

**OMAN HOLDINGS INTERNATIONAL CO. SAOG
NOTES TO UNAUDITED ACCOUNTS FOR THE 9 MONTHS
ENDED DECEMBER 31ST 2008**

1 Legal status

Oman Holdings International Company SAOG (the Parent company) is registered as a public joint stock company in the Sultanate of Oman. The principal activity of the Parent company is to invest in the oil, gas, petrochemicals, telecommunication, power, marine, technological, industrial and other commercial sectors.

2 Summary of significant accounting policies

The principal accounting policies are summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(a) These consolidated financial statements are prepared under the historical cost basis as modified by valuation of investment securities, land and buildings and derivative instruments and in accordance with International Financial Reporting Standards (IFRS). They also comply with the Rules and Guidelines on Disclosure by Issuer of Securities and Inside Trading, with the Rules for Disclosure and Performa issued by the Capital Market Authority and with Commercial Companies Law of 1974 as amended.

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Parent company and its subsidiaries. Companies in which the Parent company holds an investment of more than 50% of an investee companies' equity and where the Parent company has the power to govern the financial and operating policies of the investee company so as to obtain benefits from its activities, are regarded as subsidiary companies. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date of their acquisition or up to the date of their disposal. Intra-group sales, profits and balances are eliminated on consolidation and revenue and profit figures relate to external transactions and balances only.

The company accounts for its investment in its subsidiaries at cost less any impairment in value for the purpose of its separate financial statements.

2.3 Minority interests

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Acquisitions of minority interests are accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired is recognized as goodwill.

2.4 Revenue recognition

Sales of goods are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

Revenue from rendering of services is recognized when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the transaction at the balance sheet date.

Contract revenue comprises the total value of construction work performed during the year and settled claims. Profit on contracts is recognized on the percentage of completion basis. No profit is taken until a contract has progressed to the point where the ultimate realizable profit can be determined reasonably. Provision is made for all losses incurred to the accounting date together with any future losses that are foreseen in bringing contracts to completion.

Commission income earned is accounted for when entitlement to receive the income is established. Sponsorship fee and secondment income is recognized on accrual basis

Interest income is recognised on an accrual basis. Interest revenue is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts, estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend income is recognised when the right to receive dividend is established.

Rental income is accounted for on a time proportion basis over the period of the related agreements.

2.5 Foreign currencies

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Rial Omani, which is the Group's functional and presentation currency.

Foreign currency transactions are translated into Rial Omani at the exchange rate prevailing on the transaction date. Foreign currency assets and liabilities are translated into Rial Omani at the exchange rate prevailing at the balance sheet date. Differences on exchange are dealt with in the income statement.

2.6 Income tax

Income tax on the results for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

2.7 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. The Group's land and buildings are subsequently revalued, on an asset-by-asset basis, to their market values. Revaluations of land and buildings are carried out every five years to their market value at the date of revaluation.

The carrying values, both those devalued and those measured at cost are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

When an asset is re-valued, any increase in the carrying amount arising on revaluation is credited directly to equity under the revaluation reserve, except to the extent that a revaluation increase merely restores the carrying value of an asset to its original cost, whereby it is recognised as income. A decrease resulting from a revaluation is initially charged directly against any related revaluation surplus held in respect of that same asset, the remaining portion being charged as an expense. On disposal the related revaluation surplus is credited to the income statement.

Depreciation is provided on a straight-line basis on all property, plant and equipment, other than freehold land which is determined to have an indefinite life. The rates of depreciation are based upon the estimated useful lives of the assets as follows:

Buildings	20 years
Furniture, fixtures and equipment	4 to 6 years
Plant and machinery	2 to 4 years
Motor vehicles	3 to 4 years

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the income statement as the expense is incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

2.8 Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or Groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or Groups of units. Each unit or Group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (Group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (Group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. Where goodwill forms part of a cash-generating unit (Group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.9 Impairment and uncollectibility of financial assets

An assessment is made at each balance sheet date to determine whether there is objective evidence that a financial asset or Group of financial assets may be impaired. If such evidence exists, any impairment loss is recognised in the income statement.

Impairment is determined as follows:

- a) For assets carried at fair value, impairment is the difference between cost and fair value;
- b) For assets carried at cost, impairment is the difference between cost and the present value of future cash flows discounted at the current market rate of return for a similar financial asset.
- c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

2.10 Investments in associates

The Group's investments in its associates are accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The income statement reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity.

(a) Investment securities

2.11 Investments carried at fair value through profit or loss

Financial assets at fair value through profit or loss, has two sub categories namely financial assets held for trading and those designated at fair value through profit or loss at inception. Investments typically bought with the intention to sell in the near future are classified as held for trading. For investments designated as at fair value through profit or loss, the following criteria must be met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on a different basis, or
- The assets are part of a Group of financial assets, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

These investments are initially recorded at fair value. Subsequent to initial recognition, these investments are remeasured at fair value. Fair value adjustments and realized gain and loss are recognized in the income statement.

(b) Available for sale

These are initially recorded at cost and subsequently measured at fair value, unless this cannot be reliably measured. Changes in fair value are reported as a separate component of equity. On impairment the cumulative loss and on derecognising the cumulative gain or loss previously reported in equity is included in the income statement for the period.

(c) Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intent and ability to hold to maturity.

Held-to-maturity investments are initially recognized at cost and subsequently re-measured at amortized cost using the effective yield method less any provision for impairment.

Interest receivable from held to maturity is accounted for on the accruals basis.

2.12 Derecognition of financial instruments

Financial assets are derecognized when the right to receive cash from the financial asset has expired or when the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the liability is extinguished.

2.13 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on the weighted average cost basis and consists of the direct cost of materials, and related expenses. Net realizable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realization. The liability for goods in transit is recorded at the time of shipment. Provision is made where necessary for obsolete, slow-moving and defective items. Work-in-progress represents the value of materials supplied under supply and installation contracts.

2.14 Work in progress

Work in progress on contracts is calculated at cost, plus attributable profit, less any losses incurred or foreseen in bringing contracts to completion, and less amounts received or receivable as progress payments. Cost for this purpose includes all direct contract costs including valuations of all work done by subcontractors, whether certified or not, depreciation of plant and equipment used on contract sites and temporary facilities and all overheads other than those relating to general and administration. For any contracts where receipts plus receivables exceed the book value of work done, the excess is included in current liabilities as accounts payable and accruals

2.15 Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently are stated at amortized cost using the effective interest method less impairment losses. A provision for impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of debtors. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade debtors are impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognized in the income statement within "Overhead expenses".

