

We are an experienced team who aspires and has the capability to offer the best investment services to our clients and investors

It's about trust

Annual Report 2007

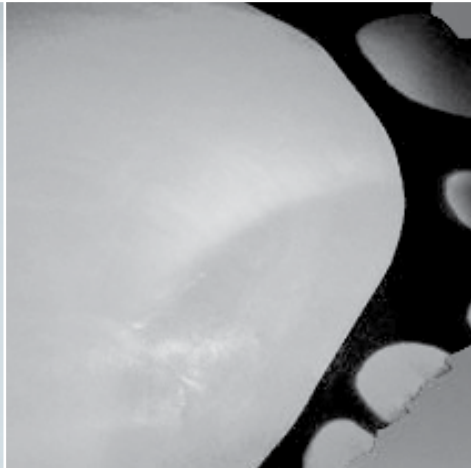


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*In the Name of Allah,
the Most Compassionate, the Most Merciful*

His Highness
Sheikh Hamad Bin Khalifa Al-Thani
Emir of the State of Qatar



His Highness
Sheikh Tamim Bin Hamad Al-Thani
Heir Apparent



We will utilise our resources to maximise rewards and provide exceptional services to our clients, keeping their best interest above everything else.

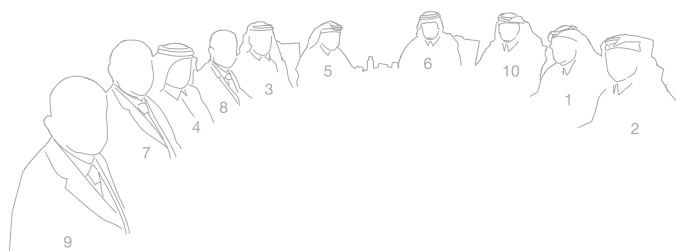


Board of Directors

1. **H.E. Hamad Bin Abdulla Al-Attiyah**
Chairman
Representing the Pension Fund of the
General Retirement & Pension Authority (GRPA)
2. **H.E. Dr. Sheikh Hamad Bin Nasser Al-Thani**
Vice Chairman
Representing Qatar Foundation for
Education, Science and Community
Development
3. **Mr. Nawaf Abdullah Al-Attiyah**
Member
Representing the Education and Health Fund
- Ministry of Finance

4. **Mr. Abdullah Kamal**
Member
Representing QNB
5. **Mr. Abdul Jaleel Mahdi Burhani**
Member
Representing Commercialbank
6. **Mr. Abdulrahman Mohammad Al-Meer**
Member
Representing Doha Bank

7. **Mr. Basel Gamal Aly**
Member
Representing Ahlibank
8. **Mr. Chaouki Hani Daher**
Member
Representing
International Bank of Qatar
9. **Mr. Laurent Lavigne Du Cadet**
Member
Representing Amwal
10. **Mr. Waleed Jassim Al-Mossallam**
Chief Executive Officer (CEO)

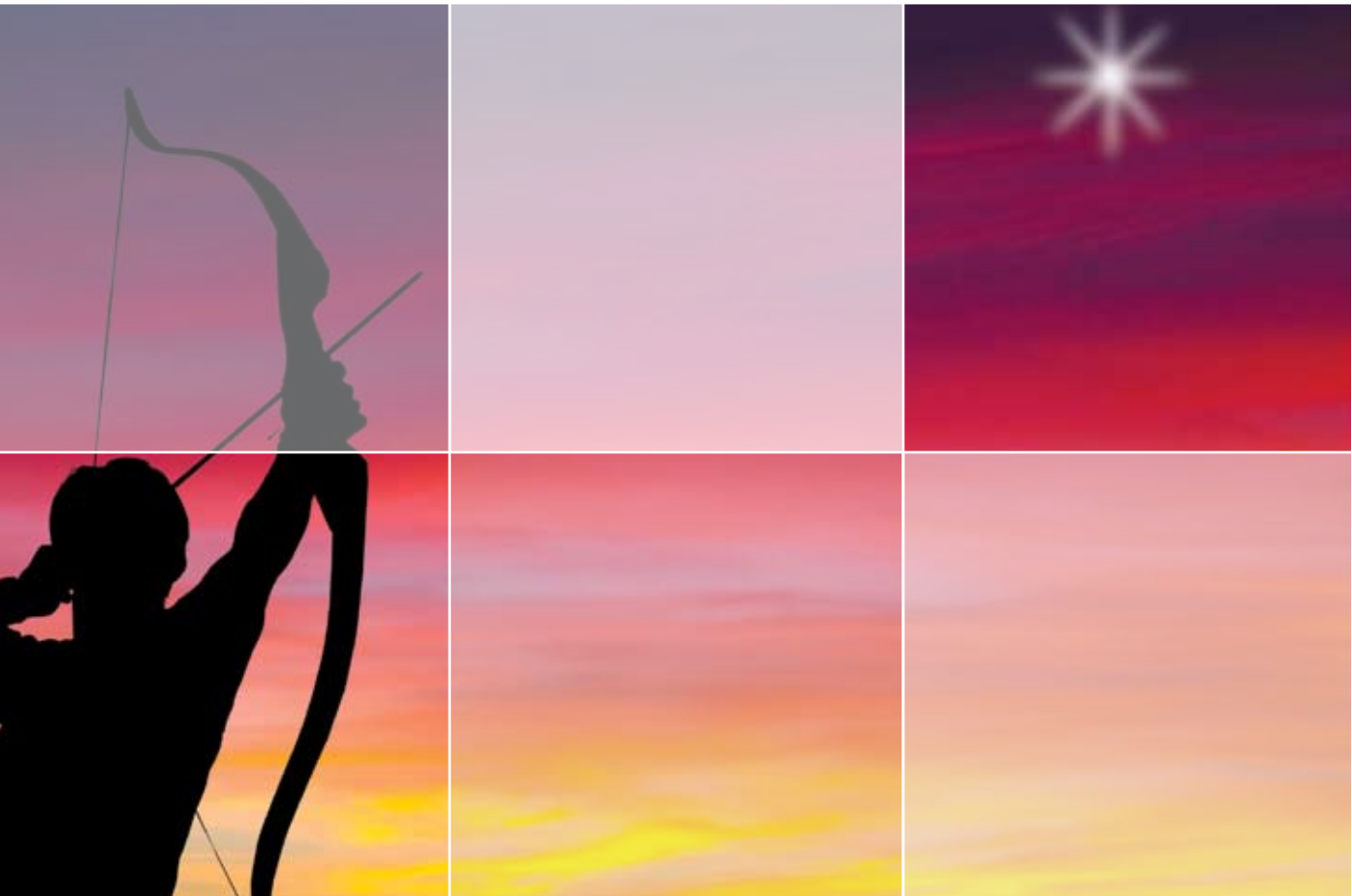


Vision

- We strive to adopt the best global business practices within our regional and local cultures; are committed to employ the right mix of business expertise, professional experts and automated solutions and are determined to serve our customers in an environment that adheres to the highest ethical standards.
- We aim to be the best financial brokerage house in Qatar, and aspire to be a fully integrated investment entity that would re-engineer the regional financial investment scene.

