Al Ramz Corporation Investment and Development P.J.S.C.

(Formerly Dubai Development Company PSC)

INTERIM CONDENSED FINANCIAL STATEMENTS

30 JUNE 2016 (UNAUDITED)

Ernst & Young
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REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF AL RAMZ CORPORATION INVESTMENT AND DEVELOPMENT P.J.S.C.

Introduction

We have reviewed the accompanying interim condensed financial statements of Al Ramz Corporation Investment and Development P.J.S.C. as at 30 June 2016, comprising of the interim statement of financial position as at 30 June 2016 and the related interim statement of comprehensive income for the three month and six month periods then ended, and the related interim statements of changes in equity and cash flows for the six month period then ended, and other explanatory information. Management is responsible for the preparation and presentation of these interim financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

Other matters

The financial statements of the Company for the period ended 30 June 2015 were reviewed by another auditor who expressed an unmodified conclusion on those financial statements on 12 July 2015.

The financial statements of the Company for the year ended 31 December 2015 were audited by another auditor, who expressed an unmodified opinion on those financial statements on 8 February 2016.

Ernst + Young

Signed by
Andre Kasparian
Partner
Ernst & Young
Registration No. 365

31 July 2016
Abu Dhabi

INTERIM STATEMENT OF COMPREHENSIVE INCOME
Period ended 30 June 2016 (Unaudited)

		Three months ended 30 June		*Six months ended 30 June*	
		2016	*2015*	***2016***	*2015*
	Notes	***AED***	*AED*	***AED***	*AED*
General and administrative expenses	3	**(249,383)**	(51,984)	**(655,501)**	(95,182)
Loss on investment carried at fair value through profit or loss	4	**(202,400)**	-	**(202,400)**	-
Interest income		**171,605**	30,893	**205,776**	59,043
Finance costs		**(475,576)**	-	**(475,576)**	-
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(755,754)**	(21,091)	**(1,127,701)**	(36,139)
Basic and diluted loss per share	10	**(0.0756)**	(0.0021)	**(0.1128)**	(0.0036)

The attached notes 1 to 11 form an integral part of these interim condensed financial statements.

INTERIM STATEMENT OF FINANCIAL POSITION
At 30 June 2016 (Unaudited)

	Notes	*30 June 2016 AED*	*(Audited) 31 December 2015 AED*
ASSETS			
Non current asset			
Furniture and equipment		2,700	-
Current assets			
Prepayments and other receivables		236,502	96,731
Investment carried at fair value through profit or loss	4	50,600,000	-
Bank Balances and cash	5	44,510,261	19,556,886
		95,346,763	19,653,617
TOTAL ASSETS		95,349,463	19,653,617
EQUITY AND LIABILITIES			
Equity			
Share capital	6	10,000,000	10,000,000
Statutory reserve	7	5,000,000	5,000,000
General reserve		1,000,000	1,000,000
Retained earnings		2,019,179	3,146,880
Total equity		18,019,179	19,146,880
Current liabilities			
Other liabilities and accruals		59,596	29,763
Amount due to a related party	9	25,802,854	135,474
Short term borrowings	8	51,126,334	-
Unclaimed dividend		341,500	341,500
		77,330,284	506,737
TOTAL EQUITY AND LIABILITIES		95,349,463	19,653,617

Khalifa Mohamed Al Kindi
Chairman

The attached notes 1 to 11 form an integral part of these interim condensed financial statements.

INTERIM STATEMENT OF CHANGES IN EQUITY
Period ended 30 June 2016 (Unaudited)

	Share capital AED	*Statutory reserve AED*	*General reserve AED*	*Retained earnings AED*	*Total AED*
At 1 January 2015 (audited)	10,000,000	5,000,000	1,000,000	3,279,309	19,279,309
Total comprehensive loss for the period	-	-	-	(36,139)	(36,139)
At 30 June 2015 (unaudited)	10,000,000	5,000,000	1,000,000	3,243,170	19,243,170
At 1 January 2016 (audited)	10,000,000	5,000,000	1,000,000	3,146,880	19,146,880
Total comprehensive loss for the period	-	-	-	(1,127,701)	(1,127,701)
At 30 June 2016 (unaudited)	**10,000,000**	**5,000,000**	**1,000,000**	**2,019,179**	**18,019,179**

The attached notes 1 to 11 form an integral part of these interim condensed financial statements.

