

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

INTERIM CONDENSED FINANCIAL STATEMENTS

31 DECEMBER 2009 (UNAUDITED)

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

Introduction

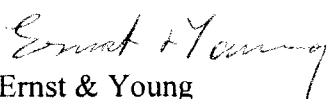
We have reviewed the accompanying interim condensed financial statements of Al Firdous Holdings (P.J.S.C.) as at 31 December 2009, comprising the interim balance sheet as at 31 December 2009 and the related interim statements of income and other comprehensive income for the three months and nine months period then ended, cash flow statement and statement of changes in equity for the nine months 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

Signed by
Naushad Anwar
Partner
Registration No. 489

31 January 2010
Dubai, United Arab Emirates

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

INTERIM INCOME STATEMENT

Period ended 31 December 2009 (Unaudited)

	<i>Notes</i>	<i>Three months ended 31 December</i>		<i>Nine months ended 31 December</i>	
		2009 AED	2008 AED	2009 AED	2008 AED
Revenue		-	995,697	524,860	1,340,662
Direct costs		-	(722,562)	(406,591)	(1,225,003)
Gross profit		-	273,135	118,269	115,659
Income on deposit		17,046	2,919	57,236	11,685
Other income		1,500	105,332	135,022	395,322
(Loss) gain on sale of trading securities		-	(4,377,698)	-	2,355,310
Amortization of intangible assets		-	(746,075)	-	(2,238,225)
Administrative expenses		(219,407)	(403,002)	(773,135)	(1,352,790)
Loss for the period before discontinued operations		(200,861)	(5,145,389)	(462,608)	(713,039)
Profit from discontinued operations	6	-	26,141,840	-	20,311,619
(LOSS) / PROFIT FOR THE PERIOD		(200,861)	20,996,451	(462,608)	19,598,580
Basic and diluted (loss) / earnings per share	3	(0.00033)	0.034	(0.00077)	0.031

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

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

INTERIM STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 December 2009 (Unaudited)

	<i>Three months ended 31 December</i>		<i>Nine months ended 31 December</i>	
	2009	2008	2009	2008
	AED	AED	AED	AED
(Loss) / profit for the period	(200,861)	20,996,451	(462,608)	19,598,580
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / profit for the period	(200,861)	20,996,451	(462,608)	19,598,580

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 31 December 2009 (Unaudited)

	Notes	31 December 2009 AED	31 March 2009 AED (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		17,876	22,047
Current assets			
Accounts receivable and prepayments	7	295,785,206	295,890,182
Receivable on sale of investment portfolio	7	326,789,701	326,789,701
Cash and cash equivalents	4	2,065,530	2,715,940
		<u>624,640,437</u>	<u>625,395,823</u>
TOTAL ASSETS		<u>624,658,313</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		19,866,879	20,329,487
Total equity		<u>624,197,086</u>	<u>624,659,694</u>
Non-current liability			
Employees' end of service benefits		53,222	41,824
Current liability			
Accounts payable and accruals		408,005	716,352
Total liabilities		<u>461,227</u>	<u>758,176</u>
TOTAL EQUITY AND LIABILITIES		<u>624,658,313</u>	<u>625,417,870</u>



Chairman
31 January 2010



Director
31 January 2010

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 31 December 2009 (Unaudited)

	<i>Note</i>	<i>Nine months ended 31 December</i>	
		<i>2009 AED</i>	<i>2008 AED</i>
OPERATING ACTIVITIES			
(Loss) / profit for the period		(462,608)	19,598,580
Adjustments for:			
Depreciation		4,171	3,690
Amortisation of intangible assets		-	2,238,225
Income on deposit		(57,236)	(11,685)
Gain on sale of trading securities		-	(2,355,310)
Provision for employees' end of service benefits		11,398	8,478
		(504,275)	19,481,978
Working capital changes:			
Accounts receivable and prepayments		104,976	(120,506,499)
Accounts payable and accruals		(308,347)	(74,710,866)
Cash from operating activities from discontinued operations		-	17,133,166
Net cash used in operating activities		(707,646)	(158,602,221)
INVESTING ACTIVITIES			
Islamic financing and investing assets		-	(4,367,053)
Proceeds from sale of trading securities		-	116,980,494
Income on deposit		57,236	11,685
Cash used in investing activities from discontinued operations		-	(46,835,863)
Net cash from investing activities		57,236	65,789,263
FINANCE ACTIVITIES			
Directors' fee paid		-	(700,000)
Cash used in financing activities from discontinued operations		-	(598,117)
Cash used in financing activities		-	(1,298,117)
DECREASE IN CASH AND CASH EQUIVALENTS		(650,410)	(94,111,075)
Cash and cash equivalents at beginning of period		2,715,940	122,830,382
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4	2,065,530	28,719,307

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 31 December 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
Comprehensive loss for the period	-	-	-	(462,608)	(462,608)
Balance at 31 December 2009	600,000,000	894,645	3,435,562	19,866,879	624,197,086

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
Directors' fee paid	-	-	-	(700,000)	(700,000)
Comprehensive profit for the period	-	-	-	19,598,580	19,598,580
Balance at 31 December 2008	600,000,000	894,645	1,826,610	25,447,500	628,168,755

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 31 December 2008 and shown as profit or loss from discontinued operations on the face of the interim income statement for the three month and nine month period ended 31 December 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 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 nine month period ended 31 December 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.

