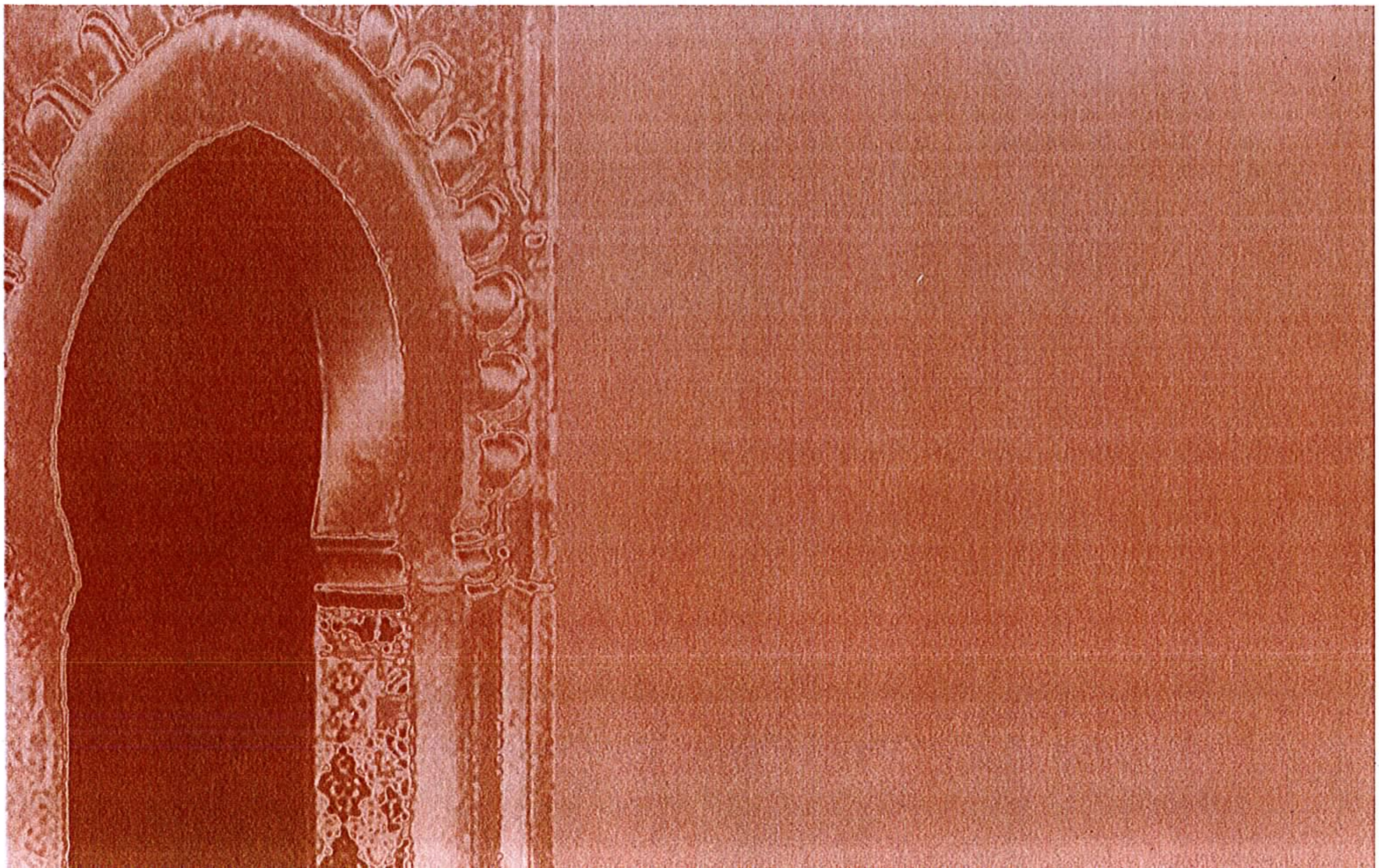
Sajjad Haider & Co.
CHARTERED ACCOUNTANTS

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

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2012 (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 2012 (UNAUDITED)

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REPORT ON REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 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 June 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)