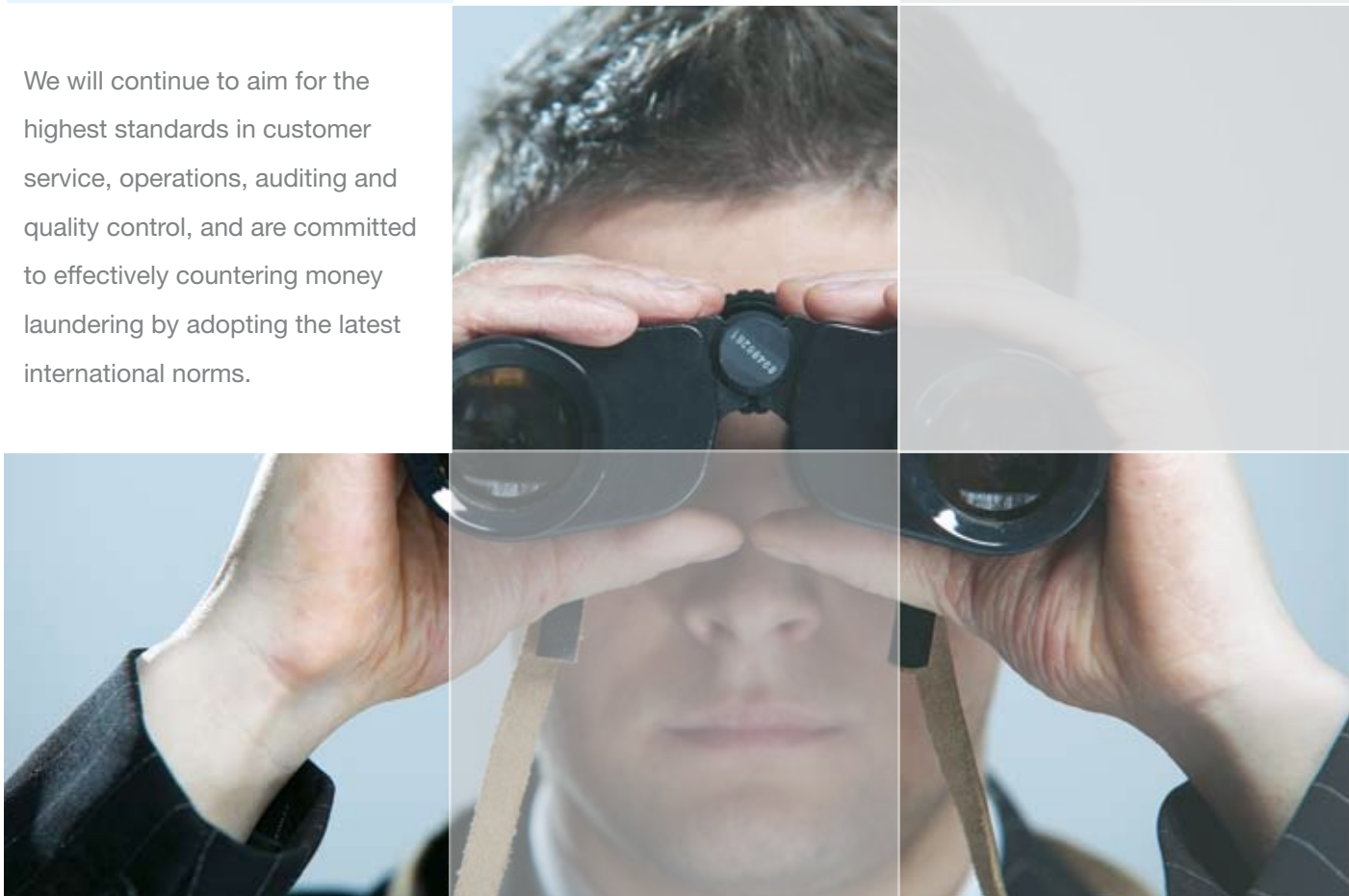
Mission

- To exceed our customers' expectations for quality, trustworthy service and professional excellence by delivering exceptional value and maintaining the highest standards of ethics and professional integrity.
- To employ skilled and experienced professionals, who take pride in working closely as a team as well as with our clients and business partners.
- To pursue technical innovation and growth and ensure compliance with the best practices in order to add more value to our customers and create successful opportunities for our stakeholders.
- To foster a business environment that encourages professional and financial growth.
- To ensure continuous improvement and transparency by adopting the best management practices.
- To provide reasonable and sustainable returns to our shareholders.
- To be a responsible corporate citizen.



At Dlala, 'continual improvement' is an ongoing process and tradition and our employees are constantly encouraged to upgrade their skills and professional expertise.

We will continue to aim for the highest standards in customer service, operations, auditing and quality control, and are committed to effectively countering money laundering by adopting the latest international norms.



The Company has successfully attracted a bigger share of investment portfolios from outside Qatar and a wide range of investors today consider Dlala as their 'preferred brokerage company'.

Board of Directors' Report for the year ended 31 December 2007

In the Name of Allah, the Most Compassionate, the Most Merciful

Distinguished Shareholders

On behalf of the Board of Directors of Dlala Brokerage and Investment Holding Company (Q.S.C.), I have immense pleasure to present our second annual report and financial statements that reflects the Company's activities and achievements during the financial year that ended on 31 December 2007.

Achievements and Financial Results

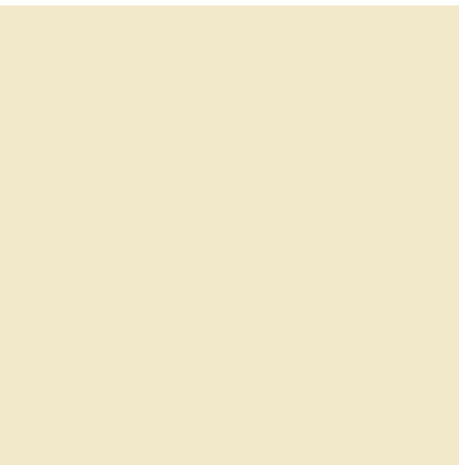
The year 2007 was a landmark year for Dlala, as the Company successfully accomplished its goal of delivering the promises it made to its shareholders during inception.

During the year that went by, Dlala recorded significant financial results, culminating in a net profit of QR 25 million, an increase of 75% compared to 2006. This phenomenal increase in profit reflects the outstanding efforts and achievements of the Company and justifies the conclusions of the Company's feasibility study.

In the light of these outstanding achievements, the Board of Directors have recommended the distribution of a 12% cash dividend per share (QR 1.2 per share).

One of the major highlights of year 2007 was the launch of our new, state-of-the-art e-trading system. Dubbed as the latest in the region, the new system has the capability to secure a faster response time for a large number of buying and selling transactions simultaneously. The new e-trading system aims to raise the bar of online trading in the securities market, as it comes with a wide variety of options and facilities and utilises the latest technology in Internet security. All these developments have enabled the Company to attract a bigger share of investment portfolios from outside Qatar, and have encouraged investors to choose Dlala as their 'preferred brokerage company' in our markets.

During 2007, Dlala managed to enhance its position in the Qatari financial market, and expand its market share in Doha Securities Market (DSM), by



attracting many leading Arab and international financial establishments to its clientele.

Serving Our Society

As a responsible corporate citizen, Dlala continues to sponsor many major events that are held in the State of Qatar. We also support many local social establishments and organisations, and acknowledge the important role they are playing in serving the community.

Future Plans

We will continue to aim for the highest standards in customer service, operations, auditing and quality control, and are committed to effectively countering money laundering by adopting the latest international norms. At Dlala, 'continual improvement' is an ongoing process and tradition and our employees are constantly encouraged to upgrade their skills and professional expertise.

We take inspiration from the outstanding momentum we achieved during our second year of operation and are determined to achieve higher levels of success in the coming years.

Plans are presently underway to boost our image and promote our services in the international markets. The establishment of Dlala International, as a subsidiary company under Dlala Holdings, was a significant step in this direction. The main objective of Dlala International is to expand our presence in the regional and international financial markets.

Today, Qatar stands out as one of the most attractive international investment destinations. This is quite evident in the real estate sector which is presently enjoying significant growth. We are looking forward to tap the potential of this promising sector in order to enhance our returns.

On behalf of the Board of Directors, Senior Management and employees of Dlala Holding, I would like to express our sincere gratitude to His Highness Sheikh Hamad Bin Khalifa Al-Thani, the Emir, and His Highness Sheikh Tamim Bin Hamad Al-Thani, the Heir Apparent, for their visionary leadership and for their ongoing efforts to position Qatar as one of the world's leading economies.

We would also like to thank our customers for entrusting us with their valuable investments and we hope to continue to satisfy their high levels of expectations.

In conclusion, I would like to express the Board's appreciation of the dedicated efforts, loyalty and contribution of our employees towards the impressive growth of Dlala. Thanks to their hard work and diligence, Dlala Holding is today well-positioned to face the challenges, take advantage of the opportunities and achieve the pre-determined goals of the Company for the benefit of our shareholders and valued clients.

Thank you.

Hamad Bin Abdulla Al-Attiyah
Chairman



We are committed to adopting the latest technological innovations and the best business practices, in order to achieve higher growth and add more value to the investments of both our customers and shareholders.

General Outlook

Dlala Holding (Q.S.C.)

Dlala Brokerage and Investment Holding Company (Q.S.C.) was incorporated in the State of Qatar in May 2005, with a paid-up capital of QR 200 million (approx. US\$ 55 million). The Company is the first non-banking financial investment establishment to be listed on Doha Securities Market (DSM) in order to provide brokerage services to investors in equity markets.

Dlala Holding later went on to establish both Dlala Brokerage Company (W.L.L.) and Dlala Islamic Brokerage Company (W.L.L.) Both companies commenced operations in January 2006 and are listed on DSM.