2.16 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, bank balances, and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

2.17 Trade and other payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Liabilities are recognized for amounts to be paid for goods and services received, whether or not billed to the Group.

2.18 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Term loans are carried on the balance sheet at their principal amount. Installments due within one year are shown as a current liability. Interest is charged as an expense as it accrues, with unpaid amounts included in accounts payable and accruals.

Short-term loans are carried on the balance sheet at their principal amount. Interest is charged as an expense as it accrues, with unpaid amounts included in "trade and other payables".

2.19 Provisions

Provisions are recognized when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

2.20 End of service benefits and leave entitlements

End of service benefits are accrued in accordance with the terms of employment of the Group's employees at the balance sheet date, having regard to the requirements of the Oman Labor Law 2003 as amended. Employee entitlements to annual leave and leave passage are recognized when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the balance sheet date. These accruals are included in current liabilities, while that relating to end of service benefits is disclosed as a non-current liability.

Contributions to a defined contribution retirement plan and occupational hazard insurance for Omani employees in accordance with the Omani Social Insurances Law of 1991 are recognized as an expense in the income statement as incurred.

2.21 Trade and settlement date accounting

All regular way purchases and sales of financial assets are recognised on the trade date, i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

2.22 Dividend on ordinary shares

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Parent company's shareholders. Interim dividends are deducted from equity when they are paid.

Dividends for the year that are approved after the balance sheet date are dealt with as an event after the balance sheet date.

2.23 Directors' remuneration

The Directors' remuneration is governed as set out in the Memorandum of Association of the Parent company, the Commercial Companies Law, regulations issued by the Capital Market Authority.

The Annual General Meeting shall determine and approve the remuneration and the sitting fees for the Board of Directors and its sub-committees provided that such fees shall not exceed 5% of the annual net profit after deduction of the legal reserve and the optional reserve and the distribution of dividends to the shareholders provided that such fees shall not exceed RO 200,000. The sitting fees for each director shall not exceed RO 10,000 in one year.

2.24 Derivative financial instruments

The group uses forward foreign exchange contracts to hedge its risk associated primarily with foreign currency fluctuations relating to purchases of inventory from overseas suppliers. These are included in the balance sheet at fair value and any resultant gain or loss is recognised in the statement of changes in equity and subsequently adjusted against the value of inventory. The fair values of forward foreign exchange contracts are included in "other receivables" in case of favourable contracts and "other payables" in case of unfavourable contracts.

For hedges which do not qualify for hedge accounting, any gains or losses arising from changes in the fair value of the hedging instrument are taken directly to the income statement for the period.

3 Risk management

The group's activities expose it to a variety of financial risks and market risk including interest rate risk, currency risk, through the effects of changes in market prices, credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the company. Risk management is carried out by the management under policies approved by the Board of directors of the Parent company.

3.1 Fair value of financial instruments

Financial instruments comprise financial assets, financial liabilities and derivatives.

For investments traded in organised markets, fair value is determined by reference to quoted market bid prices.

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

For unquoted equity investments, fair value is determined by reference to the market value of a similar investment or is based on the expected discounted cash flows.

The fair value of forward foreign exchange contracts is calculated by reference to current forward exchange rates with the same maturity.

4 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Key sources of estimation uncertainty

Impairment of goodwill

The group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The net carrying amount of goodwill at 30 Sep 2008 was RO 3,219,998

Impairment of trade accounts receivables

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the balance sheet date, gross trade accounts receivable were RO 20,386,664 and the provision for doubtful debts was RO 144,000. Any difference between the amounts actually collected in future periods and the amounts expected will be recognized in the consolidated income statement

Impairment of inventories

Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

At the balance sheet date, goods for resale were RO 4,089,075 with provision for old and obsolete inventories of RO 432,243. Any difference between the amounts actually realized in future periods and the amounts expected will be recognized in the income statement.

Percentage of completion

The company uses the percentage of completion method when accounting for contract revenue. Use of the percentage of completion method requires the company to estimate the costs incurred to date on contracts as a proportion of the total contract costs to be incurred. The accuracy of this estimate has a material impact on the amount of revenue and related profits recognized. Any revision to profit arising from changes in estimates is accounted for in the period when the changes become known.

5	Revenue	GROUP	PARENT	GROUP	PARENT
		2008	COMPANY	2007	COMPANY
		RO	2008	RO	2007
			RO		RO
	Sale of Products and services	43,455,651	480,046	37,059,799	307,932
	Contract revenue	34,237,029	-	21,605,807	-
	Commission income	593,251	-	280,369	-
	Secondment income	112,498	-	170,675	-
		<u>78,398,429</u>	<u>480,046</u>	<u>59,116,650</u>	<u>307,932</u>
6	Other operating income	2008	2008	2007	2007
		RO	RO	RO	RO
	Sponsorship fee	27,147	-	40,721	-
	Rent	97,310	-	132,155	-
	Profit on sale of assets	494,131	5,299	838,753	579,466
	Exchange gain	167,177	-	(15,413)	-
	Management Charges	-	83,000	-	83,000
	Other income	119,505	36,457	757,537	107,601
		<u>905,270</u>	<u>124,756</u>	<u>1,753,753</u>	<u>770,067</u>
7	Investment Income	GROUP	PARENT	GROUP	PARENT
		2008	COMPANY	2007	COMPANY
		RO	2008	RO	2007
			RO		RO
	Dividend income	565,238	382,224	171,044	25,000
	Profit on Sale of Investment	1,307,291	1,282,507	152,020	152,020
	Unrealised Profit/(Loss) on investment carried at fair value through profit & loss a/c	(4,931,546)	(5,168,479)	1,370,607	633,168
		<u>(3,059,017)</u>	<u>(3,503,748)</u>	<u>1,693,671</u>	<u>810,188</u>
8	Cost of goods sold	GROUP	PARENT	GROUP	PARENT
		2008	COMPANY	2007	COMPANY
		RO	2008	RO	2007
			RO		RO
	Cost of products and services	38,391,091	58,581	31,939,439	44,783
	Contract cost	21,477,206	-	14,024,667	-
	Staff cost	5,647,796	-	2,891,402	-
		<u>65,516,093</u>	<u>58,581</u>	<u>48,855,508</u>	<u>44,783</u>

