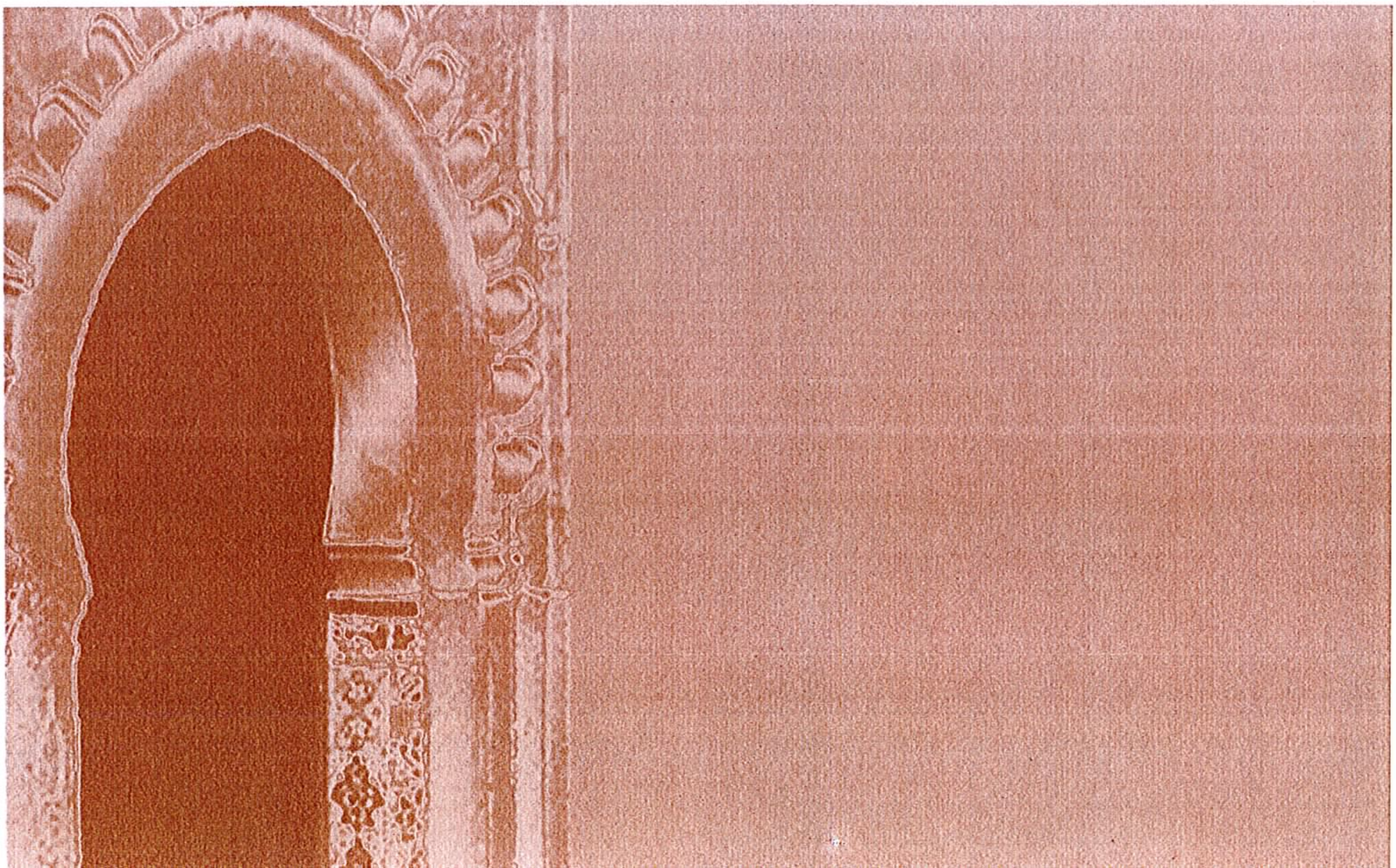
Sajjad Haider & Co.
CHARTERED ACCOUNTANTS

DUBAI DEVELOPMENT COMPANY (PSC)
DUBAI, UNITED ARAB EMIRATES
(A Public Shareholding Company with limited liability)

