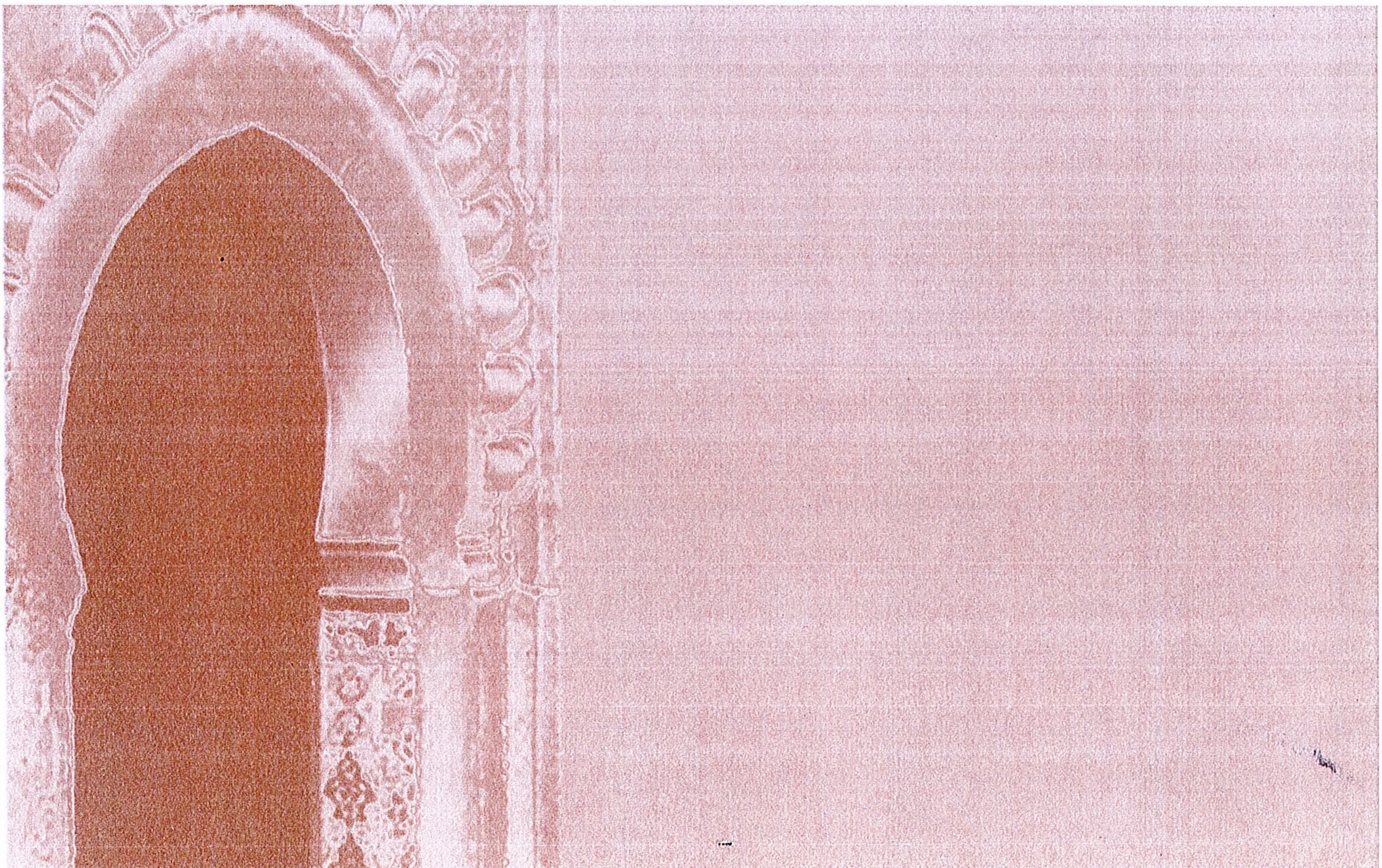
Sajjad Haider & Co.
CHARTERED ACCOUNTANTS

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012



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DUBAI, UNITED ARAB EMIRATES

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DIRECTORS' REPORT

The Directors have pleasure in submitting their Report and Accounts of the Company for the financial year ended 31 December 2012.

