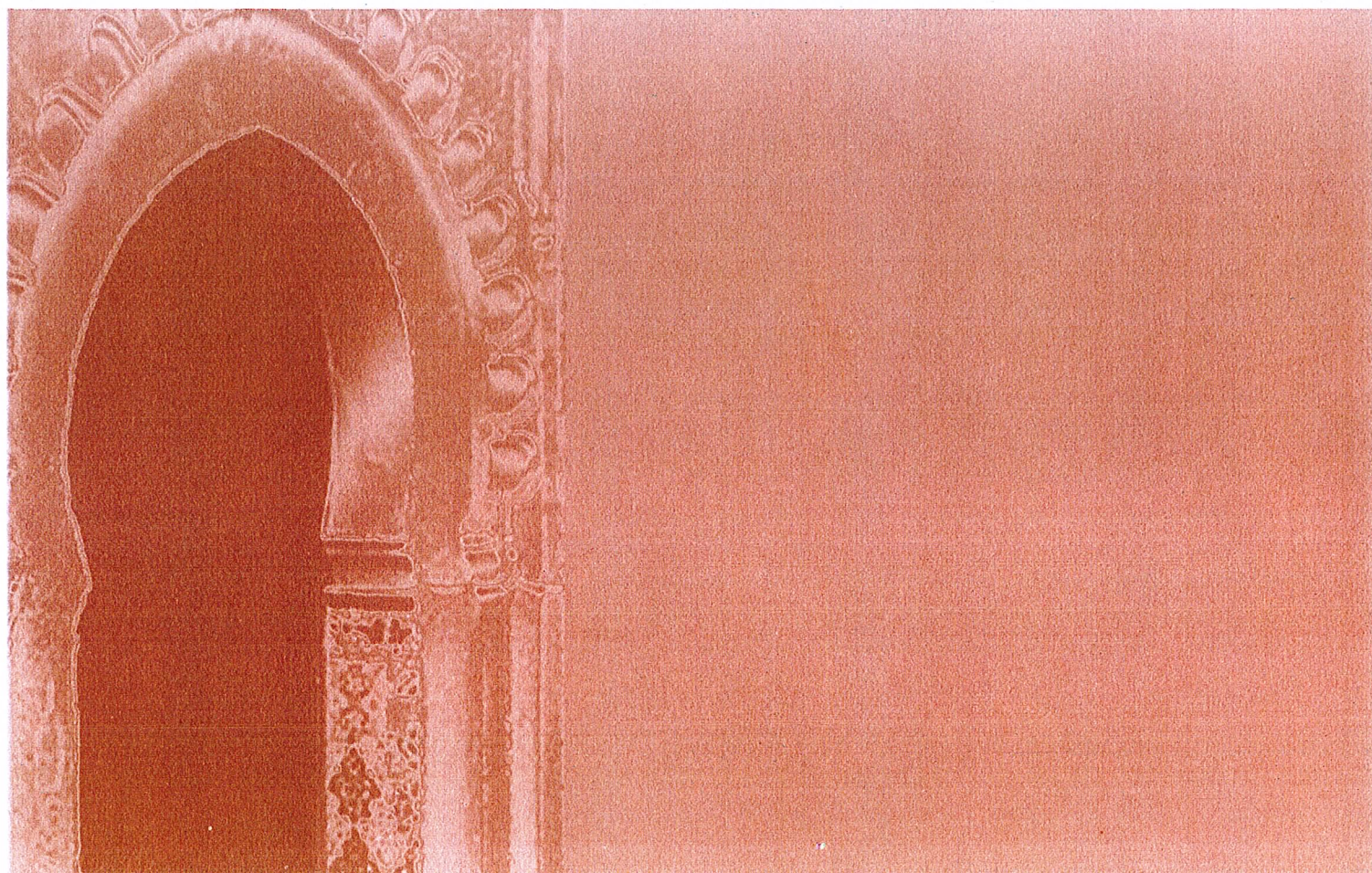


DUBAI DEVELOPMENT COMPANY (PSC)
DUBAI, UNITED ARAB EMIRATES
(A Public Shareholding Company with limited liability)

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2011(UNAUDITED)



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

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2011 (UNAUDITED)

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**REPORT ON REVIEW OF
INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2011
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 30 June 2011 and the related interim statements of 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)



31 July 2011

DUBAI, UNITED ARAB EMIRATES

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

BALANCE SHEET AS AT 30 JUNE 2011 (Un-audited)

		Un-audited 30 June 2011 AED	Audited 31 December 2010 AED
	<u>Note</u>		
Assets Employed			
Fixed assets	3	-	-
Current Assets			
Prepayments and other receivables	4	107,149	190,020
Cash and bank balances	5	19,642,625	19,306,241
		19,749,774	19,496,261
Total assets		19,749,774	19,496,261
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		2,472,999	2,318,357
		18,472,999	18,318,357
Non-current liabilities			
Provision for staff gratuity		240,000	240,000
Current Liabilities			
Accrued expenses	9	565,028	495,000
Due to affiliated companies	10	130,247	101,404
Unclaimed dividend		341,500	341,500
		1,036,775	937,904
Total equity and liabilities		19,749,774	19,496,261

