

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

INTERIM CONDENSED FINANCIAL STATEMENTS

30 JUNE 2009 (UNAUDITED)

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

Introduction

We have reviewed the accompanying interim condensed financial statements of Al Firdous Holdings (P.J.S.C) as at 30 June 2009, comprising the interim balance sheet as at 30 June 2009 and the related interim income statement, cash flow statement and statement of changes in equity for the three-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 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

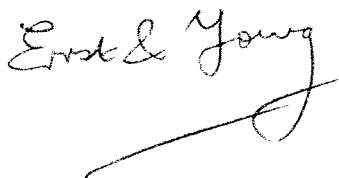
Scope of Review

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.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Ernst & Young', with a long horizontal stroke extending to the right.

Signed by
Edward B. Quinlan
Partner
Registration No. 93

30 July 2009

Dubai, United Arab Emirates

Al Firdous Holdings (P.J.S.C)
INTERIM INCOME STATEMENT
Period ended 30 June 2009 (Unaudited)

	<i>Notes</i>	<i>Quarter ended 30 June 2009 AED</i>	<i>Quarter ended 30 June 2008 AED (Restated)</i>
Revenue		492,310	96,815
Direct costs		(357,458)	(100,545)
Gross profit (loss)		134,852	(3,730)
Income on deposit		20,037	5,395
Other income		131,362	287,589
Gain on sale of trading securities		-	9,202,826
Amortisation of intangible assets	5	-	(746,075)
Administrative expenses		(342,660)	(513,936)
(Loss) / profit for the period before discontinued operations		(56,409)	8,232,069
Loss from discontinued operations	6	-	(12,305,327)
LOSS FOR THE PERIOD		(56,409)	(4,073,258)
Basic and diluted loss per share	3	(0.00009)	(0.00679)

The attached notes 1 to 9 form part of these interim condensed financial statements.

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

INTERIM BALANCE SHEET

At 30 June 2009 (Unaudited)

	Note	30 June 2009 AED	31 March 2009 AED (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		20,667	22,047
Current assets			
Accounts receivable and prepayments		295,880,225	295,890,182
Receivable on sale of investment portfolio		326,789,701	326,789,701
Cash and cash equivalents	4	2,720,195	2,715,940
		<u>625,390,121</u>	<u>625,395,823</u>
TOTAL ASSETS		<u>625,410,788</u>	<u>625,417,870</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		600,000,000	600,000,000
Additional paid in capital		894,645	894,645
Statutory reserve		3,435,562	3,435,562
Retained earnings		20,273,078	20,329,487
Total equity		<u>624,603,285</u>	<u>624,659,694</u>
Non-current liability			
Employees' end of service benefits		45,856	41,824
Current liability			
Accounts payable and accruals		761,647	716,352
Total liability		<u>807,503</u>	<u>758,176</u>
TOTAL EQUITY AND LIABILITIES		<u>625,410,788</u>	<u>625,417,870</u>

Chairman
30 July 2009

Director
30 July 2009

The attached notes 1 to 9 form part of these interim condensed financial statements.

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

INTERIM CASH FLOW STATEMENT

Period ended 30 June 2009 (Unaudited)

	<i>Notes</i>	Three months ended 30 June 2009 AED	Three months ended 30 June 2008 AED (Restated)
OPERATING ACTIVITIES			
Loss for the period		(56,409)	(4,073,258)
Adjustments for:			
Depreciation		1,380	1,142
Amortisation of intangible assets		-	746,075
Income on deposit		(20,037)	(5,395)
Gain on sale of trading securities		-	(9,202,826)
Provision for employees' end of service benefits		4,032	1,813
		<u>(71,034)</u>	<u>(12,532,449)</u>
Working capital changes:			
Accounts receivable and prepayments		9,957	(119,152,223)
Accounts payable and accruals		45,295	(73,997,381)
Cash from operating activities from discontinued operations		-	7,388,876
		<u>(15,782)</u>	<u>(198,293,177)</u>
INVESTING ACTIVITIES			
Islamic financing and investing assets		-	(267,429)
Proceeds from sale of trading securities		-	113,894,677
Income on deposits		20,037	5,395
Cash used in investing activities from discontinued operations		-	(16,460,680)
		<u>20,037</u>	<u>97,171,963</u>
FINANCE ACTIVITY			
Cash used in financing activities from discontinued operations		-	(598,117)
Cash used in financing activity		-	(598,117)
		<u>-</u>	<u>(598,117)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		4,255	(101,719,331)
Cash and cash equivalents at beginning of period		<u>2,715,940</u>	<u>122,830,382</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4	<u>2,720,195</u>	<u>21,111,051</u>

The attached notes 1 to 9 form part of these interim condensed financial statements.

