

DUBAI DEVELOPMENT COMPANY (PSC)
DUBAI, UNITED ARAB EMIRATES

(A Public Shareholding Company with limited liability)

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2008(UNAUDITED)



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

**INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2008 (UNAUDITED)**

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8A Dubai Creek Tower
Baniyas Road
PO Box 3251, Dubai
United Arab Emirates
T +971 4 222 2126
F +971 4 223 8881
E mail@sajjadhaider.com

**REPORT ON REVIEW OF
INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF DUBAI DEVELOPMENT COMPANY (PSC)**

Introduction

We have reviewed the accompanying interim balance sheet of Dubai Development Company (PSC) (the "Company") as at 31 March 2008 and the related interim statements of income, cash flows and changes in equity for the three-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)



12 May 2008

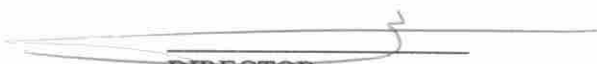
DUBAI, UNITED ARAB EMIRATES

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

BALANCE SHEET AS AT 31 MARCH 2008 (Un-audited)

		31 March 2008 <u>AED</u>	Audited 31 December 2007 <u>AED</u>
	<u>Note</u>		
Assets Employed			
Fixed assets	3	-	-
Current Assets			
Prepayments and other receivables	4	39,589	33,912
Cash and bank balances	5	17,693,418	17,564,950
		<u>17,733,007</u>	<u>17,988,862</u>
Total assets		<u>17,733,007</u>	<u>17,988,862</u>
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		<u>889,325</u>	<u>769,879</u>
		16, 889,325	16, 769,879
Non-current liabilities			
Provision for staff gratuity		<u>240,000</u>	<u>240,000</u>
Current Liabilities			
Creditors and accrued charges	9	160,000	150,000
Due to affiliated companies	10	102,182	97,483
Unclaimed dividend		<u>341,500</u>	<u>341,500</u>
		<u>603,682</u>	<u>588,983</u>
Total equity and liabilities		<u>17,733,007</u>	<u>17,598,862</u>

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 INCOME STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2008 (Un-audited)

	31 March 2008 <u>AED</u>	31 March 2007 <u>AED</u>
REVENUE		
Interest earned on fixed deposits	170,730	242,173
Operating expenses	<u>(51,284)</u>	<u>(93,933)</u>
NET PROFIT FOR THE PERIOD	<u>119,446</u>	<u>148,240</u>
Basic and diluted earnings per share (AED)	<u>0.0119</u>	<u>0.0148</u>

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 QUARTER ENDED 31 MARCH 2008 (Un-audited)**

	Share capital <u>AED</u>	Legal reserve <u>AED</u>	General reserve <u>AED</u>	Accumulated profit <u>AED</u>	Total <u>AED</u>
Balance as at 1 January 2007	10,000,000	5,000,000	1,000,000	310,604	16,310,604
Profit for the quarter ended 31 March 2007	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,240</u>	<u>148,240</u>
Balance as at 31 March 2007	10,000,000	5,000,000	1,000,000	458,844	16,458,844
Profit for the 9 months ended 31 December 2007	<u>-</u>	<u>-</u>	<u>-</u>	<u>311,035</u>	<u>311,035</u>
Balance as at 1 January 2008	10,000,000	5,000,000	1,000,000	769,879	16,769,879
Profit for the 3 months ended 31 March 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,446</u>	<u>119,446</u>
Balance as at 31 March 2008	<u>10,000,000</u>	<u>5,000,000</u>	<u>1,000,000</u>	<u>889,325</u>	<u>16,889,235</u>

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 QUARTER ENDED 31 MARCH 2008 (Un-audited)

	31 March 2008 <u>AED</u>	31 March 2007 <u>AED</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	119,446	148,240
CHANGES IN OPERATING ASSETS AND LIABILITIES		
Prepayments and other receivables	(5,677)	(17,216)
Creditors and accrued charges	10,000	25,695
Amount due to affiliated companies	<u>4,699</u>	<u>3,636</u>
Net cash provided by operating activities	<u>128,468</u>	<u>160,799</u>
Net increase in cash and bank balances during the period	128,468	160,799
Cash and cash equivalent at 1 January	<u>17,564,950</u>	<u>16,954,142</u>
Cash and cash equivalents at the end of the period (note 11)	<u>17,693,418</u>	<u>17,114,941</u>

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2008****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).

