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

FINANCIAL STATEMENTS

31 MARCH 2011

Ernst & Young
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AL FIRDOUS HOLDINGS (P.J.S.C.)

Report on the Financial Statements

We have audited the accompanying financial statements of Al Firdous Holdings (P.J.S.C.), which comprise the statement of financial position as at 31 March 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the applicable provisions of the articles of association of the Company and the UAE Commercial Companies Law of 1984 (as amended), and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

As disclosed in note 11 to the 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 financial statements. Based on negotiation being held with Islamic Arab Insurance Co, Labuan, no provision has been made against this receivable as the Board of Directors 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AL FIRDOUS HOLDINGS (P.J.S.C.) (CONTINUED)

Qualified opinion
In our opinion, except for the possible effects of the matter referred to above, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 March 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements
We also confirm that, in our opinion, except for the effect of the matter referred to above, the financial statements include, in all material respects:

a) the applicable requirements of the UAE Commercial Companies Law of 1984 (as amended), and the articles of association of Al Firdous Holdings (P.J.S.C.);

b) proper books of account have been kept by Al Firdous Holdings (P.J.S.C.), and the contents of the report of the Board of Directors relating to these financial statements are consistent with the books of account;

c) we have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the UAE Commercial Companies Law of 1984 (as amended) or of the articles of association of Al Firdous Holdings (P.J.S.C.) have occurred during the year which would have had a material effect on the business of Al Firdous Holdings (P.J.S.C.) or on its financial position.

Ernst + Young

Ernst & Young
Signed by
Naushad Anwar
Partner
Registration No. 489
28 June 2011

Dubai, United Arab Emirates

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2011

	Notes	*2011* *AED*	*2010* *AED*
Revenue	5	**7,988,452**	524,860
Direct costs	6	**(3,425,928)**	(406,590)
Gross profit		**4,562,524**	118,270
Income on deposits		**60,466**	62,463
Other income		**67,731**	135,023
Administrative expenses	7	**(1,098,347)**	(1,019,306)
Share of revenue to property owner	8&17	**(927,483)**	-
PROFIT / (LOSS) FOR THE YEAR		**2,664,891**	(703,550)
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		**2,664,891**	(703,550)
Basic and diluted earnings / (loss) per share	4	**0.0044**	(0.0012)

The attached notes 1 to 21 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

At 31 March 2011

	Notes	*2011 AED*	*2010 AED*
ASSETS			
Non-current assets			
Property, plant and equipment	9	**217,038**	16,481
Current assets			
Accounts receivable and prepayments	10	**296,817,810**	295,768,055
Receivable on sale of the investment portfolio	11	**326,789,701**	326,789,701
Bank balances and cash	12	**5,376,505**	1,912,033
		628,984,016	624,469,789
TOTAL ASSETS		**629,201,054**	624,486,270
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**600,000,000**	600,000,000
Additional paid in capital		**894,645**	894,645
Statutory reserve	14	**3,702,051**	3,435,562
Retained earnings		**22,024,339**	19,625,937
Total equity		**626,621,035**	623,956,144
Non-current liabilities			
Employees' end of service benefits	15	**29,710**	63,350
Current liabilities			
Accounts payable and accruals	16	**2,550,309**	466,776
Total liabilities		**2,580,019**	530,126
TOTAL EQUITY AND LIABILITIES		**629,201,054**	624,486,270

Shk. Khaled Al Nahyan
Director
28 June 2011

Mr. Sherif El-Talawy
Chief Financial Officer
28 June 2011

The attached notes 1 to 21 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 March 2011

	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 loss and comprehensive loss for the year	-	-	-	(703,550)	(703,550)
Balance at 31 March 2010	600,000,000	894,645	3,435,562	19,625,937	623,956,144
Total income and comprehensive income for the year	-	-	-	2,664,891	2,664,891
Transfer to statutory reserve	-	-	266,489	(266,489)	-
Balance at 31 March 2011	**600,000,000**	**894,645**	**3,702,051**	**22,024,339**	**626,621,035**

The attached notes 1 to 21 form part of these financial statements.

STATEMENT OF CASH FLOWS

Year ended 31 March 2011

	Notes	*2011* *AED*	*2010* *AED*
OPERATING ACTIVITIES			
Profit / (Loss) for the year		**2,664,891**	(703,550)
Non-cash adjustments to reconcile loss to net cash flows:			
Depreciation		**31,545**	5,566
Provision for employees' end of service benefits		**9,274**	21,526
Income from deposits		**(60,466)**	(62,463)
		2,645,244	(738,921)
Working capital changes:			
Accounts receivable and prepayments		**(1,049,755)**	122,127
Accounts payable and accruals		**2,083,533**	(249,576)
		3,679,022	(866,370)
Employees' end of service benefits paid		**(42,914)**	-
Net cash from (used in) operating activities		**3,636,108**	(866,370)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(232,102)**	-
Income from deposits		**60,466**	62,463
Net cash (used in) from investing activities		**(171,636)**	62,463
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**3,464,472**	(803,907)
Cash and cash equivalents at the beginning of the year		**1,912,033**	2,715,940
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	12	**5,376,505**	1,912,033

The attached notes 1 to 21 form part of these financial statements.