02 August 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 JUNE 2012 (Un-audited)

	Note	Un-audited 30 June 2012 AED	Audited 31 December 2011 AED
ASSETS			
Current assets			
Cash and bank balances	3	19,762,986	19,624,548
Prepayments and other receivables	4	114,829	48,084
		19,877,815	19,672,632
Non-current assets			
Fixed assets	5	-	-
Total assets		19,877,815	19,672,632
LIABILITIES AND EQUITY			
Current liabilities			
Accrued expenses	6	675,518	605,048
Due to affiliated companies	7	69,402	39,738
Unclaimed dividend		341,500	341,500
		1,086,420	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		2,551,395	2,446,346
		18,551,395	18,446,346
Total liabilities and equity		19,877,815	19,672,632

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

DIRECTOR

DUBAI DEVELOPMENT COMPANY (PSC)
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INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2012 (Un-audited)

	30 June 2012 AED	30 June 2011 AED
REVENUE		
Interest earned on fixed deposits	246,605	280,882
Operating expenses	(141,556)	(126,240)
NET PROFIT FOR THE PERIOD	105,049	154,642
Earning per share		
Basic and diluted earnings per share (AED)	0.0105	0.0155

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

DIRECTOR

DUBAI DEVELOPMENT COMPANY (PSC)
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INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2012 (Un-audited)

	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 six months ended 30 June 2011	-	-	-	154,642	154,642
Balance as at 30 June 2011	10,000,000	5,000,000	1,000,000	2,472,999	18,472,999
(Loss) for the 6 months ended 31 December 2011	-	-	-	(26,653)	(26,653)
Balance as at 31 December 2011	10,000,000	5,000,000	1,000,000	2,446,346	18,446,346
Profit for the 6 months ended 30 June 2012	-	-	-	105,049	105,049
Balance as at 30 June 2012	10,000,000	5,000,000	1,000,000	2,551,395	18,551,395

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

DUBAI DEVELOPMENT COMPANY (PSC)
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INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2012 (Un-audited)

	30 June 2012 AED	30 June 2011 AED
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	105,049	154,642
CHANGES IN OPERATING ASSETS AND LIABILITIES		
(Increase)/ decrease in prepayments and other receivables	(66,745)	82,871
Increase in accrued expenses	70,470	70,028
Increase in amount due to affiliated companies	29,664	28,843
Net cash provided by operating activities	138,438	336,384
Net increase in cash and bank balances during the period	138,438	336,384
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)	19,762,986	19,642,625

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 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 six months ended 30 June 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 June 2012 AED	Audited 31 December 2011 AED
Cash at bank		
- On fixed deposit accounts	19,725,208	19,557,020
- On current account	37,778	67,528
	19,762,986	19,624,548

4 PREPAYMENTS AND OTHER RECEIVABLES

	Un-audited 30 June 2012 AED	Audited 31 December 2011 AED
Prepaid expenses	26,987	38,660
Accrued interest on fixed deposits	87,842	9,424
	114,829	48,084

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 June 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 June 2012	217,150	200,000	417,150
NET BOOK VALUE			
At 30 June 2012	-	-	-
At 31 December 2011	-	-	-

All assets have been fully depreciated.

6 ACCRUED EXPENSES

	Un-audited 30 June 2012 AED	Audited 31 December 2011 AED
Accrued expenses	675,518	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.

DUBAI DEVELOPMENT COMPANY (PSC)
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ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE SIX MONTHS ENDED 30 JUNE 2012 (Un-audited)

7 DUE TO AFFILIATED COMPANIES

	Un-audited 30 June 2012 AED	Audited 31 December 2011 AED
Almulla Construction (LLC), Dubai	10,883	10,883
Mohammed & Obaid Almulla, Dubai	58,519	28,855
	69,402	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 June 2012 AED	Audited 31 December 2011 AED
Balance carried forward	1,000,000	1,000,000

11 CASH AND CASH EQUIVALENTS

	30 June 2012 AED	30 June 2011 AED
Cash at bank	19,762,986	19,642,625
	19,762,986	19,642,625

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.