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

INTERIM STATEMENT OF CHANGES IN EQUITY

Period ended 30 June 2009 (Unaudited)

2009:

	<i>Share capital AED</i>	<i>Additional paid in capital AED</i>	<i>Statutory reserve AED</i>	<i>Retained earnings AED</i>	<i>Total AED</i>
Balance at 1 April 2009	600,000,000	894,645	3,435,562	20,329,487	624,659,694
Loss for the period	-	-	-	(56,409)	(56,409)
Balance at 30 June 2009	600,000,000	894,645	3,435,562	20,273,078	624,603,285

2008:

	<i>Share capital AED</i>	<i>Additional paid in capital AED</i>	<i>Statutory reserve AED</i>	<i>Retained earnings AED</i>	<i>Total AED</i>
Balance at 1 April 2008 as previously reported	600,000,000	894,645	1,826,610	16,439,493	619,160,748
Adjustment resulting from purchase price allocation exercise (Note 5)	-	-	-	(9,890,573)	(9,890,573)
Balance at 1 April 2008 (restated)	600,000,000	894,645	1,826,610	6,548,920	609,270,175
Loss for the period	-	-	-	(3,327,183)	(3,327,183)
Balance at 30 June 2008 as previously reported	600,000,000	894,645	1,826,610	3,221,737	605,942,992
Adjustment resulting from purchase price allocation exercise (Note 5)	-	-	-	(746,075)	(746,075)
Balance at 30 June 2008 (restated)	600,000,000	894,645	1,826,610	2,475,662	605,196,917

The attached notes 1 to 9 form part of these interim condensed financial statements.

1 ACTIVITIES

Al Firdous Holdings (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. The Company is engaged principally in the business of organising Hajj and Umrah trips.

Up to 31 December 2008, the Group consisted 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 Umrah 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 Massaa Urban and Development Co., Jeddah, Kingdom of Saudi Arabia (together referred as the “investment portfolio”) for a consideration of AED 326,789,701.

Accordingly, for the purpose of these interim financial statements, the subsidiary’s results of operations were consolidated up to 30 June 2008 and shown as profit or loss from discontinued operations on the face of the interim income statement for the three month period ended 30 June 2008.

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 2009.

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 2009. In addition, results for the three months ended 30 June 2009 are not necessarily indicative of the results that may be expected for the financial year ending 31 March 2010.

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.

The Company has enhanced disclosures in these interim condensed financial statements as required by circular AA/K/170/2009 RN issued by the Securities and Commodities Authority. Such disclosures primarily relate to the investment activities of the Company, the classification of such activities, and related explanatory notes and accounting policies.

3 BASIC AND DILUTED LOSS PER SHARE

Basic (loss) per share is calculated by dividing the loss for the period (30 June 2008: restated loss of AED 4,073,258) by the weighted average number of shares of 600,000,000 (30 June 2008: 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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

At 30 June 2009 (Unaudited)

4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the interim cash flow statement consist of the following balance sheet amount:

	<i>30 June 2009 AED</i>	<i>30 June 2008 AED</i>
Cash and bank balances	720,195	17,404,994
Short term deposits	2,000,000	3,706,057
	<u>2,720,195</u>	<u>21,111,051</u>

Cash and bank balances of AED 2,720,195 (30 June 2008: AED 6,739,742) are placed with banks in the UAE. Cash and bank balances of AED Nil (30 June 2008: AED 14,371,309) are placed with banks in Saudi Arabia.

5 BUSINESS COMBINATION

In 2007, the Company entered into an agreement to acquire 100% ownership in Al Firdous Group Co for Hotels, a company involved in managing and operating hotels and restaurants in the Kingdom of Saudi Arabia and organising Hajj and Umrah trips, for a consideration amounting to AED 150,000,000. The transfer and registration of Al Firdous Group Co for Hotels in favour of the Company was finalised on 14 July 2007. This transaction has been accounted for using the purchase method of accounting. The fair values of the identifiable assets and liabilities of Al Firdous Group Co for Hotels and the corresponding carrying amounts as of the date of acquisition were as follows:

	<i>Carrying value AED</i>	<i>Fair value AED</i>
Assets acquired:		
Property, plant and equipment	26,823,009	26,823,009
Intangible assets	-	29,038,218
Accounts receivable and prepayments	31,428,873	31,428,873
Inventories	715,495	715,495
Bank balances and cash	2,749,056	2,749,056
Total assets	<u>61,716,433</u>	<u>90,754,651</u>
Less: liabilities assumed		
Employees' end of service benefits	(933,853)	(933,853)
Accounts payable and accruals	(20,210,552)	(20,210,552)
Murahaba financing	(1,774,408)	(1,774,408)
Net assets	<u>38,797,620</u>	<u>67,835,838</u>
Goodwill on acquisition	<u>111,202,380</u>	<u>82,164,162</u>
Total consideration	<u>150,000,000</u>	<u>150,000,000</u>
Cash flow on acquisition:		
Cost of acquisition		150,000,000
Less: net cash acquired		(2,749,056)
Net cash outflow		<u>147,250,944</u>

5 BUSINESS COMBINATION (continued)

The initial accounting for the above acquisition was provisional in the 31 March 2008 financial statements as the Purchase Price Allocation (PPA) had not been finalised. Subsequently, the final valuations and PPA were completed and the Company recognised the relevant adjustments, as shown above, with effect from the date of acquisition as required by IFRS 3.

