

**AL FIRDOUS HOLDINGS (P.J.S.C.)  
AND IT'S SUBSIDIARY  
DUBAI – UNITED ARAB EMIRATES**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED JUNE 30, 2018  
WITH REVIEW REPORT  
(UNAUDITED)**

**AL FIRDOUS HOLDINGS (P.J.S.C.)  
AND IT'S SUBSIDIARY  
DUBAI – UNITED ARAB EMIRATES**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED JUNE 30, 2018  
WITH REVIEW REPORT  
(UNAUDITED)**

---

**Contents**

Review report

	<b><u>Exhibit</u></b>
Interim condensed consolidated statement of financial position (Unaudited)	A
Interim condensed consolidated statement of comprehensive income (Unaudited)	B
Interim condensed consolidated statement of changes in shareholders' equity (Unaudited)	C
Interim condensed consolidated statement of cash flows (Unaudited)	D
	<b><u>Pages</u></b>
Notes to the interim condensed consolidated financial information (Unaudited)	1 - 6

## REVIEW REPORT

The Shareholders  
Al Firdous Holdings (P.J.S.C.)  
And its subsidiary  
Dubai – United Arab Emirates

### **Review Report on the interim condensed consolidated financial information**

#### **Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of Al Firdous Holdings (P.J.S.C.) (the "Company") together with its subsidiary (the "Group") as at 30 June, 2018, comprising the interim condensed consolidated statement of financial position as at 30 June, 2018, the related interim condensed consolidated statement of comprehensive income, statement of changes in shareholders equity and statement of cash flows for the three month period then ended, and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated 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 consolidated financial statement based on our review.

#### **Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditors of the Entity".

A review of interim condensed 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 disclaimer of conclusion**

##### ***Receivable on sale of the investment portfolio***

As disclosed in note 4 to the interim condensed consolidated financial statements, an amount of AED 326,789,701 (31 March, 2018: AED 326,789,701) is due from Islamic Arab Insurance Co, Labuan, Malaysia being the consideration for the sale of the Company's subsidiary, Al Firdous Group Co Ltd for Hotels, and the Company's Islamic Investing and financing assets, together referred to as the "Investment Portfolio". This amount was to be settled by 31 March, 2011 but is still outstanding as of the date of these interim condensed consolidated financial statements. Based on negotiations being held with Islamic Arab Insurance Co, Labuan, no provision has been made against this receivable as the Board of Directors consider 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. Accordingly, we were unable to determine the extent of provision, if any, that may be required against this receivable. The audit report on the consolidated financial statements for the year ended 31 March, 2018 was also disclaimed in respect of this matter.

**Advances against the purchase of the property**

As disclosed in note 5 to the interim condensed consolidated financial statements, an amount of AED 289,939,984 (31 March, 2018: AED 289,939,984) was advanced through a related party for the purchase of land in Dubai. The related party has undertaken to secure the amount of AED 289,939,984 (31 March, 2018: AED 289,939,984) by the assignment of properties to the Company with a fair value not less than an equivalent amount. However, to date, no assignment of properties has taken place and we have not been provided with sufficient and appropriate audit evidence to support the recoverability of this amount. Accordingly, we were unable to determine whether any provision may be required against the advance for the property. The audit report on the consolidated financial statements for the year ended 31 March, 2018 was also disclaimed in respect of this matter.

**Disclaimer of conclusion**

Because of the significance of the matters described in the Basis for disclaimer of conclusion paragraphs above, we are unable to express a conclusion on the interim condensed consolidated financial statements of the Group.

**Emphasis of matter**

We draw attention to Exhibit-C to the interim condensed consolidated financial statements. As states therein, the Group has incurred a loss of AED 1,847,438 for three months' period ended 30 June, 2018 (30 June, 2017: 2,111,189) and has accumulated losses of AED 23,386,188 as at 30 June, 2018 (31 March, 2018: 21,518,750). Notwithstanding this fact, the financial statements of the Group have been prepared on a going concern basis as management believes that the future operations of the Group will be able to support its business and meet its obligations as they fall due. The Group is ultimately supported financially by a shareholder that assumes its ability to continue as a going concern.

