

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

**INTERIM CONDENSED
FINANCIAL STATEMENTS**

31 DECEMBER 2010 (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 2010, comprising the interim statement of financial position as at 31 December 2010 and the related interim statement of comprehensive income for the three month and nine month period then ended, statement of cash flows and statement of changes in equity for the nine 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.

A handwritten signature in blue ink, appearing to read 'Ernst & Young'.

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

9 February 2011

Dubai, United Arab Emirates

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

INTERIM STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 December 2010 (Unaudited)

	<i>Notes</i>	<i>Three months ended 31 December</i>		<i>Nine months ended 31 December</i>	
		<i>2010 AED</i>	<i>2009 AED</i>	<i>2010 AED</i>	<i>2009 AED</i>
Revenue		2,638,585	-	4,848,028	524,860
Direct costs		(1,127,506)	-	(2,080,560)	(406,591)
Gross profit		1,511,079	-	2,767,468	118,269
Income on deposit		21,063	17,046	41,648	57,236
Other income		24,480	1,500	43,752	135,022
Administrative expenses		(232,133)	(219,407)	(648,712)	(773,135)
Share of revenue to property owner	3	(222,716)	-	(410,759)	-
PROFIT / (LOSS) FOR THE PERIOD		1,101,773	(200,861)	1,793,397	(462,608)
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD		1,101,773	(200,861)	1,793,397	(462,608)
Basic and diluted earnings / (loss) per share	4	0.00184	(0.00033)	0.00299	(0.00077)

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 31 December 2010 (Unaudited)

	Notes	31 December 2010 AED	31 March 2010 AED (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		171,553	16,481
Current assets			
Accounts receivable and prepayments	7	296,487,146	295,768,055
Receivable on sale of the investment portfolio	5	326,789,701	326,789,701
Bank balances and cash	6	3,913,608	1,912,033
		627,190,455	624,469,789
TOTAL ASSETS		627,362,008	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		21,419,334	19,625,937
Total equity		625,749,541	623,956,144
Non-current liabilities			
Employees' end of service benefits		69,647	63,350
Current liabilities			
Accounts payable and accruals	7	1,542,820	466,776
Total liabilities		1,612,467	530,126
TOTAL EQUITY AND LIABILITIES		627,362,008	624,486,270

Shk. Khaled Al Nahyan
Director
9 February 2011

Mr. Sherif El-Talawy
Chief Financial Officer
9 February 2011

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

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

INTERIM STATEMENT OF CASH FLOWS

Period ended 31 December 2010 (Unaudited)

		<i>Nine months ended</i> <i>31 December</i>	
		<i>2010</i>	<i>2009</i>
	<i>Note</i>	<i>AED</i>	<i>AED</i>
OPERATING ACTIVITIES			
Profit / (loss) for the period		1,793,397	(462,608)
Non-cash adjustments to reconcile profit / (loss) to net cash flows:			
Depreciation		16,439	4,171
Income on deposit		(41,648)	(57,236)
Provision for employees' end of service benefits		6,297	11,398
		<u>1,774,485</u>	<u>(504,275)</u>
Working capital changes:			
Accounts receivable and prepayments		(719,091)	104,976
Accounts payable and accruals		1,076,044	(308,347)
		<u>2,131,438</u>	<u>(707,646)</u>
Net cash from (used in) operating activities			
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(171,511)	-
Income on deposit		41,648	57,236
		<u>(129,863)</u>	<u>57,236</u>
Net cash (used in) from investing activities			
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
		2,001,575	(650,410)
Cash and cash equivalents at beginning of period		1,912,033	2,715,940
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	3,913,608	2,065,530

The attached notes 1 to 8 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 2010 (Unaudited)

2010:

	<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 2010	600,000,000	894,645	3,435,562	19,625,937	623,956,144
Total comprehensive profit for the period	-	-	-	1,793,397	1,793,397
Balance at 31 December 2010	600,000,000	894,645	3,435,562	21,419,334	625,749,541

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
Total 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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 31 December 2010 (Unaudited)

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.

With effect from 1 July 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 nine month period ended 31 December 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 1,793,397 (31 December 2009: loss of AED 462,608) by the weighted average number of shares of 600,000,000 (31 December 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.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 31 December 2010 (Unaudited)

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 amounts:

	<i>31 December 2010 AED</i>	<i>31 December 2009 AED</i>
Cash and bank balances	413,608	565,530
Short term deposits	3,500,000	1,500,000
	<u>3,913,608</u>	<u>2,065,530</u>

Cash and bank balances of AED 3,899,598 (31 December 2009: AED 2,062,982) 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:

a) Accounts receivable and prepayments include:

	<i>31 December 2010 AED</i>	<i>31 March 2010 AED</i>
Due from Bin Zayed Group	5,782,160	5,789,651
Advance against purchase of property	289,939,984	289,939,984
	<u>295,722,144</u>	<u>295,729,635</u>

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

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 31 December 2010 (Unaudited)

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

b) Accounts payable and accruals include:

	<i>31 December 2010 AED</i>	<i>31 March 2010 AED</i>
Due to other related parties	<u>260,953</u>	<u>-</u>

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

	<i>31 December 2010 AED</i>	<i>31 December 2009 AED</i>
Share of revenue to property owner	<u>410,759</u>	<u>-</u>

8 COMMITMENTS

The Company has no commitments contracted for as of 31 December 2010 (31 March 2010: Nil).