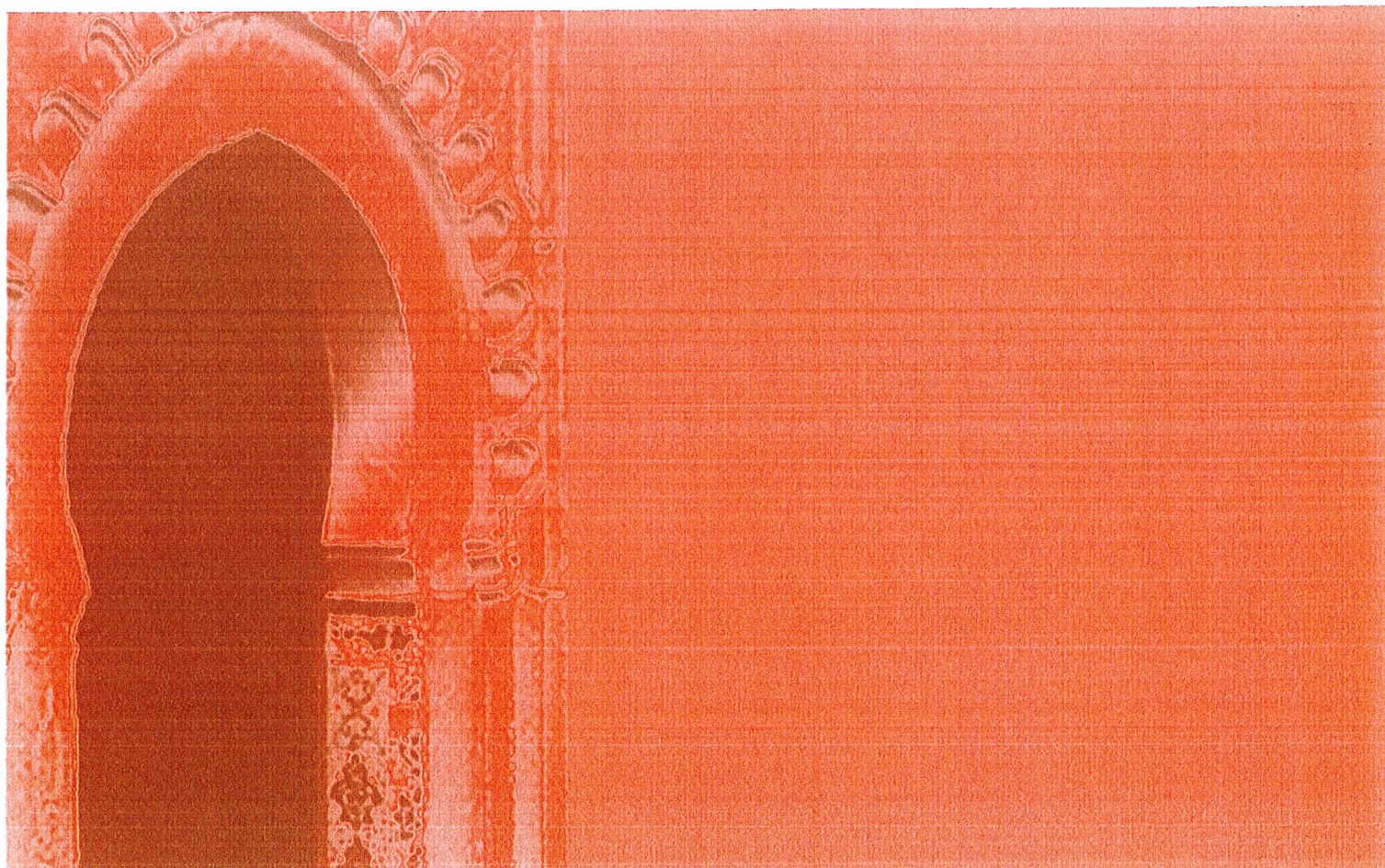


DUBAI DEVELOPMENT COMPANY (PSC)
DUBAI, UNITED ARAB EMIRATES
(A Public Shareholding Company with limited liability)

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2010**



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

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2010**

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

DIRECTORS' REPORT

The Directors have pleasure in submitting their Report and Accounts of the Company for the financial year ended 31 December 2010.