ACTIVITIES

Due to current local property market conditions, the company has not started any commercial activities during the year 2012.

RESULTS

The Company has made a net loss amounting to AED 347,132 which has been included in the accumulated profit brought forward from the previous year. The Directors have decided not to pay any dividend for the year 2012. The loss has occurred due to a provision made against a case pending in the Dubai court.

CHAIRMAN
Yousef M Almulla

DIRECTOR
Khalil Essa Awad

Dubai, 2013

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DUBAI DEVELOPMENT COMPANY (PSC)
(A Public Shareholding Company with Limited Liability)
DUBAI, UNITED ARAB EMIRATES

We have audited the accompanying financial statements of Dubai Development Company (PSC) ("the Company") which comprise the statement of financial position as at 31 December 2012 and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements
Management 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.

Auditors' 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 about whether the financial statements are free of 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 judgement, 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 reasonable basis for our opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2012, the financial performance and its cash flows for the year then ended in accordance with the accounting policies as mentioned in note 2 to the financial statements.

Report on other legal and regulatory requirements
As required by Federal Law No. 8 for (1984) including amendments, we have obtained all the information and explanations considered necessary for the purposes of our audit. The Company has maintained proper books of account and the financial information included in the Directors' report is consistent with the books of account of the Company. Nothing has come to our attention which causes us to believe that the Company has breached any of the provisions of the Federal Law No. 8 of 1984 (as amended), or its Articles of Association which could materially affect its activities or financial position at 31 December 2012.

10 February 2013

SAJJAD HAIDER & CO
CHARTERED ACCOUNTANTS
Engagement Partner
(Mohammad Nafees Reg. 165)

Sajjad Haider & Co is a member of Nexia International, a worldwide network of independent accounting and consulting firms.

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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 31 DECEMBER 2012

	Note	31 December 2012 AED	31 December 2011 AED
Assets Employed			
Fixed assets	3	-	-
Current Assets			
Prepayments and other receivables	4	108,484	48,084
Cash and bank balances	5	19,899,812	19,624,548
		20,008,296	19,672,632
Total assets		20,008,296	19,672,632
Capital and reserves			
Share capital	6	10,000,000	10,000,000
Legal reserve	7	5,000,000	5,000,000
General reserve	8	1,000,000	1,000,000
Accumulated profit		2,099,214	2,446,346
		18,099,214	18,446,346
Non-current liabilities			
Provision for staff gratuity		240,000	240,000
Current Liabilities			
Creditors and accrued expenses	9	725,048	605,048
Due to affiliated companies	10	103,439	39,738
Unclaimed dividend		341,500	341,500
Provision for lawsuit	11	499,095	-
		1,669,082	986,286
Total equity and liabilities		20,008,296	19,672,632

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

CHAIRMAN
Yousef M Almulla

DIRECTOR
Khalil Essa Awad

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	31 December 2012 AED	31 December 2011 AED
REVENUE			
Interest earned on fixed deposits		432,127	368,792
Operating expenses	12	(280,164)	(240,803)
Provision for law suit		(499,095)	-
Net (loss) / profit for the year		(347,132)	127,989
Basic and diluted (loss) / earnings per share		(0.035)	0.0128

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

CHAIRMAN
Yousef M Almulla

DIRECTOR
Khalil Essa Awad

DUBAI DEVELOPMENT COMPANY (PSC)
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DUBAI, UNITED ARAB EMIRATES

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

	Share capital AED	Legal reserve AED	General reserve AED	Accumulated profit 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 year ended 31 December 2011	-	-	-	127,989	127,989
Balance as at 31 December 2011	10,000,000	5,000,000	1,000,000	2,446,346	18,446,346
(Loss) for the year ended 31 December 2012	-	-	-	(347,132)	(347,132)
Balance as at 31 December 2012	10,000,000	5,000,000	1,000,000	2,099,214	18,099,214

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

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

	31 December 2012 AED	31 December 2011 AED
CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / profit for the year	(347,132)	127,989
Changes in working capital		
(Decrease) / increase in prepayments and other receivables	(60,400)	141,936
Increase in creditors and accrued expenses	120,000	110,048
Increase / (decrease) in amount due to affiliated companies	63,701	(61,666)
Provision for lawsuit	499,095	-
Increase in cash and cash equivalents during the year	275,264	318,307
Cash and cash equivalents at the beginning of the year	19,624,548	19,306,241
Cash and cash equivalents at the end of the year (note 13)	19,899,812	19,624,548

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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).

