

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2011**

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2011**

Registered office
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New Providence
The Bahamas

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Registered agent
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Registrar
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Queensway House
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Jersey JE1 1ES
Channel Islands

Corporate advisors and Stock Broker
Daniel Stewart and Company Plc
Becket House
36 Old Jewry
London EC2R 8DD
United Kingdom

Auditors of the Group
BDO LLP
55 Baker Street
London W1U 7EU
United Kingdom

Solicitors to the Group
Taylor Wessing LLP
5 New Street Square
London EC4A 3TW
United Kingdom

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2011**

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PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

CHAIRMAN'S STATEMENT

I am pleased to present Prime Investments International Group Limited's (the "Company" or "Group") consolidated financial statements for the extended period from 1 September 2010 to 31 December 2011, together with the notes thereto and the Report of the Directors.

Following the re-admission to London's PLUS stock exchange in July 2011, a number of important enhancements have been made to our internal organisational structure and processes. These reflect the change in operations from a private to a publicly listed company. Changes include the appointments of a new Chief Executive Officer ("CEO"), Mr. Muin El Saleh and a new, non-executive Director, Mr. Ahmed Iqbal Bangee. The Company also selected a new PLUS Corporate Advisor towards the end of 2011. The Group has also established an Audit Committee, a Remuneration Committee and a PLUS Compliance Committee to provide recommendations and necessary assistance to the Board of Directors.

I am pleased to report that the Group has started to generate income from consulting services; this resulted in revenues during the period following re-admission to the end of the period under review of \$1.59 million. This outcome reflects the successful strategy being implemented by the new CEO and his team.

Operations

Real estate advisory and consultancy agreement

Significant progress has been made with the development of the property investment management business; an advisory agreement has been signed with one of the largest real estate investment companies in the Kingdom of Saudi Arabia (KSA) to provide advisory and consultancy services. Following this agreement, the Group has been involved in negotiations to pursue a significant business opportunity in KSA. The management is also working hard to explore and identify other potential investment opportunities which could add value to the Group and its shareholders.

Land Bank

The Group's principal non-current asset at the reporting date of 31 December 2011 comprised of a land bank which continued to be carried at the value of circa \$400 million previously determined by independent valuation. To date, the Group had not moved forward with the development of this land bank, which as a consequence represents a valuable but non-income-producing asset. For further information on this, your attention is directed to the section headed "Post Balance Sheet Events" below. The Group has been concentrating instead on certain opportunities in the KSA in property market, *inter alia* in the cities of Makkah and Madinah.

Financial results

The consolidated financial statements have been prepared for the period of 16 months from 1 September 2010 up to 31 December 2011.

Revenue for the period was \$1,594,005 (31 August 2010: \$Nil), resulting in a loss of \$6,100,260 (31 August 2010: \$2,697,187) or \$0.004 (31 August 2010: \$26.971) per share after the writing-off of \$6,850,843 (31 August 2010: \$1,200,391) of listing costs or \$0.005 (31 August 2010: \$12.003) per share.

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

CHAIRMAN'S STATEMENT (continued)

At 31 December 2011, net assets were \$397,885,878 (31 August 2010: \$501,235,151) or \$0.314 (31 August 2010: \$5,012.35) per share.

Revision of Interim accounts of the Group at 31 August 2011

The management has revised the unaudited interim accounts of the Group for the period ended 31 August 2011, announced on 20 November 2011. The purpose of this revision was to ensure that the accounting policies adopted by the Group in the financial statements for the period ended 31 December 2011, particularly related to consolidation, were consistently reflected in the interim accounts to 31 August 2011. The revised, consolidated interim accounts will be posted on the PLUS website and the Company's website at the same time that the announcement of these results is published.

Post Balance sheet event

On 2 May 2012, the Group entered into a contract to dispose of its interest in the "Eye of Ajman" land bank to Redman and Danat (each holding 50% shares in Makkah & Madinah International Limited (MMI RAK) in exchange for their entire shareholding in MMI RAK (the "Transaction") conditional upon MMI RAK completing its acquisition of 34.12% of the ordinary shares in MM KSA, valued at \$400 million. Further details were given to shareholders in a circular dated 12 April 2012 convening a General Meeting to approve the Transaction and at the General Meeting on 8 May 2012 the shareholders' approval was obtained. The Transaction became unconditional on 26 May 2012 when the acquisition by MMI RAK of 34.12% shares of MM KSA was completed.

Annual General Meeting (AGM)

You will see from the enclosed notice of AGM and proxy that the AGM of the Company for this year will be held at the Company's offices at 7th floor, Rose Rotana Tower, Sheikh Zayed Road Dubai on 28 June 2011 at 11.00 a.m.

Shareholders are being asked to approve a number of matters by way of ordinary resolutions, namely approving and adopting the Annual Report and Accounts of the Company for the period ended 31 December 2011; authorising the Directors to appoint BDO LLP as the auditors of the Company and to fix their remuneration; electing Mr. Ahmed Iqbal Bangee and Mr. Muin El Saleh as Directors of the Company.

I shall be more than happy to address any clarifications or queries that any shareholder may have related to the above resolutions.

If you are unable to or do not wish to attend the AGM, you may appoint a proxy to attend and vote the resolutions in your place. In such case, you must complete the attached Proxy form and return it to the address indicated in the notes of the Proxy Form by not later than two days before meeting date.

Recommendation

The Directors of the Company consider that all the proposals to be considered at the AGM are in the best interests of the Company and are set to ensure maximum benefit and ample protection to the interests of the shareholders as a whole. The Directors unanimously recommend that you vote in favour of all the above ordinary and special resolutions as they intend to do in respect of their own beneficial holdings, as applicable.

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

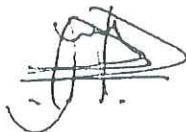
CHAIRMAN'S STATEMENT (continued)

Outlook

During the period since the Group was re-admitted to trading on PLUS on 8 July 2011, the management has been working extensively and closely with a KSA Company to assist them with the evaluation of certain projects in the city of Makkah, elsewhere within the KSA and in the Middle East. The Company has received valuable consulting revenue in exchange for these services to the Saudi Arabian company.

I am cautiously optimistic about the Group's future prospects, and the management continues proactively to implement the Group's new strategy and move decisively to take advantage of opportunities as these present themselves. The remainder of the current financial year will be full of challenge and opportunity; I believe, however, the Group is now far better positioned to deliver the returns and growth that our shareholders expect.

I would like to sincerely convey my gratitude to all our shareholders for their continued support; and to our management and the Board, as we look towards a future that holds much promise and potential.



Chairman
Dr. Noor Aldeen S. A. Atatreh

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

DIRECTORS' REPORT

The Directors present their Report together with the Consolidated Financial Statements of the Group, being the Company and its wholly owned subsidiary ('PRIME') for the financial period ended 31 December 2011 and the Audit Report thereon.

Change of name

The Company changed its name from Phoenician Corporation V Limited to Prime Investments International Group Limited on 30 June 2011, as a consequence of the reverse acquisition.

In the general meeting of shareholders held on 8 May 2011, the shareholders and the board of the Company have resolved and approved the change of the name of the Company to Makkah Madinah Holdings Limited, subject to completion of procedural formalities with the relevant authorities.

1 Governance

The Directors of PRIME are committed to achieving and maintaining the highest standards of accountability and transparency, and see the continued development of a cohesive set of corporate governance policies as fundamental to the successful growth of the Group.

The relationship between the Board and senior management is important to the Group's long term success. Day to day management of the Group's affairs and the implementation of a corporate strategy and adherence to approved policies are formally delegated to the Management Team.

The Management Team of PRIME are responsible to the Board for the performance of the Group in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of the shareholders and other key stakeholders and to ensure the Group is managed effectively.

The Board operates in accordance with the principles set out in the Memorandum on Directors' Duties and Responsibilities ("MEMO") submitted in PLUS in connection with the proposed application for trading on PLUS. The MEMO details the duties and responsibilities of the board of PRIME.