1 ACTIVITIES

Al Firdous Holdings (P.J.S.C.) [formerly Manasek (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. On 13 September 2007, the Company secured approval from the Ministry of Economy to change its name from "Manasek (P.J.S.C.)" to "Al Firdous Holdings (P.J.S.C.)." The Company is engaged principally in the business of organising Hajj and Umra trips.

Up to 31 December 2008, the Company operated as a Group consisting 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 Umra 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 Massa Co. for Urban Development Jeddah, Kingdom of Saudi Arabia (together referred as the "investment portfolio") for a consideration of AED 326,789,701 (Note 11).

With effect from 1 July 2010, the Company 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, the owner of Oasis Court Hotel Apartments is entitled to a share equivalent to 10-20% of the total room revenue (Note 8).

2 FUNDAMENTAL ACCOUNTING CONCEPT

Although the Company had limited operations during the year, the financial statements have been prepared on a going concern basis as management considers that, going forward, the Company will be able to generate more profitable business as it is in the process of developing and implementing new investment plans.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION

These financial statements are prepared under the historical cost convention.

The financial statements have been presented in United Arab Emirates Dirhams (AED), which is the functional and presentation currency of the Company.

Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and applicable requirements of United Arab Emirates laws.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except that the Company has adopted the following new and amended IFRS and IFRIC interpretations as of 1 April 2010:

- IFRS 2 Share-Based Payment
- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended) effective 1 July 2009, including consequential amendments to IFRS 2, IFRS 5, IFRS 7, IAS 7, IAS 21, IAS 28, IAS 31 and IAS 39
- IAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items effective 1 July 2009
- IFRIC 17 Distributions of Non-cash Assets to Owners effective 1 July 2009
- Improvements to IFRSs (May 2008)
- Improvements to IFRSs (April 2009)

The effect of adoption of the standards or interpretations is described below:

IFRS 2 Share-Based Payment
The IASB issued an amendment to IFRS 2 in June 2009 on the accounting for group cash-settled share-based payment transactions. This amendment is effective for financial years beginning on or after 1 January 2010. This amendment also supersedes IFRIC 8 and IFRIC 11. The interpretation has no effect on either the financial position nor performance of the Company.

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)
IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after becoming effective. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

***IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)* (continued)**
IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

The changes by IFRS 3 (Revised) and IAS 27 (Amended) affect acquisitions or loss of control of subsidiaries and transactions with non-controlling interests after 1 January 2010.

The change in accounting policy has no effect on either the financial position or performance of the Company.

IAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items
The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Company has concluded that the amendment will have no impact on the financial position or performance of the Company, as the Company has not entered into any such hedges.

IFRIC 17 ***Distribution of Non-cash Assets to Owners***
This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The interpretation has no effect on either the financial position nor performance of the Company.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 CHANGES IN ACCOUNTING POLICIES (continued)

Improvements to IFRSs
In April 2009, the IASB issued an omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Company.

Issued in April 2009
IAS 7 Statement of Cash Flows: States that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities. This amendment has no impact on the Company as the Company classifies only those expenditure that result in recognising an asset as cash flow from investing activities.

IAS 36 Impairment of Assets: The amendment clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes. The amendment has no impact on the Company as the annual impairment test is performed before aggregation.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Company:

Issued in May 2008
- IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*

Issued in April 2009
- IFRS 8 *Operating Segments*
- IAS 1 *Presentation of Financial Statements*
- IAS 17 *Leases*
- IAS 34 *Interim Financial Reporting*
- IAS 38 *Intangible Assets*
- IAS 39 *Financial Instruments: Recognition and Measurement*
- IFRIC 9 *Reassessment of Embedded Derivatives*
- IFRIC 16 *Hedge of a Net Investment in a Foreign Operation*

Standards issued but not yet effective
The Company has not adopted accounting standards and interpretations issued that are not yet effective. The Company intends to adopt them when they become effective. They are not likely to have any significant impact on the accounting policies, financial position or performance of the Company.

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition
Revenue is recognised in the statement of comprehensive income upon rendering services and issuance of invoices.

Profit on deposits is recognised as the profit accrues.

Dividend revenue is recognised when the right to receive the dividend is established.