Al Firdous Holdings (P.J.S.C.)

INTERIM CONDENSED FINANCIAL STATEMENTS

30 JUNE 2013 (UNAUDITED)

ERNST & YOUNG

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REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF Al FIRDOUS HOLDINGS (P.J.S.C.)

Introduction

We were engaged to review the accompanying interim condensed financial statements of Al Firdous Holdings (P.J.S.C.) as at 30 June 2013, comprising the interim statement of financial position as at 30 June 2013 and the related interim statement of comprehensive income, statement of cash flows and statement of changes in equity for the three-month period then ended and explanatory information. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34").

Scope of Review

Our responsibility is to express a conclusion on these interim condensed financial statements based on our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Because of the matters described in the Basis for Disclaimer of Conclusion paragraphs, we are unable to express a review conclusion.

Basis for Disclaimer of Conclusion

a) Receivable on sale of the investment portfolio

As disclosed in note 5 to the interim condensed financial statements, an amount of AED 326,789,701 (2012: AED 326,789,701) is due from Islamic Arab Insurance Co, Labuan, Malaysia being the consideration for the sale of the Company's subsidiary, Al Firdous Group Co Ltd for Hotels, and its Islamic investing and financing assets, together referred to as the "investment portfolio". This amount was to have been settled by 31 March 2011 but is still outstanding as of the date of these interim condensed financial statements. Based on negotiations being held with Islamic Arab Insurance Co, Labuan, no provision has been made against this receivable as the Board of Directors considers the amount will be recovered in full on the eventual disposal of the assets by Islamic Arab Insurance Co, Labuan. However, we have not been provided with sufficient and appropriate audit evidence to support this conclusion. Accordingly, we were unable to determine the extent of provision, if any, that may be required against this receivable. Our audit report on the financial statements for the year ended 31 March 2013 was qualified in respect of this matter.

b) Advance against the purchase of property

As disclosed in note 7 to the interim condensed financial statements, an amount of AED 289,939,984 (2012: AED 289,939,984) was advanced through a related party for the purchase of land in Dubai. The related party has undertaken to secure the amount of AED 289,939,984 (2012: AED 289,939,984) by the assignment of properties to the Company with a fair value not less than the same amount. However, to date, no assignment of properties has taken place and we have not been provided with sufficient and appropriate audit evidence to support the recoverability of this amount. Accordingly, we were unable to determine whether any provision may be required against the advance for purchase of property. Our audit report on the financial statements for the year ended 31 March 2013 was qualified in respect of this matter.

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REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF Al FIRDOUS HOLDINGS (P.J.S.C.) (continued)

Furthermore, our review report on the interim condensed financial statements for the period ended 30 June 2012 and our audit report on the annual financial statements for the year ended 31 March 2013 were disclaimed with regard to the above matters.

Disclaimer of Conclusion

Because of the significance of the matters described in the Basis for Disclaimer of Conclusion paragraphs above, we are unable to express a conclusion on the interim condensed financial statements of the Company.

Ernst & Young
Signed by
Ashraf Abu-Sharkh
Partner
Registration No. 690
12 August 2013

Dubai, United Arab Emirates

INTERIM STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 June 2013 (Unaudited)

	Notes	*Three months ended 30 June 2013 AED*	*Three months ended 30 June 2012 AED*
Revenue		**3,576,140**	2,694,066
Direct costs		**(1,538,259)**	(1,122,915)
Gross profit		**2,037,881**	1,571,151
Income on deposit		**16,862**	23,967
Other income		**12,190**	10,292
Administrative expenses		**(580,109)**	(868,179)
Share of revenue to property owner	3	**(1,076,499)**	(662,169)
PROFIT FOR THE PERIOD		**410,325**	75,062
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**410,325**	75,062
Basic and diluted earnings per share	4	**0.00068**	0.00001

Al Firdous Holdings (P.J.S.C.)

INTERIM STATEMENT OF FINANCIAL POSITION

At 30 June 2013 (Unaudited)

	Notes	*30 June 2013 AED (Unaudited)*	*31 March 2013 AED (Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment		**546,227**	613,657
Current assets			
Inventories		**74,146**	76,591
Accounts receivable and prepayments	7	**297,607,435**	297,234,882
Receivable on sale of the investment portfolio	5	**326,789,701**	326,789,701
Bank balances and cash	6	**10,274,222**	8,921,101
		634,745,504	633,022,275
TOTAL ASSETS		**635,291,731**	633,635,932
EQUITY AND LIABILITIES			
Equity			
Share capital		**600,000,000**	600,000,000
Additional paid in capital		**894,645**	894,645
Statutory reserve		**4,034,023**	4,034,023
Retained earnings		**24,832,408**	24,422,083
Total equity		**629,761,076**	629,350,751
Non-current liabilities			
Employees' end of service benefits		**166,010**	134,433
Current liabilities			
Accounts payable and accruals		**5,364,645**	4,150,748
Total liabilities		**5,530,655**	4,285,181
TOTAL EQUITY AND LIABILITIES		**635,291,731**	633,635,932

Chairman

12 August 2013

The attached notes 1 to 8 form part of these interim condensed financial statements.