In a short span of time, Dlala Holding has managed to win the confidence of local and regional investors in DSM, thanks to its expertise and experience in financial brokerage and investment. The investors' growing confidence is adequately reflected in the evolution of the Company's operations. Today the Company's ultimate aim is to help investors to make the most appropriate investment decisions.

Dlala's current board of directors consists of representatives from leading organisations of the Qatari economy. They are: Pension Fund of the General Retirement & Pension Authority; Qatar Foundation for Education, Science and Community Development; Education and Health Fund – Ministry of Finance; QNB; Doha Bank; Commercialbank; International Bank of Qatar; Ahlibank and Amwal. Dlala Holding's board of directors oversee the strategic administration of all its activities and ensures its conformity with the business practices of leading national organisations.

Mission

To raise the bar of trading in Doha Securities Market (DSM) to levels that comply with international standards, in order to keep pace with the outstanding growth of the Qatari economy and the region.

To provide our customers with the most competent brokerage & investment services through:

- A team of highly skilled and well-trained professionals.
- The best technological infrastructure available in the brokerage and financial sector.
- A high-tech, state-of-the-art call centre, offering a swift response and ensuring absolute privacy for customers.
- Enhanced awareness among both existing and prospective investors, through dedicated workshops held in collaboration with interested parties, and thereby encouraging them to migrate to e-trading.
- Being a responsible corporate citizen, with an active role in our society.



We aspire to maintain the highest levels of transparency with the aid of state-of-the-art management practices.

Dlala Brokerage (W.L.L.)

Vision

To encourage more co-operation among the leading brokerage companies in the region and promote the integration of the financial markets of the GCC region.

Mission

Dlala Brokerage Company (W.L.L.) is determined to become the leading brokerage company in the financial sector.

Our aim is to: help investors to make timely and appropriate investment decisions, observe the highest ethical standards and deliver the expectations of our customers.

We aspire to provide our customers with the most modern means of trading, utilising the latest state-of-the-art e-trading methods, both online and through our call centre. We are committed to expand the scope of our services and extend them to all our clients, wherever they are.

Profile

Dlala Brokerage Company (W.L.L.) was established in January 2006 to provide brokerages services in the equities of companies listed on DSM.

Dlala Brokerage applies the latest international standards in e-trading and adopts state-of-the-art systems to ensure the utmost privacy, security and confidentiality of customers' accounts.

The Company also provides investors with trading services through its call centre which is equipped with the latest communication systems and network in order to ensure high quality and swift services.

Dlala Brokerage is proud to have a team of dedicated professionals who possess the expertise, qualifications and experience required in the field of financial brokerage to precisely and efficiently meet the needs of all its customers.



We are proud to have a dedicated team of professionals who possess the expertise, qualifications and experience to precisely and efficiently meet the needs of our customers.

Dlala Islamic (W.L.L.)

Vision

To maximize the presence of Islamic capital in the international markets.

Mission

To become the first choice of investors who are seeking to enhance their investments in the capital markets, in a modern and professional manner and in accordance with the principles of Islamic Sharia utilising state-of-the-art Shari'a-compatible mechanisms that the Company will introduce in the field of financial brokerage.

Profile

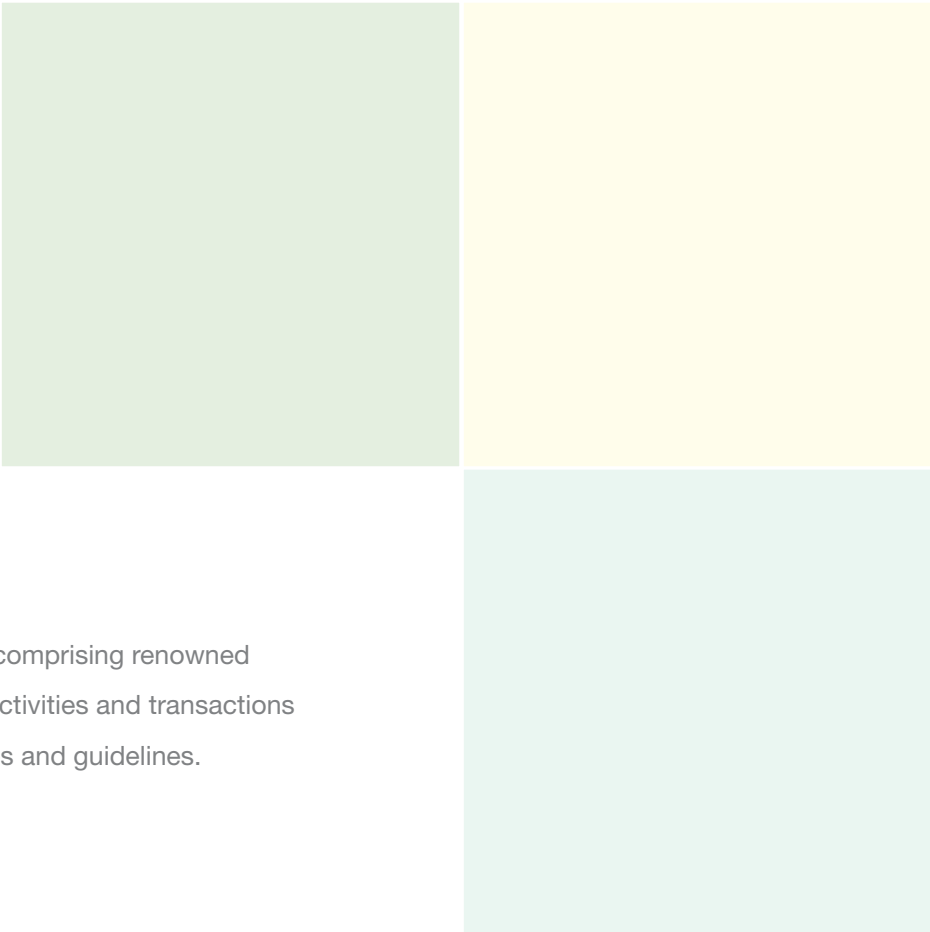
Dlala Islamic Brokerage Company (W.L.L.), the Islamic trading and brokerage arm of Dlala Holding, was established in January 2006 with the aim of providing brokerage services, in accordance with Islamic Shari'a rules and laws, for Shari'a-compliant listed companies.

The Company has a special (Fatwa) panel that ensures that its activities and transactions are in compliance with Shari'a principles and guidelines. It is an internal independent panel comprising renowned Islamic scholars. The panel provides their views and opinions on the buying and selling of shares of specific companies as well as on other sectors of investment, according to the terms and provisions of Islamic Shari'a.

Dlala Islamic employs the latest international standards in brokerage and online e-trading and is backed by modern and sophisticated systems that ensure the utmost privacy, security and confidentiality of customers' accounts. It also provides investors with trading services through its call centre which is equipped with the latest communication systems and network in order to ensure high quality and swift services.

Dlala Islamic is proud to have a team of dedicated professionals who possess the expertise, qualifications and experience required in the field of financial brokerage to precisely and efficiently meet the needs of all its customers.





We have a distinguished Fatwa Panel, comprising renowned Islamic scholars, who ensure that our activities and transactions are in compliance with Shari'a principles and guidelines.

Dlala's Islamic Panel for Fatwa and Shari'a Compliance Control

The Panel for Fatwa and Shari'a Compliance Control at Dlala Islamic is an internal independent body, comprising renowned Islamic scholars who determine the compliance of equities as well as listed companies with Shari'a rules. The panel provides investors with an Islamic perspective of the shares or listed companies.

Members of the Panel

Mr. Hamad Bin Mahmoud Al Mahmoud

Mr. Hamad Bin Mahmoud Al Mahmoud is a vastly experienced Islamic scholar who has held various prestigious positions since obtaining his B.Sc. in Shari'a and Islamic Studies from Qatar University in 1989. Mr. Al Mahmoud was appointed as the Chief of Shari'a Courts and Islamic Affairs in 1990. He was also appointed as an Assistant to the Chief of Da'awa - Islamic Affairs Department in 1991.

Mr. Al Mahmoud served as an Assistant Shari'a Judge from 1995 till 1997. In 2002 he was promoted as a full judge at the Shari'a Court of Appeal. Mr. Al Mahmoud has participated in many international and regional conferences, meetings and forums on Islamic transactions and its governing standards. He has also participated in the establishment of many important Islamic and economic Fatwas.

