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

INTERIM CONDENSED FINANCIAL STATEMENTS

30 SEPTEMBER 2010 (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 have reviewed the accompanying interim condensed financial statements of Al Firdous Holdings (P.J.S.C.) as at 30 September 2010, comprising the interim statement of financial position as at 30 September 2010 and the related interim statement of comprehensive income for the three month and six month periods then ended, statement of cash flows and statement of 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 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

Ernst & Young
Signed by
Naushad Anwar
Partner
Registration No. 489

7 November 2010

Dubai, United Arab Emirates

INTERIM STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 September 2010 (Unaudited)

		Three months ended 30 September		*Six months ended 30 September*	
	Notes	***2010 AED***	*2009 AED*	***2010 AED***	*2009 AED*
Revenue		**2,209,443**	32,550	**2,209,443**	524,860
Direct costs		**(953,054)**	(49,133)	**(953,054)**	(406,591)
Gross profit / (loss)		**1,256,389**	(16,583)	**1,256,389**	118,269
Income on deposit		**10,289**	20,153	**20,585**	40,190
Other income		**19,272**	2,160	**19,272**	133,522
Administrative expenses		**(268,345)**	(211,068)	**(416,579)**	(553,728)
Share of revenue to property owner	3	**(188,043)**	-	**(188,043)**	-
PROFIT / (LOSS) FOR THE PERIOD		**829,562**	(205,338)	**691,624**	(261,747)
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD		**829,562**	(205,338)	**691,624**	(261,747)
Basic and diluted earnings / (loss) per share	4	0.0014	(0.0003)	0.0012	(0.0004)

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

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

INTERIM STATEMENT OF FINANCIAL POSITION

At 30 September 2010 (Unaudited)

	Note	*30 September 2010 AED*	*31 March 2010 AED (Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment		**111,742**	16,481
Current assets			
Inventories		**5,435**	-
Accounts receivable and prepayments	7	**295,997,254**	295,768,055
Receivable on sale of the investment portfolio	5	**326,789,701**	326,789,701
Bank balances and cash	6	**2,999,552**	1,912,033
		625,791,942	624,469,789
TOTAL ASSETS		**625,903,684**	624,486,270
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		**20,317,561**	19,625,937
Total equity		**624,647,768**	623,956,144
Non-current liabilities			
Employees' end of service benefits		**67,107**	63,350
Current liabilities			
Accounts payable and accruals		**1,188,809**	466,776
Total liabilities		**1,255,916**	530,126
TOTAL EQUITY AND LIABILITIES		**625,903,684**	624,486,270

Shk. Khaled Al Nahyan
Director
7 November 2010

Mr. Sherif El-Talawy
Chief Financial Officer
7 November 2010

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

INTERIM STATEMENT OF CASH FLOWS

Period ended 30 September 2010 (Unaudited)

	Note	*Six months ended 30 September* 2010 AED	2009 AED
OPERATING ACTIVITIES			
Profit / (loss) for the period		**691,624**	(261,747)
Adjustments for:			
Depreciation		**7,099**	2,776
Income on deposit		**(20,585)**	(40,190)
Provision for employees' end of service benefits		**3,757**	7,436
		681,895	(291,725)
Working capital changes:			
Inventories		**(5,435)**	-
Accounts receivable and prepayments		**(229,199)**	13,192
Accounts payable and accruals		**722,033**	(166,585)
Net cash from (used in) operating activities		**1,169,294**	(445,118)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(102,360)**	-
Income on deposit		**20,585**	40,190
Net cash (used in) from investing activities		**(81,775)**	40,190
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**1,087,519**	(404,928)
Cash and cash equivalents at beginning of period		**1,912,033**	2,715,940
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	6	**2,999,552**	2,311,012

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

INTERIM STATEMENT OF CHANGES IN EQUITY

Period ended 30 September 2010 (Unaudited)

2010:

	Share capital AED	*Additional paid in capital AED*	*Statutory reserve AED*	*Retained earnings AED*	*Total AED*
Balance at 1 April 2010	600,000,000	894,645	3,435,562	19,625,937	623,956,144
Total comprehensive income for the period	-	-	-	691,624	691,624
Balance at 30 September 2010	**600,000,000**	**894,645**	**3,435,562**	**20,317,561**	**624,647,768**

2009:

	Share capital AED	*Additional paid in capital AED*	*Statutory reserve AED*	*Retained earnings AED*	*Total AED*
Balance at 1 April 2009	600,000,000	894,645	3,435,562	20,329,487	624,659,694
Total comprehensive loss for the period	-	-	-	(261,747)	(261,747)
Balance at 30 September 2009	600,000,000	894,645	3,435,562	20,067,740	624,397,947

The attached notes 1 to 8 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 and in managing, operating and maintaining Hotel Apartments.

During the period ended 30 September 2010, the Company has 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 memorandum of understanding dated 1 July 2010, the owner of Oasis Court Hotel Apartments is entitled to a share equivalent to 10% of the total room 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 2010.

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 2010. In addition, results for the six month period ended 30 September 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 March 2011.

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/170/2010 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 SHARE OF REVENUE TO PROPERTY OWNER

This represents 10% of total room revenues payable to Gulf Oasis Reality (note 1).

4 BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE

Basic earnings / (loss) per share is calculated by dividing the profit for the period of AED 691,624 (30 September 2009: loss of AED 261,747) by the weighted average number of shares of 600,000,000 (30 September 2009: 600,000,000) of AED 1 each outstanding during the period.

The figures for basic and diluted earnings / (loss) 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 the sale of the investment portfolio of the Group comprising Al Firdous Group Co Ltd for Hotels, a wholly owned subsidiary upto 31 December 2008, and Islamic investing and finance assets with Al Masaa Co for Urban Development. This amount is guaranteed by a related party (Note 7).

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 the 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 the date of the financial statements as of 31 March 2010. Accordingly, the amount receivable on the sale of the investment portfolio has been classified as current.

6 CASH AND CASH EQUIVALENTS

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

	30 September 2010 AED	*30 September 2009 AED*
Cash and bank balances	**1,499,552**	311,012
Short term deposits	**1,500,000**	2,000,000
	2,999,552	2,311,012

Cash and bank balances of AED 2,990,508 (30 September 2009: AED 2,307,684) are placed with banks in the UAE.

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 management.

Balances with related parties included in the statement of financial position are as follows:

	30 September 2010 AED	*31 March 2010 AED*
Due from Bin Zayed Group	**5,782,160**	5,789,651
Advance against purchase of property	**289,939,984**	289,939,984
Due to other related parties	**69,908**	-
	295,792,052	295,729,635

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 September 2010, the Company has not recorded any impairment of amounts owed by related parties (31 March 2010: AED Nil).

7 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

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 295,722,144 by the assignment of properties to the Company with a fair value not less that the above amount.

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

	30 September 2010 AED	*30 September 2009 AED*
Share of revenue to property owner	**188,043**	-

8 COMMITMENTS

The Company has no future obligations or commitments as of 30 September 2010 (31 March 2010: Nil).