INTERIM STATEMENT OF CASH FLOWS

Period ended 30 June 2013 (Unaudited)

	Note	*Three months ended 30 June 2013 AED*	*Three months ended 30 June 2012 AED*
OPERATING ACTIVITIES			
Profit for the period		**410,325**	75,062
Adjustments for:			
Depreciation		**80,525**	64,234
Income on deposit		**(16,862)**	(23,967)
Provision for employees' end of service benefits		**31,577**	26,093
		505,565	141,422
Working capital changes:			
Inventory		**2,445**	-
Accounts receivable and prepayments		**(372,553)**	37,409
Accounts payable and accruals		**1,213,897**	(2,313,420)
Net cash from / (used in) operating activities		**1,349,354**	(2,134,589)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(13,095)**	(68,436)
Income on deposit		**16,862**	23,967
Net cash from/ (used in) investing activities		**3,767**	(44,469)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**1,353,121**	(2,179,058)
Cash and cash equivalents at beginning of the period		**8,921,101**	9,843,173
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	6	**10,274,222**	7,664,115

The attached notes 1 to 8 form part of these interim condensed financial statements.

INTERIM STATEMENT OF CHANGES IN EQUITY

Period ended 30 June 2013 (Unaudited)

	Share capital AED	*Additional paid in capital AED*	*Statutory reserve AED*	*Retained earnings AED*	*Total AED*
Balance at 1 April 2013	600,000,000	894,645	4,034,023	24,422,083	629,350,751
Total income and comprehensive income for the period	-	-	-	410,325	410,325
Directors' fees	-	-	-	-	-
Balance at 30 June 2013	**600,000,000**	**894,645**	**4,034,023**	**24,832,408**	**629,761,076**

	Share capital AED	*Additional paid in capital AED*	*Statutory reserve AED*	*Retained earnings AED*	*Total AED*
Balance at 1 April 2012	600,000,000	894,645	3,955,357	24,024,092	628,874,094
Total income and comprehensive income for the period	-	-	-	75,062	75,062
Directors' fees	-	-	-	(70,000)	(70,000)
Balance at 30 June 2012	600,000,000	894,645	3,955,357	24,029,154	628,879,156

1 ACTIVITIES

Al Firdous Holdings (P.J.S.C.) [formerly Manasek (P.J.S.C.)] (the"Company") is a public joint stock company registered on 1 July 1998 in the Emirate of Dubai, United Arab Emirates, according to Ministerial Decree Number 106 for the year 1998, and commenced its operations on 22 October 1998. The address of the Company's registered office is P.O. Box 25233, Dubai, United Arab Emirates. On 13 September 2007, the Company secured approval from the Ministry of Economy to change its name from "Manasek (P.J.S.C.)" to "Al Firdous Holdings (P.J.S.C.)."

Up to 31 December 2008, the Company operated as a Group consisting of the Company (the "Parent Company") and Al Firdous Group Co Ltd for Hotels, a company established in the Kingdom of Saudi Arabia and involved in managing and operating hotels and restaurants in the Kingdom of Saudi Arabia and organising Hajj and Umra trips.

With effect from 1 January 2009, the Company sold its 100% owned subsidiary (Al Firdous Group Co Ltd for Hotel) and its Islamic financing and investing assets with Al Massa Co. for Urban Development Jeddah, Kingdom of Saudi Arabia (together referred as the "investment portfolio") for a consideration of AED 326,789,701 (Note 5).

With effect from 1 July 2010, the Company signed a memorandum of understanding with Gulf Oasis Reality, a related party, to manage, operate and maintain the Oasis Court Hotel Apartments located in Bur Dubai, Emirate of Dubai. According to the renewed memorandum of understanding dated 1 January 2013, the owner of Oasis Court Hotel Apartments is entitled to a share equivalent to 30% of the total revenue (Note 3).

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The interim condensed financial statements of the Company are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 March 2013.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the annual financial statements as at and for the year ended 31 March 2013. In addition, results for the three month period ended 30 June 2013 are not necessarily indicative of the results that may be expected for the financial year ending 31 March 2014.

The interim condensed financial statements have been presented in United Arab Emirates Dirham (AED), which is the reporting and the functional currency of the Company.

