes material costs and, where applicable, an appropriate share of overheads based on normal operating capacity.

Inventory of spares is expensed in the consolidated statement of income.

h) Accounts and other receivables

Accounts receivable originated by the Group, are measured at cost. Bad debts are written off or provided for as they arise and provision is made for doubtful receivables.

i) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents consists of cash and bank balances with maturity of six months from the balance sheet date.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Impairment

Financial assets
At each balance sheet date, the Group assesses if there is any objective evidence indicating impairment of the carrying value of financial assets or non-collectability of receivables.

Impairment losses are determined as differences between the carrying amounts and the recoverable amounts and are recognised in the consolidated statement of income. The recoverable amounts represent the present value of expected future cash flows discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted.

Non financial assets
Other than the goodwill arising on consolidation of subsidiaries and investment in associates [refer note f) above] at each balance sheet date, the Group assesses if there is any indication of impairment of non-financial assets. If an indication exists, the Group estimates the recoverable amount of the asset and recognises an impairment loss in the consolidated statement of income. Other than for goodwill, the Group also assesses if there is any indication that an impairment loss recognised in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognised immediately in the consolidated statement of income.

The recoverable amount adopted is the higher of net realisable value or market value and its value in use.

k) Employees' end of service benefits

Payment is made to Omani Government's Social Security Scheme under Royal Decree Number 72/91 for Omani employees. Provision is made for amounts payable under the Sultanate of Oman's labour law applicable to expatriates employees' accumulated periods of service at the balance sheet date.

l) Provisions

A provision is recognized in the balance sheet when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

m) Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighing of all possible outcomes against their associated probabilities.

n) Accounts payable and accruals

Liabilities are recognised for amounts to be paid for goods and service received, whether or not billed to the Group.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o) Government term loans and deferred income

Carrying values
The carrying values of the interest free and low interest Government term loans are determined as the present values of the loans adopting the interest rates that reflect the current cost of similar borrowing on similar loan terms from a commercial bank.

Finance charge
The effective interest charge arises as a result of accounting for the fair values of the government related term loans and therefore represents the actual interest incurred for the year plus an amount arising from movements in the carrying values of the loans in the year.

Deferred income
The amount of deferred income relating to the government term loans is released to the income statement in such a way as to spread the income over the effective interest charge to which it relates.

p) Operating income

Operating income represents the invoice value of goods sold during the year, net of discounts and returns, and is recognised in the consolidated statement of income, when the significant risks and rewards of ownership have been transferred to the buyer.

q) Finance charges

Finance charges comprise interest payable on borrowings, interest subsidy, and are net of interest receivable on bank deposits. Finance charges are recognised as an expense in the consolidated statement of income in the period in which they are incurred.

r) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Current tax is provided in accordance with the Sultanate of Oman's fiscal regulations. Deferred taxation is provided using the liability method on all temporary differences at the reporting date. It is calculated at the tax rates that are expected to apply to the period when it is anticipated the liabilities will be settled, and it is based on the rates (and laws) that have been enacted at the balance sheet date.

Deferred tax assets are recognised in relation to carry forward loses and unused tax credits to the extent that it is probable that future taxable profits will be achieved.

s) Foreign currencies

Foreign currency transactions are translated into Omani Rials at the exchange rate prevailing on the transaction date. Foreign currency monetary assets and liabilities at the balance sheet date are translated at the rates of exchange prevailing at that date. Exchange differences that arise are recognised in the consolidated statement of income.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

t) Segment reporting

A segment is a distinguishable component of the Group engaged in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment) which is subject to risks and rewards that are different from those of other segments.

u) Estimates and judgements

In preparing the consolidated financial statements, the Board of Directors is required to make estimates and assumptions which affect reported income and expenses, assets, liabilities and related disclosures. The use of available information and application of judgement based on historical experience and other factors are inherent in the formation of estimates. Actual results in the future could differ from such estimates. The Board of Directors test annually whether intangible assets, investment in associates and subsidiaries have suffered any impairment in accordance with IAS 36 ‘Impairment of Assets’, which require the use of estimates.

3 INVESTMENTS

a) Investments in subsidiaries, associates and others represent companies registered in the Sultanate of Oman or outside of Oman are as under:-

	Percentage Holding	
	30 Jun 07	**30 Jun 06**
Subsidiaries		
Voltamp Mfg. Co. LLC	57.42%	57.42%
Al Ahlia International LLC	70.00%	70.00%
Al Anwar & Blank CO SAOC	40.00%	57.00%
Sun Packaging Co. LLC	62.50%	50.00%
Al Anwar Computer Service LLC	100.00%	100.00%
National Aluminium Products Co. SAOG	51.00%	-
Associates		
National Aluminium Products Co. SAOG	-	34.83%
Oman Drilling Mud Products LLC	-	22.67%
Falcon Insurance Co. SAOC	40.56%	27.78%
Al Maha Ceramics Company SAOC	32.00%	32.00%
Other Investments		
Computer Stationery Industry SAOG	0.11%	0.11%
Taageer Finance Co. SAOG	7.59%	3.92%
Al Ritaj Investments	0.40%	-
7% Bank Muscat Bonds	71,200 Nos	71,200 Nos
Oman Abrasives LLC	-	19.00%

