

# VOLTAMP ENERGY SAOG

## (Under Transformation)

PO Box 75, Rusayl Postal Code -124 Sultanate of Oman



### UNAUDITED RESULTS FOR SIX MONTHS ENDED 30 JUNE 2008

Consolidated unaudited Balance Sheet	As on 30 <sup>th</sup> June`08 RO	As on 31 <sup>st</sup> December`07 RO
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	499,358	521,201
Investments	989,062	666,704
Deferred tax asset	15,472	15,472
<b>Total non-current assets</b>	1,503,892	1,203,377
<b>Current assets</b>		
Inventories	3,290,268	2,564,161
Trade and other receivables	4,977,920	3,452,146
Due from related parties	-	900
Cash in hand and at banks	5,935,087	86,699
<b>Total current assets</b>	14,203,275	6,103,906
<b>Total assets</b>	15,707,167	7,307,283
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	5,000,000	3,500,000
Share Premium Account	6,286,510	-
Legal reserve	862,085	848,395
Retained earnings	1,538,606	13,876
<b>Total equity</b>	13,687,201	4,362,271
<b>Liabilities</b>		
<b>Non Current Liabilities</b>		
Long term loan	20,833	20,833
<b>Total Non current liabilities</b>	20,833	20,833
<b>Current liabilities</b>		
Trade and other payables	1,725,098	1,207,247
Due to related parties	19,311	10,650
Bank borrowings	--	1,249,223
Current portion of long term loan	62,500	125,000
Taxation	192,224	332,059
<b>Total current liabilities</b>	1,999,133	2,924,179
<b>Total liabilities</b>	2,019,966	2,945,012
<b>Equity and liabilities</b>	15,707,167	7,307,283
<b>Net Assets</b>	13,687,201	4,362,271
<b>Net assets per share</b>	0.274	0.125

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BOARD OF DIRECTORS REPORT

UNAUDITED RESULTS FOR SIX MONTHS ENDED 30 JUNE 2008

CONSOLIDATED STATEMENT	UNAUDITED INCOME	
	Six months ended 30 <sup>th</sup> June 2008 RO	Six months ended 30 <sup>th</sup> June 2007 RO
<b>Income</b>		
Revenue	<b>6,872,078</b>	4,688,933
Cost of sales	<b>(4,578,270)</b>	(3,140,570)
<b>Gross profit</b>	<b>2,293,808</b>	1,548,363
Other income	<b>166,757</b>	17,044
	<b>2,460,565</b>	1,565,407
Selling, administrative and general expenses	<b>(650,342)</b>	(409,061)
<b>Profit from operations</b>	<b>1,810,223</b>	1,156,346
Finance cost	<b>(79,579)</b>	(110,509)
<b>Profit for the period before taxation</b>	<b>1,730,644</b>	1,045,837
Taxation	<b>(192,224)</b>	(121,900)
<b>Net profit for the period</b>	<b>1,538,420</b>	923,937
<b>Earnings per share</b>	<b>0.030</b>	0.026

**Note: The complete accounts will be sent by mail to any shareholder who request the company in either Arabic or English as requested within 7 days of receipt of the request**

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PO Box 75, Rusayl Postal Code -124 Sultanate of Oman



## BOARD OF DIRECTORS REPORT

On behalf of the Board of Directors, it gives me great pleasure to present you the report for period ending 30<sup>th</sup> June 2008 of Voltamp Energy SAOG (Under Transformation)

The key performance indicators are as under:

	6 months ended 30 <sup>th</sup> June'08	6 months ended 30 <sup>th</sup> June '07	% Increase
Sales	6,872,078	4,688,933	46.56
EBIDTA	1,879,223	1,220,660	53.95
Profit before Tax	1,730,644	1,045,837	65.48
Profit After Tax	1,538,420	923,937	66.51
Earning per Share(RO For the period)	0.030	0.026	15.38

	As of 30 <sup>th</sup> June'08	As of 31 <sup>ST</sup> Dec`07	% Increase
Total Assets	15,707,167	7,307,283	115.00
Net Assets( Total Equity	13,687,201	4,362,271	213.76
Net Assets per Share(RO)	0.274	0.125	119.20

### Operating Performance

#### Sales

Sales for the six months ended 30 June registered a growth of 46.56%. This growth was due to higher utilization of production capacity and higher realization.

