

**AL FIRDOUS HOLDINGS (P.J.S.C.)
AND IT'S SUBSIDIARY
DUBAI – UNITED ARAB EMIRATES**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2019
WITH REVIEW REPORT
(UNAUDITED)**

**AL FIRDOUS HOLDINGS (P.J.S.C.)
AND IT'S SUBSIDIARY
DUBAI – UNITED ARAB EMIRATES**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2019
WITH REVIEW REPORT
(UNAUDITED)**

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Review report

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REVIEW REPORT

**The Shareholders
Al Firdous Holdings (P.J.S.C.)
And its subsidiary
Dubai – United Arab Emirates**

Review Report on the interim condensed consolidated financial information

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Al Firdous Holdings (P.J.S.C.) (the "Company") together with its subsidiary (the "Company") as at 31 December, 2019, comprising the interim condensed consolidated statement of financial position as at 31 December, 2019, the related interim condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in shareholders equity and statement of cash flows for the nine month period then ended, and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditors of the Entity".

A review of interim condensed 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.

Basis for disclaimer of conclusion

Receivable on sale of the investment portfolio

As disclosed in note 4 to the interim condensed consolidated financial statements, an amount of AED 326,789,701 (31 March, 2019: 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 Company Co Ltd for Hotels, and the Company's Islamic Investing and financing assets, together referred to as the "Investment Portfolio". This amount was to be settled by 31 March, 2011 but is still outstanding as of the date of these interim condensed consolidated 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 consider 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. The audit report on the consolidated financial statements for the year ended 31 March, 2019 was also disclaimed in respect of this matter.

Advances against the purchase of the property

As disclosed in note 5 to the interim condensed consolidated financial statements, an amount of AED 289,939,984 (31 March, 2019: 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 (31 March, 2019: AED 289,939,984) by the assignment of properties to the Company with a fair value not less than an equivalent 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 the property. The audit report on the consolidated financial statements for the year ended 31 March, 2019 was also disclaimed in respect of this matter.

REVIEW REPORT (CONTINUED)

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 consolidated financial statements of the Company.

Emphasis of matter

We draw attention to Exhibit-C to the interim condensed consolidated financial statements. As states therein, the Company has incurred a loss of AED 6,098,460 for nine months' period ended 31 December, 2019 (31 December, 2018: 5,136,320) and has accumulated losses of AED (34,552,525) as at 31 December, 2019 (31 March, 2019: 28,454,065). Notwithstanding this fact, the financial statements of the Company have been prepared on a going concern basis as management believes that the future operations of the Company will be able to support its business and meet its obligations as they fall due. The Company is ultimately supported financially by a shareholder that assumes its ability to continue as a going concern.



Hikmat Mukhaimer FCCA
Registration No. 355
Rödl Middle East
Certified Public Accountants



February 12, 2020
Dubai – U.A.E.

**AL FIRDOUS HOLDINGS (P.J.S.C.)
AND IT'S SUBSIDIARY
DUBAI – UNITED ARAB EMIRATES**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF
DECEMBER 31, 2019
(UNAUDITED)**

"All amounts are in U.A.E. Dirham"

	Notes	December 31, 2019 (Unaudited)	March 31, 2019 (Audited)
ASSETS			
Current assets			
Inventories		2,606	41,624
Trade receivables		100	9,238
Other receivables	3	470,477	699,249
Receivable on sale of the investment portfolio	4	326,789,701	326,789,701
Due from related parties	5	295,722,144	295,879,508
Cash and cash equivalents	6	4,794	28,504
Total current assets		622,989,822	623,447,824
Non - Current assets			
Property, plant and equipment	7	5,227,314	8,586,715
Total non - current assets		5227,314	8,586,715
Total assets		628,217,136	632,034,539
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade payables		8,431,793	7,581,574
Other payables and provisions	8	4,130,775	3,889,158
Due to related parties	5	44,980,432	43,616,976
Total current liabilities		57,543,000	55,087,708
Non - current liabilities			
Provision for indemnity		125,401	299,636
Total non – current liabilities		125,401	299,636
Shareholders' equity			
Share capital	9	600,000,000	600,000,000
Additional paid in capital		894,645	894,645
Statutory reserve	10	4,206,615	4,206,615
Accumulated (loss)		(34,552,525)	(28,454,065)
Total shareholders' equity		570,548,735	576,647,195
Total liabilities and shareholders' equity		628,217,136	632,034,539

These interim financial statements were approved by the board of directors on February 12, 2020 and signed on their behalf by:


Shk. Khaled Bin Zayed Al Nahyan
Chairman

The accompanying notes form an integral part of this interim condensed financial information.

