

Registered number
5123368

AIM INVESTMENTS PLC
DIRECTORS' REPORT AND AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2010

AIM INVESTMENTS PLC

COMPANY INFORMATION

Directors	Sir Bernard Zissman Alexandra Eavis Andrew Fletcher John Frankland
Secretary	Robert MacDonald Watson
Auditor	Spofforths LLP Comewell House North Street Horsham West Sussex RH12 1RD
Registered office	85 Elsenham Street London SW18 5NX
Bankers	Royal Bank of Scotland plc 280 Bishopsgate London EC2M 4RB
Nominated Advisor and Broker	Northland Capital Partners Limited 46 Worship Street London EC2A 2EA
Registered number	5123368
Registrar	Capita Registrars Limited Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0GA
Website	www.aiminvestmentsplc.com

AIM INVESTMENTS PLC

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AIM INVESTMENTS PLC

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 MAY 2010

I am pleased to report my first set of annual results as Acting Chairman, which are the first full set of financial statements that reflect the business of AIM Investments since the disposal of the material subsidiary, Medsea UK Limited. These results therefore exclude any income, assets and liabilities associated with the previous business. I would also like to take this opportunity to update you on behalf of the Board on the implementation of the Company's investing policy ("Investing Policy") and its current working capital position.

Following the disposal and fundamental change of business at the end of April 2009, the Company became an investing company as defined by the AIM Rules. The Company adopted an Investing Policy to facilitate profitable companies being admitted to the UK's junior stock markets but has since broadened this to include all international stock markets. Throughout 2009 and 2010 the Company sought to raise funds to implement its business plan and to identify suitable investee companies.

The Board's intention was to raise equity finance through a combined open offer to shareholders and the general public but it was forced to abort this fundraising at a very advanced stage (in October 2009) as a result of market conditions. All legal work and related costs had already been incurred.

In April 2010, the Company retained a new nominated advisor, Northland Capital Partners Limited, to advise it on the implementation of its Investing Policy.

Trading in the Company's shares on AIM was suspended on 4 May 2010 under Rule 15 of the AIM Rules pending substantial implementation of the Company's Investing Policy to the satisfaction of the London Stock Exchange ("the Exchange") or a reverse transaction under Rule 14 of the AIM Rules.

Appointment and Resignation of Directors

Andrew Fletcher replaced Alberto Gil as Finance Director on 11 September 2009.

Andrew Meikle resigned as Chairman and Executive Director on 28 September 2009.

Simon Hume-Kendall was appointed as Non-Executive Chairman on 22 October 2009 and resigned on 8 February 2010. He was replaced as Acting Chairman by Sir Bernard Zissman.

Review of the Financial Results

The Company has been operating from a very low cost base in the previous twelve months. All of the Directors have chosen not to take a fee or to reduce their fee until a substantial investment in the Company is achieved. Most of the extraordinary costs incurred to date relate to professional advice for the corporate changes that occurred in April/May 2009; the aborted fundraising that was scheduled to take place in October 2009; and an employment tribunal case relating to the previous group's business, which was successfully defended.

AIM INVESTMENTS PLC

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 MAY 2010

Working Capital

The Company was financed in the period through a private placing of shares and the provision of loans by Maji Capital Partners Group Plc ("Maji Capital"), a company connected to Andrew Meikle, who resigned as a director on 28 September 2009.

Maji Capital originally provided a working capital facility of up to £150,000 to the Company for a minimum period of eighteen months from April 2009. This loan was repayable on demand after 12 months and non-interest bearing until duly demanded and accrued on a daily basis at an annual rate of 5%. The obligation to provide the working capital facility was guaranteed by two of the directors at the time, Andrew Meikle (resigned 28 September 2009) and Alexandra Eavis.

Loans provided by Maji Capital to the Company under the terms of this agreement amounting to £140,670 (representing total amounts lent to the Company up to 31 August 2009) were converted into 16,094,948 new ordinary shares in the Company on 16 October 2009. The capitalisation of this loan was executed at the price of 0.874 pence per new ordinary share, being the Company's average closing share price over the previous 3 months (1 June 2009 to 31 August 2009). This loan included monies paid to creditors of the previous operating business, which amounted to approximately £120,000, and part of the working capital facility provided by Maji Capital.

A loan provided by Maji Capital to the Company under the terms of a revised working capital facility agreement amounting to £99,810 (representing total amounts lent to the Company up to date) was converted into 19,962,000 new ordinary shares in the Company on 8 July 2010. The capitalisation of this loan was executed at the price of 0.5 pence per new ordinary share, being the same issue price as the private placing of shares that took place in April 2010.