The names, qualifications, experience and special responsibilities of each person holding the position of Director of the Company at the date of this Report are:

(a) Board/Directors

The Board of PRIME comprise of 3 executive directors and 2 non-executive directors. The names, qualifications, experience and special responsibilities of each person holding the position of Director of the parent company at the date of this Report are:

Dr. Noor Atatreh

Chairman & Executive Director

Dr. Noor Atatreh, a board member of Prime Investments Group Limited and of Bonyan International Investment Group (Holding) LLC and University of Jazeera LLC, also holds the position of Vice President of Bonyan International Holding LLC. Dr. Noor alongside the board of directors collectively identified sustainable investment opportunities in the real estate and hospitality sectors. Dr Noor has played an active management role focusing on streamlining operational processes, restructuring, reviewing the annual budget and resource planning. In his recent position as Executive Director of PRIME, he has played a pivotal role in the founding of the company and its business strategy whilst overseeing the Private Placement and acquisition of the Eye of Ajman Plots. Dr Noor has been the driving force behind the management team to create a transparent foundation with strong corporate governance policies.

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

DIRECTORS' REPORT (continued)

Mr. Muin El Saleh

Chief Executive Officer & Executive Director

Mr. Muin worked as the General Manager of Abdul Latif Jameel Real Estate Investment Company based in Jeddah, Saudi Arabia. While at Abdul Latif, Mr. Muin has successfully transformed the company into a major real estate player in Makkah. He has also worked in real estate development and precession engineering in UAE. Mr. Muin also played a vital role in the strategic studies undertaken jointly with the shareholders to consider the options of going public and private placement in order to strengthen the company's position. Mr. Muin held various managerial positions with Tang Sun Lee in Brunei Darussalam and Birse Construction in the United Kingdom. Mr. Muin completed his higher education studies in the UK and he holds a Bachelor's Degree in Civil Engineering from Liverpool University and a Master's degree in Business Administration (International Marketing) from Leicester University.

Mr. Abdulla Saeed Abdulla Mohamed bin Brook Al Hamiri

Executive Director

Mr. Abdulla is the Chief Executive Officer and has been a board member of ABBCo Facilities Management Services LLC since 2002 and has been Chairman of Bonyan International Investment Group (Holding) LLC since 2003. Mr. Al Hamiri has played a key role in developing the corporate strategy and reviewing the core business processes to ensure effective execution of the business plans. Through his collaboration with key partners and commercial networks, Mr. Al Hamiri has successfully identified, developed and acquired multiple assets whilst ensuring adequate funding for the diversification of its asset portfolio and sufficient working capital to manage the company's finances through a period of rapid growth. Mr. Al Hamiri has provided services to the Government Lands Department and Department of Civil Service in the UAE.

Dr. Abdulaziz Fahad Alongary

Non Executive Director

Dr Abdulaziz during his career with Saudi Arabian Monetary Agency ("S.A.M.A") provided them with technical and analytical support between 1991 and 1998. In 1998, Dr Abdulaziz took on the role of Chief Executive Officer for Roaj Marketing & Training Company, Kingdom of Saudi Arabia, which specialized in providing customized marketing and training courses for leading financial and investment institutions. During this time, Dr Abdulaziz provided consultancy services to UK Land & Investment Company, BNP Paribas Bank Geneva, Century 21 Company, Al Salam Group and Rotana Group. In 2000, he entered the real estate and development sector. As Chief Executive Officer of Aqar Holding, Dr Abdulaziz developed and managed the overall business strategy, undertaking an active management role in that company's ongoing projects.

Mr. Ahmed Iqbal Bangee

Non Executive Director

Mr. Ahmad Iqbal Bangee has extensive experience in business development and has experience as a Financial Officer in a number of real estate and industrial groups across the Middle East and in the UK. His previous executive roles include many years in a senior finance position with a major Group in Saudi Arabia and, more recently, as business development director with international companies in UAE and England. Mr. Bangee has a BSc degree and a postgraduate diploma from the Universities of Leeds and Strathclyde (respectively) in the UK. He qualified as a Chartered Accountant in 1978 in the UK and practised as an auditor with Deloitte & Touche for five years. His experience in financial management and corporate governance with major international companies is proving extremely valuable to PRIME.

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

DIRECTORS' REPORT (continued)

(b) Corporate Information

Prime Investments International Group Limited (formerly Phoenician Corporation V Limited) [Reg No. 148728(B)] was constituted and was registered with the Commonwealth of the Bahamas as an International Business Company on 29 May 2007. In pursuant to the reverse takeover transaction, the Board has resolved in a Board meeting on 20 June 2011 to change the name from Phoenician Corporation V Limited to Prime Investments International Group Limited and to effect the change, the Company has revised the Certificate of Incorporation on 30 June 2011.

The registered office of PRIME is located at Second Floor, Olde Towne Marina, Sandy Port, West Bay Street, P. O. Box N 4825 Nassau Bahamas.

(c) Company Registrar's qualifications and experience

Computershare Investor Services (Channel Islands) Limited was appointed as Company registrar to maintain the Company's register of members. Computershare is a pioneer in integrated investor services and technology..

(c) External Auditor

Littlejohn LLP was initially appointed as auditor to the Company in September 2009 for the financial year ended 31 August 2009 and 31 August 2010. Following the reverse acquisition, Littlejohn LLP resigned at the Company's request in order that the Board could appoint BDO LLP as auditors of the Company.

(e) Directors' Meetings

During the financial period ended 31 December 2011, 1 Board meeting was held. The Board recognises the essential role of committees in guiding the Company on specific issues. Committees address important corporate issues, calling on senior management and external advisers prior to making a final decision or making a recommendation to the full Board.

The Company has established the following specialised committees to provide recommendations and necessary assistance to the Board of Directors:

Audit Committee

The audit committee comprises Noor Aldeen Subhi Ahmed Atatreh, Dr. Abdulaziz Fahad H. Alongary and Ahmed Iqbal Bangee. It is responsible for review of financial performance and financial position of the Group and liaises with external auditors to discuss matters related to financial audit of the Group. Noor Aldeen Subhi Ahmed Atatreh is an executive director of the Company.

Remuneration Committee

The remuneration committee comprises Noor Aldeen Subhi Ahmed Atatreh, and Dr. Abdulaziz Fahad H. Alongary. The remuneration committee is responsible for stabilising a formal and transparent procedure for developing policy on executive remuneration and to set the remuneration packages of individual directors. This includes agreeing with the Board the framework for remuneration of the Chief Executive, all other executive directors, the Chairman, and such other members of the executive management of the Company as it is designated to consider. It is furthermore responsible for determining the total individual remuneration packages of each Director including, where appropriate, bonuses, incentive payments and share options. Noor Aldeen Subhi Ahmed Atatreh is an executive director of the Company.

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

DIRECTORS' REPORT (continued)

PLUS Compliance Committee

The PLUS compliance committee comprises Noor Aldeen Subhi Ahmed Atatreh and Dr. Abdulaziz Fahad H. Alongary. The committee monitors and reports on the Company's compliance with the PLUS Rules. Noor Aldeen Subhi Ahmed Atatreh is an executive director of the Company.

(f) Interest in Capital

Shareholders' Interest

As 31 December 2011, the Company was aware of the following interests of 3% or more in the ordinary share capital of the Company:

| | Number of shares | Percentage Interest |
|---|------------------|---------------------|
| Makkah Madinah Investment Co Limited | 628,625,000 | 49.65% |
| Abdulla Saeed Abdulla Mohamed Brook Al Hamiri | 178,885,217 | 14.13% |
| Noor Aldeen S. A. Atatreh | 178,885,217 | 14.13% |
| Bonyan International Investment Group Holding L.L.C | 46,718,750 | 3.69% |

There have been no changes in any of the shareholders' interests between the period end and 30 May 2012.

Directors' interest

The Directors of the Group during the period and their interest in the share capital of the Group, including shares over which shares warrants have been granted, under the Assignment and Settlement agreement by way of a resolution of the Board of Directors of Prime Cayman dated 13 June 2011 are shown below.

| Director | Ordinary shares | Share warrants |
|---|-----------------|----------------|
| | 2011 | 2011 |
| Abdulla Saeed Abdulla Mohamed Brook Al Hamiri | 178,885,217 | 112,223,761 |
| Noor Aldeen S. A. Atatreh | 178,885,217 | 112,223,761 |
| * Edwin Sebastian Lee | 3,811,502 | - |
| Abdulaziz Fahad Alongary | 920,362 | - |

* Edwin Sebastian Lee resigned from the Board on 5 March 2012.