Mr. Saif Abdul Nour Saif El Din

Mr. Saif Abdul Nour Saif El Din holds a B.Sc. degree from Qatar University and has held several key positions. He was the Office Chief - Administration and Finance at the Ministry of Endowment and was also a researcher at the 'Zakat Fund'. Presently he is the Chief of the Office for Research and Studies at the 'Zakat Fund'. He has participated in several conferences and special forums.

Dr. Sultan Al Hashmy

Dr. Al Hashmy has more than 15 years experience in Islamic transactions. He holds a B.Sc. in Shari'a and Islamic Studies, and a Master's Degree from the Islamic University of Imam Mohamed Bin Sa'oud, Riyadh, Kingdom of Saudi Arabia.

Dr. Al Hashmy has held various prestigious positions and has served as a member of the Shari'a panels and committees of several leading establishments. He is also a professor at the Shari'a and Islamic Studies Faculty of Qatar University.

Mr. Azizo-Allah Al Bloshi

Mr. Al Bloshi holds a Master's degree and a Diploma in Islamic Shari'a from the Islamic University of Medina. He also has a Master's degree, with honors, in Islamic and Arabic Sciences from Pakistan. He was appointed as the Supreme Counsel for Justice and holds the position of Shari'a Auditor in various companies and establishments.

We have the biggest call centre of its kind in Qatar and were the first company to launch an online e-trading service in Qatar.

Service Channels

Dlala Brokerage and Investment Holding Company (Q.S.C.) provides brokerage services for all shares listed on Doha Securities Market (DSM). The Company undertakes the buying and selling of shares listed on DSM through a variety of channels, as shown below:

- Online e-trading
- Direct Trading through Branches
- Call Centre
- VIP Lounge
- Account Managers

Online e-trading

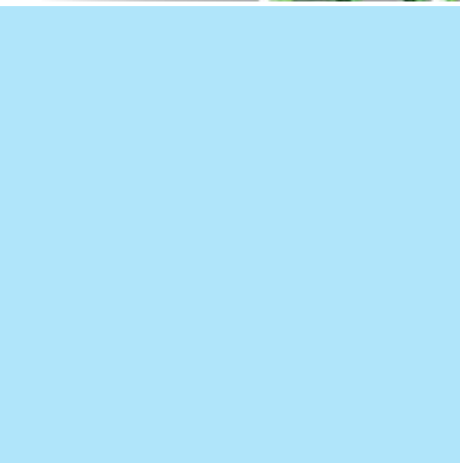
Dlala is the first company to have launched an online e-trading service in Qatar. In this regard, the Company has developed a highly advanced IT infrastructure, based on the latest international trends in IT systems. The new system ensures the highest standards of trading flexibility, offers absolute privacy and security and executes transactions and orders at a faster pace.

Direct Trading through Branches

**Dlala Brokerage and
Dlala Islamic Branches
– Al Muntazah**

**Dlala Brokerage and
Dlala Islamic Branches
– Al Ruwais**

**Dlala Brokerage and
Dlala Islamic Branches
– Doha Securities Market
Building**



Call Centre

Dlala Brokerage : Tel. +974 428 4444

Dlala Islamic : Tel. +974 428 5555



Call Centre

Dlala Brokerage and Dlala Islamic have the biggest call centre of its kind in Qatar. Equipped with the latest technology and experienced professionals, the call centre provides the following services:

- Receive orders - buying, selling, amending, cancelling.
- Receive 'uplift' orders to customers' portfolios.
- Receive payment orders, cheque issue orders and bank transfers.
- Answer customer enquiries and provide them with information about their portfolios.
- Provide customers with the latest news at Doha Securities Market (DSM).



VIP Lounge

Dlala Brokerage and Dlala Islamic offer an exclusive range of elite, private and special services for VIP customers at their VIP Lounge. The VIP Lounge provides a luxurious trading environment with high-class amenities and logistics, thereby making trading a comfortable experience. The VIP Lounge is equipped with offices, computers, screens, satellite, and special TV channels showing the latest regional and international economic news. A dedicated team of highly experienced professionals are always at hand to provide our VIP customers with a personalised range of services.



Account Managers

We have a team of highly experienced account managers, who personally follow-up the accounts of corporates and high net worth clients. This service is available for both local and international companies.

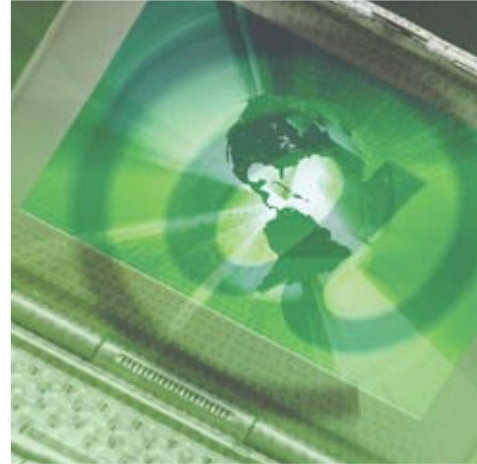
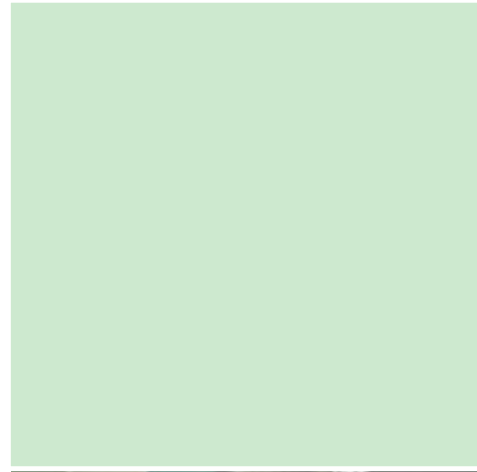
For more information about this service please call +974 428 5550/428 5551.

Dlala Centre for Financial Market Research

With the aim of identifying and developing a wider base of investment opportunities, Dlala recently established a one-of-a-kind research centre in Qatar - Dlala Centre for Financial Market Research. The centre aims to increase awareness by providing the know-how required to engage in trading and brokerage services in financial markets.

The centre conducts specialised research and produces detailed reports about various companies and establishments, especially about those listed on DSM. The centre also provides valuable information, like the most important current economic events taking place in Qatar, which are of vital importance to investors. The centre is currently developing a variety of research solutions based on technical analysis.

Dlala Centre for Financial Market Research has an extensive database which is updated on a regular basis. The database covers shares, dividends, cash dividends, rights of issue, stocks and share prices, IPO's, and a wide variety of other vital information.



We nurture an inspiring and productive business environment that promises growth and prosperity for all our stakeholders.

Internal Committees

Executive Committee

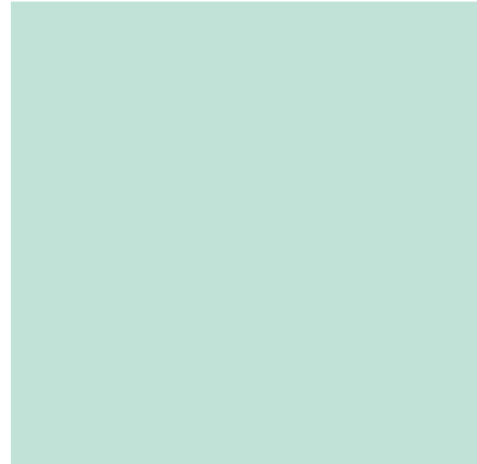
The Executive Committee comprises five board members and is headed by the Chairman. The Committee was established following a decision of the Board of Directors. The Committee will be in operation for the entire tenure of the Board of Directors.

Members of the Executive Committee

1. H.E. Hamad Bin Abdulla Al-Attiyah
2. Mr. Abdullah Kamal
3. Mr. Abdulrahman Mohammad Al-Meer
4. Mr. Nawaf Abdullah Al-Attiyah
5. Mr. Laurent Lavigne Du Cadet

Responsibilities of the Committee

1. Review the preliminary balance sheet before presenting it to the Board of Directors.
2. Approve all agreed upon agreements and obligations that are beyond the authority of the CEO.
3. Approve all expenses that are beyond the authority of the CEO.
4. Review the quality and efficiency of the services provided by the Company and recommend ways of improvement and development.
5. Develop future plans and strategies according to the policies of the Board of Directors.
6. Supervise and monitor the funds invested by the Company in order to ensure their compliance with the approved policies of the Company.
7. Develop the general guidelines and policies for investment and present them to the Board of Directors.



We are committed to attracting and retaining skilled professionals, who enjoy working closely as a team, and take pride in serving our customers and business partners.