The Company continues to be financially supported by a working capital facility provided by Maji Capital. The current facility is uncapped and is repayable on demand at anytime after 31 March 2011. The facility is non-interest bearing. Funds continue to be drawn down when necessary and will continue to do so until such time as the Company raises alternative working capital funds or achieves a substantial return on its investments.

Subsequent Events

On 13 October 2010 the Company announced it had secured a non interest bearing loan facility from Desmond Holdings Limited, a Hong Kong based investment company. The original facility amount of £500,000 was subsequently increased to £700,000. Subject to the lifting of the suspension on the trading of the Company's shares, the fee for providing this loan will be settled by the issue of 58,405,246 shares equivalent to 29.9% of the Company on 10 December 2010. The company subsequently made investments in Shenzen Cadro (Catic Group) Hydraulic Equipment Co. Limited, Planteman SA and Minera Mapsa SA, as announced to the market. The Exchange has confirmed that the Company has implemented its Investing Policy. Prior to lifting the suspension in trading, the Exchange requires the Company to seek shareholder approval to changes to its Investing Policy to align it more closely with the above investments. The requisite resolution will be proposed as an item under special business at the forthcoming Annual General Meeting on 9 December 2010.

The Company anticipates that, in the event that shareholders approve the requisite resolution, the suspension in trading will be lifted with effect from 7am the following day. The board is currently reviewing further investment opportunities and has entered into two conditional engagement letters with potential investee companies subject to completion of satisfactory due diligence and availability of adequate investment funds.

AIM INVESTMENTS PLC

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 MAY 2010

Going Concern

Desmond Holdings Limited, the Company that provided the £700,000 Loan Facility used to make qualifying investments, has pledged to provide additional working capital to the Company once the suspension on the trading of the shares on AIM has been lifted. The Board therefore considers that the availability of the working capital facility from Maji Capital, return on its recent investments (predicted to be in excess of £500,000 gross profit) and the additional financial support pledged by Desmond Holdings Limited provides a basis on which the Company can continue to trade as a going concern.

Future of the Company

The Directors are very pleased that the necessary investment into the Company was secured after the year end enabling it to substantially implement its Investing Policy and avert the cancellation of trading of its shares. The Company is optimistic that it will be able to secure additional funds to make a broader range of emerging market investments in the future.

I would like to thank all the shareholders who have supported our current Investing Policy and would like to assure them that we are doing all in our power to secure the necessary funds and deal flow to build value for all our shareholders in the future.

I look forward to reporting to you again shortly and thank you for your loyalty throughout this difficult development period.

Sir Bernard Zissman
Acting Chairman
Date: 12 November 2010

AIM INVESTMENTS PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2010

The Directors present their report together with the audited financial statements for the Company for the year ended 31 May 2010.

Principal activities and review of business

AIM Investments Plc is an Investing Company, which specialises in assisting profitable small to medium-sized enterprises, primarily those from emerging economies, to be admitted to international stock markets. No investments were made in the period under review.

Subsequent to the year end, the Company made its first of three investments on 27 October 2010 and is actively pursuing a number of other potential investment opportunities.

Principal risks and uncertainties

The principal risks and uncertainties surround the suspension and potential cancellation on the trading of the Company's shares on the AIM Market; the availability of capital to make suitable investments; and the availability of working capital to meet the running costs of the business.

Key performance indicators considered by the Company

The Company focuses on the key performance areas as outlined in its Investing Policy and concentrates on returns on investments.

Results and dividends

The Company has not paid a dividend during the year ended 31 May 2010 (2009: £nil) and no dividend is proposed thereof.

- Loss on continuing operations	£93,000	(2009:£113,000)
- Loss on discontinued operations	£n/a	(2009: £829,000)
- Loss per share	0.10p	(2009: 1.21p)

Future developments

The Company intends to continue to identify suitable investment opportunities in line with its stated Investing Policy, and to make such investments from time to time utilising the resources available to it. The Company will also dispose of part or all of such investments at such times as it believes are in the best interests of the Company

Events after the reporting period

Events after the reporting period are set out in full in the chairman's report and note 13 to the financial statements.

