AKTOR TECHNICAL CONSTRUCTION L.L.C.

Reports and financial statements for the year ended 31 December 2007

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Report of the Directors
for the year ended 31 December 2007

The Directors have pleasure in submitting their report, together with the audited financial statements of Aktor Technical Construction L.L.C. for the year ended 31 December 2007.

Principal activities

The principal activities of the Company are construction projects of general, civil, contracting and mechanical works.

Results

Revenue for the year was AED 41,714,525 (2006 – AED Nil). Net profit for the year was AED 2,760,201 (2006 – net loss of AED 166,374).

The proposed appropriation is as follows:

	2007
	AED
Accumulated losses at the beginning of the year	**(166,374)**
Net profit for the year	2,760,201
Transfer to legal reserve	(276,020)
Accumulated profit at the end of the year	**2,317,807**

Release

The Directors release from liability the management and the external auditor in connection with their duties for the year ended 31 December 2007.

Auditors

A resolution proposing the re-appointment of Deloitte & Touche as auditors of the Company for the year ending 31 December 2008 will be put in the annual general meeting.

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Director **Director**

16 February 2008

INDEPENDENT AUDITOR'S REPORT

To the Shareholders
Aktor Technical Construction L.L.C.
Abu Dhabi, UAE

Report on the financial statements

We have audited the financial statements of Aktor Technical Construction L.L.C. (the "Company"), which comprise the balance sheet as at 31 December 2007, and the related statement of income, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes. The financial statements of the Company as of 31 December 2006 were audited by another auditor whose report dated 22 March 2007 expressed an unqualified opinion.

Management's responsibility for the financial statements

Management of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (Continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Aktor Technical Construction L.L.C., Abu Dhabi, as of December 31, 2007, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Also, in our opinion, proper books of account are maintained by the Company, a physical inventory count was properly conducted and the contents of the Directors' report relating to the financial statements are in agreement with the accounting records of the Company. We obtained all the information and explanations which we considered necessary for the purpose of our audit. According to information available to us, there were no contraventions, during the financial year, of the UAE Federal Commercial Companies Law number (8) of 1984 (as amended) or the Company's Articles of Association, which might have materially affected the activities of the Company or its financial position.

16 February 2008

Balance sheet
As at 31 December 2007

	Notes	2007 AED	2006 AED
ASSETS			
Non-current assets			
Retentions receivable		4,230,873	-
Property, plant and equipment	5	414,571	-
Total non-current assets		4,645,444	-
Current assets			
Inventory		144,606	-
Trade and other receivables	6	43,791,558	49,400
Prepayments		573,724	-
Cash and bank balances		5,469,303	389,210
Total current assets		49,979,191	438,610
Total assets		54,624,635	438,610
EQUITY AND LIABILITIES			
Equity			
Share capital	9	500,000	500,000
Legal reserve	10	276,020	-
Retained earnings/(accumulated losses)		2,317,807	(166,374)
Total equity		3,093,827	333,626
Non-current liabilities			
Provision for employees' end of service benefits	11	290,365	-
Current liabilities			
Trade and other payables	7	51,240,443	104,984
Total liabilities		51,530,808	104,984
Total liabilities and equity		54,624,635	438,610

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Director **Director**

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

Income statement
for the year ended 31 December 2007

	Note	2007 AED	Period from 12 June 2006 (inception) to 31 December 2006 AED
Revenue		**39,043,464**	-
Direct cost		**(34,504,569)**	-
Gross profit		**4,538,895**	-
General and administrative expenses		**(1,830,404)**	(166,374)
Other income		**55,546**	-
Finance costs		**(3,836)**	-
Net profit for the year/period	**12**	**2,760,201**	(166,374)

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

Statement of changes in equity
for the year ended 31 December 2007

	Share capital AED	Legal reserve AED	Retained earnings/ (accumulated Losses) AED	Total AED
Capital introduced	500,000	-	-	500,000
Net loss for the period	-	-	(166,374)	(166,374)
Balance at 1 January 2007	500,000	-	(166,374)	333,626
Net profit for the year	-	-	2,760,201	2,760,201
Transfer to legal reserve	-	276,020	(276,020)	-
Balance at 31 December 2007	**500,000**	**276,020**	**2,317,807**	**3,093,827**

