



دلالة القابضة  
DLALA HOLDING

ANNUAL REPORT  
2015



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



His Highness  
**Sheikh Hamad Bin Khalifa Al-Thani**  
Father Emir

# CONTENTS

Managing Director's Message	04
Mission, Vision and Profile	06
Board of Directors	08
Summary of the report of the Board of Directors	10
Service Channels	12
Board Committees	16
Consolidated Financial Statements	21
Notes to the consolidated financial statements	28

## MANAGING DIRECTOR'S MESSAGE



We, in Dlala holding company work day by day through our subsidiaries to provide the most high quality investment services needed by our clients, we also seek to provide to these clients all means of comfort and security in order to complete their transactions in a framework of confidentiality, organization and speed.

Dlala holding has since, its establishment in 2005, owned the confidence of many clients in and outside Qatar, due to the services that are being provided by a very experienced and qualified work team that enjoys a high efficiency to provide a higher quality of service in all the transactions it undertakes.

In Dlala, we endeavor to maintain the satisfaction of our clients and easily provide the services they demand and that is by developing our programs continuously in order to make it compatible with the ongoing changes that has been witnessed by the investment and real estates markets all over the world.

We also plan to provide additional services which are needed by the public clients in line with the rapid development witnessed by the State of Qatar that makes it a very prominent center to attract investment capital from all over the world .

We seek to innovate new solution as well, to provide excellent services for the clients to be consistent with their perspective to us as a leading company in the investment and financial intermediary.

We aim to establish a comprehensive investment corporation, which can redesign the financial and real-states investments in the local and regional spheres, and to help our clients to take the appropriate decisions by the provision of all methods of comfort and security in our services.

**Ahmed Al Asmakh**  
Managing Director



## MISSION, VISION AND PROFILE

### GROUP DYNAMICS DLALA HOLDING (Q.S.C)

Dlala Brokerage and Investment Holding Company (Q.S.C.) was established in May 2005, with a paid-up capital of QR 200 million. In September 2005, the Company became the first non-banking financial organization to be listed on Qatar Exchange (QE) 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 registered on QE.

In a short span of time, Dlala Holding has managed to win the confidence of local and regional investors in QE, thanks to its expertise and experience in 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.

In 2009, Dlala established its real estate investment arm – Dlala Real Estate - to provide different services in real estate business in Qatar such as property management, real estate brokerage, real estate development and real estate evaluation.

Dlala's current board of directors consists of nine members four of them representing government organizations. They are: Pension Fund of the General Retirement & Social Insurance Authority; Qatar Foundation for Education, Science and Community Development; Education and Health Fund – Ministry of Finance and Investment Fund of Qatar Armed Forces. 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 organizations.

### 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.

### 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 recognized as the best brokerage house in Qatar, and aspire to be a fully integrated investment entity that would re-engineer the regional investment scene.

## BOARD OF DIRECTORS



**Mr. Nasser Hamad Al Sulaiti**  
Chairman



**H. E. Sheikh Abdulrahman Bin Hamad Al-Thani**  
Vice Chairman



**Mr. Ahmed Mohamed AlAsmakh**  
Managing Director



**Mr. Khalid Al Sowaidi**  
Board Member



**H. E. Sheikh Suhaim Bin Khalid Al-Thani**  
Board Member



**Mrs. Moza Mohamed Al Sulaiti**  
Board Member



**Mr. Jaber Bin Hajjaj Al Ashahwani**  
Board Member



**Mr. Ali Hussain Al-Sada**  
Board Member



**Mr. Waleed Raslan Al-Abdulla**  
Board Member



## THE BOARD OF DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDING ON 31ST DECEMBER 2015

### **In the Name of Allah, the most Gracious, Most Merciful**

As-salamu alaikum wa rahmatullahi wa barakatuhu,

I have the pleasure, personally and on behalf of the Board of Directors of Dlala Brokerage and Investment Holding Company (Q.S.C), to present to your kind attention the annual report of the company's activities and the results of its operations during the financial year ending on 31 December 2015 and the future plans of the company.

In 2015 the world economy went through many challenges that had considerably affected the international and regional financial markets and trade operations in Qatar Stock Exchange. In spite of that, Dlala was able to make operational profits that are compatible with the underlying economic conditions.