There have been no changes in any of the Directors' interests between the period end and 30 May 2012.

The above share warrants held by directors at the period end were issued as part of the reverse acquisition. Further details are given in Note 15 of the financial statements.

The Directors did not exercise any options or warrants during the period.

2 Operations

(a) Principal Activities

The principal activity of Prime is the development and advisory services for projects related to the real estate and infrastructure sectors.

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

DIRECTORS' REPORT (continued)

(b) Review and Results of Operation

Overview

PRIME is mainly involved in Real Estate related Investment in the region of Middle East and its main objective is to invest in a mixture of immediate cash generating assets and capital appreciating assets.

PRIME's objective is to invest in assets and businesses that shall be Sharia'ah compliant. PRIME identifies the projects in real estate, energy, commodities and other such areas of investment that the Directors believe will maximise growth and profit for the Group and that are in the shareholders' best interests.

PRIME is also determined to make a conscious effort to invest in projects and activities that enable the local community and economy to prosper therefore making a contribution to bridging the gap between regional disparities.

Consolidated Results

The net loss of the Group as presented in the consolidated statement of comprehensive income for the period ended 31 December 2011, was \$6,100,260 (year ended 31 August 2010: \$2,697,187), which is arrived after writing off listing costs of \$6,850,843 (year ended 31 August 2010: \$1,200,391).

(c) Events Subsequent to the reporting date

In the general meeting of shareholders held on 8 May 2012, the shareholders approved the following resolution:

- Sale of the Group's interest in Eye of Ajman to Redman and Danat [each holding 50% shares in Makkah & Madinah International Limited (MMI RAK)] have approved for a price of \$400 million.
- Changing the Group's name to Makkah Madinah Holdings Limited, which the directors believe will better reflect the Company's business strategy and its intended focus. The change of name is subject to completion of procedural formalities with the relevant authorities.

On 30 May 2012, the Company announced that the sale and purchase agreement with Redman and Danat by which the Company sold its interest in the Eye of Ajman and acquired 100% of the issued share capital of MMI RAK has been completed (refer to Note 19).

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

DIRECTORS' REPORT (continued)

Statement of Directors' Responsibility in respect of the Financial Statements

The Directors are required by the PLUS regulations specific to 'Rules of Issuers March 2010' to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the results of the Group for that period. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is appropriate to presume that the Group will not continue in business.

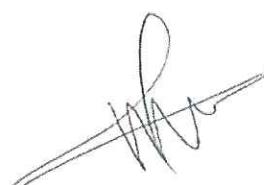
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRS) and the historical cost convention as modified by the revaluation of investments. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud, errors and non-compliance with the law or regulations.

So far as the directors are aware, there is no relevant audit information and which the Company's auditor are unaware, and each director has taken all the steps that he or she ought to have taken as a director, in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

The Directors' confirm that they have complied with all of the above requirements in preparing the financial statements.

The financial statements are published on the Group's website. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

This Report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.



Director

Name: Mr. Muin El Saleh

Date: 30 May 2012

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

TO THE DIRECTORS OF PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

We have audited the financial statements of Prime Investments International Group Limited for the period from 1 September 2010 to 31 December 2011 which comprise the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position, the consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Our report has been prepared pursuant to our engagement letter dated 27 March 2012 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the engagement letter or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2011 and of the group's loss for the period from 1 September 2010 to 31 December 2011; and
- have been properly prepared in accordance with IFRS's as adopted by the European Union.

Opinion on other matters

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of whether proper accounting records have not been kept, or proper returns adequate for our audit have not been received from branches not visited by us.

BDO LLP

Chartered Accountants
London
United Kingdom

Date *30 May 2012*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2011

| | Note | For the period of 16 months from 1 September 2010 to 31 December 2011 | For the period of 12 months from 1 September 2009 to 31 August 2010 |
|--|------|--|--|
| | | USD | USD |
| Revenue | 6 | <u>1,594,005</u> | <u> </u> |
| Employee costs | 7 | (156,824) | - |
| Other operating expenses | 8 | (572,467) | (1,496,812) |
| PLUS Listing expenses | | <u>(6,850,843)</u> | <u>(1,200,391)</u> |
| Operating loss | | (5,986,129) | (2,697,203) |
| Finance income | 9 | <u>9,126</u> | <u>16</u> |
| Loss for the period | | (5,977,003) | (2,697,187) |
| Other Comprehensive income | | | |
| Change in fair value of available for sale financial assets | 12 | <u>(123,257)</u> | <u> </u> |
| Total comprehensive income for the period | | (6,100,260) | (2,697,187) |
| Loss per share attributable to the equity holders of the parent during the period | | | |
| Basic loss per share for the period | 10 | (0.004) | (26.971) |
| Diluted loss per share for the period | 10 | (0.004) | (26.971) |
| Additional loss per share for the period * | 10 | - | (0.003) |
| - | | | |

* The above additional loss per share represents a calculation including the shares to be issued as at 31 August 2010 as if the shares were issued at the date of the acquisition of the respective assets for which the shares represent consideration paid (see Note 15).

The notes on pages 18 to 32 form an integral part of these financial statements.

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

| | Note | 31 December 2011 USD | 31 August 2010 USD |
|---|------|----------------------------|--------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investment property | 11 | 398,005,058 | 503,900,076 |
| Available for sale financial asset | 12 | <u>—</u> | <u>—</u> |
| | | <u>398,005,058</u> | <u>503,900,076</u> |
| Current assets | | | |
| Trade receivables | 13 | 990 | <u>—</u> |
| Cash and cash equivalents | 14 | <u>417,783</u> | <u>8,348</u> |
| | | <u>418,773</u> | <u>8,348</u> |
| Total assets | | <u>398,423,831</u> | <u>503,908,424</u> |
| EQUITY | | | |
| Capital and reserves attributable to the equity holders of the company | | | |
| Ordinary shares | 15 | 10,210,843 | 32,262 |
| Share premium | 15 | 394,835,588 | <u>—</u> |
| Shares to be issued | | <u>—</u> | 503,900,076 |
| Available for sale financial assets reserve | 12 | (123,257) | <u>—</u> |
| Reverse acquisition reserve | 16 | 2,591,217 | <u>—</u> |
| Retained losses | | <u>(9,628,513)</u> | <u>(2,697,187)</u> |
| | | <u>397,885,878</u> | <u>501,235,151</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 17 | <u>537,953</u> | <u>2,673,273</u> |
| Total liabilities | | <u>537,953</u> | <u>2,673,273</u> |
| Total equity and liabilities | | <u>398,423,831</u> | <u>503,908,424</u> |

The financial statements on pages 14 to 32 were approved by the Directors on 30 May 2012 and were signed on their behalf by:



Mr. Muin El Saleh
DIRECTOR

The notes on pages 18 to 32 form an integral part of these financial statements.