9 Property, plant and equipment

GROUP

	Freehold buildings RO	Freehold land RO	Furniture, fixtures and equipment RO	Motor vehicles RO	Plant and machinery RO	Capital work in progress RO	Total RO
Cost or valuation							
At 1 April 2008	6,232,832	5,952,090	2,850,710	9,584,417	3,206,993	725,385	28,552,427
Additions	1,472,823	3,845,967	599,221	3,014,809	370,837	378,139	9,681,795
Disposals	(36,839)	-	(416,668)	(1,246,042)	-	(56,663)	(1,756,212)
Reclassification	(1,182,805)	525,458)	206,234)	(30,400)	-	-	(1,944,897)
At 31 Dec 2008	<u>6,486,011</u>	<u>9,272,599</u>	<u>2,827,029</u>	<u>11,322,784</u>	<u>3,577,830</u>	<u>1,046,861</u>	<u>34,533,113</u>
Depreciation							
At 1 April 2008	892,045	-	2,055,720	4,227,041	1,589,677	-	8,764,483
Charge for the year	352,229	-	289,500	1,905,858	557,007	-	3,104,595
Reclassification	(47,044)	-	(42,951)	(10,367)	-	-	(100,362)
Disposal/Deletions	(32,841)	-	(358,827)	(1,054,720)	(24,422)	-	(1,470,810)
At 31 Dec 2008	<u>1,164,389</u>	-	<u>1,943,442</u>	<u>5,067,811</u>	<u>2,122,262</u>	-	<u>10,297,904</u>
Net carrying amount							
At 31 Dec 2008	<u>5,321,622</u>	<u>9,272,599</u>	<u>863,587</u>	<u>6,254,973</u>	<u>1,455,568</u>	<u>1,046,861</u>	<u>24,235,209</u>

PARENT COMPANY

	Freehold buildings RO	Freehold land RO	Furniture, fixtures and equipment RO	Motor vehicles RO	Plant and machinery RO	Capital work in progress RO	Total RO
Cost or valuation							
At 1 April 2008	800,000	200,000	223,582	113,926	-	46,499	1,384,007
Additions	-	-	20,115	35,600	-	-	55,715
Disposals	-	-	(23,045)	(17,750)	-	-	(40,795)
At 31 Dec 2008	<u>800,000</u>	<u>200,000</u>	<u>220,652</u>	<u>131,776</u>	-	<u>46,499</u>	<u>1,398,927</u>
Depreciation							
At 1 April 2008	213,732	-	118,139	63,758	-	-	395,629
Charge for the year	40,203	-	28,645	27,003	-	-	95,851
Disposal/Deletions	-	-	(23,045)	(17,750)	-	-	(40,795)
At 31 Dec 2008	<u>253,935</u>	-	<u>123,739</u>	<u>73,011</u>	-	-	<u>450,685</u>
Net carrying amount							
At 31 Dec 2008	<u>546,065</u>	<u>200,000</u>	<u>96,913</u>	<u>58,765</u>	-	<u>46,499</u>	<u>948,242</u>

10 Investment properties

	Group 2008 RO	Parent company 2008 RO	Group 2007 RO	Parent company 2007 RO
Cost				
At 1 April 2008	3,450,228	3,450,228	2,355,597	2,355,597
Additions	-	-	1,554,393	1,554,393
Disposals	<u>(470,245)</u>	<u>(470,245)</u>	<u>(475,000)</u>	<u>(475,000)</u>
At 31 Dec 2008	<u>2,979,983</u>	<u>2,979,983</u>	<u>3,434,990</u>	<u>3,434,990</u>
Depreciation				
At 1 April 2008	202,294	202,294	157,232	157,232
Charge for the year	83,734	83,734	69,816	69,816
Disposals			<u>(52,356)</u>	<u>(52,356)</u>
At 31 Dec 2008	<u>286,028</u>	<u>286,028</u>	<u>174,692</u>	<u>174,692</u>
Net carrying amount				
At 31 Dec 2008	<u>2,693,955</u>	<u>2,693,955</u>	<u>3,260,298</u>	<u>3,260,298</u>

Land measuring 30,475 sq.mtr., in which our company has a 30% ownership interest, has been reclassified from fixed assets to investment property. Following this reclassification, it is now stated at cost, in line with the accounting policy. This reclassification has also resulted in an adjustment being carried out to the company's revaluation reserves.

11 Investment in Subsidiaries & Associates

The subsidiaries of OHI SAOG are as follows:

PARENT COMPANY

Company name	Proportion held	Value	Proportion held	Value
	2008	2008	2007	2007
Advertising and Publishing Co	100%	575,485	100%	575,485
Business Travel Services LLC	100%	422,770	92.5%	394,645
Douglas OHI LLC	51%	431,458	51%	431,458
Eihab Travels LLC	100%	140,000	100%	90,000
Falcon Air Services & Transport Co. LLC	100%	240,000	100%	240,000
International Information Technology Co. LLC	100%	500,000	100%	500,000
OHI Marine LLC	100%	2,019,367	100%	1,769,367
OHI Petroleum and Energy Services LLC	100%	1,903,969	100%	1,903,969
Overseas Projects and Equipment Co. LLC	100%	696,780	100%	696,780
OHI Telecommunications Company LLC	100%	2,429,684	100%	2,429,684
Qatar Project Group International LLC	65%	13,881	65%	13,881
Select Travel LLC	100%	-	100%	-
Sunrise Travel and Tourism LLC	100%	9,348	100%	9,348
Travel & Allied Services LLC	100%	820,000	100%	770,000
Desert Camp LLC	-	-	75%	300,000
Oman International Electronics LLC	100%	725,000		
		<u>10,927,742</u>		<u>10,124,617</u>

- (1) During the period Desert Camp LLC has been sold to OHTC SAOG effective 1st October 2008. The financial results of Desert Camp up to 30th September have been consolidated in the books of OHI SAOG.
- (2) During the period Oman International Electronics Co LLC was acquired by OHI SAOG as 100% subsidiary effective 1st October 2008.
- (3) Effective 29th October 2008 Business Travel Services is a 100% subsidiary of OHI SAOG.