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 SIX MONTHS ENDED 30 JUNE 2011 (Un-audited)

	Note	30 June 2011 <u>AED</u>	30 June 2010 <u>AED</u>
REVENUE			
Interest earned on fixed deposits		280,882	382,598
Operating expenses		<u>(126,240)</u>	<u>(126,523)</u>
Net profit for the period		<u>154,642</u>	<u>256,075</u>
Basic and diluted earnings per share (AED)		<u>0.0155</u>	<u>0.0256</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 SIX MONTHS ENDED 30 JUNE 2011 (Un-audited)**

	Share capital <u>AED</u>	Legal reserve <u>AED</u>	General reserve <u>AED</u>	Accumulated profits <u>AED</u>	Total <u>AED</u>
Balance as at 1 January 2010	10,000,000	5,000,000	1,000,000	1,740,081	17,740,081
Profit for the six months ended 30 June 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,075</u>	<u>256,075</u>
Balance as at 30 June 2010	10,000,000	5,000,000	1,000,000	1,996,156	17,996,156
Profit for the 6 months ended 31 December 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>322,201</u>	<u>322,201</u>
Balance as at 1 January 2011	10,000,000	5,000,000	1,000,000	2,318,357	18,318,357
Profit for the 6 months ended 30 June 2011	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,642</u>	<u>154,642</u>
Balance as at 30 June 2011	<u>10,000,000</u>	<u>5,000,000</u>	<u>1,000,000</u>	<u>2,472,999</u>	<u>18,472,999</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****INTERIM STATEMENT OF CASH FLOWS****FOR THE SIX MONTHS ENDED 30 JUNE 2011 (Un-audited)**

	30 June 2011 <u>AED</u>	30 June 2010 <u>AED</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	154,642	256,075
Changes in working capital:		
Prepayments and other receivables	82,871	(22,290)
Accrued expenses	70,028	70,000
Amount due to affiliated companies	28,843	35,884
Net cash provided from operating activities	<u>336,384</u>	<u>339,669</u>
Net increase in cash and cash equivalents during the period	336,384	339,669
Cash and cash equivalents at 1 January	<u>19,306,241</u>	<u>18,696,331</u>
Cash and cash equivalents at the end of the period (note 11)	<u>19,642,625</u>	<u>19,036,000</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 SIX MONTHS ENDED 30 JUNE 2011 (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).

A plot of land in Rashidyah 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.

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.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2011 (Un-audited)

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 6 months ended 30 June 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2011.

3	FIXED ASSETS	Furniture and equipment <u>AED</u>	Office renovation <u>AED</u>	Total <u>AED</u>
	COST			
	At 1 January 2011	217,150	200,000	417,150
	Additions	-	-	-
	At 30 June 2011	<u>217,150</u>	<u>200,000</u>	<u>417,150</u>
	DEPRECIATION			
	At 1 January 2011	217,150	200,000	417,150
	Charge for the period	-	-	-
	At 30 June 2011	<u>217,150</u>	<u>200,000</u>	<u>417,150</u>
	NET BOOK VALUE			
	At 30 June 2011	<u>-</u>	<u>-</u>	<u>-</u>
	At 31 December 2010	<u>-</u>	<u>-</u>	<u>-</u>

All assets have been fully depreciated.

DUBAI DEVELOPMENT COMPANY (PSC)*(A Public Shareholding Company with Limited Liability)***DUBAI, UNITED ARAB EMIRATES****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2011 (Un-audited)**

4 PREPAYMENTS AND OTHER RECEIVABLES	Un-audited 30 June 2011 <u>AED</u>	Audited 31 December 2010 <u>AED</u>
Prepaid expenses	22,505	13,648
Accrued interest on fixed deposits	<u>84,644</u>	<u>176,372</u>
	<u>107,149</u>	<u>190,020</u>
5 CASH AND BANK BALANCES		
Cash at bank		
- On fixed deposit accounts	19,613,891	19,241,281
- On current account	28,734	64,938
Cash in hand	<u>-</u>	<u>22</u>
	<u>19,642,625</u>	<u>19,306,241</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.		
8 GENERAL RESERVE	Un-audited 30 June 2011 <u>AED</u>	Audited 31 December 2010 <u>AED</u>
Balance carried forward	<u>1,000,000</u>	<u>1,000,000</u>

DUBAI DEVELOPMENT COMPANY (PSC)
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2011 (Un-audited)

9 ACCRUED EXPENSES	Un-audited 30 June 2011 <u>AED</u>	Audited 31 December 2010 <u>AED</u>
Accrued expenses	<u>565,028</u>	<u>495,000</u>
10 DUE TO AFFILIATED COMPANIES		
Almulla Construction (LLC), Dubai	10,883	10,883
Mohammed & Obaid Almulla, Dubai	<u>119,364</u>	<u>90,521</u>
	<u>130,247</u>	<u>101,404</u>
11 CASH AND CASH EQUIVALENTS	30 June 2011 <u>AED</u>	30 June 2010 <u>AED</u>
Cash at bank		
- On fixed deposit accounts	19,613,891	19,042,979
- On current account	28,734	(7,001)
Cash in hand	<u>-</u>	<u>22</u>
	<u>19,642,625</u>	<u>19,036,000</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.