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (UNAUDITED)



DUBAI DEVELOPMENT COMPANY (PSC)
(A Public Shareholding Company with limited liability)
DUBAI, UNITED ARAB EMIRATES

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (UNAUDITED)

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REPORT ON REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012
TO THE SHAREHOLDERS OF DUBAI DEVELOPMENT COMPANY (PSC)

Introduction

We have reviewed the accompanying interim statement of financial position of Dubai Development Company (PSC) (the "Company") as at 30 September 2012 and the related interim statements of comprehensive income, cash flows and changes in equity for the six month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

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

Conclusion

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

SAJJAD HAIDER & CO
CHARTERED ACCOUNTANTS
(Mohammed Nafees Reg. 165)

09 October 2012

DUBAI, UNITED ARAB EMIRATES

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DUBAI DEVELOPMENT COMPANY (PSC)
(A Public Shareholding Company with Limited Liability)
DUBAI, UNITED ARAB EMIRATES

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012 (Un-audited)

	Note	Un-audited 30 September 2012 AED	Audited 31 December 2011 AED
ASSETS			
Current assets			
Cash and bank balances	3	19,857,781	19,624,548
Prepayments and other receivables	4	101,176	48,084
		19,958,957	19,672,632
Non-current assets			
Fixed assets	5	-	-
Total assets		19,958,957	19,672,632
LIABILITIES AND EQUITY			
Current liabilities			
Accrued expenses	6	710,517	605,048
Due to affiliated companies	7	91,605	39,738
Unclaimed dividend		341,500	341,500
		1,143,622	986,286
Non-current liabilities			
Provision for staff gratuity		240,000	240,000
Capital and reserves			
Share capital	8	10,000,000	10,000,000
Legal reserve	9	5,000,000	5,000,000
General reserve	10	1,000,000	1,000,000
Accumulated profit		2,575,335	2,446,346
		18,575,335	18,446,346
Total liabilities and equity		19,958,957	19,672,632

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

DIRECTOR

DUBAI DEVELOPMENT COMPANY (PSC)
(A Public Shareholding Company with Limited Liability)
DUBAI, UNITED ARAB EMIRATES

INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (Un-audited)

	30 September 2012 AED	30 September 2011 AED
REVENUE		
Interest earned on fixed deposits	346,099	301,382
Operating expenses	(217,110)	(184,454)
NET PROFIT FOR THE PERIOD	128,989	116,928
Earning per share		
Basic and diluted earnings per share (AED)	0.0129	0.0117

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

DIRECTOR

DUBAI DEVELOPMENT COMPANY (PSC)
(A Public Shareholding Company with Limited Liability)
DUBAI, UNITED ARAB EMIRATES

INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (Un-audited)

	Share capital AED	Legal reserve AED	General reserve AED	Accumulated profits AED	Total AED
Balance as at 1 January 2011	10,000,000	5,000,000	1,000,000	2,318,357	18,318,357
Profit for the 9 months ended 30 September 2011	-	-	-	116,928	116,928
Balance as at 30 September 2011	10,000,000	5,000,000	1,000,000	2,435,285	18,435,285
Profit for the 3 months ended 31 December 2011	-	-	-	11,061	11,061
Balance as at 1 January 2012	10,000,000	5,000,000	1,000,000	2,446,346	18,446,346
Profit for the 9 months ended 30 September 2012	-	-	-	128,989	128,989
Balance as at 30 September 2012	10,000,000	5,000,000	1,000,000	2,575,335	18,575,335

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

DUBAI DEVELOPMENT COMPANY (PSC)
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DUBAI, UNITED ARAB EMIRATES

INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (Un-audited)

	30 September 2012 AED	30 September 2011 AED
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	128,989	116,928
CHANGES IN OPERATING ASSETS AND LIABILITIES		
(Increase)/ decrease in prepayments and other receivables	(53,092)	171,939
Increase in accrued expenses	105,469	105,028
Increase/(decrease) in amount due to affiliated companies	51,867	(73,523)
Net cash provided by operating activities	233,233	320,372
Net increase in cash and bank balances during the period	233,233	320,372
Cash and cash equivalents at the beginning of the period	19,624,548	19,306,241
Cash and cash equivalents at the end of the period (note 11)	19,857,781	19,626,613

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (Un-audited)**

1 LEGAL STATUS AND BUSINESS ACTIVITY

Dubai Development Company (PSC) is a limited liability company which was originally incorporated in Dubai on 21 June 1975 by an Emiri Decree and it became a public shareholding company in 1997, in accordance with the UAE Federal Law No. (8) Of 1984 (as amended).