11 Investment in Subsidiaries & Associates (continued)

The associates of OHI SAOG are as follows:

	2008	Group	Parent Co		Group	Parent Co
	Holding %	2008	2008	2007	2007	2007
		Value	Value	Holding %	Value	Value
Computer Stationery Industry SAOG	31%	983,067	832,194	31%	909,658	832,194
Oman Steel Company LLC				30%	811,380	600,000
Group 4 Falk LLC	51%	254,205	76,500	51%	222,169	76,500
Steel Tek LLC	50%	29,529	25,000	50%	28,344	25,000
P Sons International Chemicals LLC		-	-	35%	15,000	15,000
Drake & Scull International (Oman) LLC (i)		-	-	50%	75,000	75,000
Al Tariff Investment Co LLC (ii)		-	-	40%	120,000	120,000
Velosi LLC	50%	333,631	-	50%	259,042	-
Al Kamil Construction & Services LLC	35%	129,676	-	35%	120,883	-
Canadian Energy Services LLC	30%	68,090	-	30%	68,090	-
Gammon International LLC	31%	46,500	46,500	31%	46,500	46,500
03 RP LLC	50%	213,473	75,000		-	250,000
Entertainment Network				50%	227,486	250,000
Al Qurum Properties Co LLC	50%	581,336	1,000,000	50%	(689,839)	1,000,000
Al Najma Hospitality LLC	50%	1,146,872	1,000,000	50%	1,000,000	1,000,000
San Spence LLC	50%	66,300	66,300		-	-
ERN International LLC	50%	125,000	125,000			
Oman Hotel Tourism Co SAOG	46%	12,211,938	8,720,566	46%	8,718,459	8,718,459
		16,189,617	11,967,060		11,932,172	12,758,653

(i) During the period, investment in Drake & Scull International LLC was divested, yielding a profit of RO 2,448

(ii) During the period, investment in Al Tarif Investment Co LLC was divested at cost.

(iii) During the period, investment in Oman Steel Co LLC was divested yielding in a profit of RO 1,050,000

(IV) During the period ERN International LLC was incorporated as an associate company effective 11th November 2008.

12 Investment Securities

GROUP

	<i>Notes</i>	2008	2007
		RO	RO
Investments carried at fair value through profit and loss	(i)	6,446,773	2,410,562
Available for sale investments	(ii)	2,234,971	520,209
Held to maturity investments		56,989	57,565
		8,738,733	2,988,336

i) Investment carried at fair value through profit and loss

	Market	Market	Book value	Book value
	value 2008	value 2007	2008	2007
	RO	RO	RO	RO
Local quoted investments:				
Banking / Finance sector	3,669,858	-	3,669,858	-
Industrial sector	2,776,915	2,410,562	2,776,915	2,410,562
Insurance sector	-	-	-	-
	6,446,773	2,410,562	6,446,773	2,410,562

12. Investment Securities (continued)

ii) Available for sale investments

	Market value 2008 RO	<i>Market value 2007 RO</i>	Book value 2008 RO	<i>Book value 2007 RO</i>
Local quoted investments:				
Banking / Finance sector	1,720,071	-	1,720,000	-
Local unquoted investments:				
Insurance sector	400,000	400,000	400,000	400,000
Industrial sector	114,900	109,609	114,900	109,609
Banking / Finance sector	-	10,600	-	10,600
	<u>2,234,971</u>	<u>520,209</u>	<u>2,234,971</u>	<u>520,209</u>

12. Investment Securities

PARENT COMPANY

	<i>Not es</i>	2008 RO	<i>2007 RO</i>
Investments carried at fair value through profit and loss	(i)	3,799,278	-
Available for sale investments	(ii)	2,109,971	400,000
Investments		-	-
		<u>5,909,249</u>	<u>400,000</u>

i) Investment carried at fair value through profit and loss

	Market value 2008 RO	<i>Market value 2007 RO</i>	Book value 2008 RO	<i>Book value 2007 RO</i>
Local quoted investments:				
Banking / Finance sector	2,776,915	-	2,776,915	-
Industrial sector	1,022,363	-	1,022,363	-
Insurance sector	-	-	-	-
	<u>3,799,278</u>	<u>-</u>	<u>3,799,278</u>	<u>-</u>

12. Investment Securities (continued)

ii) Available for sale investments

	<i>Market value 2008 RO</i>	<i>Market value 2007 RO</i>	<i>Book value 2008 RO</i>	<i>Book value 2007 RO</i>
Local quoted investments:				
Banking / Finance sector	-	-	-	-
Industrial sector	1,709,971	-	1,709,971	-
Local unquoted investments:				
Insurance sector	400,000	400,000	400,000	400,000
	<u>2,109,971</u>	<u>400,000</u>	<u>2,109,971</u>	<u>400,000</u>

Details of significant investments

Details of the company's investment securities, for which either, the company's holding represents 10% or more of the issuer's share capital or the company's holding exceeds 10% of the market value of the company's investment portfolio, were as follows:

GROUP

	<i>Number of securities</i>	<i>Market value RO</i>	<i>Carrying Value RO</i>
31st Dec 2008			
Local quoted	5,150,722	2,647,495	2,647,495
Oman Chlorine SAOG	10,961,351	1,709,971	1,709,971
United Finance Co SAOG	1,720,000	1,370,840	1,370,840
Bank Muscat SAOG			
31 Dec 2007			
Local quoted			
Oman Chlorine Company SAOG	5,150,722	2,410,562	2,410,562
Local unquoted			
Royal Sunalliance Company SAOC	250,000	400,000	400,000

PARENT COMPANY

	<i>Number of securities</i>	<i>Market value RO</i>	<i>Carrying Value RO</i>
31st Dec 2008			
Local quoted			
United Finance Co SAOG	10,961,351	1,709,971	1,709,971
Bank Muscat SAOG	1,720,000	1,370,840	1,370,840
Oman Telecommunication SAOG	412,037	654,315	654,315
31 Dec 2007			
Local unquoted			
Royal Sunalliance Company SAOC	250,000	400,000	400,000

13 Accounts Receivable & prepayments

	<i>GROUP</i>	<i>PARENT COMPANY</i>	<i>GROUP</i>	<i>PARENT COMPANY</i>
	<i>2008</i>	<i>2008</i>	<i>2007</i>	<i>2007</i>
	<i>RO</i>	<i>RO</i>	<i>RO</i>	<i>RO</i>
Amounts due from related parties	1,034,197	598,961	595,440	825,485
Trade accounts receivable	20,242,664	11,681	19,024,205	71,784
Prepaid expenses	1,517,365	34,280	1,080,902	21,204
Retentions receivable	3,752,397	-	586,768	-
Advance paid	2,912,759	-	3,859,333	-
Other receivables	817,119	13,046	831,168	8,881
	<u>30,276,501</u>	<u>657,968</u>	<u>25,977,816</u>	<u>927,354</u>