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2011

| | <u>Note</u> | <u>Share capital</u> | <u>Share Premium</u> | <u>Reverse acquisition reserve</u> | Attributable to equity holders of the parent | | | <u>Total</u> |
|---|-------------|----------------------|----------------------|------------------------------------|--|--|------------------------|---------------------|
| | | | | | <u>Shares to be issued</u> | <u>Available for sale financial assets reserve</u> | <u>Retained losses</u> | |
| | | USD | USD | USD | USD | USD | USD | USD |
| At 1 September 2009 | | - | - | - | - | - | - | - |
| Transaction with owners | | | | | | | | |
| Ordinary shares issued | | 32,262 | - | - | - | - | - | 32,262 |
| Ordinary shares to be issued | | - | - | - | <u>503,900,076</u> | - | - | <u>503,900,076</u> |
| | | <u>32,262</u> | <u>-</u> | <u>-</u> | <u>503,900,076</u> | <u>-</u> | <u>-</u> | <u>503,932,338</u> |
| Comprehensive income for the year | | - | - | - | - | - | <u>(2,697,187)</u> | <u>(2,697,187)</u> |
| At 31 August 2010 | | <u>32,262</u> | <u>-</u> | <u>-</u> | <u>503,900,076</u> | <u>-</u> | <u>(2,697,187)</u> | <u>501,235,151</u> |
| At 1 September 2010 | | 32,262 | - | - | 503,900,076 | - | (2,697,187) | 501,235,151 |
| Transaction with owners | | | | | | | | |
| Prime Cayman | | | | | | | | |
| Ordinary shares issued for investment property - land | | 398,005,058 | - | - | (398,005,058) | - | - | - |
| Ordinary shares issued for investment property - tower | | 105,895,018 | - | - | (105,895,018) | - | - | - |
| Ordinary shares issued related to investment property | | 581,468 | - | - | - | - | - | 581,468 |
| Ordinary shares issued for loan repayment | | 1,177,548 | - | - | - | - | - | 1,177,548 |
| Ordinary shares cancelled against investment property | | (105,895,018) | - | - | - | - | - | (105,895,018) |
| Elimination of existing shares | | (399,796,336) | - | - | - | - | - | (399,796,336) |
| Prime Bahamas | | | | | | | | |
| Existing ordinary shares before reverse acquisition | | 108,325 | 837,409 | - | - | - | - | 945,734 |
| Ordinary shares issued on reverse acquisition to owners | | 9,994,909 | 389,801,427 | - | - | - | - | 399,796,336 |
| Reverse acquisition reserve | | - | - | 2,591,217 | - | - | - | 2,591,217 |
| Ordinary shares issued to professional advisors | | 107,609 | 4,196,752 | - | - | - | - | 4,304,361 |
| Opening retained losses | | - | - | - | - | - | <u>(954,323)</u> | <u>(954,323)</u> |
| | | <u>10,178,581</u> | <u>394,835,588</u> | <u>2,591,217</u> | <u>(503,900,076)</u> | <u>-</u> | <u>(954,323)</u> | <u>(97,249,013)</u> |
| Comprehensive income for the period | | - | - | - | - | <u>(123,257)</u> | <u>(5,977,003)</u> | <u>(6,100,260)</u> |
| At 31 December 2011 | | <u>10,210,843</u> | <u>394,835,588</u> | <u>2,591,217</u> | <u>-</u> | <u>(123,257)</u> | <u>(9,628,513)</u> | <u>397,885,878</u> |

The notes on pages 18 to 32 form an integral part of these financial statements.

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2011

| | | For the period of 16 months from 1 September 2010 to 31 December 2011 | For the period 12 months from 1 September 2009 to 31 August 2010 |
|---|------|---|--|
| | Note | USD | USD |
| Loss for the period | | (6,100,260) | (2,697,187) |
| Adjustments for non-cash items: | | | |
| Fair value changes to available for sale financial assets | | 123,257 | - |
| Settlement of loan and other liabilities by issue of ordinary shares | | 1,759,016 | - |
| Reverse acquisition IFRS 2 charge | | 2,459,371 | - |
| Professional fees settled by issue of ordinary shares by parent company | | 4,304,361 | - |
| Working capital changes: | | | |
| Trade receivables | | (990) | - |
| Trade and other payables | | (2,135,320) | 2,673,273 |
| Cash generated from operations | | 409,435 | (23,914) |
| Cash flows from Financing activities | | | |
| Ordinary shares issued by owner | | - | 32,262 |
| Net cash used in financing activities | | - | 32,262 |
| Net decrease in cash and cash equivalents | | 409,435 | 8,348 |
| Cash and cash equivalents at beginning of the period | | 8,348 | - |
| Cash and cash equivalents at end of the period | 14 | 417,783 | 8,348 |

Please refer to Note 15 in respect to non-cash investing and financing transactions in the period.

The notes on pages 18 to 32 form an integral part of these financial statements.

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Establishment and operations

Prime Investments International Group Limited - Formerly Phoenician Corporation V Limited ("the Company") comprises Prime Investments International Group Limited and its subsidiary together ("the Group"). The Company was incorporated as an International Business Company under the International Business Companies Act, 2000, in the Commonwealth of the Bahamas under registration number 148728 (B) on 29 May 2007.

The Company's shares are listed on the PLUS Stock Exchange in London.

The principal activity of Prime is the development and advisory services for projects related to the real estate and infrastructure sectors.

It was resolved in the Board of Directors meeting on 29 November 2011; that the accounting year shall be changed from 31 August to 31 December. In pursuant to the resolution, the consolidated financial statements have therefore been prepared for the period of 16 months from 1 September 2010 to 31 December 2011. The comparatives reflect a period of 12 months.

These Group consolidated financial statements were authorised for issue by the Board of Directors on 30 May 2012.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Going concern

In considering the Company's ability to continue in operation for the foreseeable future, the Directors have considered the Group's forecast operating cash flows for the period of twelve months from the date of this Report. Based on the forecasted cash flows particularly cash inflows expected to be derived from Real Estate and Consultancy Service fees and the non-interest based loan agreement with MM KSA (a party which became related to the Group following the transaction disclosed in Note 19) for working capital requirement of the Company, the Directors are confident that the Group shall have adequate resources to continue its' operations for the foreseeable future and therefore, continues to adopt the going concern basis in preparing its consolidated financial statements.

2.2 Basis of preparation

The consolidated financial statements of the Company for the period ended 31 December 2011 comprise the financial statements of the Company and its subsidiaries (together, the "Group") and have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The consolidated financial statements have been prepared under the historical cost convention, except for those financial assets and financial liabilities (including derivative instruments) that are measured at fair value as stated in the accounting policies below.

The preparation of financial statements in conformity with IFRS as adopted by the European Union requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

2.3 Changes in accounting policy and disclosures

- (a) There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial period beginning on or after 1 September 2010 that would be expected to have a material impact on the Group.

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.3 Changes in accounting policy and disclosures (continued)

(b) New standards, amendments and interpretations issued but not effective for the financial period beginning 1 January 2012 and not early adopted:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the profit or loss, unless this creates an accounting mismatch. The Group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 from the effective date when EU endorsed.

IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 from the effective date when EU endorsed.

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group is yet to assess IFRS 12's full impact and intends to adopt IFRS 12 from the effective date when EU endorsed.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The Group is yet to assess IFRS 13's full impact and intends to adopt IFRS 13 from the effective date when EU endorsed.

There are no other IFRSs or IFRIC interpretations that are not yet effective that potentially would be expected to have a material impact on the Group.

2.4 Consolidation

(a) Subsidiaries

During the period, the Company has acquired Prime Investments Group Limited ("Prime Cayman" - a private limited company incorporated in the Cayman Islands on 1 October 2009); in a share for share deal which resulted in the previous shareholders of Prime Cayman owning 97.89% of the enlarged group and the previous management of Prime Cayman taking over at the helm of the Company. Although the legal form of the transaction is such that the Company is the purchaser and parent of the Group, the transaction has been accounted for as a purchase of the Company by Prime Cayman as this more accurately reflects the substance of the transaction. The commercial driver of the deal was to enable Prime Cayman to obtain a listing by reversing into the Company. Therefore, a share based payment charge has been reflected equal to the difference between:

- The market capitalisation of Prime Investments International Group Limited prior to the reverse acquisition; and
- The fair value of the underlying net assets of Prime Investments International Group Limited.

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.4 Consolidation

Acquisition-related costs are expensed as incurred.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board including the Chief Executive Officer.

2.6 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The parent company's functional currency is US Dollars. The consolidated financial statements are presented in US Dollars (USD), which is the Group's presentation currency adopted as the majority of the Group's transactions are denominated in this currency or currency pegged to US Dollars.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in the profit or loss within 'other (losses)/gains – net'.

(c) *Group Companies*

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each reporting date presented are translated at the closing rate at the reporting date;
- (ii) income and expenses for each reporting period are translated at average exchange rates as this approximates to the actual rate of transactions in the period; and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in equity.