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

Statement of cash flows
for the year ended 31 December 2007

	2007 AED	Period from 12 June 2006 (inception) to 31 December 2006 AED
Operating activities		
Net profit/(loss) for the year/period	**2,760,201**	(166,374)
Adjustments for:		
Depreciation of property, plant and equipment	**187,189**	-
Provision for employees' end of service benefits	**290,365**	-
Operating cash flows before movements in working capital	**3,237,755**	(166,374)
Increase in inventory	**(144,606)**	-
Increase in trade and other receivables	**(47,973,031)**	(49,400)
Increase in prepayments	**(573,724)**	-
Increase in trade and other payables	**51,135,459**	104,984
Net cash from/(used in) operating activities	**5,681,853**	(110,790)
Investing activities		
Purchase of property, plant and equipment	**(601,760)**	-
Financing activities		
Capital introduced	-	500,000
Net increase in cash and cash equivalents	**5,080,093**	389,210
Cash and cash equivalents at beginning of year/period	**389,210**	-
Cash and cash equivalents at end of year/period	**5,469,303**	389,210

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

Notes to the financial statements
for the year ended 31 December 2007

1 General

Aktor Technical Construction L.L.C. (the "Company") is a limited liability company incorporated on 12 June 2006 and registered in Emirate of Abu Dhabi.

The Company is primarily involved in construction projects of general, civil, contracting and mechanical works.

The address of the registered office of the Company is P.O. Box 3486, Abu Dhabi, United Arab Emirates.

2 Adoption of new and revised Standards

Standards and interpretation effective in the current period

In the current year, the Company has adopted IFRS 7 *Financial Instruments: Disclosures* which is effective for annual reporting periods beginning on or after 1 January 2007, and the consequential amendments to IAS 1 Presentation of Financial Statements.

The impact of the adoption of IFRS 7 and the changes to IAS 1 has been to expand the disclosures provided in these financial statements relating to the Company's financial instruments and management of capital (See note 14). In accordance with the transitional requirements of the amendments, the Company has provided full comparative information. Certain comparative amounts have been regrouped to conform to current year presentation.

Four Interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current period as follows:

- IFRIC 7: *Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies*
- IFRIC 8: *Scope of IFRS 2*
- IFRIC 9: *Reassessment of Embedded Derivatives; and*
- IFRIC 10: *Interim Financial Reporting and Impairment*

The adoption of these Interpretations has not led to any changes in the Company's accounting policies.

2 Adoption of new and revised Standards (continued)

Standards and interpretations in issue not yet adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

• IAS 1 (Revised): *Presentation of Financial Statements*	Effective for annual periods beginning on or after 1 January 2009
• IAS 23 (Revised): *Borrowing Costs*	Effective for annual periods beginning on or after 1 January 2009
• IFRS 8: *Operating segments*	Effective for annual periods beginning on or after 1 January 2009
• IFRIC 11 *IFRS2: Company and Treasury Share Transactions*	Effective for annual periods beginning on or after 1 March 2007
• IFRIC 12: *Service Concession Arrangements*	Effective for annual periods beginning on or after 1 January 2008
• IFRIC 13: *Customer Loyalty Programmes*	Effective for annual periods beginning on or after 1 July 2008
• IFRIC 14: *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction*	Effective for annual periods beginning on or after 1 January 2008

Management anticipates that the adoption of those Standards and Interpretations in the future periods will have no material impact on the financial statements of the Company in the initial period of application.

3 Summary of significant accounting policies

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of preparation

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below:

Notes to the financial statements for the year ended 31 December 2007 (continued)

3 Summary of significant accounting policies (continued)

Interests in joint ventures

Where the Company undertakes its activities under joint venture arrangements directly, the Company's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Company's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Company and their amount can be measured reliably.

The Company reports its interests in jointly controlled entities using proportionate consolidation. The Company's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the financial statements on a line-by-line basis.

Revenue recognition

Income on construction contracts is recognised in accordance with the percentage of completion method.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the interest rate applicable.

Construction contracts

The Company recognises revenue from contracts following the percentage-of-completion method.

