

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

**INTERIM CONDENSED
FINANCIAL STATEMENTS**

30 June 2011 (UNAUDITED)

**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 June 2011, comprising the interim statement of financial position as at 30 June 2011 and the related interim statement of comprehensive income, statement of cash flows 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

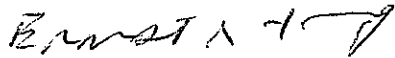
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial 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.

Basis for qualified conclusion

As disclosed in note 5 to the interim condensed financial statements, an amount of AED 326,789,701 is due from Islamic Arab Insurance Co, Labuan, Malaysia being the consideration for sale of the Company's subsidiary, Al Firdous Group Co Ltd for Hotels, and its Islamic investing and financing assets. This amount was to have been settled by 31 March 2011 but is still outstanding as of the date of these interim condensed financial statements. Based on negotiations being held with Islamic Arab Insurance Co, Labuan, no provision has been made against this receivable as Management considers 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 of management. Accordingly, we were unable to determine whether any provision may be required against this receivable. Our report on the financial statements for the year ended 31 March 2011 was also qualified in respect of this matter.

Qualified conclusion

Based on our review, except for the possible effects of the matter referred to above, 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
Ali Issa
Partner
Registration No. 488

11 August 2011

Dubai, United Arab Emirates

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

INTERIM STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 June 2011 (Unaudited)

	<i>Notes</i>	<i>Three months ended 30 June 2011 AED</i>	<i>Three months ended 30 June 2010 AED</i>
Revenue		2,449,082	-
Direct costs		(1,030,535)	-
Gross profit		1,418,547	-
Income on deposit		17,618	10,296
Other income		26,093	-
Administrative expenses		(713,293)	(148,234)
Share of revenue to property owner	3	(388,257)	-
PROFIT / (LOSS) FOR THE PERIOD		360,708	(137,938)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD		360,708	(137,938)
Basic and diluted earnings (loss) per share	4	0.00060	(0.00023)

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

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

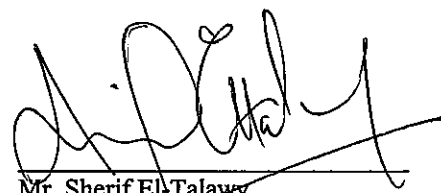
INTERIM STATEMENT OF FINANCIAL POSITION

At 30 June 2011 (Unaudited)

	<i>Notes</i>	30 June 2011 AED (Unaudited)	31 March 2011 AED (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		287,346	217,038
Current assets			
Accounts receivable and prepayments	7	296,663,862	296,817,810
Receivable on sale of the investment portfolio	5	326,789,701	326,789,701
Bank balances and cash	6	6,426,006	5,376,505
		<u>629,879,569</u>	<u>628,984,016</u>
TOTAL ASSETS		<u><u>630,166,915</u></u>	<u><u>629,201,054</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		600,000,000	600,000,000
Additional paid in capital		894,645	894,645
Statutory reserve		3,702,051	3,702,051
Retained earnings		22,385,047	22,024,339
Total equity		<u>626,981,743</u>	<u>626,621,035</u>
Non-current liabilities			
Employees' end of service benefits		42,359	29,710
Current liabilities			
Accounts payable and accruals	7	3,142,813	2,550,309
Total liabilities		<u>3,185,172</u>	<u>2,580,019</u>
TOTAL EQUITY AND LIABILITIES		<u><u>630,166,915</u></u>	<u><u>629,201,054</u></u>



Shk. Khaled Al Nahyan
Director
11 August 2011



Mr. Sherif El-Talawy
Chief Financial Officer
11 August 2011

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

INTERIM STATEMENT OF CASH FLOWS

Period ended 30 June 2011 (Unaudited)

	<i>Note</i>	<i>Three months ended 30 June 2011 AED</i>	<i>Three months ended 30 June 2010 AED</i>
OPERATING ACTIVITIES			
Profit / (loss) for the period		360,708	(137,938)
Adjustments for:			
Depreciation		19,723	1,395
Income on deposit		(17,618)	(10,296)
Provision for employees' end of service benefits		12,649	1,837
		<u>375,462</u>	<u>(145,002)</u>
Working capital changes:			
Accounts receivable and prepayments		153,948	21,627
Accounts payable and accruals		592,504	25,000
		<u>1,121,914</u>	<u>(98,375)</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(90,031)	-
Income on deposit		17,618	10,296
		<u>(72,413)</u>	<u>10,296</u>
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,049,501	(88,079)
Cash and cash equivalents at beginning of the period		<u>5,376,505</u>	<u>1,912,033</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	6	<u>6,426,006</u>	<u>1,823,954</u>

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 30 June 2011 (Unaudited)

2011:

	<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 2011	600,000,000	894,645	3,702,051	22,024,339	626,621,035
Total income and comprehensive income for the period	-	-	-	360,708	360,708
Balance at 30 June 2011	600,000,000	894,645	3,702,051	22,385,047	626,981,743

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 loss and comprehensive loss for the period	-	-	-	(137,938)	(137,938)
Balance at 30 June 2010	600,000,000	894,645	3,435,562	19,487,999	623,818,206

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.

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 renewed memorandum of understanding dated 1 January 2011, the owner of Oasis Court Hotel Apartments is entitled to a share equivalent to 20% 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 2011.

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 2011. In addition, results for the three month period ended 30 June 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 March 2012.

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.

3 SHARE OF REVENUE TO PROPERTY OWNER

This represents 20% 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 360,708 (30 June 2010: loss of AED 137,938) by the weighted average number of shares of 600,000,000 (30 June 2010: 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 sale of the investment portfolio of the Group comprising Al Firdous Group 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 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 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 financial statements. Negotiations are being held with Islamic Arab Insurance Co. Labuan for an early resolution to this matter. The management considers that the amount will be recovered on the eventual disposal of the investment portfolio and, accordingly, has not made any provision against this receivable.

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>30 June 2011 AED</i>	<i>30 June 2010 AED</i>
Cash and bank balances	426,006	323,954
Short term deposits	6,000,000	1,500,000
	<u>6,426,006</u>	<u>1,823,954</u>

The short term deposit is denominated in AED and carries an effective profit rate of 3.5% p.a. (2010: 4% p.a.).

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>30 June 2011 AED</i>	<i>31 March 2011 AED</i>
Due from Bin Zayed Group	5,782,160	5,782,160
Advance against purchase of property	289,939,984	289,939,984
	<u>295,722,144</u>	<u>295,722,144</u>

7 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

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 June 2011, the Company has not recorded any impairment of amounts owed by related parties (31 March 2011: 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 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>30 June 2011 AED</i>	<i>31 March 2011 AED</i>
Other related parties	<u>1,568,142</u>	<u>1,066,921</u>

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

	<i>30 June 2011 AED</i>	<i>30 June 2010 AED</i>
Share of revenue to property owner	<u>388,257</u>	<u>-</u>

8 COMMITMENTS

The Company has no future obligations or commitments as of 30 June 2011 (31 March 2011: Nil).