AIM INVESTMENTS PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2010

Directors

The Directors who served during the period were as follows:

John Frankland		Non-Executive Director
Simon Hume-Kendall	Resigned 8 February 2010	Non-Executive Director
Andrew Meikle	Resigned 28 September 2009	Chairman and Executive Director
Alberto Gil	Resigned 11 September 2010	Finance Director
Andrew Fletcher	Appointed 11 September 2009	Non-Executive Finance Director
Alexandra Eavis		Executive Director
Sir Bernard Zissman		Non-Executive Director and Acting Chairman

Directors' Interests

As at 31 May 2010, Director's interests in the shares of the Company were as follows:

Name	Number of ordinary shares	% of total issued share capital
Sir Bernard Zissman	500,000	0.43%
Andrew Fletcher	100,000	0.09%
Andrew Meikle *	56,490,005	48.47%
Alberto Gil	400,000	0.34%

* through beneficial holdings in PDT Holdings Limited and Maji Capital Partners Group Plc

Substantial Interests

As at 31 May 2010, substantial interests in the shares of the Company were as follows:

Name	Number of ordinary shares	% of total issued share capital
PDT Holdings Limited	47,773,723	40.99%
Maji Capital Partners Group Plc	24,811,230	21.29%

Employee involvement

The Company had no full time employees during the year.

Policy for payment of creditors

It is the policy of the Company to agree terms of payment when goods or services are ordered and to pay in accordance with these terms. The Group's creditor payment period at 31 May 2010 was 190 days (2009: 11 days) after the date of purchase.

Charitable and political donations

No charitable or political donations were made during the year.

Auditor

A resolution to re-appoint Spofforths LLP will be put to the members at the Annual General Meeting.

AIM INVESTMENTS PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2010

Disclosure of information to auditor

So far as each Director at the date of approval of this report is aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors' responsibilities

The Directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (as adopted for the European Union and applicable UK law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they present fairly the financial position, financial performance and cash flows for the period. In preparing those financial statements, the Directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm to the best of our knowledge:

- the financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU give a true and fair view of the assets, liabilities, financial position and loss of the Company.
- the management report which is incorporated into the Chairman's and Directors' Reports, includes a fair review of the development and performance of the business and the position of the company, together with a description of the principle risks and uncertainties they face.

This report was approved by the board on 12 November 2010 and signed on behalf of the board by

Alexandra Eavis
Director

AIM INVESTMENTS PLC

DIRECTORS' REMUNERATION REPORT

FOR THE YEAR ENDED 31 MAY 2010

Directors' Service Agreements and Emoluments

The service contracts of the current Directors are as follows:-

<u>Name</u>	<u>Basic Annual Fee</u>
John Frankland	£10,000
Alexandra Eavis	£5,000
Andrew Fletcher	£24,000
Sir Bernard Zissman	£10,000

Alexandra Eavis agreed to waive 100% of her Director's fee; John Frankland and Sir Bernard Zissman agreed to waive 50% of their Director's fees until such time as the Company was producing sufficient profits to support the higher level of fees.

The service contracts of the former Directors were as follows:-

<u>Name</u>	<u>Basic Annual Salary</u>
Andrew Meikle	£5,000
Alberto Gil	£5,000

Directors' Emoluments for the year ended 31 May 2010

<u>Name</u>	<u>£</u>
John Frankland	2,500
Andrew Meikle	-
Alexandra Eavis	-
Alberto Gil	-
Sir Bernard Zissman	10,000
Andrew Fletcher	17,300
Total Directors' Remuneration	<u><u>29,800</u></u>

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

AIM INVESTMENTS PLC

We have audited the financial statements of AIM Investments Plc for the year ended 31 May 2010 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes numbered 1 to 14.

The financial reporting framework that has been applied in their presentation is applicable law and the International Financial Reporting Standards (IFRSs) as adopted for use in the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and the auditor

As explained more fully in the Directors' Responsibilities Statement set out in The Director's Report, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on the financial statements

In our opinion the financial statements:

present fairly the financial position as at 31 May 2010 and of its financial performance and cash flows for the year then ended;

have been properly prepared in accordance with IFRSs as adopted for use in the European Union; and

have been properly prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

AIM INVESTMENTS PLC

Matters on which we are required to report on by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

the financial statements are not in agreement with the accounting records and returns; or

certain disclosures of directors' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit.

