

GALFAR ENGINEERING AND CONTRACTING SAOG AND SUBSIDIARY

1

Parent company statement of changes in equity for the year ended 31 December 2008

| | Notes | Share capital RO | Share premium RO | Statutory reserve RO | Retained earnings RO | Total RO |
|--|-------|------------------------|------------------------|----------------------------|----------------------------|-------------------|
| Balance at 1 January 2007 | | 20,000,000 | - | 4,027,064 | 6,045,549 | 30,072,613 |
| Increase in share capital | 12 | 5,000,000 | - | - | - | 5,000,000 |
| Share premium from issue of capital | 12 | - | 20,000,000 | - | - | 20,000,000 |
| Share issue expenses | 12 | - | (830,491) | - | - | (830,491) |
| Profit for the year | | - | - | - | 21,965,133 | 21,965,133 |
| Transfer to statutory reserve | 14 | - | - | 2,196,513 | (2,196,513) | - |
| Dividend paid | | - | - | - | (6,045,549) | (6,045,549) |
| Balance at 1 January 2008 | | 25,000,000 | 19,169,509 | 6,223,577 | 19,768,620 | 70,161,706 |
| Profit for the year | | - | - | - | 22,699,140 | 22,699,140 |
| Transfer to statutory reserve | 14 | - | - | 2,109,756 | (2,109,756) | - |
| Dividend paid | | - | - | - | (10,000,000) | (10,000,000) |
| | | | | |) | |
| Balance at 31 December 2008 | | 25,000,000 | 19,169,509 | 8,333,333 | 30,358,004 | 82,860,846 |

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

GALFAR ENGINEERING AND CONTRACTING SAOG AND SUBSIDIARY

2

Consolidated statement of changes in equity for the year ended 31 December 2008

| | Notes | Share capital RO | Share premium RO | Statutory reserve RO | Retained earnings RO | Attributable to equity holders of the parent RO | Minority interest RO | Total RO |
|-------------------------------------|-------|------------------------|------------------------|----------------------------|----------------------------|---|----------------------------|-------------------|
| Balance at 1 January 2007 | | 20,000,000 | - | 4,027,064 | 6,108,918 | 30,135,982 | 356,055 | 30,492,037 |
| Increase in share capital | 12 | 5,000,000 | - | - | - | 5,000,000 | - | 5,000,000 |
| Share premium from issue of capital | 12 | - | 20,000,000 | - | - | 20,000,000 | - | 20,000,000 |
| Share issue expenses | 12 | - | (830,491) | - | - | (830,491) | - | (830,491) |
| Profit for the year | | - | - | - | 22,156,235 | 22,156,235 | 175,206 | 22,331,441 |
| Transfer to statutory reserve | 14 | - | - | 2,196,513 | (2,196,513) | - | - | - |
| Dividend paid | | - | - | - | (6,045,549) | (6,045,549) | - | (6,045,549) |
| Balance at 1 January 2008 | | 25,000,000 | 19,169,509 | 6,223,577 | 20,023,091 | 70,416,177 | 531,261 | 70,947,438 |
| Profit for the year | | - | - | - | 22,912,959 | 22,912,959 | 196,031 | 23,108,990 |
| Transfer to statutory reserve | 14 | - | - | 2,109,756 | (2,109,756) | - | - | - |
| Dividend paid | | - | - | - | (10,000,000) | (10,000,000) | - | (10,000,000) |
| Balance at 31 December 2008 | | 25,000,000 | 19,169,509 | 8,333,333 | 30,826,294 | 83,329,136 | 727,292 | 84,056,428 |

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