Internal Audit Committee

The Committee is responsible for supervising and undertaking all internal and external audit activities, according to the pre-approved action plan of the Board of Directors.

The Committee comprises four members of the Board of Directors who will elect a Chairman. The Committee will be in operation for the entire tenure of the Board of Directors.

Responsibilities of the Committee

1. Develop the procedures, goals and scope of internal audit.
2. a. Study and revise internal audit reports, prepare appropriate comments and present them to the Board of Directors.
b. Study the reports prepared by external auditors and Qatar Central Bank and make necessary recommendations.
c. Submit a synopsis of various meetings to the Chairman, who will present them to the Board of Directors.
3. Supervise and monitor the financial, administrative and technical activities of the internal audit department. Recommend and follow-up all activities related to training, promotion and development of human resources.
4. Evaluate the performance of internal and external auditors.
5. Review the remarks of the external auditor regarding the financial statements.
6. Review the executive rotation plan and its compliance with the CEO's directives and provide appropriate recommendations.
7. Delegate responsibilities to a sub-committee comprising one or more of its members or to the Company's CEO.
8. Ensure that all laws and instructions of QCB regarding the Company's activities are duly adhered to.
9. Review any remarks raised on the above mentioned reports and forward them to the concerned departments for follow-up and timely action.
10. Any other activities referred to by the Committee.

Members of the Internal Audit Committee

H.E. Dr. Sheikh Hamad Bin Nasser Al-Thani

Mr. Basel Gamal Aly

Mr. Abdul Jaleel Mahdi Burhani

Mr. Chaouki Hani Daher

Independent Auditors' Report

to the Shareholders of
Dlala Brokerage and Investment Holding
Company (Q.S.C.)
Doha, Qatar

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Dlala Brokerage and Investment Holding Company (Q.S.C.) (the "Company"), which comprise the consolidated balance sheet as at 31 December 2007, and the consolidated statements of income, changes in shareholders equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

The financial statements of associate companies are audited by other auditors who expressed their unqualified opinion on the respective financial statements (Refer to Note 9).

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the

assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the management's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company'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 consolidated financial statements.

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

Opinion

In our opinion, these consolidated financial statements give a true and fair view of the financial position of Dlala Brokerage and Investment Holding Company (Q.S.C.) as of 31 December 2007, and of 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

Furthermore, in our opinion the financial statements provide the information required by Commercial Companies' Law No. 5 of 2002 and the Company's Articles of Association. We are also of the opinion that proper books of account were maintained by the Company. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, except for certain violations of Doha Security Market rules, no contraventions of the above mentioned Law or the Company's Articles of Association were committed during the year which would materially affect the Company's activities or its financial position.

Consolidated Balance Sheet

as of December 31, 2007

| | Note | 2007 QR | 2006 QR |
|--|------|--------------------|--------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and bank balances | 4 | 114,498,062 | 66,216,081 |
| Customers funds | 5 | 357,738,889 | 261,540,079 |
| Due from customers | 6 | 273,906,575 | 103,961,123 |
| Other assets | 7 | 3,041,552 | 5,869,659 |
| Total Current Assets | | 749,185,078 | 437,586,942 |
| Non-Current Assets | | | |
| Available-for-sale investments | 8 | 47,858,669 | 58,002,243 |
| Investment in associates | 9 | 11,993,832 | 10,386,000 |
| Property and equipment | 10 | 18,580,943 | 20,271,799 |
| Total Non-Current Assets | | 78,433,444 | 88,660,042 |
| Total Assets | | 827,618,522 | 526,246,984 |
| Liabilities and Shareholders' Equity | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Bank over draft | | 40,903,413 | 56,124,741 |
| Due to customers | | 429,784,107 | 224,346,173 |
| Due to Doha Security Market | | 117,158,136 | 47,576,589 |
| Other liabilities | | 16,091,666 | 5,436,842 |
| Total Current Liabilities | | 603,937,322 | 333,484,345 |
| Non-Current Liability | | | |
| End of service benefit | | 719,943 | 263,741 |
| Total Liabilities | | 604,657,265 | 333,748,086 |
| Shareholders' Equity | | | |
| Issued capital | 11 | 200,000,000 | 200,000,000 |
| Legal reserve | 12 | 4,348,093 | 1,842,228 |
| Investment Revaluation reserve | | (6,894,565) | (22,298,259) |
| Proposed dividend | 13 | 24,000,000 | 10,000,000 |
| Retained earnings | | 1,479,622 | 2,931,778 |
| Attributable to Equity Holders of Holding Company | | 222,933,150 | 192,475,747 |
| Minority Interest | | 28,107 | 23,151 |
| Total Equity | | 222,961,257 | 192,498,898 |
| Total Equity and Liabilities | | 827,618,522 | 526,246,984 |

These financial consolidated statements were approved by the Board of Directors on 26 February 2008 and signed on its behalf by:

Hamad Bin Abdulla Al-Attayah
Chairman

Sheikh Hamad Bin Nasser Al-Thani
Vice Chairman

Waleed Jassim Al-Mossallam
CEO

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Income

for the year ended December 31, 2007

| | Note | For the year ended December 31, 2007 | For the period from May 24, 2005 (Date of Inception) to December 31, 2006 |
|--|------|---|--|
| | | QR | QR |
| Revenue | | | |
| Brokerage and commission income | 14.a | 108,581,466 | 66,330,046 |
| Brokerage and commission expense | 14.b | (31,897,853) | (26,953,562) |
| Brokerage and Commission Income, Net | | 76,683,613 | 39,376,484 |
| Bank deposit interest income | | 5,986,450 | 12,096,760 |
| Net investment income | 15 | 3,899,368 | 4,857,995 |
| Share of profit in associate company | | 552,535 | – |
| Other income | | 48,232 | 87,759 |
| Total Revenue | | 87,170,198 | 56,418,998 |
| Expenses | | | |
| General and administrative expenses | 16 | (25,670,945) | (21,709,546) |
| Staff costs | | (21,557,364) | (18,483,513) |
| Provision for legal cases | 17 | (4,379,905) | – |
| Provision for bad debts | | (4,030,270) | – |
| Impairment of available for sale investments | | (4,117,736) | – |
| Finance costs | | (2,355,313) | – |
| Initial public offering expenses | | – | (1,854,906) |
| Net income for the year/period | | 25,058,665 | 14,371,033 |
| Attributable to | | | |
| Equity holders of holding company | | 25,053,160 | 14,368,643 |
| Minority interest | | 5,505 | 2,390 |
| Total | | 25,058,665 | 14,371,033 |
| Earnings per share | 18 | 1.25 | 0.72 |

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Shareholders' Equity

for the year ended December 31, 2007

| Note | Issued Capital | Legal Reserves | | Investment Revaluation Reserve | | Proposed Dividend | | Retained Earnings | | Attributable to Equity Holders of Holding Co. | | Minority Interest | | Total | |
|--|--------------------|-------------------|---------------------|--------------------------------------|-------------------|----------------------|--------------------|----------------------|--------------------|--|-------------------|----------------------|----------|-------------------|----|
| | | QR | QR | QR | QR | QR | QR | QR | QR | QR | QR | QR | QR | QR | QR |
| Issue of shares Capital Introduced by the minority Shareholder | 200,000,000 | - | - | - | - | - | - | - | - | 200,000,000 | - | - | - | 200,000,000 | |
| Net income for the period | - | - | - | - | - | - | - | - | - | - | - | 21,000 | - | 21,000 | |
| Surplus from issuance fees | - | - | - | - | - | - | - | 14,368,643 | - | 14,368,643 | - | 2,390 | - | 14,371,033 | |
| Transfer to legal reserve | - | 405,124 | - | - | - | - | - | - | - | 405,124 | - | - | - | 405,124 | |
| 12 for period | - | 1,437,104 | - | - | - | - | - | (1,436,865) | - | 239 | - | (239) | - | - | |
| Net movement in investment revaluation reserve | - | - | (22,298,259) | - | - | - | - | - | - | (22,298,259) | - | - | - | (22,298,259) | |
| Proposed dividend | - | - | - | - | 10,000,000 | - | - | (10,000,000) | - | - | - | - | - | - | |
| Balance - December 31, 2006 | 200,000,000 | 1,842,228 | (22,298,259) | (22,298,259) | 10,000,000 | 2,931,778 | 192,475,747 | 23,151 | 192,498,898 | 5,505 | 25,058,665 | (549) | - | 25,058,665 | |
| Net income for the year | - | - | - | - | - | 25,053,160 | - | (2,505,316) | - | 549 | - | - | - | - | |
| 12 Transfer to legal reserve for the year | - | 2,505,865 | - | - | - | - | - | - | - | - | - | - | - | - | |
| Increase in investment revaluation reserve | - | - | 7,128,661 | - | - | - | - | - | - | 7,128,661 | - | - | - | 7,128,661 | |
| Dividend paid | - | - | - | - | (10,000,000) | - | - | - | - | (10,000,000) | - | - | - | (10,000,000) | |
| Cumulative loss transferred to income statement on disposal of available-for-sale investments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 15 Cumulative loss transferred to income statement on impairment of available-for-sale investments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 8 Share of Associate investment revaluation reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Proposed dividend | - | - | - | - | 24,000,000 | (24,000,000) | - | - | - | - | - | - | - | - | |
| Balance - December 31, 2007 | 200,000,000 | 4,348,093 | (6,894,565) | 4,897,678 | 24,000,000 | 1,479,622 | 222,933,150 | 28,107 | 222,961,257 | 28,107 | 25,058,665 | (723,482) | - | 25,058,665 | |