  
Hikmat Mukhaimer FCCA  
Registration No. 355  
Rödl Middle East  
Certified Public Accountants

August 5, 2018  
Dubai – U.A.E.





**AL FIRDOUS HOLDINGS (P.J.S.C.)  
AND IT'S SUBSIDIARY  
DUBAI – UNITED ARAB EMIRATES**

Exhibit-A

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2018  
(UNAUDITED)**

*"All amounts are in U.A.E. Dirham"*

	Notes	June 30, 2018 (Unaudited)	March 31, 2018 (Audited)
<b>ASSETS</b>			
<b>Current assets</b>			
Inventories		15,251	21,972
Accounts receivable		7,421	23,647
Other receivables	3	755,750	1,310,362
Receivable on sale of the investment portfolio	4	326,789,701	326,789,701
Due from related parties	5	295,879,508	295,879,508
Cash and cash equivalents	6	37,631	64,527
Total current assets		623,485,262	624,089,717
<b>Non - Current assets</b>			
Property, plant and equipment	7	11,337,587	12,254,543
Total non - current assets		11,337,587	12,254,543
<b>Total assets</b>		<b>634,822,849</b>	<b>636,344,260</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Trade payables		7,753,258	7,578,317
Other payables and provisions	8	3,345,594	3,813,550
Due to related parties	5	41,652,010	41,001,296
Total current liabilities		52,750,862	52,393,163
<b>Non - current liabilities</b>			
Provision for indemnity		336,915	368,587
Total non – current liabilities		336,915	368,587
<b>Shareholders' equity</b>			
Share capital	9	600,000,000	600,000,000
Additional paid in capital		894,645	894,645
Statutory reserve	10	4,206,615	4,206,615
Accumulated (loss)		(23,366,188)	(21,518,750)
Total shareholders' equity		581,735,072	583,582,510
<b>Total liabilities and shareholders' equity</b>		<b>634,822,849</b>	<b>636,344,260</b>

These interim financial statements were approved by the board of directors on 5/8/2018 and signed on their behalf by:



Shk. Khaled Bin Zayed Al Nahyan  
Chairman

The accompanying notes form an integral part of this interim condensed financial information.

**AL FIRDOUS HOLDINGS (P.J.S.C.)  
AND IT'S SUBSIDIARY  
DUBAI – UNITED ARAB EMIRATES**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE  
THREE MONTHS ENDED JUNE 30, 2018  
(UNAUDITED)**

"All amounts are in U.A.E. Dirham"

	Note	June 30, 2018 (Unaudited)	June 30, 2017 (Unaudited)
<b>Revenues</b>			
Sales		496,289	747,044
Cost of sales		(105,542)	(160,636)
		<b>390,747</b>	<b>586,408</b>
<b>Gross profit</b>			
Other operating expenses		(1,574,468)	(1,819,133)
Other income (expenses)		(7,969)	6,935
		<b>(1,191,690)</b>	<b>(1,225,790)</b>
<b>Operating (loss)</b>			
<b>Expenses and other charges</b>			
General, administrative and selling expenses	11	(655,748)	(885,399)
		<b>(655,748)</b>	<b>(885,399)</b>
<b>Total expenses and other charges</b>			
		<b>(1,847,438)</b>	<b>(2,111,189)</b>
<b>Net (loss) for the period</b>			
		<b>-</b>	<b>-</b>
Other comprehensive income for the period			
		<b>(1,847,438)</b>	<b>(2,111,189)</b>
<b>Total comprehensive (loss) for the period</b>			
		<b>(0.0031)</b>	<b>(0.0035)</b>
<b>(Loss) per share</b>	12		

The accompanying notes form an integral part of these interim condensed financial information.