P R Lansberry FCA CTA CF, Senior Statutory Auditor
For and on behalf of Spofforths LLP, Statutory Auditor
Chartered Accountants
Comewell House
North Street
Horsham
West Sussex
RH12 1RD
Date: 30 November 2010

AIM INVESTMENTS PLC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2010

	Notes	12 months 2010	12 months 2010 £'000	17 months 2009 £'000	17 months 2009 £'000
Continuing operations					
Administrative expenses			(93)		(113)
Discontinued operations					
Turnover		-		483	
Administrative expenses		-		(410)	
Provision against amounts receivable from subsidiaries		-		(905)	
Loss on discontinued operations before taxation		-		(832)	
Tax charge on loss		-		3	
Loss for the year from discontinued operations			-		(829)
Loss for the year			(93)		(942)
Earnings/(loss) pence per share					
Basic and diluted	11		(0.10)		(1.21)

AIM INVESTMENTS PLC

STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2010

Company No: 5123368

	Notes	2010 £'000	2009 £'000
ASSETS			
Current assets			
Trade and other receivables	8	34	-
Cash and cash equivalents		<u>10</u>	<u>2</u>
		44	2
Total assets		<u><u>44</u></u>	<u><u>2</u></u>
Share capital	11	7,836	7,798
Share premium		237	22
Merger reserve		(7,060)	(7,060)
Retained earnings		<u>(1,108)</u>	<u>(1,015)</u>
		(95)	(255)
Non-current liabilities			
Amounts owed to related undertakings		-	154
Current liabilities			
Trade and other payables	9	139	103
Total equity and liabilities		<u><u>44</u></u>	<u><u>2</u></u>

The financial statements set out on pages 10 to 19 were approved by the board and authorised for issue on 12 November 2010 and signed on behalf of the board by

Andrew Fletcher
Finance Director

AIM INVESTMENTS PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2010

	<u>Equity attributable to equity holders of the Company</u>				
	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2008 brought forward	7,798	22	(7,060)	(73)	687
Loss for the period	-	-	-	(942)	(942)
Total comprehensive income for the period	-	-	-	(1,015)	(255)
Payment of dividends	-	-	-	-	-
Balance at 31 May 2009 carried forward	<u>7,798</u>	<u>22</u>	<u>(7,060)</u>	<u>(1,015)</u>	<u>(255)</u>
Balance at 1 June 2009 brought forward	7,798	22	(7,060)	(1,015)	(255)
Loss for the year	-	-	-	(93)	(93)
Reserves transfer on disposal of foreign operations	-	-	-	-	-
Arising on disposal of foreign operations	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(93)	(93)
Payment of dividends	-	-	-	-	-
Issue of Shares	38	215	-	-	253
Balance at 31 May 2010 carried forward	<u>7,836</u>	<u>237</u>	<u>(7,060)</u>	<u>(1,108)</u>	<u>(95)</u>

AIM INVESTMENTS PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2010

	Continuing 12 months 2010 £'000	Continuing 17 months 2009 £'000	Discontinuing 17 months 2009 £'000	Total 17 months 2009 £'000
Loss arising from operating activities	(93)	(113)	(829)	(942)
Adjustments for:				
(Increase)/ Decrease in trade and other receivables	(34)	-	22	22
(Decrease)/Increase in trade and other payables	(43)	-	52	52
Decrease in amounts owed by group undertakings	-	-	702	702
(Decrease)/Increase in amounts owed to related undertakings	(154)	154	-	154
Net cash used in operating activities	<u>(324)</u>	<u>41</u>	<u>(53)</u>	<u>(12)</u>
Cash from financing activities				
Share issues	253	-	-	-
Other loans	79	-	-	-
Net cash generated from financing activities	<u>332</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	8	41	(53)	(12)
Cash and cash equivalents at the beginning of the period	2			14
Cash and cash equivalents at the end of the period	<u><u>10</u></u>			<u><u>2</u></u>
Cash and cash equivalents consists of:				
Cash and cash equivalents included in current assets	10			2
	<u><u>10</u></u>			<u><u>2</u></u>

The company has adopted the policy of determining that cash and cash equivalents shall comprise cash on hand and demand deposits, together with short-term highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value. At the end of the reporting period cash and cash equivalents consisted of cash at bank.

AIM INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2010

1 Principal accounting policies

Basis of preparation

AIM investments Plc is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on the company information page.

The financial statements have been prepared under the historical cost convention and in accordance with applicable International Financial Reporting Standards (IFRS) as adopted for use by the European Union. Historical cost is generally based on the fair value of the consideration given in exchange for the asset. The principal accounting policies are set out below.

These financial statements are presented in pounds sterling, the currency of the primary economic environment in which the company operates.

Financial assets

Purchases or sales of financial assets are recognised at the date of the transaction.