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended December 31, 2007

| | Note | For the year ended December 31, 2007 | For the period from May 24, 2005 (Date of Inception) to December 31, 2006 |
|---|------|---|--|
| | | QR | QR |
| Cash Flows from Operating Activities | | | |
| Net income for the year/period | | 25,058,665 | 14,371,033 |
| Adjustments for: | | | |
| Depreciation of properties and equipment | | 6,876,703 | 4,301,941 |
| End of service benefits | | 456,202 | 263,741 |
| Share of profit in associate company | | (552,535) | – |
| Impairment of available-for-sale investments | | 4,117,736 | – |
| Interest income | | (5,986,450) | (12,096,760) |
| Profit on disposal of available-for-sale investments | | (2,180,748) | (4,314,587) |
| Provision for bad debts | | 4,030,270 | – |
| Provision for legal cases | | 4,379,905 | – |
| | | 36,199,748 | 2,525,368 |
| Changes in working capital | | | |
| Due from customers | | (178,005,992) | (103,961,123) |
| Other assets | | 2,828,107 | (5,055,399) |
| Customers' funds | | (96,198,810) | (261,540,079) |
| Due to customers | | 205,437,934 | 224,346,173 |
| Other liabilities | | 10,305,189 | 5,436,844 |
| Due to Doha Security Market | | 69,581,547 | 47,576,589 |
| Net Cash Flow from (Used in) Operating Activities | | 50,147,723 | (90,671,627) |
| Cash Flows from Investing Activities | | | |
| Net purchase and sale of available-for-sale investments | | 24,333,762 | (75,985,915) |
| Investment in associate company | | (1,778,779) | (10,386,000) |
| Purchase of properties and equipment | | (5,185,847) | (24,573,742) |
| Interest received | | 5,986,450 | 11,282,500 |
| Net Cash from (Used in) Investing Activities | | 23,355,586 | (99,663,157) |
| Cash Flows from Financing Activities | | | |
| Proceeds from issue of share capital | | – | 200,000,000 |
| Surplus proceeds from issuance fees | | – | 405,124 |
| Minority interest contribution | | – | 21,000 |
| Dividend paid | | (10,000,000) | – |
| Net Cash Flow (Used in)/from Financing Activities | | (10,000,000) | 200,426,124 |
| Net increase in cash and cash equivalents | | 63,503,309 | 10,091,340 |
| Cash and cash equivalents – beginning of the year/period | | 10,091,340 | – |
| Cash and cash equivalents – End of the year/period | 19 | 73,594,649 | 10,091,340 |

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2007

1. General information

Dlala Brokerage and Investment Holding Company (Q.S.C.) is a Qatari Shareholding Company incorporated in the State of Qatar on May 24, 2005 under Commercial Registration No.30670. The Company is governed by the provisions of the Qatar Commercial Companies law No. 5 of 2002 and the Doha Securities Market regulations. The Company is engaged in brokerage activities at the Doha Securities Market through its subsidiaries, and in investment activities for itself.

2. Standards and Interpretations Effective in the Current Year

In the current year, the Company adopted IFRS 7 Financial Instruments: Disclosures which are effective for annual reporting periods beginning on or after January 1, 2007, and the consequent amendments to IAS 1 Presentation of Financial Statements.

The impact of the adoption of IFRS 7 and the changes to IAS 1 has been to expand the disclosures provided in these consolidated financial statements regarding the Company's financial instruments and management of capital.

Four Interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current year. These are: IFRIC 7 Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies; IFRIC 8 Scope of IFRS 2; IFRIC 9 Reassessment of Embedded Derivatives; and IFRIC 10 Interim Financial Reporting and Impairment. The adoption of these Interpretations has not led to changes in the Company's accounting policies.

Standards and Interpretations in Issue not yet Adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

Amendments to standards

| | |
|------------------|--|
| IAS 23 (Revised) | Borrowing Costs (effective on or after January 1, 2009); |
| IAS 1 | Presentation of Financial Statements – Comprehensive revision including requiring a statement of comprehensive income (effective for accounting periods beginning on or after 1 January 2009); |

New standards

| | |
|--------|--|
| IFRS 8 | Operating Segments (effective for accounting periods beginning on or after January 1, 2009); |
|--------|--|

New interpretation

| | |
|----------|---|
| IFRIC 11 | IFRS 2: Group and Treasury Share Transactions (effective March 1, 2007); |
| IFRIC 12 | Service Concession Arrangements (effective January 1, 2008); |
| IFRIC 13 | Customer Loyalty Programmes (effective for accounting periods beginning on or after 1 July 2008) |
| IFRIC 14 | IAS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (effective January 1, 2008). |

Management anticipates that all of the above standards and interpretation as applicable will be adopted in the Company's financial statements in future period and that the adoption of those Interpretations and Standards will have no material impact on the financial statements of the Company in the period of initial application.

3. Significant Accounting Policies

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of preparation

These consolidated financial statements have been prepared on the historical cost basis except for the measurement at fair value of available for sale investments. The principal accounting policies are set out below.

Use of estimates and judgements

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and any future years affected. Actual results may differ from these estimates.

Notes to the Consolidated Financial Statements (continued)

for the year ended December 31, 2007

3. Significant Accounting Policies (continued)

Use of estimates and judgements (continued)

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements are described in the Note 24.

Functional and presentation currency

The consolidated financial statements have been prepared in Qatari Riyals.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its Subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

Minority interest represents the portion of profit or loss and net assets not held by the Company and presented separately in the consolidated income statement and within shareholders' equity in the consolidated balance sheet separately from equity attributable to the shareholders of the parent.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for customer rebates and other similar allowances.

Commissions

Commission income from brokerage activities is recognized when the purchase or sale transactions are executed.

Commission income is reduced by commission rebates.

Dividend Income

Dividend income from investments is recognised when the shareholder's right to receive payment is established.

Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Investments in associate

An associate is an entity over which the company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the company's share of the net assets of the associated, less any impairment in the value.

Where an investor transacts with its associate, profits and losses are eliminated to the extent of the investor's interest in the relevant associate.

Properties and equipment

Properties and equipment held for use in the rendering of services, or for administrative purposes are stated in the balance sheet at cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is charged as to write off the cost of assets, other than work in progress, over their estimated useful lives, using the straight-line method.

Leasehold improvements are depreciated over the term of the relevant lease.

Foreign currency

Transactions in foreign currencies are recorded in Qatari Riyals at the rates of exchange prevailing at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the year are translated into Qatari Riyals at the rates of exchange ruling at that date, and the resultant gains or losses are included in the statement of income.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

Notes to the Consolidated Financial Statements (continued)

for the year ended December 31, 2007

3. Significant Accounting Policies (continued)

Available-for-sale investments

Quoted

Available-for-sale investments are initially measured at cost. After initial recognition, investments which are classified as "available-for-sale" are re-measured and recognized at fair value. The unrealised gains and losses resulting from the difference between the carrying amounts and the fair values are reported as a separate component of equity under investment revaluation reserve until the investments are sold, collected or otherwise disposed of, or the investments are determined to be permanently impaired, at which time the cumulative gain or loss previously reported in equity or any additional impairment losses which are not accounted for in the investment revaluation reserve are included in the statement of income.

Unquoted

Due to the nature of cash flows arising from the Company's unquoted investments, the fair value of these investments cannot be reliably measured. Consequently, these investments are carried at cost less provision for any impairment losses.