14 Share capital

	<i>GROUP</i>	<i>PARENT COMPANY</i>	<i>GROUP</i>	<i>PARENT COMPANY</i>
	<i>2008</i>	<i>2008</i>	<i>2007</i>	<i>2007</i>
	<i>RO</i>	<i>RO</i>	<i>RO</i>	<i>RO</i>
Authorized - ordinary shares of RO 0.100 each	<u>30,000,000</u>	<u>30,000,000</u>	<u>8,450,000</u>	<u>8,450,000</u>
Issued and fully paid - ordinary shares of RO 0.100 each	<u>10,000,000</u>	<u>10,000,000</u>	<u>8,450,000</u>	<u>8,450,000</u>

During the year face value of the shares has been revised to RO 0.100 from RO 1.000 each

Shareholders of the company who own 10% or more of the company's shares, whether in their name, or through a nominee account, and the number of shares they hold are as follows:

	<i>2008</i>		<i>2007</i>	
	<i>Number of shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
MH & Partners Investment Company LLC	24,809,650	24.81	2,090,588	24.7
International Investment Company LLC	20,055,740	20.056	1,690,000	20
Global Financial Investment Co SAOG	-	-	1,158,374	13.7

15 Statutory reserve

As required by the Commercial Companies Law of the Sultanate of Oman, 10% of the profit for the year is required to be transferred to a statutory reserve until the reserve is equal to one third of the issued share capital of the company. This reserve is not available for distribution.

16 Revaluation reserve

The reserve represents the surplus on revaluation of land and building and is not available for distribution until the related assets have been disposed off.

17 Term loans

	<i>GROUP</i>	<i>PARENT COMPANY</i>	<i>GROUP</i>	<i>PARENT COMPANY</i>
	<i>2008</i>	<i>2008</i>	<i>2007</i>	<i>2007</i>
	<i>RO</i>	<i>RO</i>	<i>RO</i>	<i>RO</i>
Loan from commercial banks	18,795,643	16,675,064	12,556,715	9,674,279
Loan from financial institution	2,609,340	-	-	-
Less: loan instalments due within one year	(3,292,509)	(2,160,000)	(1,075,101)	(295,597)
	<u>18,112,474</u>	<u>14,515,064</u>	<u>11,481,614</u>	<u>9,378,682</u>

Loans from commercial banks are secured by a mortgage over the parent company's buildings, assignment of building rentals and pledge of certain quoted shares. The loans are denominated in Rial Omani and US Dollars and are repayable in installments over varying periods. The annual interest rates on Rial Omani loans ranges between 5% to 8%.

Loans from financial institutions are secured by a first charge over car rental assets and are repayable in equal monthly installments. The loans carry annual interest rates ranging between 7.5%

Loan installments due within one year and interest payable are disclosed under current liabilities.

18 Employees end of service benefits

Movements in the liability recognized in the balance sheet are as follows:

	<i>GROUP</i>	<i>PARENT COMPANY</i>	<i>GROUP</i>	<i>PARENT COMPANY</i>
	<i>2008</i>	<i>2008</i>	<i>2007</i>	<i>2007</i>
	<i>RO</i>	<i>RO</i>	<i>RO</i>	<i>RO</i>
Liability as at 1 April	1,997,400	75,027	1,581,847	66,137
Accrued during the year	560,709	19,564	496,149	9,983
Payments during the year	(110,601)	(855)	(112,699)	(2,855)
Liability as at 31 st Dec 2008	<u>2,447,508</u>	<u>93,737</u>	<u>1,965,297</u>	<u>73,265</u>

19 Accounts payable and accruals

	<i>GROUP</i>	<i>PARENT COMPANY</i>	<i>GROUP</i>	<i>PARENT COMPANY</i>
	<i>2008</i>	<i>2008</i>	<i>2007</i>	<i>2007</i>
	<i>RO</i>	<i>RO</i>	<i>RO</i>	<i>RO</i>
Amounts due to related parties	1,309,945	1,591,780	2,721,141	3,051,585
Trade accounts payable	21,554,220	21,401	24,721,381	32,632
Accrued expenses	7,763,959	78,320	2,494,303	141,427
Advances received	7,341,831	-	2,493,346	-
Other payables	9,316,959	296,975	6,431,542	168,704
	<u>47,286,914</u>	<u>1,988,476</u>	<u>38,861,713</u>	<u>3,394,348</u>

20 Provisions

	GROUP			
	Debtors	Investments	Others	Total
Opening balance	148,177	50,000	360,629	558,806
Provided during the period	17,100	8,699	88,928	114,727
Released/Written off during the period	(21,277)	-	(17,314)	(38,591)
Provision balance as of 31 Dec 2008	144,000	58,699	432,243	634,942
Value of assets before provisions	20,386,664	150,000	4,089,025	24,625,739
Provision balance as of 31 Dec 2008	(144,000)	(58,699)	(432,243)	(634,942)
Book value of assets as on 31 Dec 2008	20,242,664	91,301	3,656,832	23,990,797

	PARENT COMPANY			
	Debtors & Receivables	Investments	Others	Total
Opening balance	667			667
Provided during the period				
Released/Written off during the period				
Provision balance as of 31 Dec 2008	667		-	667
Value of assets before provisions	583,637			583,637
Provision balance as of 31 Dec 2008	(667)			(667)
Book value of assets as on 31 Dec 2008	582,970			582,970

21 RELATED PARTY TRANSACTIONS
31st Dec 2008

GROUP

	Sales RO	Purchases RO	Trade Receivables RO	Trade Payable RO
Associated companies	579,335	59,138	531,072	1,310,097

PARENT COMPANY

	Sales RO	Purchases RO	Trade Receivables RO	Trade Payable RO
Subsidiary companies	458,681	4,249	314,790	300,790
Associated companies	51,254	6,510	284,171	1,290,990

A

**OMAN HOLDINGS INTERNATIONAL CO SAOG
SUMMARY OF UNAUDITED CONSOLIDATED RESULTS
FOR 9 MONTHS ENDED 31ST DECEMBER 2008**

Particulars	2008	2007	Change %
Total Assets	106,007,445	75,080,957	41%
Total Liabilities	74,685,901	55,901,923	34%
Net Assets	31,321,544	19,179,034	63%
Net assets per share *	.313	.227	38%
Current ratio **	0.94	0.95	-1%
Gross profit	12,882,336	10,261,142	26%
Gross profit margin ***	16%	17%	-1%
Net profit	607,444	3,731,794	-84%
Earning per share ****	0.0061	0.0442	-86%

* Net assets per share is calculated by dividing the net assets (book value) by the average number of ordinary shares in issue