INTERIM STATEMENT OF CASH FLOWS
Period ended 30 June 2016 (Unaudited)

	Notes	*Six month period ended 30 June 2016 AED*	*Six month period ended 30 June 2015 AED*
OPERATING ACTIVITIES			
Loss for the period		**(1,127,701)**	(36,139)
Adjustments for the period:			
Depreciation		**300**	-
Loss on investment carried at fair value through profit or loss		**202,400**	-
Interest income		**(205,776)**	(59,043)
Finance charges		**475,576**	-
		(655,201)	(95,182)
Working capital adjustments:			
Prepayments and other receivables		**(38,938)**	7,465
Other liabilities and accruals		**29,833**	10,000
Amount due to a related party		**667,380**	31,588
Cash from (used in) operations		**3,074**	(46,129)
Employees' end of service benefits paid		-	(240,000)
Interest received		**104,943**	59,043
Finance charges paid		**(475,576)**	-
Net cash used in operating activities		**(367,559)**	(227,086)
INVESTING ACTIVITIES			
Investment carried at fair value through profit or loss	4	**(50,802,400)**	-
Purchase of property and equipment		**(3,000)**	-
Deposits maturing in over three months	5	**(25,000,000)**	-
Net cash used in investing activities		**(75,805,400)**	-
FINANCING ACTIVITIES			
Amount due to a related party	9	**25,000,000**	-
Short term borrowings	8	**26,098,170**	-
Cash from financing activities		**51,098,170**	-
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(25,074,789)**	(227,086)
Cash and cash equivalents at 1 January		**19,556,886**	19,815,444
CASH AND CASH EQUIVALENTS AT 30 JUNE	5	**(5,517,903)**	19,588,358

The attached notes 1 to 11 form an integral part of these interim condensed financial statements.

1 CORPORATE INFORMATION

Al Ramz Corporation Investment and Development P.J.S.C. (the "Company") is a limited liability company incorporated in the United Arab Emirates ("UAE") on 21 June 1975 by an Emiri Decree and it became a Public Shareholding Company in 1997.

The objective of the company is to invest and manage commercial, industrial and agricultural enterprises.

The registered office of the Company is at PO Box 121200, Dubai, United Arab Emirates.

These interim financial statements include the results of operations and financial position of the Company

The interim financial statements were authorised for issue by the management on 31 July 2016.

2.1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

In preparing these interim condensed financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied to the financial statements as at and for the year ended 31 December 2015.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Company's annual financial statements as at 31 December 2015. In addition, results for the six months ended 30 June 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2015, except as follows:

Investment carried at fair value through profit or loss
Investment carried at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Investment carried at fair value through profit or loss is carried in the statement of financial position at fair value with net changes in fair value recorded in the statement of profit or loss.

Borrowings
Borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method. Interest on borrowings is charged as an expense as it accrues, with any unpaid amounts included in "other liabilities and accruals".

Cash and cash equivalents
For the purpose of the statement of cash flows, 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.

2.1 BASIS OF PREPARATION AND ACCOUNTING POLICIES continued

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

New and amended standards and interpretations
The amendments to IFRS, which are effective as of 1 January 2016 and are listed below, have no impact on the Company.

- Amendments to IFRS 11 Joint Arrangmenets: Accounting for Acquisitions of Interests
- Amendments to IAS 1 Disclosure Initiative
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
- Annual Improvements 2012-2014 Cycle
    - IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
    - IFRS 7 Financial Instruments: Disclosures
    - IAS 19 Employee Benefits
    - IAS 34 Interim Financial Reporting