2.7 Investment property

Investment property is carried at cost and is not depreciated as the assets comprise of Land and asset held under an operating lease. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains – net' in the profit or loss.

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.8 Available for sale financial assets

Investments are initially recognised at fair value plus transaction costs and subsequently reported at their fair value at each reporting date.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit or loss as 'gains and losses from investment securities'.

2.9 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.10 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.12 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Current and deferred income tax

There is currently no income, estate, corporation, capital gains or other taxes payable as a result of the respective operations of the Group.

2.14 Employee benefits

A provision is made for the estimated liability for employees' entitlement to gratuity and annual leave as a result of services rendered by the employees up to the reporting date and is classified and included in accrued and other expenses as a current liability.

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.15 Settlement of liabilities through issue of shares and warrants

In accordance with IFRIC19, where agreement is reached with third parties to settle amounts owed to them through the issue of shares, an item income or expense (as appropriate) is recognized equal to the difference between the fair value of shares issued and the carrying value of the liability so settled.

2.16 Share based payments

Where shares are issued in return for services an expense is measured equal to the fair value of the services received. If the fair value of services received cannot be measured reliably (which is typically the case for the employees and those providing similar services) the expense is measured by reference to the fair value of the equity instruments granted.

2.17 Revenue

Revenue comprises the fair value of the consideration received or receivable for the rendering of Real Estate Advisory and Consultancy services.

Each contract comprises a number of stages of activity, and fee revenues are structured accordingly into staged installments or percentage components representing the different phases of the contract work activity. Revenue is recognized based on the stage of completion of the project by reference to milestones delivered.

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks including the market risk due to the effects of changes in foreign currency exchange rates; credit risk; liquidity risk and cash flow and fair value interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out by the management under policies approved by the directors.

(a) Market risk

Foreign exchange risk

Foreign exchange risk is the risk arising from future commercial transactions and recognised financial assets or liabilities of the Group being denominated in a currency that is not the Group's presentation currency. The Group operates internationally, and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the UK Pound Sterling, US Dollars and UAE Dirham. The management regularly monitors the Group's exposure to foreign exchange risk, ensuring assets/income and liabilities/expenses are matched in certain currencies.

A significant proportion of the Group's assets, liabilities and revenue are denominated in UAE Dirhams which is pegged with US Dollars and therefore, the Group's assets and liabilities are not significantly exposed to foreign exchange risk.

Interest rate risk

The Group has no significant interest bearing liabilities and therefore, the management considers that the exposure to interest rate risk is immaterial.

(b) Credit risk

The Group has no significant concentration of credit risk. Credit risk on debtors is mitigated, as management regularly review these balances to assess their recoverability and provisions for balances are made where their recoverability is in doubt.

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Financial risk management (continued)

(c) Liquidity risk

Cash flow forecasts are performed for each of the operating entities of the Group and are aggregated by Group finance in order to determine the overall cash position of the Group. Group finance also monitors rolling forecasts of the Group's liquidity requirements, to ensure the Group and its entities have sufficient cash to meet its' operational needs. Such forecasting takes into consideration the Group's expected cash inflows from secured projects and cash outflows from operational activities, which mainly includes staff costs, office rentals and other office administrative costs.

Any surplus cash held by the operating entities over and above their forecasted balance requirements for working capital purposes, are transferred to the Group treasury. Group treasury invests such surplus cash in Islamic Shariah compliant bank deposits, choosing instruments based on their appropriate maturities whilst retaining sufficient liquidity to provide sufficient head-room for the Group as determined by the above-mentioned cash flow forecasts.

In accordance with prudent liquidity risk management, the directors aim to maintain sufficient cash and an adequate amount of committed credit facilities. Additional funding may also be arranged through float of new ordinary shares in the PLUS market as and when required.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| <i>All amount in USD</i> | | | | | |
|----------------------------|--------------|-------------------------|------------------------------|------------------------------|---------------------|
| At 31 December 2011 | Total | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
| Trade and other payables | 537,953 | 537,953 | - | - | - |
| | 537,953 | 537,953 | - | - | - |
| <i>All amount in USD</i> | | | | | |
| At 31 August 2010 | Total | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
| Trade and other payables | 2,673,273 | 2,673,273 | - | - | - |
| | 2,673,273 | 2,673,273 | - | - | - |

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

As at 31 December 2011 and 31 August 2010, the Group is un-geared as it has no short term or long term debt.

4. Fair value estimation

The face values, less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, are assumed to approximate their fair values.

Estimates and judgements 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.

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. Critical accounting estimates and judgements

Estimates and judgements 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 addressed below.

(a) *Revenue recognition*

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts to deliver design services. Use of the percentage-of-completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed. Were the proportion of services performed to total services to be performed to differ by 10% from management's estimates, the amount of revenue recognised in the year would be increased by USD 159,400 if the proportion performed were increased, or would be decreased by USD 159,400 if the proportion performed were decreased.

(b) *Impairment of land*

Management has estimated that the carrying value of the land as of the reporting date is approximate to fair value in pursuant to the Land sale agreement on 2 May 2012 as referred in Note 19.

6. Revenue

During the financial period ended 31 December 2011, the Group has provided Real Estate Advisory and Consultancy Services to one customer based in Kingdom of Saudi Arabia (KSA). The home country of the Company – which is also its' main operating location is Dubai, UAE. The areas of operation are principally property advisory and related consultancy services.

The Group's revenue during the period was derived in KSA.

| | 2011 USD | 2010 USD |
|--------------------------------|------------------|-------------|
| Revenue – geographical segment | | |
| KSA | <u>1,594,005</u> | - |

7. Employee costs

| | 2011 USD | 2010 USD |
|---------------------|----------------|-------------|
| Employee salaries | 139,053 | - |
| Medical and welfare | 6,362 | - |
| Annual leave salary | <u>11,409</u> | - |
| | <u>156,824</u> | - |

8. Other operating expenses

| | 2011 USD | 2010 USD |
|------------------------------------|----------------|------------------|
| Directors' remuneration | 42,986 | - |
| Legal and professional expenses | 313,523 | 1,245,502 |
| Office rent and other costs | 28,388 | 136,240 |
| Telephone, fax and courier charges | 2,711 | 21,795 |
| Travelling expenses | 140,715 | 49,379 |
| Business development | 22,003 | 33,513 |
| Bank charges | <u>22,141</u> | <u>10,383</u> |
| | <u>572,467</u> | <u>1,496,812</u> |

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. Finance income

| | 2011 | 2010 |
|-----------------------------|---------------------|------------------|
| | USD | USD |
| Finance income | <u>983</u> | - |
| Income | <u>983</u> | - |
| Foreign exchange gain | <u>8,143</u> | <u>16</u> |
| Finance income – Net | <u>9,126</u> | <u>16</u> |

Foreign exchange gain mainly arose from an exchange rate difference between the time of the initial recognition of trade receivables and the actual receipt from foreign customers and from the revaluation of foreign currency balances at the reporting date.

10. Loss per share

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

| | 2011 | 2010 |
|---|----------------------|--------------------|
| Losses attributable to equity holders of the parent (USD) | <u>(6,100,260)</u> | <u>(2,697,187)</u> |
| Weighted average number of ordinary shares in issue | <u>1,393,646,757</u> | <u>100,000</u> |

(b) Diluted

As a result of the loss incurred in the period and comparative period, there is no dilution effect of all dilutive potential ordinary shares attached to outstanding share options and share warrants.

(c) Additional

The directors consider it appropriate for comparison purpose to present a loss per share including the shares to be issued as at 31 August 2010 as if the shares were issued at the date of the acquisition of the respective assets for which the shares represent consideration paid. This is calculated by dividing the loss attributable to equity holders of the parent by the weighted average number of ordinary shares in issue on the basis previously stated.

| | 2010 |
|---|--------------------|
| Losses attributable to equity holders of the parent (USD) | <u>(2,697,187)</u> |
| Weighted average number of ordinary shares in issue | <u>882,738,446</u> |

11. Investment property

Investment property comprise of land and operating lease.