Fair value

The fair value of investments that are actively traded in organised financial markets is determined with reference to quoted market bid prices at the close of business on the balance sheet date.

Employees' end of service benefits

The company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' length of service and the completion of a minimum service period. The company treats this obligation as a non-current liability.

With respect to the Qatari employees, the Company makes contributions to Government Pension Fund calculated as a percentage on the employees' salaries in accordance with the requirements of law No. 24 of 2002 pertaining to Retirement and Pensions. The Company's obligations are limited to the contributions which are expensed when due.

Financial instruments

Financial Assets

The Company's principal financial assets include cash and bank balances, available for sale investments, due from customers and customers funds.

Financial Liabilities

Significant financial liabilities include due to customers, due to Doha Security Market and bank overdraft.

Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss, being the excess of the carrying amount over the recoverable amount, is recognised. Impairment losses are recognised in the statement of income.

Cash and cash equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and bank balances maturing less than 90 days, net of outstanding bank overdrafts.

Notes to the Consolidated Financial Statements (continued)

for the year ended December 31, 2007

4. Cash and Bank Balances

| | December 31, 2007 QR | December 31, 2006 QR |
|----------------|-------------------------|-------------------------|
| Cash on Hand | 21,317 | 3,567 |
| Fixed deposits | 55,690,967 | 52,059,170 |
| Call accounts | 58,785,778 | 14,153,344 |
| Total | 158,740,940 | 66,216,081 |

Fixed deposits and call accounts represent short term investments in various banks, with effective interest rates ranging from 2.5% to 6.5 %, and maturity dates up to 90 days.

5. Customers Funds

Customer's funds represent bank balances for the customers, which the Company holds in trust until the customers commit those funds to the purchase of shares following which the Company transfers the committed funds to the Company's bank accounts and settles with the settlement authority.

6. Due from Customers

| | December 31, 2007 QR | December 31, 2006 QR |
|------------------------------------|-------------------------|-------------------------|
| Amount due from customers | 277,936,845 | 103,961,123 |
| Less: Provision for doubtful debts | (4,030,270) | - |
| Net | 273,906,575 | 103,961,123 |

The Company provides fully for all balances from its customers which are under legal cases and balances unpaid for more than 365 days. No interest is charged on the overdue balances. The normal credit term for the company is transaction day plus three days.

As at December 31, 2007 balances from customers and movement in the provision for doubtful debts are as follows:

| | December 31, 2007 QR | December 31, 2006 QR |
|--|-------------------------|-------------------------|
| (i) Receivables neither past due nor impaired | | |
| Due from customers | 270,871,662 | 43,976,164 |
| (ii) Receivables of past due but not impaired | | |
| Due from customers | 3,034,913 | 59,984,959 |
| (iii) Impaired customers balances | | |
| Due from customers | 4,030,270 | - |
| (iv) Movement in the provision of doubtful debts | | |
| | 2007 QR | 2006 QR |
| Balance at the beginning of the year/period | - | - |
| Provision during the year/period | 4,030,270 | - |
| Balance at end of the year/period | 4,030,270 | - |

7. Other Assets

| | December 31, 2007 QR | December 31, 2006 QR |
|--|-------------------------|-------------------------|
| Profit accrued on time deposit and saving accounts | 738,718 | 814,260 |
| Prepayments and other debit balances | 2,302,834 | 5,055,399 |
| Total | 3,041,552 | 5,869,659 |

Notes to the Consolidated Financial Statements (continued)

for the year ended December 31, 2007

8. Available-for-Sale Investments

| | Quoted Shares QR | Unquoted Shares QR | Total QR |
|--|---------------------|-----------------------|-------------------|
| At Cost: | | | |
| Additions during the period | 141,650,336 | – | 141,650,336 |
| Disposal during the period | (61,349,834) | – | (61,349,834) |
| As at January 1, 2007 | 80,300,502 | – | 80,300,502 |
| Acquisition during the year | 15,714,063 | 2,071,000 | 17,785,063 |
| Impairment | (4,117,736) | – | (4,117,736) |
| Disposal during the year | (39,938,077) | – | (39,938,077) |
| As at December 31, 2007 | 51,958,752 | 2,071,000 | 54,029,752 |
| Fair value Adjustments: | | | |
| Fair value adjustment during the period | 22,298,259 | – | 22,298,259 |
| As at January 1, 2007 | 22,298,259 | – | 22,298,259 |
| Reversal of investment revaluation reserve on disposal | (4,897,678) | – | (4,897,678) |
| Impairment loss recycled to income statement | (4,100,837) | – | (4,100,837) |
| Movement during the year | (7,128,661) | – | (7,128,661) |
| As at December 31, 2007 | 6,171,083 | – | 6,171,083 |
| At Fair Value: | | | |
| As at December 31, 2007 | 45,787,669 | 2,071,000 | 47,858,669 |
| As at December 31, 2006 | 58,002,243 | – | 58,002,243 |

9. Investment in Associates

(a) The outstanding balances of the investments in associates are represented as follows:

| | Ownership | December 31, 2007 QR | December 31, 2006 QR |
|---------------------------|-----------|-------------------------|-------------------------|
| Tuhama Investments* | 22% | 10,215,053 | 10,386,000 |
| Edata Tech and Consulting | 25% | 1,778,779 | – |
| | | 11,993,832 | 10,386,000 |

(b) The movement on the investment in associates during the year are represented as follows:

| | December 31, 2007 QR | December 31, 2006 QR |
|---|-------------------------|-------------------------|
| Balance as at January 1 | 10,386,000 | – |
| Acquisition of associate | 1,778,779 | 10,386,000 |
| Share of profit for the year | 552,535 | – |
| Share of associate investment revaluation reserve on Available for sale | (723,482) | – |
| Balance as at December 31 | 11,993,832 | 10,386,000 |
| Total assets | 46,799,583 | |
| Total liabilities | (796,360) | |
| Net Assets | 46,003,222 | |
| Company's share of net assets of associates | 10,120,709 | |
| Total Revenues | 5,983,042 | |
| Total Profit for the Year | 2,511,525 | |
| Company's Share of Profit from Associates | 552,535 | |

*During the year 2007, land was bought where the title deed of the land is recorded in the name of two members of the board of directors of Tuhama Investments against a written commitment which states Tuhama's right in the ownership of the land.

Notes to the Consolidated Financial Statements (continued)

for the year ended December 31, 2007

10. Properties and Equipments

| | Leasehold Improvements QR | Furniture and Fixture QR | Computers and Software QR | Office Equipment QR | Vehicles QR | *Work in Progress QR | Total QR |
|--------------------------------|---------------------------------|--------------------------------|---------------------------------|---------------------------|----------------|----------------------------|-------------------|
| Cost: | | | | | | | |
| Additions during the period | 839,401 | 1,829,533 | 19,804,250 | 839,888 | 132,000 | 1,128,668 | 24,573,740 |
| As of December 31, 2006 | 839,401 | 1,829,533 | 19,804,250 | 839,888 | 132,000 | 1,128,668 | 24,573,740 |
| Additions during the year | 173,612 | 159,474 | 3,291,654 | 572,307 | 46,000 | 942,800 | 5,185,847 |
| Transfer during the year | – | – | 1,128,668 | – | – | (1,128,668) | – |
| As of December 31, 2007 | 1,013,013 | 1,989,007 | 24,224,572 | 1,412,195 | 178,000 | 942,800 | 29,759,587 |
| Depreciation: | | | | | | | |
| Charge for the period | 47,473 | 213,711 | 3,915,395 | 98,312 | 27,050 | – | 4,301,941 |
| As of December 31, 2006 | 47,473 | 213,711 | 3,915,395 | 98,312 | 27,050 | – | 4,301,941 |
| Charge for the year | 187,538 | 192,536 | 6,218,969 | 245,891 | 31,769 | – | 6,876,703 |
| As of December 31, 2007 | 235,011 | 406,247 | 10,134,364 | 344,203 | 58,819 | – | 11,178,644 |
| Net book value: | | | | | | | |
| As of December 31, 2007 | 778,002 | 1,582,760 | 14,090,208 | 1,067,992 | 119,181 | 942,800 | 18,580,943 |
| As of December 31, 2006 | 791,928 | 1,615,822 | 15,888,855 | 741,576 | 104,950 | 1,128,668 | 20,271,799 |
| Rates of depreciation | 20% | 10% | 20%-33.33% | 20% | 20% | – | |

*Work in progress as of December 31, 2006 represents amounts paid for the new brokerage system, hardware, recording system and generator.