Where appropriate criteria are met, the Company makes use of the option of designating fixed asset investments upon initial recognition as financial assets at fair value through profit or loss. These criteria include that the fixed asset investment should meet the Company's published investment strategy and form part of the Company's managed portfolio of similar investments. Such financial assets are carried at fair value and movements in fair value are taken through the profit and loss account. For quoted securities, fair value is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted.

In respect of unquoted investments, these are fair valued by the Directors in accordance with the following rules, which are consistent with the International Private Equity and Venture Capital Guidelines:

- Investments are to be held at cost for a limited period only and not necessarily for a full 12 month period. The Company values new investments on a price earnings basis when audited financial statements are available within the first 12 months of the investment being made.
- Investments held after the initial holding period are valued using a price earnings ratio (at a significant discount to an appropriate stock market prospective price earnings ratio) in the absence of overriding factors and subject to the availability of sufficient financial information. Where such factors apply or where sufficient information is not available, alternative methods of valuation will include application of an arm's length third party valuation, price of a recent investment, a provision on cost or a net asset basis.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial information that arises from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial information.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial information.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currency transactions

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency 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 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 profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur; which form part of the net investment in a foreign operation and which are recognised in the foreign currency translation reserve.

For the purposes of presenting sterling financial statements, the assets and liabilities of the Company's foreign operations are expressed using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and recognised in the Company's foreign currency translation reserve.

2 Revenue

Revenue is recognised as having accrued on the date any part of an investment held by the Company is disposed of.

3 Going concern

The financial statements have been prepared on a going concern basis. The Company's ability to continue to trade is dependant upon the support of Maji Capital Partners Group plc. Maji Capital Partners Group plc has indicated that it will continue to provide its support for a period of not less than twelve months from the date of approval of these financial statements. If these assumptions prove to be inappropriate, then adjustments may have to be made to adjust the value of assets to their recoverable amounts and to provide for any further liabilities which may arise.

AIM INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2010

4 Operating loss

	12 months 2010 £'000	17 months 2009 £'000
<i>The operating loss is arrived at after charging:</i>		
Auditors' remuneration - audit services	<u>5</u>	<u>24</u>

5 Directors and employees

	12 months 2010 £'000	17 months 2009 £'000
Staff costs, including directors' remuneration, were as follows:		
Wages and salaries	30	2,477
Social security costs	-	370
	<u>30</u>	<u>2,847</u>

The average monthly number of employees, including directors, during the year was as follows:

	12 months 2010 No.	17 months 2009 No.
Selling and distribution	-	47
Administration	-	39
	<u>-</u>	<u>86</u>

6 Directors' emoluments

	12 months 2010 £'000	17 months 2009 £'000
Emoluments	<u>30</u>	<u>421</u>

The highest paid director received emoluments and benefits as follows:

	12 months 2010 £'000	17 months 2009 £'000
Emoluments	<u>17</u>	<u>168</u>

There were no directors (2009: none) to whom retirement benefits were accruing under money purchase schemes.

AIM INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2010

7 Taxation	12 months 2010 £'000	17 months 2009 £'000
Analysis of charge in the year	£'000	£'000
Current tax:		
UK corporation tax on profits of the year	-	-
Tax on profit on ordinary activities	-	-
	2010 £'000	2009 £'000
Loss on ordinary activities before tax	(93)	(113)
Profit on ordinary activities multiplied by small companies rate of corporation tax in the UK of 21%	(20)	(24)
Effects of:		
Loss carried forward	20	24
Current tax charge for year as above	-	-
	2010 £'000	2009 £'000
8 Trade and other receivables	£'000	£'000
Other debtors	12	-
Prepayments and accrued income	22	-
	34	-
	2010 £'000	2009 £'000
9 Trade and other payables	£'000	£'000
Trade payables	48	16
Other taxation and social security	6	8
Other loans	79	-
Accruals and deferred income	6	79
	139	103
	2010 £'000	2009 £'000
10 Non current liabilities	£'000	£'000
Amounts owed to related undertakings	-	154

AIM INVESTMENTS PLC
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MAY 2010

11 Share capital

	2010 £'000	2009 £'000
Authorised		
Equity shares		
2,280,038,212 Ordinary shares of 0.1p each	2,280	2,280
77,979,412 Deferred shares of 9p each	7,018	7,018
77,979,412 Deferred shares of 0.9p each	<u>702</u>	<u>702</u>
	<u><u>10,000</u></u>	<u><u>10,000</u></u>
Allotted, called up and fully paid		
Equity shares		
116,557,100 Allotted, called up and fully paid ordinary shares of 0.1p each	116	78
77,979,412 Allotted, called up and fully paid deferred shares of 9p each	7,018	7,018
77,979,412 Allotted, called up and fully paid deferred shares of 0.9p each	<u>702</u>	<u>702</u>
	<u><u>7,836</u></u>	<u><u>7,798</u></u>

On 21 October 2009 the company allotted 16,094,948 ordinary shares of 0.1p each for a total consideration of £140,670.