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion of the contract costs incurred for work performed to date bear to the estimated total contract costs. Variations in contract work, claims and incentive payments are included in revenue to the extent that they have been agreed with the client and can be reliably measured.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

Notes to the financial statements for the year ended 31 December 2007 (continued)

3 Summary of significant accounting policies (continued)

Construction contracts (continued)

When it is possible that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs of contracts include all direct costs of labour, materials, depreciation of property, plant and equipment and costs of subcontracted works, plus an appropriate proportion of construction overheads and general and administrative expenses of the period, which are allocated to construction contracts in progress during the year.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (if any). The cost of property, plant and equipment is their purchase cost together with any incidental expenses of acquisition.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives using the straight-line method on the following basis:

Buildings	11 - 15 months
Plant, machinery and tools	10 - 14 months
Motor vehicles	14 months
Furniture	9 - 14 months

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

Notes to the financial statements
for the year ended 31 December 2007 (continued)

3 Summary of significant accounting policies (continued)

Impairment

At each balance sheet date, the Company reviews the carrying amounts of its assets whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Foreign currencies

For the purpose of these financial statements U.A.E Dirhams (AED) is the functional and the presentation currency of the Company.

Transactions in currencies other than AED (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in income statement in the period in which they arise.

Notes to the financial statements
for the year ended 31 December 2007 (continued)

3 Summary of significant accounting policies (continued)

Provision for end-of-service benefits

Provision is made for end-of-service benefits payable to employees in accordance with the provisions of the United Arab Emirates Federal Labour Law and the Company's internal policy.

With respect to its national employees, the Company makes pension contributions to the Abu Dhabi Pension Authority calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are charged as an expense when they fall due.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average cost method and includes the invoiced cost, freight expenses, duties and other expenses incurred in bringing the inventories to their present condition and location. Provision is made in the accounts for obsolete and slow-moving items based on management's judgement.

Financial assets

Cash and cash equivalents

Cash and cash equivalents are comprised of cash and balances with banks in current accounts or deposits which mature within three months of the date of placement.

Trade, retention and other receivables

Trade, retention and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

3 Summary of significant accounting policies (continued)

Financial assets (continued)

Impairment of financial assets (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Notes to the financial statements
for the year ended 31 December 2007 (continued)

3 Summary of significant accounting policies (continued)

Financial liabilities and equity instruments (continued)

Financial liabilities

Trade and other payables are classified as 'other financial liabilities' and are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if, the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the financial statements
for the year ended 31 December 2007 (continued)

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical judgements in applying accounting policies

Revenue recognition

As described in note 3, when the outcome of a construction contract can be estimated reliably, revenue and cost are recognised by reference to the stage of completion of the contract activity on the balance sheet date. In judging whether the outcome of the construction contract can be estimated reliably, management has considered the detailed criterion for determination of such outcome as set out in IAS 11 "Construction Contracts". For the purpose of estimating the stage of completion of contract activity, management has considered the forecasts for revenue and cost related to the construction contracts.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for doubtful debts

Management has estimated the recoverability of accounts receivable balances and has considered the allowance required for doubtful receivables. Management has estimated for the allowance for doubtful receivables on the basis of the current economic environment.

Notes to the financial statements
for the year ended 31 December 2007 (continued)

5 Property, plant and equipment

	Buildings AED	Plant, machinery and tools AED	Motor vehicles AED	Furniture AED	Total AED
Cost					
Additions	127,420	261,706	20,000	192,634	601,760
At 31 December 2007	**127,420**	**261,706**	**20,000**	**192,634**	**601,760**
Depreciation					
Charge for the year	31,491	77,424	8,572	69,702	187,189
At 31 December 2007	**31,491**	**77,424**	**8,572**	**69,702**	**187,189**
Net book value					
At 31 December 2007	**95,929**	**184,282**	**11,428**	**122,932**	**414,571**

Notes to the financial statements for the year ended 31 December 2007 (continued)

6 Trade and other receivables

	2007 AED	2006 AED
Contract receivable	**42,559,001**	-
Other receivables	**640,232**	-
Due from related parties (note 8)	**592,325**	-
	43,791,558	-

The average credit period for trade receivables is 60 days. As at 31 December 2007, there was no past due to trade receivable balances and no provision for impairment was recorded.

7 Trade and other payables

	2007 AED	2006 AED
Trade payables	**3,393,543**	-
Advances from customer	**20,948,224**	-
Retention payable	**276,036**	-
Accrued expenses	**18,933,500**	104,984
Due to related parties (note 8)	**2,563,954**	-
Due to a joint venture partner	**1,859,923**	-
Gross amount due to customers on construction contracts (see below)	**3,265,263**	-
	51,240,443	104,984

The average credit period on purchase of goods is 60 days. The Company has financial risk management policies in place to ensure that all payables are paid within the credit frame.