ACTIVITIES

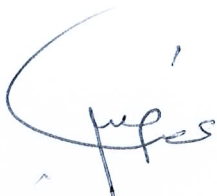
Due to current local property market conditions, the company has not started any commercial activities during the year 2010

RESULTS

The Company has made a net profit amounting to AED 578,276 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 2010.



CHAIRMAN
Yousef M Almulla



DIRECTOR
Khalil Essa Awad

Dubai,

2011

**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 balance sheet as at 31 December 2010 and the statement of 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 2010, 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 2010.

7 February 2011


SAJJAD HAIDER & CO
CHARTERED ACCOUNTANTS

(Mohammad Nafees Reg. 165)



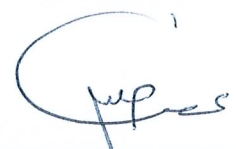
DUBAI DEVELOPMENT COMPANY (PSC)
(A Public Shareholding Company with Limited Liability)
DUBAI, UNITED ARAB EMIRATES

BALANCE SHEET AS AT 31 DECEMBER 2010

	<u>Note</u>	31 December 2010 <u>AED</u>	31 December 2009 <u>AED</u>
Assets Employed			
Fixed assets	3	-	-
Current Assets			
Prepayments and other receivables	4	190,020	47,296
Cash and bank balances	5	19,306,241	18,696,331
		19,496,261	18,743,627
Total assets		<u>19,496,261</u>	<u>18,743,627</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		2,318,357	1,740,081
		18,318,357	17,740,081
Non-current liabilities			
Provision for staff gratuity		240,000	240,000
Current Liabilities			
Creditors and accrued charges	9	495,000	375,000
Due to affiliated companies	10	101,404	47,046
Unclaimed dividend		341,500	341,500
		937,904	763,546
Total equity and liabilities		<u>19,496,261</u>	<u>18,743,627</u>

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


CHAIRMAN
Yousef M Almula


DIRECTOR
Khalil Essa Awad

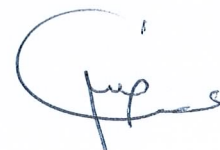
DUBAI DEVELOPMENT COMPANY (PSC)
(A Public Shareholding Company with Limited Liability)
DUBAI, UNITED ARAB EMIRATES

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

		31 December 2010 <u>AED</u>	31 December 2009 <u>AED</u>
	<u>Note</u>		
REVENUE			
Interest earned on fixed deposits		814,055	869,256
Operating expenses	11	<u>(235,779)</u>	<u>(273,588)</u>
NET PROFIT FOR THE YEAR		<u>578,276</u>	<u>595,668</u>
Basic and diluted earnings per share		<u>0.0578</u>	<u>0.0596</u>

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 CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010**

	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 2009	10,000,000	5,000,000	1,000,000	1,144,413	17,144,413
Profit for the year ended 31 December 2009	-	-	-	595,668	595,668
Balance as at 31 December 2009	10,000,000	5,000,000	1,000,000	1,740,081	17,740,081
Profit for the year ended 31 December 2010	-	-	-	578,276	578,276
Balance as at 31 December 2010	<u>10,000,000</u>	<u>5,000,000</u>	<u>1,000,000</u>	<u>2,318,357</u>	<u>18,318,357</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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

	31 December 2010 <u>AED</u>	31 December 2009 <u>AED</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the year	578,276	595,668
Changes in working capital		
(Decrease) in prepayments and other receivables	(142,724)	(910)
Increase in creditors and accrued charges	120,000	110,000
(Decrease)/increase in amount due to affiliated companies	<u>54,358</u>	<u>(65,078)</u>
Increase in cash and cash equivalents during the year	609,910	639,680
Cash and cash equivalents at the beginning of the year	<u>18,696,331</u>	<u>18,056,651</u>
Cash and cash equivalents at the end of the year (note 12)	<u><u>19,306,241</u></u>	<u><u>18,696,331</u></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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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.