On 13 April 2010 the company allotted 22,482,740 ordinary shares of 0.1p each for a total consideration of £112,414.

The calculation of earnings per share is based on the loss attributable to the equity holders for the period of £93,000 (£942,000) and on 90,725,302 shares (2009: 77,979,412) being the weighted average number of shares, both basic and diluted, in issue during the period.

Substantial shareholders' interests	No.	% holding
PDT Holdings Limited	<u><u>47,773,723</u></u>	<u><u>40.44%</u></u>

12 Disposal of business in prior year

During the prior financial period the company disposed of its overseas operations. A consideration of 1 euro was paid in respect of the overseas operations. For a period of five years from disposal there is a deferred consideration payable to the company based on the capital and income distributions attributable to the overseas development properties. The deferred consideration receivable is estimated by the directors to be £100. These overseas operations constitute the discontinued operations as disclosed in the statement of comprehensive income.

13 Events after the reporting period

A loan provided by Maji Capital to the Company under the terms of the revised working capital facility agreement amounting to £99,810 representing total amounts lent to the Company to 30 June 2010 (balance at 31 May 2010 was £79,323) was converted into 19,962,000 new ordinary shares in the Company on 8 July 2010. The capitalisation of this loan was executed at the price of 0.5 pence per new ordinary share, being the same issue price as the private placing that took place in April 2010.

Desmond Holdings Ltd ("Desmond"), a Hong Kong investment company, provided a Loan Facility to the Company of up to £500,000 on 28 October 2010 (increased to £700,000 on 1 November 2010) to be used to make qualifying investments under the Company's Investing Policy. Subject to the lifting of the suspension on the trading of the Company's shares, the fee for providing this loan will be settled by the issue of 58,405,246 shares equivalent to 29.9% of the Company on 10 December 2010.

The Company made three qualifying investments on 27 October 2010, 2 November 2010 and 5 November 2010 with a combined value of up to \$1,100,000. Trading in the Company's shares on AIM has been suspended since 4 May 2010 under Rule 15 of the AIM Rules pending substantial implementation of the Company's Investing Policy to the satisfaction of the London Stock Exchange ("the Exchange") or a reverse transaction under Rule 14 of the AIM Rules. The Exchange has confirmed that the Company has implemented its Investing Policy through its investments in Shenzen Cadro (Catic Group) Hydraulic Equipment Co. Limited, Planteman SA and Minera Mapsa SA. Prior to lifting the suspension in trading, the Exchange requires the Company to seek shareholder approval to changes to its Investing Policy to align it more closely with the above investments. The requisite resolution will be proposed as an item under special business at the forthcoming Annual General Meeting, which is planned to take place on Thursday 9 December 2010. The Company anticipates that, in the event that shareholders approve the requisite resolution,

14 Related Party transactions

Alexandra Eavis was previously a director of Maji Capital Partners Group plc (resigned 15 October 2009). John Frankland is a shareholder of Maji Capital. Andrew Meikle who resigned as a director of the Company during the year is a director of Maji Capital Partners Group plc. On 1 February 2010, the Company entered into a revised working capital facility agreement with Maji Capital Partners Group Plc, then an 11.0% shareholder in the Company following the conversion of the loan provided with effect from April 2009. This facility was repayable on demand on or after 30 April 2011, and was non-interest bearing until duly demanded (when interest would accrue on a daily basis at an annual rate of 5%). £99,810 (representing total amounts advanced under the facility up to 30 June 2010) was repaid on 7 July 2010 by means of the allotment of 19,962,000 shares on 7 July 2010. The Company entered into another agreement with Maji Capital dated 5 November 2010 which will provide support on the same terms as the 1 February 2010 agreement until 5 November 2011.

The amount drawn down at 31 May 2010 was £79,323.

Sir Bernard Zissman, a Director of the Company was owed £833 (2009: £Nil) at 31 May 2010

Andrew Fletcher, a Director of the Company was owed £8,398 (2009: £Nil) at 31 May 2010.