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.

3 FIXED ASSETS

	Furniture and equipment AED	Office renovation AED	Total AED
COST			
At 1 January 2012	217,150	200,000	417,150
At 31 December 2012	217,150	200,000	417,150
DEPRECIATION			
At 1 January 2012	217,150	200,000	417,150
At 31 December 2012	217,150	200,000	417,150
NET BOOK VALUE			
At 31 December 2012	-	-	-
At 31 December 2011	-	-	-

All fixed assets have been fully depreciated.

There were no additions or disposals of fixed assets during the year.

4 PREPAYMENTS AND OTHER RECEIVABLES

	31 December 2012 AED	31 December 2011 AED
Accrued interest on fixed deposits	69,915	9,424
Prepaid expenses	38,569	38,660
	108,484	48,084

5 CASH AND BAND BALANCES

	31 December 2012 AED	31 December 2011 AED
Cash at bank		
- On fixed deposit accounts	19,859,685	19,557,020
- On current account	40,127	67,528
	19,899,812	19,624,548

6 SHARE CAPITAL

Authorised, issued and fully paid

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

7 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.

8 GENERAL RESERVE

	31 December 2012 AED	31 December 2011 AED
Balance carried forward	1,000,000	1,000,000

9 CREDITORS AND ACCRUED EXPENSES

Other expenses	725,048	605,048

10 DUE TO AFFILIATED COMPANIES

	31 December 2012 AED	31 December 2011 AED
Almulla Construction (LLC), Dubai	10,883	10,883
Mohammed & Obaid Almulla, Dubai	92,556	28,855
	103,439	39,738

11 PROVISIN FOR LAWSUIT

Provision for lawsuit	499,095	-

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. In the second case the Court of appeal has decided in favour of the plot holder for a payment of AED 499,095. The Company has filed an appeal with the Court of Cessation which is still in process. However, a provision of AD 499,095 has been made in the financial statements. It is difficult to evaluate the consequence of the case at this early stage.

12 OPERATING EXPENSES

	31 December 2012 AED	31 December 2011 AED
Staff salaries	120,000	120,000
Office rent	19,260	19,260
Trade license expenses	9,153	8,543
Audit fee	20,000	20,000
Other operational expenses	54,689	51,322
Entertainment expenses	3,000	4,080
Advertising expenses	7,442	7,440
Stock market and company registration expenses	35,100	10,088
Legal and professional charges	11,520	-
Miscellaneous expenses	-	70
	280,164	240,803

13 CASH AND CASH EQUIVALENTS

	31 December 2012 AED	31 December 2011 AED
Cash at bank		
- On current account	40,127	67,528
- On fixed deposit accounts	19,859,685	19,557,020
	19,899,812	19,624,548

14 FINANCIAL INSTRUMENTS

Credit risk:

Financial assets, which potentially subject the company to concentrations of credit risk, consist of cash, short-term deposits. The cash and short-term deposits are placed with high credit quality financial institutions. The company does not have significant exposure to any individual customer or counter-party that has not otherwise been mitigated.

Interest rate risk:

The company's short-term deposits are at a fixed interest rate and mature within three months.

Fair values:

At 31 December 2012, the carrying amounts of cash, short-term deposits, receivables and other liabilities approximated their fair values due to the short-term maturities of these assets and liabilities.

Foreign exchange:

The company does not have significant transactions or balances denominated in other currencies. Foreign exchange risk is therefore limited.

15 STAFFING LEVELS	2012	2011
No. of employees	2	2

16 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation adopted for the current year.