**AL FIRDOUS HOLDINGS (P.J.S.C.)  
AND IT'S SUBSIDIARY  
DUBAI – UNITED ARAB EMIRATES**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS'  
EQUITY FOR THE THREE MONTHS ENDED JUNE 30, 2018  
(UNAUDITED)**

"All amounts are in U.A.E. Dirham"

	Share capital	Additional paid in capital	Statutory reserve	Accumulated (loss)	Total
Balance at April 1, 2017	600,000,000	894,645	4,206,615	(12,719,801)	592,381,459
Total comprehensive (loss) for the period	-	-	-	(2,111,189)	(2,111,189)
Balance at June 30, 2017	600,000,000	894,645	4,206,615	(14,830,990)	590,270,270
Balance at April 1, 2018	600,000,000	894,645	4,206,615	(21,518,750)	583,582,510
Total comprehensive (loss) for the period	-	-	-	(1,847,438)	(1,847,438)
<b>Balance at June 30, 2018</b>	<b>600,000,000</b>	<b>894,645</b>	<b>4,206,615</b>	<b>(23,366,188)</b>	<b>581,735,072</b>

The accompanying notes form an integral part of these interim condensed financial information.

**AL FIRDOUS HOLDINGS (P.J.S.C.)  
AND IT'S SUBSIDIARY  
DUBAI – UNITED ARAB EMIRATES**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS  
ENDED JUNE 30, 2018  
(UNAUDITED)**

"All amounts are in U.A.E. Dirham"

	<b>June 30, 2018 (Unaudited)</b>	<b>June 30, 2017 (Unaudited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) for the period	<b>(1,847,438)</b>	(2,111,189)
Adjustment:		
Depreciation	<b>916,956</b>	908,654
Provision for indemnity	<b>(31,672)</b>	4,316
Net changes in working capital items	<b>935,258</b>	1,847,712
	<b>-----</b>	<b>-----</b>
Net cash (used in) from operating activities	<b>(26,896)</b>	649,493
	<b>-----</b>	<b>-----</b>
Net (decrease) increase in cash and cash equivalents	<b>(26,896)</b>	649,493
Cash and cash equivalents at the beginning of the period	<b>64,527</b>	98,492
	<b>-----</b>	<b>-----</b>
<b>Cash and cash equivalents at the end of period</b>	<b>37,631</b>	747,985
	<b>=====</b>	<b>=====</b>

The accompanying notes form an integral part of these interim condensed financial information.



(1)

**AL FIRDOUS HOLDINGS (P.J.S.C.)  
AND IT'S SUBSIDIARY  
DUBAI – UNITED ARAB EMIRATES**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE  
THREE MONTHS ENDED JUNE 30, 2018  
(UNAUDITED)**

"All amounts are in U.A.E. Dirham unless otherwise stated"

**1 COMPANY'S INFORMATION AND ACTIVITIES**

Al Firdous Holdings (P.J.S.C.) (the "Company") is a public joint stock company registered on July 1, 1998 in Dubai, United Arab Emirates, according to Ministerial Decree Number 106 for the year 1998. The Company commenced its operation on October 22, 1998. The registered address of the Company is P.O. Box 25233, Dubai, United Arab Emirates.

Up to December 31, 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 (KSA) and involved in managing and operating hotels and restaurants in KSA and organizing Hajj and Umrah trips.

With effect from January 1, 2009, the Company sold its 100% owner subsidiary (Al Firdous Group Co. Ltd for Hotels) and its Islamic financing and investing assets with Al Massa Co. for Urban Development Jeddah, KSA (together referred as the "Investment Portfolio") for a consideration of AED 326,789,701.

On December 31, 2014, the Company incorporated a subsidiary, Yummy Chain Two L.L.C. The principal activity of the subsidiary is operating in the Emirate of Dubai.

**2 BASIS OF PRESENTATION**

The interim condensed financial information has been prepared in compliance with the International Accounting Standard No, 34 which related to the interim financial information. The interim condensed financial information does not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included, the operating results for the interim period ended June 30, 2018 are not necessarily indicative of the results that may be expected for the year ending March 31, 2019. For further information, refer to the financial statements and notes thereto included in the company's annual report for the year ended March 31, 2018.