AL ANWAR HOLDINGS SAOG

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
at 30 June 2007

b) In the books of parent company, the market value and book value at cost of Investments comprise of:

	Market Value		Book Value	
	30 Jun 07	**30 Jun 06**	**30 Jun 07**	**30 Jun 06**
Associates - Quoted	**RO '000**	**RO '000**	**RO '000**	**RO '000**
National Aluminium Products Co. SAOG	-	**1,845**	**-**	**3,361**
Associates - Unquoted				
Oman Drilling Mud Products LLC			-	165
Falcon Insurance Co. SAOC			2,532	1,504
Al Maha Ceramics Co. SAOC			979	979
Al Anwar Blank CO SAOC			400	-
			3,911	**2,648**
Subsidiaries – Quoted				
National Aluminium Products Co. SAOG	**6,026**	**-**	**4,477**	**-**
Subsidiaries – Un-Quoted				
Voltamp Mfg. Co. LLC			664	664
Al Ahlia International LLC			-	-
Al Anwar Blank CO SAOC			-	570
Sun Packaging Co. LLC			891	578
Al Anwar International Investment LLC			100	100
			1,655	**1,912**
Investment held to maturity				
Sub-total	**76**	**72**	**76**	**72**
Investments available for sale				
Taageer Finance Co. SAOG	894	548	1,021	548
Al Ritaj Investments Co.	-	-	139	139
Computer Stationery Industry SAOG	6	4	3	4
Oman Abrasives LLC			-	800
Air Arabia PJSC			268	**-**
Addax Securities KSA			514	**-**
			1,945	**1,491**
Sub-total			**12,064**	**9,484**

c) Investment income is classified as follows

	Group Company		**Parent Company**	
	30 Jun 07	**30 Jun 06**	**30 Jun 07**	**30 Jun 06**
	RO '000	**RO '000**	**RO '000**	**RO '000**
Realised gain	588	-	570	-
Unrealised gain	-	-	-	-
Interest income	-	-	-	-
Dividend income	-	-	57	147
	588	**-**	**627**	**147**

d) Marketable investments are further classified as:

	30 Jun 07	**30 Jun 06**	**Change %**
	RO '000	**RO '000**	
Banking	76	72	
Investment	-	-	
Insurance	-	-	
Services	1,021	548	
Industrial	3	4	
Others	-	-	
	1,100	**624**	76%
Unquoted and other Investments			
Shares	268	800	
Investment fund Units	-	-	
Term Deposits	-	-	
Others	653	139	
	921	**939**	-2%
Total	**2,021**	**1,563**	29%

e) Al Ahlia International LLC, a subsidiary, ceased operations at 31 December 1999. The carrying value of the investment had been fully written off in the year 2000. In addition, the Parent Company had established provision for all its liabilities. The subsidiary's financial statements have not been consolidated since March 2001.

f) On 3 July 2002, the Board of Directors of the Parent Company entered into an agreement (the "agreement") for transferring the 60% interest in Sun Plastics Company LLC to the minority shareholder. Up to December 2006 the formal transfer of shares to the minority shareholder has not taken place and the Board of Directors now believes that the transfer will be completed during the year ending 31 March 2008. Pursuant to the agreement, the Parent Company no longer exercises control over Sun Plastics Company LLC and accordingly the subsidiary has been excluded from consolidation from March 2004.

g) Included in unquoted associates is an investment made by the Parent Company during the year in Falcon Insurance, a local insurance company which has acquired the Oman branch operations of Al Ittihad Al Watani. The carrying cost of the investment at the balance sheet date amounted to RO 2.532 million (2005- RO 1.504 million).

h) Included in investment available for sale are new investments made during the period in IPO of Air Arabia PJSC in UAE and Addax Securities Saudi Arabia.

k) Share of profit in associates is as follows (amount RO '000)

	30 Jun 2007	30 Jun 2006
NAPCO	-	48
Falcon	(58)	30
Oman Drilling Mud Products LLC	-	20
Al Maha Ceramics SAOC	12	-
Al Anwar Blank Co. SAOC	(11)	-
Share of Profits / (Losses)	**(57)**	**98**

ACCOUNTS AND OTHER RECEIVABLES

RO '000

	30-Jun-07		30-Jun-06	
	Group	Parent Co	Group	Parent Co
Beginning balance of Provisions	156	-	123	-
Provided during the period	9	-	-	-
(Released) during the period	-	-	-	-
(Written off) during the period	-	-	-	-
Provision Balance as at the end of the period	165	-	123	-
Book Value of Receivables & Advances				
Value before Provisions	14,538	83	4,443	181
Provision balance	(165)	-	(123)	-
Value after Provisions	14,373	83	4,320	181

5. SHARE CAPITAL AND RESERVES

a) Share capital

The authorised share capital of the Parent Company comprises 200,000,000 (2005: 20,000,000) shares of 100 baizas (2005: RO 1) each. The issued and fully paid up share capital consists of 88,550,000 (2006: 77,000,000) shares of 100 baizas each.