(a) Land

The freehold land is owned by the Group which consists of a land bank of 67 plots with a gross floor area of 21,905,000 square feet in a project known as the Eye of Ajman in the Emirate of Ajman, United Arab Emirates. The Eye of Ajman is an unencumbered, debt-free, land bank. The cost of the asset as at 31 December 2011 and 31 August 2010 was USD 398,005,058.

(b) Operating lease

| | USD |
|------------------------------------|----------------------|
| Balance as at 1 September 2009 | - |
| Acquisition of investment property | 105,895,018 |
| Fair value adjustment | - |
| Balance at 31 August 2010 | 105,895,018 |
| Disposal of investment property | <u>(105,895,018)</u> |
| Balance at 31 December 2011 | - |

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. Investment property (continued)

In pursuant to assignment agreement dated 2 February 2010 between related party ABBCo and the Company (common directors), ABBCo assigned the Company a lease of the Rose Rayhaan Rotana Tower commencing retrospectively from 1 January 2010. The lease has a useful economic life of 6 years and 1 month (the "Assignment Term"). The assignment cost of AED 385,483,625 (£66,418,034) was settled through the issue of Ordinary Shares of the same value. The investment property is held under an operating lease, on which no further rentals are payable.

ABBCo derives its title through the Head Lease Agreement which was granted in 2003 until December 2018 at an annual rent of AED 4,000,000. ABBCo are committed to paying this annual rental throughout the Assignment Term. All risks and liabilities in relation to the premises under the terms of the Head Lease remain with ABBCo throughout the Assignment Term.

In the event that the Head Lease was terminated, ABBCo would be obliged to terminate the Assignment Agreement, and the Company would be obliged, in turn, to terminate the Capital Lease Agreement. If this were to happen, the Company would no longer be entitled to receive the capital lease payments from Bonyan of the AED 110,000,000 per annum.

The lease assignment allowed the Company to enter into the Capital Lease Agreement with Bonyan International Investment Group (Holding) LLC ("Bonyan"). The investment property is leased by the Company to Bonyan, the significant terms are as follows:

- The lease term is from 1 January 2010 to 31 December 2015;
- The Lessee shall pay an annual rent of AED 110,000,000 for the first five annual terms of the lease and for the sixth year the annual rent shall be AED 65,000,000;
- The annual rent shall become payable on the 25th day of December of each annual term; and

The investment property has been valued at approximately \$105,895,018 by an independent valuer, Ernst and Young – Middle East.

Since the acquisition, the investment property did not perform as well as had been expected and following events that occurred during the period, which resulted in the investment property being disposed of for a nominal fee on 13 June 2011. Please refer to Note 15.

12. Available for sale financial assets

Available for sale financial assets include the following:

| | 2011 USD | 2010 USD |
|--|------------------|-----------------|
| Listed securities | | |
| Equity securities – Canada | - | - |
| Unlisted securities | | |
| Amara Holdings Inc – value at reverse acquisition date | 123,257 | - |
| Change in fair value | <u>(123,257)</u> | - |
| Balance carried forward | <u><u>=</u></u> | <u><u>=</u></u> |

All securities are classified as available-for-sale. The securities are presented as investments at fair value, which is taken to be their market value as at the 31 December 2011. The Group owns shares in:

- PharmEng Technology Inc, a company listed on the NEX Canadian stock exchange. The value of these assets has been fully impaired by the filing of PharmEng Technology Inc, for financial restructuring and bankruptcy. A fair market value adjustment was made in 2009 to account for the full impairment of the recorded value.

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. Available for sale financial assets

- The Phoenician Corporation I Limited, is a company listed on the NEX Canadian stock exchange. The value of these assets has been full impaired by the failure and suspension of trade on the PLUS-quoted Markets exchange.
- Amara Holdings Inc, a company incorporated in the British Virgin Islands. Fair value adjustment of \$123,257 has been made to impair the value of the assets in accordance with IAS 39.

A sensitivity analysis is not required as all the assets held in marketable securities are fully impaired.

13. Trade receivables

| | 2011 USD | 2010 USD |
|--------------------------------|-------------|-------------|
| Past due but not impaired | <u>990</u> | = |
| Gross | <u>990</u> | - |
| Less: allowance for impairment | <u>-</u> | = |
| Net | <u>990</u> | = |

At 31 December 2011, the trade receivable balance is receivable from 1 customer (2010: 0 customer) based in the Middle East.

The ageing analysis of these trade receivables is as follows:

| | 2011 USD | 2010 USD |
|----------------|-------------|-------------|
| Up to 6 months | <u>990</u> | = |
| | <u>990</u> | = |

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

| Currency | 2011 USD | 2010 USD |
|------------|-------------|-------------|
| UAE Dirham | <u>990</u> | = |

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. In the opinion of the Directors, fair value approximates to carrying value due to the short term nature of the receivables. The Group does not hold any collateral as security.

14. Cash and cash equivalents

| | 2011 USD | 2010 USD |
|--------------------------|----------------|--------------|
| Short-term bank deposits | - | - |
| Cash at bank and on hand | <u>417,783</u> | <u>8,348</u> |
| | <u>417,783</u> | <u>8,348</u> |

In the opinion of the Directors, fair value approximates to carrying value due to the short term nature of the bank deposits.

15. Share capital and premium

The authorised share capital of the parent comprises of:

| | No of shares | 2011 GBP | 2011 USD |
|-------------------------------|----------------------|-------------------|-------------------|
| Class A Shares of £0.005 each | 1,700,000,000 | 8,500,000 | 13,711,172 |
| Class B Shares of £0.005 each | <u>300,000,000</u> | <u>1,500,000</u> | <u>2,419,618</u> |
| At the end of the year | <u>2,000,000,000</u> | <u>10,000,000</u> | <u>16,130,790</u> |

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Share capital and premium (continued)

| | | 2010 | 2010 |
|-------------------------------|--------------------|------------------|------------------|
| | No of shares | GBP | USD |
| Class A Shares of £0.005 each | 300,000,000 | 1,500,000 | 2,419,619 |
| Class B Shares of £0.005 each | <u>300,000,000</u> | <u>1,500,000</u> | <u>2,419,619</u> |
| At the end of the year | <u>600,000,000</u> | <u>3,000,000</u> | <u>4,839,238</u> |

In the Board meeting held on 20 June 2011, the directors resolved the increase in authorised share capital of the Company by approximately \$11.29 million by increasing number of Class A shares by 1,400,000,000 with par value of £ 0.005 (approximately \$0.008).

Movement in share capital during the period

The share capital of the Company has been allotted and issued of the following classes of shares:

| | | Number of shares | Ordinary share | Share premium | Total |
|--|-------|----------------------|-------------------|--------------------|--------------------|
| | | USD | USD | USD | USD |
| At 1 September 2009 | | - | - | - | - |
| Transaction with owners | | | | | |
| Ordinary shares issued | | <u>100,000</u> | <u>32,262</u> | : | <u>32,262</u> |
| At 31 August 2010 | | <u>100,000</u> | <u>32,262</u> | : | <u>32,262</u> |
| Transactions with Prime Cayman | | | | | |
| Ordinary shares issued for land investment property | (i) | 1,233,681,218 | 398,005,058 | - | 398,005,058 |
| Ordinary shares issued for tower investment property | (ii) | 328,238,782 | 105,895,018 | - | 105,895,018 |
| Ordinary shares issued related to investment property | (iii) | 1,802,354 | 581,468 | - | 581,468 |
| Ordinary shares issued for loan repayment | (iv) | 3,650,000 | 1,177,548 | - | 1,177,548 |
| Ordinary shares cancelled on disposal of investment property | (ii) | (328,238,782) | (105,895,018) | - | (105,895,018) |
| Elimination of ordinary shares on reverse acquisition | | (1,239,233,572) | (399,796,336) | - | (399,796,336) |
| Transactions with Prime Bahamas | | | | | |
| Existing ordinary shares of before reverse acquisition | | 13,430,882 | 108,325 | 837,409 | 945,734 |
| Ordinary shares issued on reverse acquisition to owners | (v) | 1,239,233,572 | 9,994,909 | 389,801,427 | 399,796,336 |
| Ordinary shares issued to professional advisors | (vi) | <u>13,342,065</u> | <u>107,609</u> | <u>4,196,752</u> | <u>4,304,361</u> |
| At 31 December 2011 | | <u>1,266,006,519</u> | <u>10,210,843</u> | <u>394,835,588</u> | <u>405,046,431</u> |

The authorised share capital of the Company is as specified in the Memorandum and Articles of Association of the Company and the shares of the Company are issued either as A Shares or B Shares and have the rights and privileges and are subject to the conditions contained in the Memorandum and Articles of Association.

