

## Consolidated statement of cash flows for the year ended 31 December 2007

|  | Parent Company     |                    | Consolidated        |                    |
|--|--------------------|--------------------|---------------------|--------------------|
|  | 2007<br>RO         | 2006<br>RO         | 2007<br>RO          | 2006<br>RO         |
| <b>Operating activities</b>  |                    |                    |                     |                    |
| Profit for the year before tax and minority interest                   | 7,084,008          | 1,261,786          | 9,112,927           | 2,872,239          |
| Adjustments for:   |                    |                    |                     |                    |
| Depreciation of property, plant and equipment                          | 9,600              | 7,944              | 410,410             | 1,011,481          |
| Loss / (gain) on disposal of property,<br>plant and equipment          | 1                  | -                  | 1                   | (2,049)            |
| Impairment loss  | 255,000            | 173,252            | 255,000             | 343,000            |
| Release of goodwill  | -                  | -                  | 45,493              | 1,077              |
| Adjustment of fair value of investments                                | (1,752,367)        | (895,633)          | (1,747,317)         | (865,596)          |
| Share of profit from associate companies                               | -                  | -                  | (2,132,232)         | (1,076,422)        |
| Finance charges  | 232,784            | 173,252            | 307,346             | 305,019            |
| Net transfer from Provision for employees'<br>end of service indemnity | 10,369             | (4,164)            | (152,072)           | 10,101             |
| <b>Operating profit before changes in working capital</b>              | <b>5,839,395</b>   | <b>716,437</b>     | <b>6,099,556</b>    | <b>2,598,850</b>   |
| Changes in working capital:  |                    |                    |                     |                    |
| Net movements in investments   | 1,589,282          | (3,857,616)        | 3,277,983           | (4,213,375)        |
| Trade and other receivables  | (1,214,139)        | 53,649             | (242,597)           | (530,574)          |
| Inventories  | -                  | -                  | 670,922             | (817,516)          |
| Trade and other payables   | 4,832,041          | (158,133)          | 3,799,466           | 442,694            |
| <b>Cash generated from / (used in) operations</b>                      | <b>11,046,579</b>  | <b>(3,245,663)</b> | <b>13,605,330</b>   | <b>(2,519,921)</b> |
| Income tax paid  | -                  | (182,403)          | -                   | (289,891)          |
| Cash flow from discontinued operations                                 | -                  | -                  | 1,802,778           | -                  |
| Net effect of disposal of subsidiary                                   | -                  | -                  | 10,228,500          | -                  |
| <b>Net cash from / (used in) operating activities</b>                  | <b>11,046,579</b>  | <b>(3,428,066)</b> | <b>25,636,608</b>   | <b>(2,809,812)</b> |
| <b>Investing activities</b>  |                    |                    |                     |                    |
| Purchase of property, plant and equipment                              | (333,324)          | (270,581)          | (377,386)           | (660,041)          |
| Proceeds from sale of property, plant and equipment                    | -                  | -                  | -                   | 2,253              |
| Net change in fixed deposit  | -                  | -                  | -                   | 408,272            |
| Cash flow from discontinued operations                                 | -                  | -                  | (1,248,153)         | -                  |
| <b>Net cash used in investing activities</b>                           | <b>(333,324)</b>   | <b>(270,581)</b>   | <b>(1,625,539)</b>  | <b>(249,516)</b>   |
| <b>Financing activities</b>  |                    |                    |                     |                    |
| Right issue  | 2,005,437          | -                  | 2,005,437           | -                  |
| Dividends paid   | (1,103,868)        | (1,613,490)        | (1,103,868)         | (1,613,490)        |
| Treasury shares  | -                  | -                  | 85,622              | -                  |
| Net movements in bank borrowings                                       | (3,779,607)        | 3,897,709          | (3,953,657)         | 4,071,759          |
| Net movement in term loans   | -                  | -                  | (1,581,411)         | (60,707)           |
| Net movement in minority interest                                      | -                  | -                  | (11,488,444)        | (498,492)          |
| Finance charges paid   | (232,784)          | (173,252)          | (307,346)           | (281,340)          |
| Cash flow from discontinued operations                                 | -                  | -                  | (872,686)           | -                  |
| <b>Net cash (used in) / from financing activities</b>                  | <b>(3,110,822)</b> | <b>2,110,967</b>   | <b>(17,216,353)</b> | <b>1,617,730</b>   |
| <b>Net change in cash and cash equivalents</b>                         | <b>7,602,433</b>   | <b>(1,587,680)</b> | <b>6,794,716</b>    | <b>(1,441,598)</b> |

|  |                  |           |                  |           |
|--|------------------|-----------|------------------|-----------|
| Cash and cash equivalents, at the beginning of the year                | <b>1,099,820</b> | 2,687,500 | <b>2,003,308</b> | 3,444,906 |
| <b>Cash and cash equivalents, at the end of the year<br/>(Note 15)</b> | <b>8,702,253</b> | 1,099,820 | <b>8,798,024</b> | 2,003,308 |

The accompanying notes form an integral part of these consolidated financial statements