These amendments have no impact on the interim condensed financial statements of the Company.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3 GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended 30 June		*Six months ended 30 June*	
	2016	*2015*	*2016*	*2015*
	AED	*AED*	*AED*	*AED*
Staff costs	**33,000**	21,642	**66,000**	31,588
Office rent	**13,750**	5,537	**31,250**	11,074
Trade license expenses	**10,228**	2,365	**17,728**	4,730
Audit and consultancy fees	**20,833**	5,000	**139,833**	10,000
Advertising expenses	**13,965**	7,440	**41,793**	7,440
Stock market and company registration expenses	**30,430**	10,000	**150,430**	20,000
Legal fees	**5,635**	-	**68,030**	-
Other	**121,542**	-	**140,437**	10,350
	249,383	51,984	**655,501**	95,182

4 INVESTMENT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS

This represents investment in local listed shares. During the period, the fair value loss on investment carried at fair value through profit or loss amounted to AED 202,400. Investment carried at fair value through profit or loss falls under Level 1 of fair value measurement hierarchy. During the period ended 30 June 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

Investment carried at fair value through profit or loss is pledged as security against short term borrowings (note 8).

5 CASH AND CASH EQUIVALENTS

	30 June 2016 AED	*(Audited) 31 December 2015 AED*
Bank deposits accounts	**44,500,000**	19,217,421
Bank current account	**10,261**	339,465
	44,510,261	19,556,886

Bank balances are located within the UAE. Bank deposits carry interest at market rate.

Cash and cash equivalent for the purpose of cash flow statement comprise of the following:

Bank balances and cash	**44,510,261**	19,556,886
Deposits maturing after three months	**(25,000,000)**	-
Bank overdraft (note 8)	**(25,028,164)**	-
	(5,517,903)	19,556,886

6 SHARE CAPITAL

	30 June 2016 AED	*(Audited) 31 December 2015 AED*
Issued and fully paid		
10,000,000 shares of AED 1 each	**10,000,000**	10,000,000

Authorised share capital of the Company is 20,000,000 shares of AED 1 each (31 December 2015: 10,000,000 shares AED 1 each).

7 STATUTORY RESERVE

As required by the UAE Federal Law No. (2) of 2015 and the Company's articles of association, 10% of the profit for the year is required to be transferred to the statutory reserve. The Company has resolved to discontinue such annual transfers when statutory reserve equals 50% of the paid up share capital. This reserve is not available for distribution.

8 SHORT TERM BORROWINGS

	30 June 2016 AED	*(Audited) 31 December 2015 AED*
Short term borrowing	**26,098,170**	-
Bank overdraft (note 5)	**25,028,164**	-
	51,126,334	-

Short term borrowing
This represents short term facility obtained from a local bank to finance the purchase of shares (investment carried at fair value through profit or loss). This carries interest at 5.10% per annum and is repayable in bullet payment in April 2017. This facility is secured against investments carried at fair value through profit or loss.

Bank overdraft
This carries interest at prevailing market rates and is secured against the bank deposit in the respective bank.

9 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent shareholders and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

Balances with related parties reflected in the interim condensed statement of financial position are as follows:

	30 June 2016 AED	*(Audited) 31 December 2015 AED*
Amount due to a related party		
Entity under common control		
- Al Ramz Capital	25,802,854	135,474

Outstanding balance at the period- end arise in the normal course of business. Included in amount due to a related party is an amount of AED 25,000,000 which carries an anticipated profit of 3% to 5% and has no fixed repayment terms.

10 BASIC AND DILUTED LOSS PER SHARE

Basic loss per share amounts are calculated by dividing the loss for the period attributable to the shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted loss per share are calculated by dividing the loss for the period attributable to the shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of any financial instruments with dilutive effects.

	Three months ended 30 June		*Six months ended 30 June*	
	2016	*2015*	*2016*	*2015*
Loss for the period (AED)	**(755,754)**	(21,091)	**(1,127,701)**	(36,139)
Weighted average number of shares	**10,000,000**	10,000,000	**10,000,000**	10,000,000
Basic and diluted earnings per share (AED)	**(0.0756)**	(0.0021)	**(0.1128)**	(0.0036)

11 SEASONALITY OF RESULTS

The nature of Company's business is such that the income and expenditure are incurred in a manner, which is not impacted by any forms of seasonality. These interim condensed financial statements were prepared based upon accrual concept, which requires income and expenses to be recorded as earned or incurred and not as received or paid throughout the period.