#### Production

Production during Q2-2008 increased due to optimum utilization of production facilities and increase in employment of work force.

#### Net Profit

The net profit after tax registered growth of 66.51% during this period. This increase was mainly due to increased sales and optimum utilization of resources.

**The Earning per share** for the six months ended 30 June 2008 was RO 0.030 for a share of face value of RO 0.100. **The Net Assets per share** increased by 119.20% during period, compared to end 2007 and is RO 0.274

### Future Outlook

Voltamp Energy SAOG (Under Transformation) has a healthy order book and the current volume growth is expected to continue in the next quarters.

The transformer and switchgear industry is witnessing steady growth in demand due to world wide focus on Energy infrastructure development and major capital projects.

Company is on the fast growth path in the field of Electrical Products enjoying international acceptance and a preferred source status for its products and services in the Utilities, Gas and Heavy Industry sectors in Oman and other GCC countries.

Although the prices of all raw materials are continuously increasing, Management has taken all precautions to minimize any adverse effect it could have on the Voltamp operation.

I would like to express our extreme thanks and appreciation to His Majesty Sultan Qaboos Bin Said and his esteemed 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 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 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

Voltamp Energy SAOG (Under Transformation)

Qais bin Mohamed Al Yousef  
Chairman.

**CONSOLIDATED UNAUDITED STATEMENT OF CASH FLOWS**

	<b>Six months ended 30<sup>th</sup> June 2008 RO</b>	<b>Six months ended 30<sup>th</sup> June 2007 RO</b>
Cash from operations	182,394	1,264,642
Director Remuneration	(30,000)	(17,713)
Interest paid	<b>(79,579)</b>	(110,509)
Taxation paid	<b>(332,059)</b>	(100,000)
Net cash flows from (used in) operating activities	<b>(259,244)</b>	1,036,420
Net cash (used)/generated in investing activities	<b>(367,154)</b>	(290,406)
Net cash (used)/generated in financing activities	<b>6,474,785</b>	(744,560)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>5,848,387</b>	1,454
Cash and cash equivalents brought forward	<b>86,700</b>	3,443
<b>Cash and cash equivalents carried forward</b>	<b>5,935,087</b>	4,897

## Notes forming part of the financial statements

### 1 Legal status and principal activities

Voltamp Energy SAOG (Under transformation) is in the process of registering in the Sultanate of Oman as a Joint stock Company. Voltamp Transformers Oman LLC (“the Subsidiary”), registered in the Sultanate of Oman, is a wholly-owned subsidiary of the Company. Voltamp Manufacturing Company (VMCQ), registered in Qatar, is 51% owned subsidiary of the Company. June VMCQ did not commence operations and has not prepared its financial statements. Accordingly the results of VMCQ have not been consolidated.

The principal activities of the Company and its Subsidiaries (“the Group”) are manufacture, sale and distribution of transformers, LV Switchgears and panels. .

### 2 Significant Accounting Policies

#### Basis of Preparation

*a) The accounting policies applied in these condensed interim financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) and the disclosure requirements of commercial Companies Law of 1974 as amended..*

#### b) Estimates and Judgments

The condensed interim financial statements for the six months period ended 30 June 2008 are prepared in accordance with IAS 34 which required management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2007.

### 3 Non recurring items

During the six months period ended 30 June 2008 there were no non recurring items.

### 4 Dividend

During the six months period of 2008, stock dividend of RO 2,000,000 was declared related to the year 2007.

### 5 Segmental Reporting

The Company manufactures transformers, switchgears and panels as per different specifications based on market requirements. A substantial portion of the Company’s products are sold for use within GCC countries and international markets. Accordingly specific segmental information in respect of the Company’s product is not provided.