Gross amount due to customers on construction contracts

Progress billings	**42,308,727**	-
Less: Contract cost incurred plus recognised profits less recognised losses, on contracts in progress at the balance sheet date	**(39,043,464)**	-
	3,265,263	-

Notes to the financial statements
for the year ended 31 December 2007 (continued)

8 Related parties

The Company considers any other entities or companies, which are owned by the shareholders either wholly or in partnership or in joint ventures with others, as related parties.

Balances with related parties arise generally from commercial transactions in the normal course of business on a shareholders' length basis.

Transactions with related parties during the year/period comprise:

	2007 AED	Period from 12 June 2006 (inception) to 31 December 2006 AED
Expenses	**850,705**	-

9 Share capital

The share capital comprises 500 authorised, issued and fully paid shares of AED 1,000 each. The share capital is divided between the shareholders as follows:

	No. of shares	Share-holding	Total AED	Profit sharing percent
Aktor S.A. Technical	**245**	1000	245,000	70%
Sultan International Establishment	**255**	1000	255,000	30%
			500,000	100%

Notes to the financial statements for the year ended 31 December 2007 (continued)

10 Legal reserve

In accordance with the UAE Federal Law number (8) of 1984 (as amended) concerning Commercial Companies and the Company's Articles of Association, 10% of the net profit is transferred to a non-distributable statutory reserve. Such transfers are required to be made until the reserve is equal to 50% of the paid up share capital.

11 Provision for end of service benefits

The movement in the provision for end of service benefits is as follows:

	2007 AED	2006 AED
Balance at 1 January	-	-
Charge for the year/period	**290,365**	-
Balance at 31 December	**290,365**	-

12 Net profit for the year/period

Net profit for the year/period is arrived at after charging:

	2007 AED	2006 AED
Staff costs	**2,956,438**	-
Depreciation of property, plant and equipment	**187,189**	-

Notes to the financial statements for the year ended 31 December 2007 (continued)

13 Joint Venture

The Company owns a 40 percent share in Arabtec – Aktor Joint Venture (the "Joint Venture"). The Joint Venture was formed for the construction of the Abu Dhabi National Exhibition Center (ADNEC) Exhibition Halls – phase 2 Abu Dhabi, United Arab Emirates.

The following amounts are included in the Company's financial statements as a result of the proportionate consolidation of the Joint Venture:

	2007 AED
Current assets	**47,942,063**
Non-current assets	**4,603,306**
Current liabilities	**46,593,547**
Revenue	**39,043,464**
Other income	**55,546**
Expenses	**33,147,188**

14 Financial instruments

Capital risk management

The Company manages its capital to ensure to be able to continue as a going concern while maximizing the return on equity. The Company does not have a formalised optimal target capital structure or target ratios in connection with its capital risk management objectives. The Company's overall strategy remains unchanged from 2006.

Financial risk management objectives

The Company is exposed to the following risks related to financial instruments, credit risk, liquidity risk and fair value interest rate risk. The Company has not entered into or traded in financial instruments, investment in securities for speculative or risk management purposes.

Notes to the financial statements for the year ended 31 December 2007 (continued)

14 Financial instruments (continued)

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company, and arises principally from the Company's trade and other receivables and bank balances. The Company is only dealing with ADNEC, a well known government organisation, for whom the credit risk is assessed to be low. Balances with banks are assessed to have low credit risk of default since they are placed with local commercial banks, that are regulated by the central bank.

Concentration of credit risk arise when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location. All the trade and other receivables are due from one major customer.

The amount that best represents maximum credit risk exposure on financial assets at the balance sheet date, in the event counterparty failing to perform their obligations generally approximates their carrying value. Trade and other receivables and balances with banks are not secured by any collaterals.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As of 31 December 2007, the maturity profile of all financial liabilities is based on existing contractual repayment arrangements of 1 year from balance sheet date.

Currency and interest rate risk

The Company has no significant exposure to currency and interest rate risks.

Fair value of financial instruments

Management considers that the carrying amounts of financial assets and financial liabilities in the financial statements approximate their fair values.

15 Authorisation for issue

The financial statements were approved by management and authorised for issue 16 February 2008.