*Work in progress as of December 31, 2007 represents amounts paid for the implementation of Oracle Financials. The new accounting package will be effective from February 2008.

11. Share Capital

| | December 31, 2007 QR | December 31, 2006 QR |
|--|-------------------------|-------------------------|
| Share capital consists of: (20,000,000 shares of QR.10 each authorized issued and fully paid) | 200,000,000 | 200,000,000 |

12. Legal Reserve

- In accordance with the Qatar Commercial Companies' Law No. 5 of 2002, 10% of net income for the period is to be transferred to legal reserve. This annual transfer may cease when the reserve equals 50% of the paid up capital and must be maintained at a minimum of 50% of paid up capital. This reserve is not available for distribution. Any excess over 50% can be distributed in circumstances specified in the Qatar Commercial Companies Law of 2002.
- During the last period a net surplus from share issuance fees in the amount of QR. 405,124 computed on the basis of 2% of share capital less certain pre-operating and subscription expenses was transferred to legal reserve.

13. Proposed Dividend

The Board of Directors decided in their meeting held on February 26, 2008 to propose a dividend in the amount of QR 24,000,000 for the year 2007.

Notes to the Consolidated Financial Statements (continued)

for the year ended December 31, 2007

14. Brokerage and Commission

a) Brokerage and Commission Income

Commission income comprises commission raised on share purchase and sell transactions less discounts offered to clients.

b) Brokerage and Commission Expenses

Commission expenses comprise fees paid to the Doha Stock Market and other direct brokerage costs.

15. Investment Income

| | For the year ended December 31, 2007 | For the period from May 24, 2005 (Date of Inception) to December 31, 2006 |
|---|---|--|
| | QR | QR |
| Profit on disposal of available-for-sale investments | 7,078,426 | 4,314,587 |
| Dividends received | 1,718,620 | 543,408 |
| Reversal of loss from equity on disposal of investments classified as available-for-sale | (4,897,678) | - |
| Total | 3,899,368 | 4,857,995 |

16. General and Administrative Expenses

| | For the year ended December 31, 2007 | For the period from May 24, 2005 (Date of Inception) to December 31, 2006 |
|--------------------------------------|---|--|
| | QR | QR |
| Consulting and professional expenses | 1,042,201 | 2,853,305 |
| DSM Membership fee and rental | 313,219 | 232,781 |
| Rent expenses | 5,374,157 | 3,773,503 |
| IT and communication costs | 3,045,968 | 1,694,074 |
| Advertising | 2,747,712 | 1,681,592 |
| Training expenses | 78,111 | 273,342 |
| Printing and stationery | 101,364 | 2,374,891 |
| Depreciation | 6,876,703 | 4,301,941 |
| Telephone and fax expenses | 697,396 | 586,648 |
| Travel expenses | 531,860 | 558,341 |
| Insurance expenses | 430,083 | 474,270 |
| Maintenance expenses | 181,455 | 513,808 |
| Governmental expenses | 156,736 | 412,221 |
| DSM penalty* | 2,000,000 | -- |
| Bank guarantee fee | 1,628,068 | 1,481,559 |
| Miscellaneous expenses | 465,912 | 497,270 |
| Total | 25,670,945 | 21,709,546 |

*The expense represents the penalty charged by DSM for violating certain of its trading rules in accordance with DSM.

17. Provision for Legal Cases

These represent claims made by certain customers in respect of cases under disputes. According to management, the provisions made are adequate to cover any potential liability arising from these claims.

Notes to the Consolidated Financial Statements (continued)

for the year ended December 31, 2007

18. Earnings Per Share

| | For the year ended December 31, 2007 | For the period from May 24, 2005 (Date of Inception) to December 31, 2006 |
|---|---|--|
| | QR | QR |
| Net income attributable to parent company | 25,053,160 | 14,368,643 |
| Weighted average number of shares | 20,000,000 | 20,000,000 |
| Earnings per share basic & diluted | 1.25 | 0.72 |

19. Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks with maturity less than 90 days, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the year as shown in the cash flow statement can be reconciled to the related items in the balance sheet as follows:

| | December 31, 2007 | December 31, 2006 |
|---|-------------------|-------------------|
| | QR | QR |
| Cash and bank balances | 114,498,062 | 66,216,081 |
| Bank overdraft | (40,903,413) | (56,124,741) |
| Cash and Cash Equivalents at the end of the year /period | 73,594,649 | 10,091,340 |

20. Contingent Liabilities

| | December 31, 2007 | December 31, 2006 |
|----------------------|-------------------|-------------------|
| | QR | QR |
| Letters of guarantee | 235,000,000 | 235,000,000 |

21. Financial Risk Management

Interest rate risk exposures

Interest rate risk represents the exposure the company faces to changes in interest rate on its financial assets and liabilities.

The Company is exposed to interest rate risk on its fixed deposits. A 1% increase or decrease in the interest rate on the fixed deposits will result in an increase or decrease of QR 556,910 in the assets and profit and loss.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties. The Company's exposure of its counterparties is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved management. Cash is placed with financial institutions with good credit ratings.

Liquidity risk

Liquidity risk is the risk that the company will be unable to meet its liabilities and commitments when they fall due. Due to the nature of operation, management is of the opinion that the Company's exposure to liquidity risk is minimal. All financial liabilities are due within one year.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company does not hedge its exposure to currency risk. However, management is of the opinion that the Company's exposure to currency risk is minimal.

Notes to the Consolidated Financial Statements (continued)

for the year ended December 31, 2007

21. Financial Risk Management (continued)

Market risk

The company subject to market risk in relation to available-for-sale investments. The company evaluates the current market value and other factors including normal volatility in share price for quoted equities and other relevant factors in order to manage its market risk.

A 10% increase or decrease in market value of the Company's portfolio of available-for-sale investment is expected to result in an increase or decrease of QR 4,578,767 in the assets and equity of the Company.

Capital risk

The company manages its capital to ensure that it will be able to continue a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the company consists of bank overdraft and equity, comprising issued capital, reserves and return earnings.

Gearing ratio

The company's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The gearing ratio at the year end as follows:

| | December 31, 2007 QR | December 31, 2006 QR |
|---------------------------------|-------------------------|-------------------------|
| Debt (i) | 40,903,413 | 56,124,741 |
| Equity (ii) | 223,073,589 | 192,475,747 |
| Net debt to equity ratio | 18% | 29% |

(i) Debt is defined as short term borrowings.

(ii) Equity includes all capital and reserves of the company.

22. Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

| | For the year ended December 31, 2007 QR | For the period from May 24, 2005 (Date of Inception) to December 31, 2006 QR |
|--|---|--|
| Short-term benefits – salary packages to senior managers | 2,583,700 | 2,478,087 |
| Bonuses to senior managers | 143,520 | – |
| Directors fees | 1,350,000 | – |
| Total | 4,077,220 | 2,478,087 |

Notes to the Consolidated Financial Statements (continued)

for the year ended December 31, 2007

23. Subsidiaries

Details of the Company's direct and indirect subsidiaries at December 31, 2007 are as follows:

| Name of subsidiary | Place of Incorporation | Proportion of Ownership Interest | Principal Activity |
|--|------------------------|----------------------------------|--------------------|
| Dlala Brokerage Company W.L.L. | Qatar | 99.98% | Brokerage |
| Dlala Islamic Brokerage Company W.L.L. | Qatar | 99.98% | Brokerage |
| Dlala Investments Company W.L.L. | Qatar | 99.90% | Investments |
| Dlala Gulf Company W.L.L. | Qatar | 99.50% | Investments |

24. Critical Judgements in Applying Accounting Policies

The following are the critical judgements that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Available-for-Sale Investments

The Company treats available-for-sale equity investments as impaired when there has been a significant or prolonged decline in fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgment and is done on a case by case basis. The Company evaluates among other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities impairment on a case to case basis.

Management is confident that the available-for-sale investments as at December 31, 2007 are not impaired.

Impairment of Customers Receivable

An estimate of the collectible amount of customers receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the balance sheet date, gross customers balances were QR 277,936,845 and the provision for doubtful debts was QR 4,030,270. Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the income statement.

25. Subsequent Event

On January 22, 2008, one of the subsidiary company changed its name from Dlala Gulf Company W.L.L. to Dlala International Company W.L.L.

26. Comparatives Figures

Certain of the previous period figures has been reclassified to conform with this year presentation.