**AL FIRDOUS HOLDINGS (P.J.S.C.)
AND IT'S SUBSIDIARY
DUBAI – UNITED ARAB EMIRATES**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED DECEMBER 31, 2019
(UNAUDITED)**

"All amounts are in U.A.E. Dirham"

		<u>Three month ended</u>		<u>Nine month ended</u>	
	<u>Note</u>	December 31, 2019 (Unaudited)	December 31, 2018 (Unaudited)	December 31, 2019 (Unaudited)	December 31, 2018 (Unaudited)
Revenues					
Sales		87,467	710,134	824,308	1,758,206
Cost of sales		(31,308)	(143,579)	(252,596)	(362,478)
Gross profit		56,159	566,555	571,712	1,395,728
Other operating expenses		(1,336,450)	(1,628,624)	(5,123,516)	(4,824,894)
Other income	11	86,000	-	86,000	-
Operating (loss)		(1,194,291)	(1,062,069)	(4,465,804)	(3,429,166)
Expenses and other charges					
General, administrative and selling expenses	12	499,573	508,432	(1,632,656)	(1,707,154)
Total expenses and other charges		(499,573)	(508,432)	(1,632,656)	(1,707,154)
Net (loss) for the period		(1,693,864)	(1,570,501)	(6,098,460)	(5,136,320)
Other comprehensive income for the period		-	-	-	-
Total comprehensive (loss) for the period		(1,693,864)	(1,570,501)	(6,098,460)	(5,136,320)
(Loss) per share	13	(0.0028)	(0.0026)	(0.0102)	(0.0085)

The accompanying notes form an integral part of these interim condensed financial information.

**AL FIRDOUS HOLDINGS (P.J.S.C.)
AND IT'S SUBSIDIARY
DUBAI – UNITED ARAB EMIRATES**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS'
EQUITY FOR THE NINE MONTHS ENDED DECEMBER 31, 2019
(UNAUDITED)**

"All amounts are in U.A.E. Dirham"

	Share capital	Additional paid in capital	Statutory reserve	Accumulated (loss)	Total
Balance at April 1, 2018	600,000,000	894,645	4,206,615	(21,518,750)	583,582,510
Total comprehensive (loss) for the period	-	-	-	(5,136,320)	(5,136,320)
Balance at December 31, 2018	600,000,000	894,645	4,206,615	(26,655,070)	578,446,190
Balance at April 1, 2019	600,000,000	894,645	4,206,615	(28,454,065)	576,647,195
Total comprehensive (loss) for the period	-	-	-	(6,098,460)	(6,098,460)
Balance at December 31, 2019	600,000,000	894,645	4,206,615	(34,552,525)	570,548,735

The accompanying notes form an integral part of these interim condensed financial information.

**AL FIRDOUS HOLDINGS (P.J.S.C.)
AND IT'S SUBSIDIARY
DUBAI – UNITED ARAB EMIRATES**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS
ENDED DECEMBER 31, 2019
(UNAUDITED)**

"All amounts are in U.A.E. Dirham"

	December 31, 2019 (Unaudited)	December 31, 2018 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Total comprehensive (loss) for the period	(6,098,460)	(5,136,320)
Adjustment:		
Depreciation	3,359,401	2,750,870
Provision for indemnity	(174,235)	(79,792)
Net changes in working capital items	1,368,764	609,238
	-----	-----
Net cash (used in) operating activities	(1,544,530)	(1,856,004)
	-----	-----
Cash flows from financing activities		
Related parties	1,520,820	1,835,126
	-----	-----
Net cash from financing activities	1,520,820	1,835,126
	-----	-----
Net (decrease) in cash and cash equivalents	(23,710)	(20,878)
Cash and cash equivalents at the beginning of the period	28,504	64,527
	-----	-----
Cash and cash equivalents at the end of period	4,794	43,649
	=====	=====

The accompanying notes form an integral part of these interim condensed financial information.