Consequently, the retained earnings for the year ended 31 March 2008 and income statement for the three month period ended 30 June 2008 have been restated to show the amortisation of intangible assets of AED 9,890,573 and AED 746,075 respectively.

6 DISCONTINUED OPERATIONS

In the Board of Directors meeting held on 1 March 2009, the Directors resolved to dispose of the 100% interest in Al Firdous Group Co Ltd for Hotels (a 100% subsidiary) with effect from 1 January 2009. Accordingly, for the purpose of these interim financial statements, the subsidiary's results of operations were consolidated up to 30 June 2008 and shown as profit or loss from discontinued operations on the face of the interim income.

The results of subsidiary for the three month period ended 30 June 2008 are presented below:

	<i>AED</i>
Revenue	21,252,115
Direct costs	(14,541,955)
Gross profit	6,710,160
Administrative expenses	(18,770,587)
Loss for the period before Zakat	(12,060,427)
Zakat	(244,900)
Loss from discontinued operations	(12,305,327)

In order to facilitate comparison with the previous period, prior period amounts have been reclassified to disclose the results of subsidiary for the period ended 30 June 2008. Such reclassification does not affect previously reported loss or total equity.

7 RELATED PARTY 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 management.

a) Balances with related parties included in the balance sheet are as follows:

	<i>30 June 2009 AED</i>	<i>31 March 2009 AED</i>
Due from Bin Zayed Group	5,901,543	5,901,543
Advance against purchase of property	289,939,984	289,939,984
	<u>295,841,527</u>	<u>295,841,527</u>

7 RELATED PARTY TRANSACTIONS (continued)

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

For the period ended 30 June 2009, the Company has not recorded any impairment of amounts owed by related party (31 March 2009: AED Nil).

- b) Against the amount receivable on sale of the investment portfolio, the Company obtained a guarantee letter from Bin Zayed Group, a related party. The security provided by the related party 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.

8 COMMITMENTS

The Company has no future obligations or commitments as of 30 June 2009 (31 March 2009: Nil)

9 SEGMENTAL INFORMATION

Up to the date of disposal of the subsidiary, the Group operated in two geographic markets: U.A.E. under Al Firdous Holdings (P.J.S.C) which functions as the corporate office and Kingdom of Saudi Arabia under Al Firdous Group Co Ltd for Hotels Group which organizes Hajj and Umrah trips. The following table shows the distribution of the Group's operating income and total assets and liabilities by operating and geographic segments:

2009:

	<i>U.A.E Corporate Three months ended 30 June 2009 AED (Unaudited)</i>	<i>Saudi Arabia Haj and Umrah Three months ended 30 June 2009 AED (Unaudited)</i>	<i>Total Three months ended 30 June 2009 AED (Unaudited)</i>
Revenues	<u>492,310</u>	<u>-</u>	<u>492,310</u>
Other income	<u>151,399</u>	<u>-</u>	<u>151,399</u>
Segment loss	<u>(56,409)</u>	<u>-</u>	<u>(56,409)</u>
Total assets	<u>625,410,788</u>	<u>-</u>	<u>625,410,788</u>
Total liabilities	<u>807,503</u>	<u>-</u>	<u>807,503</u>

9 SEGMENTAL INFORMATION (continued)

2008:

	<i>U.A.E Corporate Three months ended 30 June 2008 AED (Unaudited)</i>	<i>Saudi Arabia Haj and Umra Three months ended 30 June 2008 AED (Unaudited)</i>	<i>Total Three months ended 30 June 2008 AED (Unaudited)</i>
Revenues	<u>96,815</u>	<u>21,252,115</u>	<u>21,348,930</u>
Other income	<u>292,984</u>	<u>-</u>	<u>292,984</u>
Segment profit (loss)	<u>8,232,069</u>	<u>(12,305,327)</u>	<u>(4,073,258)</u>
Total assets	<u>497,869,704</u>	<u>127,682,528</u>	<u>625,552,232</u>
Total liabilities	<u>1,300,410</u>	<u>19,054,905</u>	<u>20,355,315</u>