DIAMOND BRIDGE MANAGEMENT LIMITED

THE DIRECTOR'S REPORT AND PROFIT & LOSS ACCOUNT FOR THE TWELVE MONTHS ENDED 31ST DECEMBER 2015 AND BALANCE SHEET AT THAT DATE

Company Number	5642124
Director	Michael Henry Horne
Secretary	RM Company Services Limited
Registered Office	Invision House, Wilbury Way, Hitchin, Herts SG4 0TW

DIAMOND BRIDGE MANAGEMENT LIMITED

Report of the Sole Director
submitted with the Financial Statements as at 31st December, 2015

Principal activity

The Company commenced business on 11th January, 2006 with the object of investing in development land situated at Sciacca, Sicily, via its subsidiary company, Diamond Bridge Management Italia Srl, incorporated in Italy in February 2006 with a fully paid up capital of EUR100,000. The funds required for the Company's investment in the Italian subsidiary and for its Italian subsidiary's purchase of the development land in Sicily were provided by long-term, interest-free loans to the Company from its sole shareholder. Feasibility studies for the commercial development of the Sciacca land as a resort project have been undertaken and evaluated and, subject to local Government approval being granted and suitable financing being arranged, the project is expected either to proceed to completion or to be sold on for development by a third party .

Financial Statements

The results of the Company for the year ended 31st December 2015 and the state of the Company's affairs as at that date are exhibited in the annexed financial statements.

Share Capital

As at the balance sheet date of 31st December, 2015, the whole of the Company's authorized share capital of one thousand shares of GBP1.00 each had been issued to Michael Henry Horne.

Director

Michael Henry Horne was appointed as the sole director of the Company on 1st December, 2005.

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Michael Henry Horne

Dated: 11th May 2016

DIAMOND BRIDGE MANAGEMENT LIMITED

Profit & Loss Account for the twelve months ended 31st December 2015

(expressed in GBP)

Income:		nil
Expenses:		
Italian subsidiary's loss for 2015 (EUR38,834)	27,960.48	
Hong Kong administration fees & expenses	3,270.00	
Company Secretary & registered office fees	425.00	
HMRC Taxation returns - preparation & filing services	445.00	
Bank charges	124.00	
Exchange losses (gains)	(33,956.00)	
	------------	1,731.52

Net Profit (Loss) for the year		1,731.52
Add accumulated Loss brought forward		(361,208.22)
Adverse balance carried forward		GBP (359,476.70)

DIAMOND BRIDGE MANAGEMENT LIMITED

Balance Sheet as at 31st December, 2015

(expressed in GBP)

Cash at Bank: Sparkasse Bank, Malta (EUR41,327.41	29,755.74
Costs for incorporation of Italian subsidiary company (see Note1)	76,176.00
Investment in Italian subsidiary (see Note1)	2,058,523.92
	2,164,455.66
Add Debtors (see Note 1)	124,563.18
Total Net Assets	GBP 2,289,018.84
Represented by:	
Authorized and issued share capital: 1,000 Ordinary Shares of GBP1 each	1,000.00
Long-term, interest-free loans from Shareholder	2,647,495.54
Profit & Loss Account	(359,476.70)
	GBP 2,289,018.84

The director considers that for the year ending 31st December, 2015 the Company was entitled to exemption from audit under section 477 (2) of the Companies Act 2006. The members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibility for

i) ensuring that the Company keeps accounting records which comply with section 386 and

ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year, in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Companies Act relating to accounts, in so far as is applicable to the Company.

The financial statements were approved by the director on 12th May 2016. The Notes to the Accounts on Page 5 form an integral part of these financial statements.

Michael Henry Horne – Sole Director

DIAMOND BRIDGE MANAGEMENT LIMITED
Notes to the Balance Sheet as at 31st December, 2015

1. Balance Sheet

The Balance Sheet has been prepared in accordance with statements of standard accounting practice issued by UK accountancy bodies and under the historic cost convention.

The Italian subsidiary was incorporated in February 2006 with a fully paid-up share capital of EUR100,000. In March 2006, the Company made an interest-free loan of EUR650,000 to the Italian subsidiary., which was reduced to EUR452,103 by writing off EUR197,897, being the Italian subsidiary's losses up to 31 December 2007.

In May 2006, the Company made a further loan of EUR1,995,000 to the Italian subsidiary, repayable on or before 3rd May 2016 and bearing interest at the 6 months EURIBOR rate plus 1.5% p.a. adjustable at the 4th day prior to each six months' period. In May 2007, the Company made a further loan of EUR10,000 to the Italian subsidiary on the same interest and repayment terms. Interest accrued on the loan principal of EUR2,005,000 up to 31st December 2007 amounted to EUR173,004.42; however, the Company has agreed to defer payment of this interest until such time as the Italian subsidiary's financial position allows it to do so. It has been agreed that loan interest be waived from 1st January 2008 and the loan principal GBP2,058,523.92 (EUR2,859,061) (after deduction of the Italian subsidiary's 2015 losses), has now been capitalized.

2. Profit & Loss Account

The Company commenced business on 11th January, 2006 and, after exchange gains, showed a net profit for the year ended 31st December, 2015 of GBP1,731.52

3. Dividend

No dividend was declared or paid for the year ended 31st December, 2015.

4. Share Capital

Authorized: 1,000 ordinary shares of GBP1.00 each	GBP1,000
Issued: 1,000 ordinary shares of GBP1.00 each	GBP1,000

The entire issued ordinary share capital is held by Michael Henry Horne