**3 OTHER RECEIVABLES**

	<b>June 30, 2018 (Unaudited)</b>	<b>March 31, 2018 (Audited)</b>
Prepaid expenses	451,092	824,466
Advances to suppliers	5,887	92,270
Refundable deposits	245,810	311,600
Others	52,961	82,026
	-----	-----
	<b>755,750</b>	<b>1,310,362</b>
	=====	=====

(2)

**AL FIRDOUS HOLDINGS (P.J.S.C.)  
AND IT'S SUBSIDIARY  
DUBAI – UNITED ARAB EMIRATES**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE  
THREE MONTHS ENDED JUNE 30, 2018  
(UNAUDITED)**

"All amounts are in U.A.E. Dirham unless otherwise stated"

**4 RECEIVABLE ON SALE OF THE INVESTMENT PORTFOLIO**

This represents the amount receivable from Islamic Arab Insurance Co. Labuan, Malaysia on the sale of the 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 5).

On 29 June 2009, the Group 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, and 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 interim condensed consolidated financial statements. Negotiations are being held with Islamic Arab Insurance Co., Labuan for an early resolution to this matter. The Directors consider that the amount will be recovered on the eventual disposal of the investment Portfolio and, accordingly, the Group has not made any provision against this receivable.

**5 RELATED PARTIES**

Related parties comprise of the major shareholders, Board of Directors, entities controlled by them or under their joint control, executive officers, key management personnel and their close family members. The parent company approves the terms and conditions of related parties' transactions. The amount due from / to related parties do not attract interest although there are no defined repayment arrangements

The transactions between affiliates represent financial transaction.

a) The balances due from related parties at period end are as follows: -

	<b>June 30, 2018 (Unaudited)</b>	<b>March 31, 2018 (Audited)</b>
Advance against purchase of property – Entity under common control	<b>289,939,984</b>	289,939,984
Due from Bin Zayed Group – Entity under common control	<b>5,782,160</b>	5,782,160
Others	<b>157,364</b>	157,364
	<b>-----</b>	<b>-----</b>
	<b>295,879,508</b>	295,879,508
	<b>=====</b>	<b>=====</b>

(3)

**AL FIRDOUS HOLDINGS (P.J.S.C.)  
AND IT'S SUBSIDIARY  
DUBAI – UNITED ARAB EMIRATES**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE  
THREE MONTHS ENDED JUNE 30, 2018  
(UNAUDITED)**

"All amounts are in U.A.E. Dirham unless otherwise stated"

Advance against the purchase of property represents the payment made for the purchase of land in the Emirate of Dubai.

For the period ended 30 June 2018, the Group has not recorded any impairment of amounts owed by related parties (31 March 2018: AED NIL).

The amount receivable on sale of the Investment Portfolio (Note 4) has been guaranteed by Bin Zayed Group, a related party. 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 which 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 balance due from related parties amounting to AED 295,879,508 (31 March 2018: AED 295,879,508) by the assignment of properties to the Group with fair value not less than an equivalent amount.

- b) Balances due to related parties included in the interim condensed consolidated statement of financial position are as follows: -

	<b>June 30, 2018 (Unaudited)</b>	<b>March 31, 2018 (Audited)</b>
Other related parties	<b>41,652,010</b> =====	41,001,296 =====
Directors' fee payable	<b>600,000</b> =====	600,000 =====

**6 CASH AND CASH EQUIVALENTS**

	<b>June 30, 2018 (Unaudited)</b>	<b>March 31, 2018 (Audited)</b>
Cash on hand	<b>22,922</b>	22,922
Cash at banks – current accounts	<b>14,709</b>	41,605
	<b>37,631</b> =====	64,527 =====

(4)

**AL FIRDOUS HOLDINGS (P.J.S.C.)  
AND IT'S SUBSIDIARY  
DUBAI – UNITED ARAB EMIRATES**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE  
THREE MONTHS ENDED JUNE 30, 2018  
(UNAUDITED)**

"All amounts are in U.A.E. Dirham unless otherwise stated"