In particular, the A Shares and B Shares constitute different classes of shares and carry separate voting rights and rights to appoint and remove directors as provided below but, except as provided, confer upon the holders the same rights and rank pari passu in all other respects.

As regards voting, each A Shareholder shall have, by virtue of their holding of A Shares, the right to receive notice of, and to attend and speak (either in person, or by attorney or proxy or, in the case of a corporation by representative) at all general meetings of the Company and shall have, upon a show of hands one vote and, upon a poll one vote for every A Share held by it. The quorum required of meetings of the Board of Directors of the Company, shall be all of the A Directors only, and any resolution of the Company, with the exception of those resolutions deemed to be Reserved Matters shall be passed by a show of hands by all of the A Directors of the Company.

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Share capital and premium (continued)

The B Shares have not been allocated as of the reporting date. No voting rights attach to the B Shares, such that the A Class Shareholder voting rights, powers, management and control of the Company are not be diluted. The holders of B Shares are not entitled to designate or appoint Directors, receive notice, agendas or minutes of any Board Meeting of the Directors, nor attend nor vote at any such meeting.

- (i) In pursuant to the Plot Sale & Purchase Agreement between Bonyan International Investment Group LLC and Prime Cayman; Land bank comprise of 67 individual plots in the Eye of Ajman was purchased at a cost of AED 1,453,578,150 (approximately \$398,005,058).
- (ii) In pursuant to the Assignment and Settlement Agreement entered into on 2 February 2010 between ABBCo (a company related by common control) and Prime Cayman, ABBCo assigned all of its rights, benefits, interests, privileges, entitlements and obligations in the Tower to Prime Cayman at total costs of AED 385,483,625 (approximately \$105,895,018) which were settled through the issue of ordinary shares of the same value. During the period, Prime Cayman re-assign all of its rights back to ABBCo on upon similar terms and the shares issued under the Assignment and Settlement agreement were re-purchase and cancelled by Prime Cayman.
- (iii) In pursuant to the Supplemental to Assignment and Settlement Agreement, Prime Cayman agreed to repay \$600,000 received in respect of the first payment under the Capital Lease Agreement by issue of 1,802,354 ordinary shares of the same value.
- (iv) Prime Cayman has received an aggregate sum of AED 4,400,000 (approximately \$1,177,548) for working capital purposes from Mr. Anas Atatreh (one of the Warrant Shareholders) in pursuant to the Loan Agreements. The loan has been repaid by issue 3,650,000 ordinary shares of the same value.
- (v) In pursuant to the terms of the Revised Share Purchase Agreement executed on 28 June 2011, the parent company has acquired the entire issued share capital of Prime Cayman for an aggregate price of \$399,796,336 representing a price per Prime Investments Share of £0.20 (approximately \$.008 per share). The consideration has been satisfied by the issue of 1,239,233,572 ordinary shares to the holders of all Prime Cayman Shares.
- (vi) At the time of re-admission to PLUS, the Company have issued 13,342,065 Class A shares to the following Corporate advisors in lieu of their professional services rendered in connection with the reverse takeover transaction and re-admission to PLUS.

| Name of Advisor | Number of ordinary shares issued | Share | | Total |
|--|----------------------------------|-----------------|------------------|------------------|
| | | Ordinary shares | premium | |
| Newhaven Investments House Limited | 9,205,405 | 74,245 | 2,895,564 | 2,969,809 |
| Edwin S. Lee | 3,806,502 | 30,700 | 1,197,337 | 1,228,037 |
| City & Westminster Corporate Finance LLP | 232,781 | 1,877 | 73,222 | 75,099 |
| McClure Naismith LLP | 97,377 | 787 | 30,629 | 31,416 |
| | <u>13,342,065</u> | <u>107,609</u> | <u>4,196,752</u> | <u>4,304,361</u> |

Share options

The parent company has granted the share options to the following:

| | 2011 Weighted average exercise price | 2011 Number | 2010 Weighted average exercise price | 2010 Number |
|--|---|------------------|---|------------------|
| Outstanding at the beginning of the period | £0.060 | 2,549,467 | £0.060 | 2,549,467 |
| Granted during the period | - | - | - | - |
| Forfeited during the period | - | - | - | - |
| Exercised during the period | - | - | - | - |
| Lapsed during the period | - | - | - | - |
| Outstanding at the end of the period | <u>£0.060</u> | <u>2,549,467</u> | <u>£0.060</u> | <u>2,549,467</u> |

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Share capital and premium (continued)

On 22 September 2008, the Directors were each granted 32,577 options to purchase Class A Ordinary shares over five years with an exercise price of £0.06. None of the options granted have been exercised at the reporting date.

The Company granted 2,419,159 options to Newhaven Holdings International by way of an agreement dated 22 September 2008 to purchase Class A Ordinary shares over five years with an exercise price of £0.06.

Share warrants

The parent company has issued the Warrant Instruments to the following:

| | Number of share warrant | Exercise price GBP |
|---|--------------------------------------|--------------------------------------|
| McClure Naismith LLP | 22,668,596 | Not less than £0.090 |
| City & Westminster Corporate Finance LLP | 17,115,960 | Not less than £0.090 |
| Abdulla Saeed Abdulla Mohamed Brook Al Hamiri | 112,223,761 | £0.200 |
| Noor Aldeen S. A Atatreh | 112,223,761 | £0.200 |
| Anas S. A Atatreh | 49,169,453 | £0.200 |
| Mohammed S. A Atatreh | 49,169,453 | £0.200 |
| | <u>362,570,984</u> | |
| | 2011 Weighted average exercise price | 2010 Weighted average exercise price |
| Outstanding at the beginning of the period | £0.090 | £0.070 |
| Granted during the period | £0.200 | £0.090 |
| Forfeited during the period | - | - |
| Exercised during the period | - | - |
| Lapsed during the period | - | - |
| Outstanding at the end of the period | <u>£0.188</u> | <u>£0.089</u> |
| | <u>362,570,984</u> | <u>39,784,556</u> |

In pursuant to the warrant instruments dated 22 October 2009; the Company issued 700,000 and 520,000 warrants to McClure Naismith LLP and City & Westminster Corporate Finance LLP ("CWCF") respectively upon the terms of and subject to the conditions contained in the warrant instrument. The Company has amended the warrant instrument by a warrant variation deed dated 24 December 2010 made between the Company (1) CWCF (2) and McClure Naismith LLP (3) pursuant to which the Company agreed to issue McClure Naismith LLP with 22,668,596 warrants and CWCF with 17,115,960 warrants on the terms and subject to the conditions of that warrant variation deed. The Warrant Exercise price shall be £0.20 less than the market price of the Shares at the time of exercise of the Warrant provided however that the warrant exercise price shall not be less than £0.090. The warrants are exercisable within 60 calendar months following the date on which the Company is admitted to trading on PLUS following the completion of the Transaction.

In pursuant to the Assignment agreement dated 1 June 2011, Prime Cayman re-assigned all of its rights back to ABBCo upon similar terms but for a consideration of AED 1,000. Accordingly, and due to the reassignment to ABBCo of the Tower, the 328,238,782 Prime Cayman Shares issued to the Warrant Shareholders under the Assignment and Settlement Agreement, were effectively converted by means of a repurchase on 13 June 2011, into the same number of Deferred Shares save for:

- (i) 1,802,354 shares representing \$600,000 which has been received by Prime under the Capital Lease Agreement and allotted to the Warrant Shareholders pursuant to the Supplemental to Assignment and Settlement Agreement; and

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Share capital and premium (continued)

(ii) 3,650,000 shares issued to the Warrant Shareholders to repay a loan of £730,000 made by Anas Atatreh to Prime and allotted pursuant to the Loan Agreement Addendum.