IASB Standards and Interpretation issued and adopted

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 March 2009 except as noted below:

IFRS 8 Operating Segments

This standard requires disclosure of information about the Company's operating segments and replaces the requirement to determine primary (business) and secondary (geographical) reporting segments of the Company. Adoption of the standard did not have any effect on the financial position or performance of the Company.

IAS 1 Revised Presentation of Financial Statements

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognized income and expense, either in one single statement, or in two linked statements. The Company has elected to present two statements.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 31 December 2009 (Unaudited)

3 BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE

Basic loss per share is calculated by dividing the loss for the period (31 December 2008: basic earnings per share is calculated by dividing the profit for the period including Directors' fees of AED 700,000) by the weighted average number of shares of 600,000,000 (31 December 2008: 600,000,000) of AED 1 each outstanding during the period.

The figures for basic and diluted (loss) / 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.

4 CASH AND CASH EQUIVALENTS

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

	<i>31 December 2009 AED</i>	<i>31 December 2008 AED</i>
Cash and bank balances	565,530	28,528,957
Short term deposits	1,500,000	190,350
	<u>2,065,530</u>	<u>28,719,307</u>

Bank balances of AED 562,982 (31 December 2008: AED 2,357,736) are placed with banks in the UAE. Bank balances of AED Nil (31 December 2008: AED 26,361,571) are placed with banks in Saudi Arabia.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 31 December 2009 (Unaudited)

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	61,716,433	90,754,651
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	38,797,620	67,835,838
Goodwill on acquisition	111,202,380	82,164,162
Total consideration	150,000,000	150,000,000
Cash flow on acquisition:		
Cost of acquisition		150,000,000
Less: net cash acquired		(2,749,056)
Net cash outflow		147,250,944

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 have been restated to show the amortisation of intangible assets of AED 9,890,573.

6 DISCONTINUED OPERATIONS

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 31 December 2008 and shown as profit or loss from discontinued operations on the face of the interim income statement.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 31 December 2009 (Unaudited)

6 DISCONTINUED OPERATIONS (continued)

The results of the subsidiary for the three months and nine months period ended 31 December 2008 are presented below:

	<i>Three months ended 31 December 2008 AED</i>	<i>Nine months ended 31 December 2008 AED</i>
Revenue	60,918,072	123,475,549
Direct costs	(31,158,635)	(91,554,411)
Gross profit	29,759,437	31,921,138
Administrative expenses	(3,372,697)	(10,874,819)
Profit for the period before Zakat	26,386,740	21,046,319
Zakat	(244,900)	(734,700)
Profit from discontinued operations	26,141,840	20,311,619

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 31 December 2008. Such reclassification does not affect previously reported profit 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.

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

	<i>31 December 2009 AED</i>	<i>31 March 2009 AED</i>
Due from Bin Zayed Group	5,807,601	5,901,543
Advance against purchase of property	289,939,984	289,939,984
	295,747,585	295,841,527

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 31 December 2009, the Company has not recorded any impairment of amounts owed by related party (31 March 2009: 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 above amount of AED 295,747,585 by the assignment of properties to the Company with a fair value not less than the above amount.

8 COMMITMENTS

The Company has no future obligations or commitments as of 31 December 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 Nine months ended 31 December 2009 AED (Unaudited)</i>	<i>Saudi Arabia Haj and Umrah Nine months ended 31 December 2009 AED (Unaudited)</i>	<i>Total Nine months ended 31 December 2009 AED (Unaudited)</i>
Revenues	524,860	-	524,860
Other income	192,258	-	192,258
Segment loss	(462,608)	-	(462,608)
Total assets	624,658,313	-	624,658,313
Total liabilities	461,227	-	461,227

2008:

	<i>U.A.E Corporate Nine months ended 31 December 2008 AED (Unaudited)</i>	<i>Saudi Arabia Haj and Umrah Nine months ended 31 December 2008 AED (Unaudited)</i>	<i>Total Nine months ended 31 December 2008 AED (Unaudited)</i>
Revenues	1,340,662	123,475,549	124,816,211
Other income	2,762,317	-	2,762,317
Segment (loss) / profit	(713,039)	20,311,619	19,598,580
Total assets	531,123,274	105,646,963	636,770,237
Total liabilities	650,355	7,951,127	8,601,482