(1)

**AL FIRDOUS HOLDINGS (P.J.S.C.)
AND IT'S SUBSIDIARY
DUBAI – UNITED ARAB EMIRATES**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE
MONTHS ENDED DECEMBER 31, 2019
(UNAUDITED)**

"All amounts are in U.A.E. Dirham unless otherwise stated"

1 COMPANY'S INFORMATION AND ACTIVITIES

Al Firdous Holdings (P.J.S.C.) (the "Company") is a public joint stock company registered on July 1, 1998 in Dubai, United Arab Emirates, according to Ministerial Decree Number 106 for the year 1998. The Company commenced its operation on October 22, 1998. The registered address of the Company is P.O. Box 25233, Dubai, United Arab Emirates.

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

With effect from January 1, 2009, the Company sold its 100% owner subsidiary (Al Firdous Company Co. Ltd for Hotels) and its Islamic financing and investing assets with Al Massa Co. for Urban Development Jeddah, KSA (together referred as the "Investment Portfolio") for a consideration of AED 326,789,701.

On December 31, 2014, the Company incorporated a subsidiary, Yummy Chain Two L.L.C. The principal activity of the subsidiary is operating in the Emirate of Dubai.

2 BASIS OF PREPARATION

The interim condensed financial information has been prepared in compliance with the International Accounting Standard No, 34 which related to the interim financial information. The interim condensed financial information does not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included, the operating results for the interim period ended December 31, 2019 are not necessarily indicative of the results that may be expected for the year ending March 31, 2020. For further information, refer to the financial statements and notes thereto included in the company's annual report for the year ended March 31, 2019.

3 OTHER RECEIVABLES

	December 31, 2019 (Unaudited)	March 31, 2019 (Audited)
Prepaid expenses	110,343	530,047
Advances to suppliers	4,337	4,337
Refundable deposits	160,015	160,015
Others	195,782	4,850
	470,477	699,249
	=====	=====

(2)

**AL FIRDOUS HOLDINGS (P.J.S.C.)
AND IT'S SUBSIDIARY
DUBAI – UNITED ARAB EMIRATES**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE
MONTHS ENDED DECEMBER 31, 2019
(UNAUDITED)**

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4 RECEIVABLE ON SALE OF THE INVESTMENT PORTFOLIO

This represents the amount receivable from Islamic Arab Insurance Co. Labuan, Malaysia on the sale of the Al Firdous Company 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 5).

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, and 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 interim condensed consolidated financial statements. Negotiations are being held with Islamic Arab Insurance Co., Labuan for an early resolution to this matter. The Directors consider that the amount will be recovered on the eventual disposal of the investment Portfolio and, accordingly, the Company has not made any provision against this receivable.

5 RELATED PARTIES

Related parties comprise of the major shareholders, Board of Directors, entities controlled by them or under their joint control, executive officers, key management personnel and their close family members. The parent company approves the terms and conditions of related parties' transactions. The amount due from / to related parties do not attract interest although there are no defined repayment arrangements

The transactions between affiliates represent financial transaction.

a) The balances due from related parties at period end are as follows: -

	December 31, 2019 (Unaudited)	March 31, 2019 (Audited)
Advance against purchase of property – Entity under common control	289,939,984	289,939,984
Due from Bin Zayed Company – Entity under common control	5,782,160	5,782,160
Others	-	157,364
	=====	=====
	295,722,144	295,879,508
	=====	=====

(3)

**AL FIRDOUS HOLDINGS (P.J.S.C.)
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DUBAI – UNITED ARAB EMIRATES**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2019
(UNAUDITED)**

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Advance against the purchase of property represents the payment made for the purchase of land in the Emirate of Dubai.

For the period ended 31 December 2019, the Company has not recorded any impairment of amounts owed by related parties (31 March 2019: AED NIL).

The amount receivable on sale of the Investment Portfolio (Note 4) has been guaranteed by Bin Zayed Company, a related party. The security provided by Bin Zayed Company against the amount receivable on sale of the Investment Portfolio is a plot of land located in Dubai, United Arab Emirates which was appraised by an independent property consultant at AED 640,000,000 as of 31 October 2008.

Bin Zayed Company has also undertaken to secure the balance due from related parties amounting to AED 295,722,144 (31 March 2019: AED 295,879,508) by the assignment of properties to the Company with fair value not less than an equivalent amount.