DUBAI DEVELOPMENT COMPANY (PSC)*(A Public Shareholding Company with Limited Liability)***DUBAI, UNITED ARAB EMIRATES****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)****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 <u>AED</u>	Office renovation <u>AED</u>	Total <u>AED</u>
	COST			
	At 1 January 2010	<u>217,150</u>	<u>200,000</u>	<u>417,150</u>
	At 31 December 2010	<u>217,150</u>	<u>200,000</u>	<u>417,150</u>
	DEPRECIATION			
	At 1 January 2010	<u>217,150</u>	<u>200,000</u>	<u>417,150</u>
	At 31 December 2010	<u>217,150</u>	<u>200,000</u>	<u>417,150</u>
	NET BOOK VALUE			
	At 31 December 2010	<u>-</u>	<u>-</u>	<u>-</u>
	At 31 December 2009	<u>-</u>	<u>-</u>	<u>-</u>

All assets have been fully depreciated.

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

DUBAI DEVELOPMENT COMPANY (PSC)*(A Public Shareholding Company with Limited Liability)***DUBAI, UNITED ARAB EMIRATES****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)**

4	PREPAYMENTS AND OTHER RECEIVABLES	31 December 2010 <u>AED</u>	31 December 2009 <u>AED</u>
	Accrued interest on fixed deposits	176,372	42,688
	Prepaid expenses	<u>13,648</u>	<u>4,608</u>
		<u>190,020</u>	<u>47,296</u>
5	CASH AND BANK BALANCES		
	Cash at bank		
	- On fixed deposit accounts	19,241,281	18,687,978
	- On current account	64,938	8,331
	Cash in hand	<u>22</u>	<u>22</u>
		<u>19,306,241</u>	<u>18,696,331</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>

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

8	GENERAL RESERVE	31 December 2010 <u>AED</u>	31 December 2009 <u>AED</u>
	Balances brought forward	<u>1,000,000</u>	<u>1,000,000</u>
	Balance carried forward	<u><u>1,000,000</u></u>	<u><u>1,000,000</u></u>
9	CREDITORS AND ACCRUED CHARGES		
	Other expenses	<u><u>495,000</u></u>	<u><u>375,000</u></u>
10	DUE TO AFFILIATED COMPANIES		
	Almulla Construction (LLC), Dubai	10,883	10,883
	Mohammed & Obaid Almulla, Dubai	<u>90,521</u>	<u>36,163</u>
		<u><u>101,404</u></u>	<u><u>47,046</u></u>
11	OPERATING EXPENSES	31 December 2010 <u>AED</u>	31 December 2009 <u>AED</u>
	Staff salaries	120,000	120,000
	Office rent	19,260	16,748
	Trade license expenses	9,589	6,452
	Audit fee	20,000	20,000
	Operating expenses	51,174	36,163
	Entertainment expenses	3,185	3,645
	Advertising expenses	7,440	7,680
	Stock market and company registration expenses	5,000	62,601
	Miscellaneous expenses	<u>131</u>	<u>299</u>
		<u><u>235,779</u></u>	<u><u>273,588</u></u>

DUBAI DEVELOPMENT COMPANY (PSC)*(A Public Shareholding Company with Limited Liability)***DUBAI, UNITED ARAB EMIRATES****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)**

12 CASH AND CASH EQUIVALENTS	31 December 2010 AED	31 December 2009 AED
Cash in hand	22	22
Cash at bank		
- On current account	64,938	8,331
- On fixed deposit accounts	<u>19,241,281</u>	<u>18,687,978</u>
	<u>19,306,241</u>	<u>18,696,331</u>

13 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 2010, 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.

DUBAI DEVELOPMENT COMPANY (PSC)*(A Public Shareholding Company with Limited Liability)***DUBAI, UNITED ARAB EMIRATES****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)****14 STAFFING LEVELS**

	<u>2010</u>	<u>2009</u>
No. of employees	<u>2</u>	<u>2</u>

15 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.

16 COMPARATIVE FIGURES

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