Thus, in the case of the Warrant Shareholders, their holding has been split into Prime Investment Shares and Deferred Shares.

At the time of reverse acquisition, the parent company has also purchased the Deferred Shares in consideration for the issue to the Warrant Shareholders of the Warrant Instruments (in proportion) entitling the Warrant Shareholders to subscribe for Shares equal to the number of Deferred Shares which they hold at the date of Completion.

None of the warrants granted have been exercised at 31 December 2011.

The share based payment cost in respect of options granted, when calculated in accordance with the requirements of IFRS 2 'Share based payment', is immaterial and has therefore not been recognised in the Financial Statements.

16. Reverse acquisition reserve

This represents the consideration in the reverse acquisition deemed to have been incurred by the legal subsidiary (Prime Cayman) in the form of equity instruments issued to the shareholders of the legal parent entity (Prime Bahamas). The acquisition date fair value of the consideration transferred has been determined by reference to the fair value of the issued shares of Prime Bahamas immediately prior to the business combination.

17. Trade and other payables

| | 2011 | 2010 |
|-------------------------------------|----------------|------------------|
| | USD | USD |
| Due to related parties | 145,026 | 1,045,093 |
| Accrued expenses and other payables | <u>392,927</u> | <u>1,628,180</u> |
| | <u>537,953</u> | <u>2,673,273</u> |

18. Related parties

The Group enters into transactions in the normal course of business with related parties at market rates and terms agreed between the parties.

During the period, the Group entered into the following transactions with entities in which certain Directors have a significant influence.

Transaction with ABBCo (a company related by common director)

In pursuant to the Assignment and Settlement Agreement entered into on 2 February 2010 between ABBCo and Prime Cayman, ABBCo assigned all of its rights, benefits, interests, privileges, entitlements and obligations in the Tower to Prime Cayman at a total price of AED 385,483,625 (approximately \$105,895,018) settled through the issue of ordinary shares.

During the period, on termination of Capital lease agreement Prime Cayman re-assign all of its rights back to ABBCo under a Reassignment agreement upon similar terms.

Transaction with Bonyan International Investment Group LLC (a company related by common director)

Land

On 8 February 2010, Bonyan International Investment Group LLC sold to the Group, the Land bank comprising 67 individual plots in the Eye of Ajman to Prime Cayman at a cost of AED 1,453,578,150 (approximately \$398,005,058). The consideration for the purchase was satisfied with issue of ordinary shares.

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. Related party (continued)

Management services

Prime Cayman entered into a management service agreement with Bonyan International Investment Group LLC on 15 October 2009 where Bonyan would provide administrative and other support services to Prime Cayman against the consideration of AED 1.250 million (approximately \$0.340 million) payable annually. On completion of first anniversary of the management service agreement, Bonyan agreed to waive the management fees for the 3 year period to 14 October 2012.

Transaction with warrant shareholders

In pursuant to the Supplemental to Assignment and Settlement Agreement, Prime Cayman agreed to repay the sum of \$600,000 received in respect of the first payment under the Capital Lease Agreement by issues of ordinary shares to the Warrant Shareholders of the same value.

Transaction with Mr. Anas Atatreh (director of Bonyan International Investment Group LLC)

Prime Cayman has received an aggregate sum of AED 4,400,000 (approximately \$1,177,548) for working capital purposes from Mr. Anas Atatreh (one of the Warrant Shareholders) in pursuant to the Loan Agreements. The loan has been repaid by issue 3,650,000 ordinary shares of the same value.

The balances at 31 December 2011 and transactions with other related party during the period were as follows:

(a) *Key management compensation*

| Nature of transaction | 2011 | 2010 |
|--|---------|------|
| | USD | USD |
| Salaries and other short term benefits | 122,616 | - |
| Directors' remuneration | 42,986 | - |

(b) *Included in the statement of financial position are the following amounts arising from other related party transactions:*

| Trade and other payables | 2011 | 2010 |
|---|---------|-----------|
| | USD | USD |
| Bonyan Int'l Investment Group (Holding) LLC | 145,026 | 1,077,355 |

19. Post Balance sheet event

On 2 May 2012, the Group agreed to dispose of its interest in the "Eye of Ajman" land bank to Redman and Danat (each holding 50% shares in Makkah & Madinah International Limited (MMI RAK)) in exchange for their entire shareholding in MMI RAK (the "Transaction") conditional upon MMI RAK completing its acquisition of 34.12% of the ordinary shares in MM KSA, valued at \$400 million. Further details were given to shareholders in a circular dated 12 April 2012 for convening a General Meeting to approve the Transaction and at the General Meeting on 8 May 2012, the shareholders's approval was obtained. The Transaction became unconditional on 26 May 2012 when the acquisition by MMI RAK of 34.12% shares of MM KSA was completed.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Prime Investments International Group Limited shall be held at 7th Floor, Rose Rayhaan by Rotana, Sheikh Zayed Road, Dubai, United Arab Emirates on 11:00 a. m. U. A. E. time on 28 June 2012:

At the meeting the following ordinary business will be conducted:

Ordinary Resolutions:

- a) To receive and adopt the report of the Directors of the Company and the audited accounts of the Company for the period ended on 31 December 2011.
- b) To elect Mr. Ahmed Iqbal Bangee and Mr Muin El Saleh as the Directors of the Company.
- c) To authorise the Directors to appoint BDO LLP as the auditors of the Company and to fix their remuneration.

The Directors do not propose any further business to be laid before Voting Shareholders at the Annual General Meeting.

By order of the Board,



Muin El Saleh M. B. A.
Director

30 May 2012

PRIME INVESTMENTS INTERNATIONAL GROUP LIMITED
PROXY

I*/We*, _____ (←name) being a Voting Shareholder of the above Company holding _____ (←no. of Shares held) Shares HEREBY APPOINT _____ (←name of proxy) of _____ (←address of proxy)

or, failing him, the Chairman of the General Meeting to be my*/our* proxy to vote for me*/us* at the meeting of Voting Shareholders to be held on the 28 June 2012; and at any adjournment(s) thereof.

* Please delete whichever does not apply

Voting Instructions:

| Sequence | ORDINARY RESOLUTION | In favour [†] | Against [†] |
|----------|---|------------------------|----------------------|
| 1) | That the report of the Directors and the audited accounts of the Company for the period ended 31 December 2011 be and hereby received and adopted | | |
| 2) | That Mr. Ahmed Iqbal Bangee and Mr Muin El Saleh be and hereby are elected as the Directors of the Company | | |
| 3) | That BDO LLP be and hereby are appointed as the auditors of the Company and that the Directors are authorised to fix their remuneration | | |

[†] Please see Notes to the Proxy Form for details on voting procedures.

Dated this ____ day of June 2012

Signature of Voting Shareholder ← please sign here

NOTES TO THE PROXY FORM

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
2. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
4. To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'.
5. To appoint a proxy using this form, the form must be:
 - . completed and signed;
 - . if you received this notice at a United Kingdom address, please send or deliver to Company's Registrar: Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY; and if you received this notice at a non-United Kingdom address then please send or deliver to the Company at Prime Investments International Limited, 7th Floor, Rose Rayhaan by Rotana, Sheikh Zayed Road, P. O. Box 125168, Dubai, United Arab Emirates.
 - . to be received by Company's Registrar or the Company, as the case may be, no later than 10:00 a.m. on 26 June 2012.
6. In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
7. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
8. As an alternative to completing this hard-copy proxy form, you can appoint a proxy electronically by contacting the Company at ir@prime-holdings.com. For an electronic proxy appointment to be valid, your appointment must be received by the Company no later than 10:00 a.m. on 26 June 2012.
9. CREST members who wish to appoint a proxy or proxies by using the CREST electronic appointment service may do so by using the procedures described in the CREST Manual. To be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must be transmitted so as to be received by Computershare Investor Services plc or the Company by 10:00 a.m. on 26 June 2012.
10. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).
11. You may not use any electronic address provided in this proxy form to communicate with the Company for any purposes other than those expressly stated.