New standards, interpretations and amendments adopted by the Group
The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended 31 March 2013, except for the adoption of the amended standards as of 1 January 2013, noted below:

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1
The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Company's financial position or performance.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards, interpretations and amendments adopted by the Group (continued)

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Company.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required for financial instruments by IAS 34.16A (j), thereby affecting the interim condensed consolidated financial statements period.

- IAS 1 Clarification of the requirement for comparative information (Amendment);
- IAS 32 Tax effects of distributions to holders of equity instruments (Amendment);
- IAS 34 Interim financial reporting and segment information for total assets and liabilities (Amendment);
- IAS 19 Employee Benefits (Revised 2011);
- IFRS 1 First-time Adoption of International Financial Reporting Standards - Government Loans (Amendments);
- IFRS 7 Financial Instruments: Disclosures -. Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7;
- IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements;
- IFRS 11 Joint Arrangements and IAS 28 Investment in Associates and Joint Ventures; and
- IFRS 12 Disclosure of Interests in Other Entities.

These standards adopted by the Company did not have an impact on the interim condensed financial statements of the Company:

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3 SHARE OF REVENUE TO PROPERTY OWNER

This represents 30% of total revenues payable to Gulf Oasis Reality.

4 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period of AED 410,325 (30 June 2012: AED 75,062 net of Directors' fees of AED Nil (30 June 2012: AED 70,000) by the weighted average number of shares of 600,000,000 (30 June 2011: 600,000,000) of AED 1 each outstanding during the period.

The figures for basic and diluted earnings per share are the same as the Company has not issued any instruments which would have an impact on earnings per share when exercised.

5 RECEIVABLE ON SALE OF THE INVESTMENT PORTFOLIO

This represents the amount receivable from Islamic Arab Insurance Co. Labuan, Malaysia on sale of the investment portfolio of the Group comprising Al Firdous Group Co Ltd for Hotels, a wholly owned subsidiary, and Islamic investing and finance assets with Al Masaa Co for Urban Development (together, the investment portfolio). This amount is guaranteed by a related party (Note 7).

5 RECEIVABLE ON SALE OF THE INVESTMENT PORTFOLIO (continued)

On 29 June 2009, the Company signed an agreement with Islamic Arab Insurance co. Labuan, Malaysia in which the parties agreed to reschedule the outstanding receivable of AED 326,789,701 into installments due every six months starting from 31 August 2010 and ending on 28 February 2012.

On 24 June 2010, due to a proposed restructuring and investment plans by the Company, the rescheduling agreement was cancelled and both parties entered into another agreement to settle the amount receivable on the sale of the investment portfolio within 12 months from 31 March 2010.

The receivable on sale of the investment portfolio is still outstanding as of the date of these financial statements. Negotiations are being held with Islamic Arab Insurance Co. Labuan for an early resolution to this matter. The board of directors considers that the amount will be recovered on the eventual disposal of the investment portfolio and, accordingly, has not made any provision against this receivable.

6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the interim statement of cash flows consist of the following statement of financial position amounts:

	30 June 2013 AED	*30 June 2012 AED*
Cash and bank balances	**4,974,222**	2,364,115
Short term deposits	**5,300,000**	5,300,000
	10,274,222	7,664,115

The short term deposit is denominated in AED and carries an effective profit rate of 1.2 % p.a. (2012: 1.9% p.a.).

7 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's directors.

a) Balances due from related parties included in the statement of financial position are as follows:

	30 June 2013 AED	*31 March 2013 AED*
Due from Bin Zayed Group	**5,782,160**	5,782,160
Advance against purchase of property	**289,939,984**	289,939,984
	295,722,144	295,722,144

7 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Advance against the purchase of property represents the payment made through Bin Zayed Group for the purchase of land in Dubai.

For the period ended 30 June 2013, the Company has not recorded any impairment of amounts owed by related parties (31 March 2013: AED Nil).

The amount receivable on sale of the investment portfolio has been guaranteed by Bin Zayed Group. The security provided by Bin Zayed Group against the amount receivable on sale of the investment portfolio is a plot of land located in Dubai, United Arab Emirates and was appraised by an independent property consultant at AED 640,000,000 as of 31 October 2008.

Bin Zayed Group has also undertaken to secure the amount of AED 295,722,144 by the assignment of properties to the Company with a fair value not less than the same amount.

b) Balances due to related parties included in the statement of financial position are as follows:

	30 June 2013 AED	*31March 2013 AED*
Other related parties	**3,246,926**	2,222,042

c) Transactions with related parties included in the statement of comprehensive income are as follows:

	30 June 2013 AED	*30 June 2012 AED*
Share of revenue to property owner	**1,076,499**	662,169

d) Compensation of Directors and key management personnel is as follows:

	30 June 2013 AED	*30 June 2012 AED*
Directors fees	-	70,000

8 COMMITMENTS

The Company has no future obligations or commitments as of 30 June 2013 (31 March 2013: Nil).