** Current ratio represents the ration of current assets to current liabilities

*** Gross profit margin in calculated as follows

$$\text{Gross profit margin} = \frac{\text{Gross profit} * 100}{\text{Revenue}}$$

**** Earnings per share is calculated by dividing net profit after tax & minority interest for the period by the average number of ordinary shares in issue

INTERNATIONAL INFORMATION TECHNOLOGY CO LLC
NOTES TO UNAUDITED ACCOUNTS FOR THE 9 MONTHS
ENDED SEPTEMBER 30, 2008

1 Other operating income

	2008	2007
	RO	RO
Sponsorship fee		
Rent		
Management fee		
Exchange Gains	14,078	2,868
Profit on sale of assets	2,727	5,281
Commission Income		
Other income	173	874
	<u>16,978</u>	<u>9,023</u>

2 Accounts Receivable & prepayments

	2008	2007
	RO	RO
Amounts due from related parties	2,388,024	1,378,665
Trade accounts receivable	824,752	977,610
Prepaid expenses	162,401	107,849
Other receivables	6,222	15,537
	<u>3,381,399</u>	<u>2,479,661</u>

3 Employees end of service benefits

Movements in the liability recognized in the balance sheet are as follows:

	2008	2007
	RO	RO
Liability as at 1 Jan	251,082	213,100
Transfers	(24,957)	
Accrued during the year	73,857	74,614
Payments during the year	(59,475)	(25,093)
	<u>240,507</u>	<u>262,621</u>

4 Accounts payable and accruals

	2008	2007
	RO	RO
Amounts due to related parties	97,442	17,494
Trade accounts payable	2,575,511	4,554,864
Accrued expenses	255,976	120,185
Advance received	608,220	289,571
Other payables	74,709	106,939
	<hr/> 3,611,858 <hr/>	<hr/> 5,089,053 <hr/>

5 Provisions

	Debtors & Receivables	Investments	Others	Total
Opening balance	20,477			20,477
Provided during the period				
Released/Written off during the period				
Provision balance as of 30 Sep 2008	<hr/> 20,477 <hr/>			<hr/> 20,477 <hr/>
Value of assets before provisions	3,401,876			3,401,876
Provision balance as of 30 Sep 2008	(20,477)			(20,477)
Book value of assets as on 30 Sep 2008	<hr/> 3,381,399 <hr/>			<hr/> 3,381,399 <hr/>

OVERSEAS PROJECTS & EQUIPMENT CO LLC
NOTES TO UNAUDITED ACCOUNTS FOR THE 6 MONTHS
ENDED SEPTEMBER 30TH 2008

1 Investment Income

	<i>2008</i>	<i>2007</i>
	<i>RO</i>	<i>RO</i>
Dividend income	80,000	125,000
Profit on sale on Investment		
Unrealised gain on investment securities		
	<u>80,000</u>	<u>125,000</u>
	<u><u>80,000</u></u>	<u><u>125,000</u></u>

2 Other operating income

	<i>2008</i>	<i>2007</i>
	<i>RO</i>	<i>RO</i>
Sponsorship fee		
Rent		
Management fee		
Profit on sale of assets		
Exchange gain		
Other income		435
		<u>435</u>
	<u><u>435</u></u>	<u><u>435</u></u>

3 Investment in Subsidiaries & Associates

The Subsidiaries are as follows:

	<i>2008</i>	<i>2007</i>	<i>Value</i>	<i>Value</i>
	<i>Holding %</i>	<i>Holding%</i>	<i>2008</i>	<i>2007</i>
Ampscot Overseas Petroleum Equipment Co LLC	51%	51%	40,149	40,149

The associates are as follows:

	<i>2008</i>	<i>2007</i>	<i>Value</i>	<i>Value</i>
	<i>Holding %</i>	<i>Holding%</i>	<i>2008</i>	<i>2007</i>
Velosi LLC	50%	50%	333,631	259,042

4 Accounts Receivable & prepayments

	2008 RO	2007 RO
Amounts due from related parties	422,691	319,116
Trade accounts receivable	2,751,612	1,104,743
Prepaid expenses	22,954	391
Retentions receivable		26,881
Other receivables	9,838	128,702
	<u>3,207,095</u>	<u>1,579,833</u>

5 Employees end of service benefits

Movements in the liability recognized in the balance sheet are as follows:

	2008 RO	2007 RO
Liability as at 1 April	64,698	58,444
Accrued during the year	10,364	5,301
Payments during the year		
	<u>75,062</u>	<u>63,745</u>
Liability as at 30 Sept		

6 Accounts payable and accruals

	2008 RO	2007 RO
Amounts due to related parties	36,862	101,583
Trade accounts payable	1,512,745	514,128
Accrued expenses	691,028	200,906
Advance received	255	568
Other payables	1,122,238	614,536
	<u>3,363,128</u>	<u>1,431,721</u>

7 Provisions

	Debtors & Receivables	Investments	Others	Total
Opening balance	13,843			13,843
Provided during the period				
Released/Written off during the period				
Provision balance as of 30th Sep 2008	<u>13,843</u>			<u>13,843</u>
Value of assets before provisions	3,220,931			3,220,931
Provision balance as of 30 Sep 2008	(13,843)			(13,843)
Book value of assets as on 30th Sep 2008	<u>3,207,094</u>			<u>3,207,094</u>

OHI PETROLEUM & ENERGY SERVICES LLC
NOTES TO UNAUDITED ACCOUNTS FOR THE 6 MONTHS
ENDED SEPTEMBER 30TH 2008

1 Investment Income

	<i>2008</i>	<i>2007</i>
	<i>RO</i>	<i>RO</i>
Dividend income	103,014	149,301
Profit on sale on Investment		
Unrealised gain on investment securities	236,933	865,836
	<u>339,947</u>	<u>1,015,137</u>

2 Other operating income

	<i>2008</i>	<i>2007</i>
	<i>RO</i>	<i>RO</i>
Sponsorship fee	27,147	27,147
Rent	64,651	16,500
Management fee		
Profit on sale of assets		2,799
Exchange gain		
Other income	900	1,125
	<u>92,698</u>	<u>47,571</u>

3 Investment in Subsidiaries & Associates

The subsidiaries are as follows:

<i>Company name</i>	<i>2008</i>	<i>2007</i>	<i>Value</i>	<i>Value</i>
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Mud Industries LLC	100%	100%	100,000	100,000

The associates are as follows:

	<i>2008</i>	<i>2007</i>	<i>Value</i>	<i>Value</i>
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Al Kamil Construction & Services LLC	35%	35%	129,676	120,883
Canadian Energy Services LLC	30%	30%	68,090	68,090

4 Investment Securities

		<i>2008</i>	<i>2007</i>
	<i>Notes</i>	<i>RO</i>	<i>RO</i>
Investments carried at fair value through profit and loss	(i)	2,647,495	1,905,791
Available for sale investments	(ii)	89,900	90,109
		<u>2,737,395</u>	<u>1,995,900</u>

i) Investment carried at fair value through profit and loss

	Market value 2008 RO	Market value 2007 RO	Book value 2008 RO	Book value 2007 RO
Local quoted investments:				
Banking sector	-			
Industrial sector	2,647,495	1,905,791	2,647,495	1,905,791
	<hr/>	<hr/>	<hr/>	<hr/>
	2,647,495	1,905,791	2,647,495	1,905,791
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ii) Available for sale investments

	Market value 2008 RO	Market value 2007 RO	Book value 2008 RO	Book value 2007 RO
Local unquoted investments:				
Insurance sector				
Industrial sector	89,900	90,109	89,900	90,088
Banking sector	89,900	90,109	89,900	90,088

Details of significant investments

Details of the company's investment securities, for which either, the company's holding represents 10% or more of the issuer's share capital or the company's holding exceeds 10% of the market value of the company's investment portfolio, were as follows:

	Holding %	Number of securities	Market value RO	Carrying Value RO
30 Sep 08				
Local quoted				
Oman Chlorine SAOG	9.2	5,150,722	2,647,495	2,647,495
30 Sep 07				
Local quoted				
Oman Chlorine Company SAOG	9.2	5,150,722	1,905,791	1,905,791

5 Accounts Receivable & prepayments

	2008 RO	2007 RO
Amounts due from related parties	65,264	66,303
Trade accounts receivable	4,826,567	4,195,533
Prepaid expenses	109,749	75,335
Advance Paid	215,080	
Other receivables	154,093	123,375
	<hr/>	<hr/>
	5,370,753	4,460,546
	<hr/> <hr/>	<hr/> <hr/>

6 Employees end of service benefits

Movements in the liability recognized in the balance sheet are as follows:

	2008 RO	2007 RO
Liability as at 1 April	255,094	196,489
Accrued during the year	58,546	50,817
Payments during the year		
Liability as at 30 Sept	<u>313,640</u>	<u>247,306</u>

7 Accounts payable and accruals

	2008 RO	2007 RO
Amounts due to related parties	586,797	393,305
Trade accounts payable	6,493,312	4,073,579
Accrued expenses	503,578	366,675
Advance received	622,958	
Other payables		(5,437)
	<u>8,206,645</u>	<u>4,828,122</u>

8 Provisions

	Debtors & Receivables	Investments	Others	Total
Opening balance	16,095			16,095
Provided during the period				
Released/Written off during the period				
Provision balance as of 30th Sep 2008	<u>16,095</u>			<u>16,095</u>
Value of assets before provisions	5,386,848			5,386,848
Provision balance as of 30 Sep 2008	(16,095)			(16,095)
Book value of assets as on 30th Sep 2008	<u>5,370,753</u>			<u>5,370,753</u>

OHI MARINE LLC
NOTES TO UNAUDITED ACCOUNTS FOR THE 6 MONTHS
ENDED SEPTEMBER 30TH 2008

1 Other operating income

	2008	2007
	RO	RO
Sponsorship fee		
Rent		
Management fee		
Profit on sale of assets	1,900	
Exchange gain	153,099	6,988
Other income	107	734
	<hr/>	<hr/>
	155,106	7,722
	<hr/> <hr/>	<hr/> <hr/>

2 Accounts Receivable & prepayments

	2008	2007
	RO	RO
Amounts due from related parties	1,083	5,686
Trade accounts receivable	759,372	595,782
Advance Paid	67,158	86,495
Prepaid expenses	14,890	8,399
Other receivables	14,918	85,940
	<hr/>	<hr/>
	857,421	782,301
	<hr/> <hr/>	<hr/> <hr/>

3 Employees end of service benefits

Movements in the liability recognized in the balance sheet are as follows:

	2008	2007
	RO	RO
Liability as at 01 April	152,016	133,769
Accrued during the year	26,716	13,735
Payments during the year	(2,091)	
	<hr/>	<hr/>
Liability as at 30 Sept	176,642	147,504
	<hr/> <hr/>	<hr/> <hr/>

4 Accounts payable and accruals

	2008	2007
	RO	RO
Amounts due to related parties	18,722	5,749
Trade accounts payable	2,453,140	1,481,419
Advances received	104,358	191,946
Accrued expenses		
Other payables		
	<hr/>	<hr/>
	2,576,220	1,679,114
	<hr/> <hr/>	<hr/> <hr/>

5 Provisions

	Debtors & Receivables	Investments	Others	Total
Opening balance	21,049			21,049
Provided during the period				
Released/Written off during the period				
	<hr/>			
Provision balance as of 30 Sept 2008	21,049			21,049
	<hr/>			
Value of assets before provisions	878,470			878,470
Provision balance as of 30 June 2008	(21,049)			(21,049)
	<hr/>			
Book value of assets as on 30 Sept 2008	857,421			857,421
	<hr/>			

DOUGLAS OHI LLC
NOTES TO UNAUDITED ACCOUNTS FOR THE 9 MONTHS
ENDED SEPTEMBER 30, 2008

1 Other operating income

	2008	2007
	RO	RO
Sponsorship fee		
Rent		
Management fee	5,268	66,468
Profit on sale of assets		
Exchange gain		
Other income	78,721	27,603
	<u>83,989</u>	<u>94,071</u>
	<u><u>83,989</u></u>	<u><u>94,071</u></u>

2 Accounts Receivable & prepayments

	2008	2007
	RO	RO
Amounts due from related parties	21,681	25,071
Trade accounts receivable	4,589,590	4,743,469
Prepaid expenses	714,753	499,846
Retentions Receivable	3,752,397	2,183,471
Other receivables	2,997,156	883,261
	<u>12,075,577</u>	<u>8,335,118</u>
	<u><u>12,075,577</u></u>	<u><u>8,335,118</u></u>

3 Employees end of service benefits

Movements in the liability recognized in the balance sheet are as follows:

	2008	2007
	RO	RO
Liability as at 1 Jan	919,186	643,701
Accrued during the year	261,762	247,313
Payments during the year	(28,877)	(48,950)
	<u>1,152,071</u>	<u>842,064</u>
Liability as at 30 June	<u><u>1,152,071</u></u>	<u><u>842,064</u></u>