**7 PROPERTY, PLANT AND EQUIPMENT**

	<b>Leasehold improvement</b>	<b>Machinery and Other assets</b>	<b>Furniture and fixture</b>	<b>Total</b>
<b>Cost:</b>				
Balance at March 31, 2018	12,828,779	10,097,496	2,766,269	25,692,544
<b>Balance at June 30, 2018</b>	<b>12,828,779</b>	<b>10,097,496</b>	<b>2,766,269</b>	<b>25,692,544</b>
<b>Depreciation:</b>				
Balance at March 31, 2018	7,152,881	4,473,329	1,811,791	13,438,001
Depreciation for the period	540,290	225,811	150,855	916,956
<b>Balance at June 30, 2018</b>	<b>7,693,171</b>	<b>4,699,140</b>	<b>1,962,646</b>	<b>14,354,957</b>
<b>Net book values:</b>				
<b>Balance at June 30, 2018 (Unaudited)</b>	<b>5,135,608</b>	<b>5,398,356</b>	<b>803,623</b>	<b>11,337,587</b>
Balance at March 31, 2018 (Audited)	5,675,898	5,624,167	954,478	12,254,543

**8 OTHER PAYABLES AND PROVISIONS**

	<b>June 30, 2018 (Unaudited)</b>	<b>March 31, 2018 (Audited)</b>
Accrued expenses	567,375	968,859
Directors' fee payable	600,000	600,000
Others	2,178,219	2,244,691
	<b>3,345,594</b>	<b>3,813,550</b>

**9 SHARE CAPITAL**

The issued and fully paid up capital of the Company is AED 600,000,000 comprising of 600,000,000 No. of shares of AED 1 each.



(5)

**AL FIRDOUS HOLDINGS (P.J.S.C.)  
AND IT'S SUBSIDIARY  
DUBAI – UNITED ARAB EMIRATES**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE  
THREE MONTHS ENDED JUNE 30, 2018  
(UNAUDITED)**

"All amounts are in U.A.E. Dirham unless otherwise stated"

**10 STATUTORY RESERVE**

As required by the company law of United Arab Emirates, 10% of the profit for the year is to be transferred to statutory reserve. The shareholders may resolve to discontinue such annual transfers as reserve equals one half of the share capital. The reserve is not available for distribution.

**11 GENERAL, ADMINISTRATIVE AND SELLING EXPENSES**

	<b>June 30, 2018 (Unaudited)</b>	<b>June 30, 2017 (Unaudited)</b>
Salaries and related benefits	245,513	255,978
Rent	183,009	367,073
Other	227,226	262,348
	-----	-----
	<b>655,748</b>	<b>885,399</b>
	=====	=====

**12 (LOSS) PER SHARE**

	<b>June 30, 2018 (Unaudited)</b>	<b>June 30, 2017 (Unaudited)</b>
(Loss) for the period	<b>(1,847,438)</b>	<b>(2,111,189)</b>
	=====	=====
Weighted average number of ordinary shares for purposes of basic earnings	<b>600,000,000</b>	<b>600,000,000</b>
	-----	-----
(Loss) per share	<b>(0.0031)</b>	<b>(0.0035)</b>
	=====	=====



(6)

**AL FIRDOUS HOLDINGS (P.J.S.C.)  
AND IT'S SUBSIDIARY  
DUBAI – UNITED ARAB EMIRATES**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE  
THREE MONTHS ENDED JUNE 30, 2018  
(UNAUDITED)**

"All amounts are in U.A.E. Dirham unless otherwise stated"

---

**13 GENERAL ASSEMBLY OF SHAREHOLDERS**

The ordinary general assembly of shareholders was held on May 14, 2018 who approved the financial statements for the year ended March 31, 2018.

**14 FINANCIAL INSTRUMENTS**

The group in the normal course of business uses various types of financial instruments. Information on financial risks and fair value of these financial instruments are set out below.

a) Credit risk

Financial assets, which potentially subject the group to credit risk, consist principally of cash at banks and accounts receivable. The group cash is placed with high credit rating financial institutions and receivables are presented net of allowance for doubtful debts. Credit risk with respect to receivables is limited due to the large number of customers and their dispersion across different industries.

b) Interest rate risk

The effective interest rates and the periods in which interest bearing financial assets and liabilities are reprised or mature are indicated in the respective notes.

c) Currency risk

The group ensures that the net exposure is kept to an acceptable level, by dealing in currencies that do not fluctuate significantly against the U.A.E. Dirham.

**15 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The interim condensed consolidated financial statements were approved by the board of directors on August 5, 2018.