### 6 Statement of compliance

The condensed interim financial statements have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements for the year ended 31 December 2007.

**7. Related Party Transactions**

	<b>Six months ended 30<sup>th</sup> June 2008</b>	<b>31<sup>st</sup> December 2007</b>
	<b>RO</b>	<b>RO</b>
<b>Purchase/Services :</b>		
Premier Logistics	15,321	34,114
Falcon Insurance	11,829	Nil
Mustafa Sultan Science & Ind	2,190	387
<b>Sales:</b>		
AL Maha Ceramics	Nil	209,200
AL Anwar Blanks	1,150	2,349
<b>Income:</b>		
Voltamp Manufacturing Co Qatar (Technology transfer fee)	30,670	77,380

Loans, Advances, Receivables Due, Provisions and write-offs which have been made on these accounts at anytime, are further analyzed as follows:

	<b>Six months ended 30<sup>th</sup> June 2008</b>	<b>31<sup>st</sup> December 2007</b>
	<b>RO</b>	<b>RO</b>
Due from a related party	Nil	900
Provisions	Nil	Nil
Write-offs	Nil	Nil
<b>Receivable from related parties</b>	<b>Nil</b>	<b>900</b>

**8 Contingent liabilities**

	<b>Six months ended 30<sup>th</sup> June 2008</b>	<b>As on 31<sup>st</sup> December 2007</b>
	<b>RO</b>	<b>RO</b>
Letters of Credit	518,103	834,546
Letters of guarantee	1,235,864	1,183,280
	<b>1,753,967</b>	<b>2,017,826</b>

**9 Capital commitment**

Capital Commitments authorized and contracted as on 30 June 2008 is RO 25,000 compared to RO Nil as on 31<sup>st</sup> December 2007.

**10 Borrowings**

Long term borrowing decreased from RO 145,833 as on 31 December 2007 to RO 83,333 as on 30 June 2008. During this period the additions were RO Nil and repayment was RO 62,501.

**11 Subsequent events**

No material events subsequent to the interim period, took place after 30 June 2008

**12 Comparatives**

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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY (PARENT COMPANY)**

	Share capital	Share Premium	Legal Reserve	Dividend payable / (paid)	General Reserve	Retained Earnings	Total
	RO	RO	RO	RO	RO	RO	RO
<b>1 January 2008</b>	<b>3,500,000</b>	-	<b>848,395</b>	-	-	<b>13,876</b>	<b>4,362,271</b>
Net profit for the period	-	-	-	-	-	1,538,420	1,538,420
Share capital under registration	1,500,000	-	-	-	-	-	1,500,000
Share Premium	-	6,600,000	-	-	-	-	6,600,000
IPO expenses	-	(313,490)	-	-	-	-	(313,490)
Transfer to legal reserve	-	-	13,690	-	-	(13,690)	-
<b>30 June 2008</b>	<b>5,000,000</b>	<b>6,286,510</b>	<b>862,085</b>	<b>--</b>	<b>--</b>	<b>1,538,606</b>	<b>13,687,201</b>
<b>1 January 2007</b>	<b>1,100,000</b>	-	<b>369,330</b>	<b>200,000</b>	<b>50,000</b>	<b>420,726</b>	<b>2,140,056</b>
Net profit for the year	-	-	-	-	-	2,422,215	2,422,215
Transfer to share capital	400,000	-	-	-	-	(400,000)	-
Share capital under registration	2,000,000	-	-	-	(50,000)	(1,950,000)	-
Dividend paid during the year	-	-	-	(200,000)	-	-	(200,000)
Transfer to legal reserve	-	-	479,065	-	-	(479,065)	-
<b>31 December 2007</b>	<b>3,500,000</b>	-	<b>848,395</b>	<b>-</b>	<b>-</b>	<b>13,876</b>	<b>4,362,271</b>