4 Accounts payable and accruals

	2008	2007
	RO	RO
Amounts due to related parties	288,351	570,661
Trade accounts payable	4,177,798	7,939,699
Advance from Customers	5,482,589	1,838,892
Sub-Contract Payables	6,260,916	3,324,654
Accrued expenses	3,740,842	984,685
Other payables	1,199,704	904,703
	<u>21,150,200</u>	<u>15,563,294</u>

5 Provisions

	Debtors & Receivables	Investments	Others	Total
Opening balance	24,373			24,373
Provided during the period				
Released/Written off during the period				
Provision balance as of 30 Sep 2008	<u>24,373</u>			<u>24,373</u>
Value of assets before provisions	12,099,950			12,099,950
Provision balance as of 30 Sep 2008	(24,373)			(24,373)
Book value of assets as on 30 Sep 2008	<u>12,075,577</u>			<u>12,075,577</u>

FALCON AIR SERVICES & TRANSPORT CO LLC
NOTES TO UNAUDITED ACCOUNTS FOR THE 9 MONTHS
ENDED SEPTEMBER 30, 2008

1 Other operating income

	2008	2007
	RO	RO
Sponsorship fee		
Rent		
Management fee		
Exchange Gains		
Profit on sale of assets		2,342
Commission Income		
Other income		19,300
	<hr/>	<hr/>
		21,642
	<hr/> <hr/>	<hr/> <hr/>

2 Accounts Receivable & prepayments

	2008	2007
	RO	RO
Amounts due from related parties	209,225	240,122
Trade accounts receivable	403,250	162,867
Advances paid		
Prepaid expenses	56,473	16,568
Other receivables		
	<hr/>	<hr/>
	668,948	419,557
	<hr/> <hr/>	<hr/> <hr/>

3 Employees end of service benefits

Movements in the liability recognized in the balance sheet are as follows:

	2008	2007
	RO	RO
Liability as at 1 Jan	7,878	5,480
Accrued during the year	5,361	3,176
Payments during the year		(1,421)
	<hr/>	<hr/>
Liability as at 30 June	13,239	7,235
	<hr/> <hr/>	<hr/> <hr/>

4 Accounts payable and accruals

	2008	2007
	RO	RO
Amounts due to related parties	20,700	40,013
Trade accounts payable	234,186	34,153
Accrued expenses	324,279	116,342
Pro for work in Progress	53,930	
Advance received		31,831
Other payables		
	<hr/> 633,095 <hr/>	<hr/> 222,339 <hr/>

5 Provisions

	Debtors & Receivables	Investments	Others	Total
Opening balance	618			618
Provided during the period				
Released/Written off during the period				
Provision balance as of 30 Sep 2008	<hr/> 618 <hr/>			<hr/> 618 <hr/>
Value of assets before provisions	669,566			669,566
Provision balance as of 30 Sep 2008	(618)			(618)
Book value of assets as on 30 Sep 2008	<hr/> 668,948 <hr/>			<hr/> 668,948 <hr/>

TRAVEL & ALLIED SERVICES LLC
NOTES TO UNAUDITED ACCOUNTS FOR THE 9 MONTHS
ENDED SEPTEMBER 30, 2008

1 Other operating income

	2008	2007
	RO	RO
Sponsorship fee		
Rent		
Management fee		
Exchange Gains		
Profit on sale of assets	475,309	164,267
Commission Income		
Other income	22,512	962
	<u>497,821</u>	<u>165,229</u>

2 Accounts Receivable & prepayments

	2008	2007
	RO	RO
Amounts due from related parties	140,846	100,012
Trade accounts receivable	696,749	581,676
Advances paid	5,290	624
Prepaid expenses	79,980	57,106
Other receivables	43,362	14,826
	<u>966,227</u>	<u>754,244</u>

3 Employees end of service benefits

Movements in the liability recognized in the balance sheet are as follows:

	2008	2007
	RO	RO
Liability as at 1 Jan	38,157	29,261
Accrued during the year	11,783	7,764
Payments during the year		
	<u>49,940</u>	<u>37,025</u>

4 Accounts payable and accruals

	2008	<i>2007</i>
	RO	<i>RO</i>
Amounts due to related parties	55,021	16,185
Trade accounts payable	1,600,896	1,083,681
Accrued expenses	106,037	94,958
Advance received	47,334	34,798
Other payables	40,058	114,222
	<u>1,849,346</u>	<u>1,343,844</u>

5 Provisions

	Debtors & Receivables	Investments	Others	Total
Opening balance	28,917			28,917
Provided during the period				
Released/Written off during the period				
Provision balance as of 30 Sep 2008	<u>28,917</u>			<u>28,917</u>
Value of assets before provisions	995,144			995,144
Provision balance as of 30 Sep 2008	(28,917)			(28,917)
Book value of assets as on 30 Sep 2008	<u>966,227</u>			<u>966,227</u>

DESERT CAMP LLC
NOTES TO UNAUDITED ACCOUNTS FOR THE 9 MONTHS
ENDED SEPTEMBER 30, 2008

1 Accounts Receivable & prepayments

	2008 RO	2007 RO
Trade accounts receivable	10,428	-
Advance & prepayments	2,292	160,947
	<u>12,720</u>	<u>160,947</u>
	<u><u>12,720</u></u>	<u><u>160,947</u></u>

2 Employees end of service benefits

Movements in the liability recognized in the balance sheet are as follows:

	2008 RO	2007 RO
Liability as at 1 Jan	-	-
Accrued during the year	472	-
Payments during the year	-	-
	<u>472</u>	<u>-</u>
Liability as at 30 June	<u><u>472</u></u>	<u><u>-</u></u>

3 Accounts payable and accruals

	2008 RO	2007 RO
Amounts due to related parties	1,050,460	802,006
Trade accounts payable	13,079	7,440
Accrued expenses	32,318	3,328
Other payables	45,872	45,310
	<u>1,141,729</u>	<u>858,084</u>
	<u><u>1,141,729</u></u>	<u><u>858,084</u></u>

4 Provisions

	Debtors & Receivables	Investments	Others	Total
Opening balance	-			-
Provided during the period				
Released/Written off during the period				
Provision balance as of 30 Sep 2008	-			-
Value of assets before provisions	-			-
Provision balance as of 30 Sep 2008	-			-
Book value of assets as on 30 Sep 2008	-			-