The reduced volume of trading, at 51% low, at Qatar Stock Exchange had a considerable effect on the results of the company's operations in 2015. In spite of that Dlala Holding Company, through its two affiliated companies listed in Qatar Stock Exchange, was able to maintain its share in the market and compete effectively to support its operational activities due to the fact that those two companies represent the core activity of Dlala.

Despite the fact that the company's operational profits realized through brokerage activities at Qatar Stock Exchange amounted to 11,6 million Qatari riyals, the main impact on the financial results of the company originated from the financial allocations made by the company as a result of reevaluating the company's investment fund. The value of many shares had dropped either in the local market or regionally,

nevertheless the company's actual core activity was not affected and the company maintained its market share at Qatar Stock Exchange.

The allocation of 53,6 million Qatari riyals made as a result of reevaluating the company's investment fund led to a net loss of 41,9 million Qatari riyals despite the realization of 11,6 million Qatari riyals in operational profits by the company.

In 2015 we supported the core operational activities of the company by launching mobile trading system for the clients of the two brokerage affiliate companies of Dlala Holding. The system was very well received by the clients and offered a new addition to the services extended by the company to facilitate trade operations and attract more clients.

The company, moreover, developed and tightened its supervisory and organizational controls in line with all the legislations and laws issued and enforced by the organizational authorities. No violation was ever filed against the company in 2015 by any organizational authority, and the company honored its commitment to issue all the reports required by these authorities.

### **Future plans**

We, at Dlala Holding Company, are working hard to make 2016 the year of success and development of the company through diversifying the investments of the company and opening up new horizons of work. This year we will also launch a new trading platform characterized by the most advanced technologies used in this field at the brokerage companies affiliated to us. This will facilitate many trading operations for our clients and lead to attracting more clients and overseas funds.

### **Governance report**

The company has prepared a detailed report on the company's governance covering the financial year from 1 January to 31 December 2015 in line with the requirements of the governance system of the companies listed in the financial markets. The system was issued by Qatar Financial Markets Authority and was published in paper form and on the internet for the benefit of the shareholders.


Finally, I would like to avail myself of this opportunity to extend, in your name and in the name of all the employees of Dlala Holding Company and its Board of Directors, the most profound thanks and appreciation to His Highness Sheikh Tamim Bin Hamad Al Thani the Emir of the State of Qatar (may Allah protect him) for his far-sighted vision and the wise policy he leads to develop the economy of the State of Qatar and promote the country in all fields.

I would also like to address, in the name of the Board of Directors, my heart-felt appreciation to the respected shareholders and clients for the valuable trust and support they accorded us, and which we hope to be worthy of, looking forward to meeting you always in good times with the company achieving more successes and objectives.

The Board of Directors is also honored to thank all the employees of Dlala for their sincere efforts and continued insistence on achieving the objectives of the company and the best interests of its clients.

Was-salamu alakum wa rahmatullahi wa barakatuhu

**Nasser Hamad Al Sulaiti**  
Chairman



## SERVICE CHANNELS



دلالة للوساطة  
DLALA BROKERAGE

## Dlala Brokerage Company (W.L.L)

### MISSION

Dlala Brokerage Company (W.L.L) is determined to be recognized as a pioneer in the brokerage sector by helping investors to make timely and appropriate investment decisions, observing the highest ethical and professional standards and, delivering the expectations of our customers.

We strive to ensure 'total satisfaction' for our customers and employees and aim to provide our customers with the most modern means of trading, that utilises the latest state-of-the-art e-trading methods, both online and through our call centre. We are committed to provide our investors with the best possible service, wherever they might be, and help them fulfill their aspirations and investment goals.

### VISION

To assume a leading role in promoting the integration of stock markets around the world by exploring newer avenues of co-operation among them and by establishing a platform that brings together all the leading brokerage companies in these markets.





دلالة الإسلامية  
DLALA ISLAMIC

## Dlala Islamic Brokerage Company (W.L.L)

### MISSION

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

### VISION

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

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

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 to precisely and efficiently meet the needs of all its customers.



دلالة العقارية  
DLALA REAL ESTATE

## Dlala Real Estate Company (W.L.L)

### MISSION

To establish ourselves as the real estate company of choice, offering modern solutions for property management, building trust, raising the standards of customer service and protecting owners and investors from risk.