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

	December 31, 2019 (Unaudited)	March 31, 2019 (Audited)
Other related parties	44,980,432 =====	43,616,976 =====
Directors' fee payables	600,000 =====	600,000 =====

6 CASH AND CASH EQUIVALENTS

	December 31, 2019 (Unaudited)	March 31, 2019 (Audited)
Cash on hand	1,042	9,312
Cash at banks – current accounts	3,752	19,192
	4,794 =====	28,504 =====

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**AL FIRDOUS HOLDINGS (P.J.S.C.)
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DUBAI – UNITED ARAB EMIRATES**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE
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(UNAUDITED)**

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7 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement	Machinery and Other assets	Furniture and fixture	Total
Cost:				
Balance at March 31, 2019	12,828,779	10,097,496	2,766,269	25,692,544
Disposal during the period	-	(86,000)	-	(86,000)
Balance at December 31, 2019	12,828,779	10,011,496	2,766,269	25,606,544
Depreciation:				
Balance at March 31, 2019	9,314,039	5,376,576	2,415,214	17,105,829
Depreciation for the period	1,834,256	1,174,090	351,055	3,359,401
Disposal during the period	-	(86,000)	-	(86,000)
Balance at December 31, 2019	11,148,295	6,464,666	2,766,269	20,379,230
Net book values:				
Balance at December 31, 2019 (Unaudited)	1,680,484	3,546,830	-	5,227,314
	=====	=====	=====	=====
Balance at March 31, 2019 (Audited)	3,514,740	4,720,920	351,055	8,586,715
	=====	=====	=====	=====

8 OTHER PAYABLES AND PROVISIONS

	December 31, 2019 (Unaudited)	March 31, 2019 (Audited)
Accrued expenses	1,314,924	1,083,050
Directors' fee payables	600,000	600,000
Others	2,215,851	2,206,108
	-----	-----
	4,130,775	3,889,158
	=====	=====

9 SHARE CAPITAL

The issued and fully paid up capital of the Company is AED 600,000,000 comprising of 600,000,000 No. of shares of AED 1 each.

(5)

**AL FIRDOUS HOLDINGS (P.J.S.C.)
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10 STATUTORY RESERVE

As required by the company law of United Arab Emirates, 10% of the profit for the year is to be transferred to statutory reserve. The shareholders may resolve to discontinue such annual transfers as reserve equals one half of the share capital. The reserve is not available for distribution.

11 OTHER INCOME

	December 31, 2019 (Unaudited)	December 31, 2018 (Unaudited)
Sale of fixed assets	86,000	-
	-----	-----
	86,000	-
	=====	=====

12 GENERAL, ADMINISTRATIVE AND SELLING EXPENSES

	December 31, 2019 (Unaudited)	December 31, 2018 (Unaudited)
Salaries and related benefits	615,305	593,158
Rent	549,026	549,026
Others	468,325	564,970
	-----	-----
	1,632,656	1,707,154
	=====	=====

13 (LOSS) PER SHARE

	December 31, 2019 (Unaudited)	December 31, 2018 (Unaudited)
(Loss) for the period	(6,098,460)	(5,136,320)
	=====	=====
Weighted average number of ordinary shares for purposes of basic earnings	600,000,000	600,000,000
	-----	-----
(Loss) per share	(0.0102)	(0.0085)
	=====	=====

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE
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13 GENERAL ASSEMBLY OF SHAREHOLDERS

The ordinary general assembly of shareholders was held on July 18, 2019 who approved the financial statements for the year ended March 31, 2019.

14 FINANCIAL INSTRUMENTS

The Company in the normal course of business uses various types of financial instruments. Information on financial risks and fair value of these financial instruments are set out below.

a) Credit risk

Financial assets, which potentially subject the Company to credit risk, consist principally of cash at banks and accounts receivable. The Company cash is placed with high credit rating financial institutions and receivables are presented net of allowance for doubtful debts. Credit risk with respect to receivables is limited due to the large number of customers and their dispersion across different industries.

b) Interest rate risk

The effective interest rates and the periods in which interest bearing financial assets and liabilities are reprised or mature are indicated in the respective notes.

c) Currency risk

The Company ensures that the net exposure is kept to an acceptable level, by dealing in currencies that do not fluctuate significantly against the U.A.E. Dirham.

15 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved by the board of directors on February 12, 2020