A plot of land in Rashidiah Mirdif was acquired by the company for the purpose of development of a new township and sale of plots for construction of private houses. The development work has been completed and the plots developed for residential and commercial purposes have been sold or utilised for development of common areas and other facilities except some plots which are reserved for schools. However, no value was assigned to these plots. During the year 2004, these plots have been taken over by the Ruler's office.

The duration of the Company was for a period of 30 years which has been completed on 20 June 2005. The shareholders have decided to extend the duration of the Company by 50 more years due to opportunities available in the Dubai Real Estate market.

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.

DUBAI DEVELOPMENT COMPANY (PSC)
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE QUARTER ENDED 31 MARCH 2008 (Un-audited)

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 3 months ended 31 March 2008 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2008.

3 FIXED ASSETS	Furniture and equipment <u>AED</u>	Office renovation <u>AED</u>	Total <u>AED</u>
COST			
At 1 January 2008	217,150	200,000	417,150
Additions	-	-	-
Disposals	-	-	-
At 31 March 2008	<u>217,150</u>	<u>200,000</u>	<u>417,150</u>
DEPRECIATION			
At 1 January 2008	217,150	200,000	417,150
Charge for the period	-	-	-
On disposals	-	-	-
At 31 March 2008	<u>217,150</u>	<u>200,000</u>	<u>417,150</u>
NET BOOK VALUE			
At 31 March 2008	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2007	<u>-</u>	<u>-</u>	<u>-</u>

All assets have been fully depreciated.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE QUARTER ENDED 31 MARCH 2008 (Un-audited)

4 PREPAYMENTS AND OTHER RECEIVABLES

	31 March 2008 <u>AED</u>	Audited 31 December 2007 <u>AED</u>
Prepaid office rent	23,925	23,925
Accrued interest on fixed deposits	<u>15,664</u>	<u>49,775</u>
	<u>39,589</u>	<u>73,700</u>

5 CASH AND BANK BALANCES

Cash at bank		
- On fixed deposit accounts	17,574,479	17,485,501
- On current account	118,679	79,189
Cash in hand	<u>260</u>	<u>260</u>
	<u>17,693,418</u>	<u>17,564,950</u>

6 SHARE CAPITAL

Authorised, issued and fully paid

10,000,000 shares of AED 1 each	<u>10,000,000</u>	<u>10,000,000</u>
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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

Balance carried forward	<u>1,000,000</u>	<u>1,000,000</u>
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE QUARTER ENDED 31 MARCH 2008 (Un-audited)

9 CREDITORS AND ACCRUED CHARGES	31 March	Audited 31 December
	2008 <u>AED</u>	2007 <u>AED</u>
Provision for staff leave salary	10,000	30,000
Other expenses	<u>150,000</u>	<u>120,000</u>
	<u>160,000</u>	<u>150,000</u>
10 DUE TO AFFILIATED COMPANIES		
Almulla Construction (LLC), Dubai	10,883	10,883
Mohammed & Obaid Almulla, Dubai	<u>91,299</u>	<u>86,600</u>
	<u>102,182</u>	<u>97,483</u>
11 CASH AND CASH EQUIVALENTS	31 March	31 March
	2008	2007
	<u>AED</u>	<u>AED</u>
Cash at bank		
- On fixed deposit accounts	17,574,479	17,079,643
- On current account	118,679	34,879
Cash in hand	<u>260</u>	<u>419</u>
	<u>17,693,418</u>	<u>17,114,941</u>

12 CONTINGENT LIABILITIES

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.