### VISION

To be pioneers in Real Estate management and marketing and to offer the very best technological solutions for customer services.

### PROFILE

Dlala Real Estate, the third subsidiary of Dlala Holding has been launched to offer clients in Qatar, leading edge solutions to property management and marketing. Its system and policies and procedures have been designed to provide quality and professional services to client through quick, simple and convenient procedures and financial settlements. Additionally, it is committed to securing owners and investors rights whilst keeping risk to minimum.

### THE RANGE OF ACTIVITIES

- **Property Management:**
  - **Rental Collection:** Automated functionality of rentals due and collection insures that collection is made on time. Supported by legal and back office procedures.
  - **Rental Services** (renting and contract management): Our automated notification functionality accelerate the rent process and improve property occupancy rate, using our wide range of advertising and marketing plans.
  - **Facilities Management:** We hire and supervise experienced personnel/ independent contractors who will provide service to landlord properties.
- **Sell & Buy Brokerage:** We work closely with our customers to secure the possible deal in the market. Dlala policies and procedures are designed to facilitate both buyer and seller interest.
- **Electronic Follow Up:**
  - **Landlord Access:** For Landlords to follow up electronically the details of the property transactions like (Tenant details, unit status, rent amounts and payments, contract dates and other relevant details).
  - **Notify me:** communicate electronically real time with our customers to notifying them with listed properties.
- **Certified Real Estate Evaluator:** Dlala policies and procedures are designed to produce a trusted evaluation documentation presenting properties market price.

## BOARD COMMITTEES



دلالة القابضة  
DLALA HOLDING

### 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 of three members of the Board. The membership of the Committee will correspond to the tenure of Board membership. All members of the Audit Committee have accounting and financial experience.

#### The members of the Audit Committee are:

- Ms. Moza Al Sulaiti – Chairman
- Mr. Walid Raslan Al Abdullah - Member
- Mr. Khalid Abdullah Al Sowaidi - Member

#### The responsibilities of the Committee:

1. Report to the Board any matters that, in the opinion of the Committee, necessitate action and recommend follow-up action.
2. Report to the Board on the matters related to the Committee as outlined in QFMA CGC.
3. Consider other issues as determined by the Board.
4. Monitor risk factors related to Dlala and recommend to the Board for mitigating the risk factors.
5. Review the Financial and Internal Control and risk management systems.
6. Discuss the Internal Control systems with the management to ensure management's performance of its duties towards the development of efficient Internal Control systems.
7. Consider the findings of principal investigations in Internal Control matters requested by the Board or carried out by the Committee on its own initiative with the Boards' approval.
8. Review Dlala's financial and accounting policies and procedures.
9. Monitor accuracy and validity of the financial statements and the yearly, half-yearly and quarterly reports, and to review such statements and reports, with special focus on

- Any changes to the accounting policies and practices;
- Matters subject to the discretion of Senior Executive Management;
- Major amendments resulting from the audit;
- Continuation of Dlala as a viable going concern;
- Compliance with the accounting standards - International Financial Reporting Standards.
- Compliance with the applicable listing rules in Qatar Exchange; and
- Compliance with disclosure rules and any other requirements relating to the preparation of financial reports

10. Consider any significant and unusual matters contained or to be contained in Dlala's financial reports and accounts.
11. Oversee and follow up the independence and objectivity of the External Auditor and for determining the nature, scope and efficiency of the external audit in accordance with International Standards on Auditing and International Financial Reporting Standards.
12. Ensure that the External Auditor conducts an annual and semi-annual independent audit with the purpose of providing an objective assurance to the Board and shareholders that the financial statements are prepared in accordance with related laws and regulations and International Financial Reporting Standards and accurately represent the financial position and performance of Dlala in all material respects.
13. Meet with the External Auditors at least once a year.
14. Consider any issues raised by the External Auditors.
15. Ensure the timely reply by the Board to the queries and matters contained in the External Auditors' letters or reports.
16. Ensure that External Auditor attends the General Assembly and delivers the annual report and answers any queries in this respect.