Details of major shareholders, who own more then 1% shares of the Parent Company's share capital, are as follows:

Sr.	Shareholder Name	No. of Shares (before stock dividend)	%
1	Fincorp Investment Co. LLC	22,551,140	29.287%
2	Financial Services Co. Trust/Gulf	15,683,000	20.368%
3	Al Khonji Invest LLC	4,470,000	5.805%
4	Abu Dhabi National Food Products	3,850,000	5.000%
5	Ahmed Ali Khalfan Al Mutawa Al Dhahri	3,850,000	5.000%
6	National Insurance & Investment Service Centre	3,259,500	4.233%
7	Mohamed & Ahmed Al Khonji Company	1,652,958	2.147%
8	Mohamed Hafeedh Ali Al Dhahab	1,500,000	1.948%
9	Bin Omair Investment LLC	1,040,000	1.351%
10	Oman Construction Materials LLC	973,300	1.264%
11	Ali Hafeedh Ali Al Dhahab	925,000	1.201%
TOTAL		**59,754,898**	**77.604%**

b) Legal reserve

As required by the Commercial Companies Law of the Sultanate of Oman, 1974 (as amended), 10% of the profit for the year of the individual companies (parent and subsidiaries) has been transferred to the legal reserve. The Group may resolve to discontinue such annual transfers when the reserve equals one third individual companies' paid up capital. The reserve is not available for distribution.

6 MINORITY INTEREST

Minority interest comprises share of results and net assets attributable to minority shareholders in the following subsidiaries:

	30 Jun 2007		30 June 2006	
	RO'000		RO'000	
	Results	Net assets	Results	Net assets
Voltamp Manufacturing Company LLC and Subsidiary	169	1,080	41	616
Al Anwar & Blank Company SAOC	-		-12	238
Sun Packaging Company LLC	4	640	15	415
National Aluminium Products Co. SAOG	152	2,816	-	-
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	325	4,536	44	1,269
	======	=====	======	=====

7 LONG TERM LOANS AND BANK OVERDRAFTS

Bank Loans and Overdrafts

				(RO ' 000)
	30-Jun-07		**30-Jun-06**	
	Group	**Parent Co**	**Group**	**Parent Co**
Bank Loans	4,808	924	1,523	400
Over drafts	4,976	-	3,269	-
Sub Total	**9,784**	**924**	**4,792**	**400**
Less: Current Maturities of Bank loans and bank over drafts	7,409	312	3,902	400
Long term element of bank loans	**2,375**	**612**	**890**	**-**
Due within one year	7,409	312	3,902	400
Due after more than one year	2,375	612	890	0
Total	**9,784**	**924**	**4,792**	**400**

8 RELATED PARTY TRANSACTIONS

The Group has entered into transactions with entities in which certain Directors have an interest and are able to exercise significant influence. In the ordinary course of business, such related parties provide goods, services and funding to the Group. The Group also provides management services and funding to the related parties. These transactions are entered into on terms and conditions, which the members of the Board of Directors believe could be obtained on arm's length basis from independent third parties.

There are no transactions with Major holders of Company's shares. Details of other transactions are:

Nature of transaction

Income (RO ' 000)

	30 June 07	30 June 06
Management & sitting fees	5	5

Loans, Advances, Receivables Due, Provisions and Write Offs

(RO ' 000)

	Nature of dues	30 June 07	30 June 06
Al Anwar & Blank Co SAOC	Mgt fee & Expenses	4	2
Al Anwar Intl Investments	Purchase of shares	(246)	174
Al Maha Ceramics	Project Expenses	56	-
	Total	**(186)**	**176**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
at 30 June 2007

Schedule I – Segmental information (RO '000)

	Industrial Group		Investment Group		Total Group	
	30 June 07	**30 Jun 06**	**30 Jun 07**	**30 Jun 06**	**30 Jun 07**	**30 Jun 06**
Income						
Sales	9,807	3,187	-	-	9,807	3,187
Other Income	33	17	13	74	46	91
Share of profits of associates	(57)	104	-	-	(57)	104
TOTAL INCOME	**9,783**	**3,308**	**13**	**74**	**9,796**	**3,382**
Expenses						
Cost of sales	7,883	2,641	-	-	7,883	2,641
Admin. and general expenses	578	229	68	50	646	279
Depreciation & Amortisation	410	126	2	2	412	128
Finance Charges	157	81	21	24	178	105
TOTAL EXPENSES	**9,028**	**3,077**	**91**	**76**	**9,119**	**3,153**
Net Profit / (Loss) for the Period	**755**	**231**	**(78)**	**(2)**	**677**	**229**
Realised gain on sale of investment	18		570		588	
Net Profit / (Loss) for the Period before Tax	**773**	**231**	**492**	**(2)**	**1,265**	**229**
Taxation	94	14	-	-	94	14
Net Profit / (Loss) for the Period	**679**	**217**	**492**	**(2)**	**1,171**	**215**
Minority Interest	325	44	-	-	325	44
Profit attributable to shareholders of Parent company	**354**	**173**	**492**	**(2)**	**846**	**171**