The Company was incorporated for a period of 30 years which were completed on 20 June 2005. The shareholders have decided to extend the duration of the Company by 50 more years.

2 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the financial statements are as follows:

a. Accounting convention

The financial statements are prepared under the historical cost convention.

b. Fixed assets

These assets are stated at cost. The cost of fixed assets is depreciated by equal annual instalments over the estimated useful lives of the assets as follows:

Motor vehicles	3 years
Furniture and equipment	5 years
Office renovation	5 years

All fixed assets have been fully depreciated.

c. Land for sale and development

All land available for sale has been sold and no land is now available for sale.

d. Staff gratuity

Provision for staff gratuity is made on the basis of UAE Federal Labour Law of 1980.

e. Interim condensed statements

The interim condensed financial statements do not contain all information and disclosures required for all financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the nine months ended 30 September 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012.

3 CASH AND BANK BALANCES

	Un-audited 30 September 2012 AED	Audited 31 December 2011 AED
Cash at bank		
- On fixed deposit accounts	19,762,553	19,557,020
- On current account	95,228	67,528
	19,857,781	19,624,548

4 PREPAYMENTS AND OTHER RECEIVABLES

Prepaid expenses	20,156	38,660
Accrued interest on fixed deposits	81,020	9,424
	101,176	48,084

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (Un-audited)

5 FIXED ASSETS

	Furniture and equipment AED	Office renovation AED	Total AED
COST			
At 1 January 2012	217,150	200,000	417,150
Additions	-	-	-
Disposals	-	-	-
At 30 September 2012	217,150	200,000	417,150
DEPRECIATION			
At 1 January 2012	217,150	200,000	417,150
Charge for the period	-	-	-
On disposals	-	-	-
At 30 September 2012	217,150	200,000	417,150
NET BOOK VALUE			
At 30 September 2012	-	-	-
At 31 December 2011	-	-	-

All assets have been fully depreciated.

6 ACCRUED EXPENSES

	Un-audited 30 September 2012 AED	Audited 31 December 2011 AED
Accrued expenses	710,517	605,048

Accrued expenses include salaries payable comprises of salary payable to general manager at AED 10,000 per month. It has been outstanding since 1st January 2007.

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (Un-audited)

7 DUE TO AFFILIATED COMPANIES

	Un-audited 30 September 2012 AED	Audited 31 December 2011 AED
Almulla Construction (LLC), Dubai	10,883	10,883
Mohammed & Obaid Almulla, Dubai	80,722	28,855
	91,605	39,738

8 SHARE CAPITAL

Authorised, issued and fully paid

10,000,000 shares of AED 1 each	10,000,000	10,000,000

9 LEGAL RESERVE

In accordance with the Memorandum of Association of the Company, 10 percent of the profit for the year has to be transferred to a legal reserve up to a maximum of 50 percent of the capital. The legal reserve is not distributable.

10 GENERAL RESERVE

	Un-audited 30 September 2012 AED	Audited 31 December 2011 AED
Balance carried forward	1,000,000	1,000,000

11 CASH AND CASH EQUIVALENTS

	30 September 2012 AED	30 September 2011 AED
Cash at bank	19,857,781	19,626,613
	19,857,781	19,626,613

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (Un-audited)

12 CONTINGENT LIABILITES

Two plot holders have filed legal cases against the company against demarcation of their plots of land. One case has been dismissed by the Dubai Court of First Instance and the second case is still pending in the Court. It is difficult to evaluate the consequence of these cases at this early stage.