17. Recommend to the Board regarding appointment of External Auditors, by following the following guidelines –
  - a. External auditors should be independent and not have non-audit interests in Dlala and its Board Members. External Auditor shall not have any conflicts of interests in his relation to Dlala.
  - b. External auditors should be an audit professional with relevant experience in auditing financial statements of listed companies based on International Standards on Auditing and International Financial Reporting Standards.
  - c. Follow the applicable rules and regulations regarding auditor rotation.
18. Review the letter of appointment of the External Auditor, his business plan and any significant clarifications he requests from senior management as regards the accounting records, the financial accounts or control systems as well as the Senior Executive management's reply.
19. Evaluate the performance of External Auditor.
20. Oversee the functioning of Internal Audit and in particular to ensure that the following Internal Audit functions are performed –
  - a. Audit the Internal Control Systems and oversee their implementation.
  - b. Internal Audit to be carried out by operationally independent, appropriately trained and competent staff.
  - c. Internal Audit will submit the report to the Board through the Committee.
  - d. Internal Audit has access to all Dlala activities.
  - e. Internal Audit to be independent from day-to-day functioning of Dlala. Independence to be reinforced by the compensation of Internal Audit being determined by the Board based on the recommendation of the Committee.
  - f. Internal Auditor will attend the General Assembly.
21. Ensure that the Internal Audit function includes at least one internal auditor appointed by the Board.
22. Recommend to the Board for approval of the scope of Internal Audit and to particularly include the following –
  - a. Control and oversight procedures of financial affairs, investments, and risk management.
  - b. Comparative evaluation of the development of risk factors and the systems in place to respond to drastic or unexpected market changes.
  - c. Assessment of the performance of the Board and senior management in implementing the Internal Control Systems, including the number of times the Board was notified of control issues (including risk management) and the manner in which such issues were handled by the Board.
  - d. Internal Control failure, weaknesses or contingencies that have affected or may affect the Dlala's financial performance and the procedure followed by Dlala in addressing Internal Control failures (especially such problems as disclosed in Dlala's annual reports and financial statements).
  - e. Dlala's compliance with applicable market listing and disclosure rules and requirements.
  - f. Dlala's compliance with Internal Control systems in determining and managing risk.
  - g. All relevant information describing Dlala's risk management operations.
23. Ensure that the Internal Audit Report is prepared every three months and submitted to the Committee and Board.
24. Supervise and monitor the financial, administrative and technical activities of Internal Audit.
25. Evaluate the performance of Internal Auditor.
26. Ensure that External and Internal Auditors are separate legal entities and ensure that all other requirements of appointing External Auditor are applied to the appointment of Internal Auditor including auditor rotation (incases when the Board decides to outsource Internal Audit function to an external consultant)
27. Coordinate with the Board, Senior Executive Management & Dlala's Chief Financial Officer or the person undertaking the latter's responsibilities.
28. Coordinate between the Internal Auditor and External Auditor, the availability of necessary resources, and the effectiveness of the Internal Controls.
29. Review remarks raised on any of the reports submitted to the Committee and forward them to the concerned departments for follow-up and timely action.
30. Develop rules, through which employees of Dlala can confidentially report any concerns about matters in the financial reports or Internal Controls or any other matters that raise suspicions, where such matter is unethical, illegal or detrimental to Dlala. Ensure that proper arrangements are available to allow independent and fair investigation of such matters whilst ensuring that the aforementioned employee is afforded confidentiality and protected from reprisal.
31. Consider issues raised by the Dlala's Chief Financial Officer or the person undertaking the latter's responsibilities, or Compliance Officer or Internal Auditors or External Auditors.
32. Oversee Dlala's adherence to professional conduct rules.
33. Ensure all laws and instructions regarding Dlala's activities are duly adhered to.
34. Ensure that the rules of procedure related to the powers assigned to the Board are properly applied;
35. Attend the General Assembly.
36. Consult at Dlala's expense any independent expert or consultant with prior approval from the Board.
37. Recommend and follow-up all activities related to training, promotion and development of human resources.
38. Delegate responsibilities to a sub-committee comprising one or more of its members or to Dlala's CEO.

#### EXECUTIVE COMMITTEE

The Executive Committee comprises four Board members and is headed by the Chairman. The membership of the Committee will correspond to the tenure of Board membership.

#### The members of the Executive Committee are:

- H.E. Sheikh Abdul Rahman Bin Hamad Al Thani – Chairman
- H.E Sheikh Suhaim Bin Khaled Al Thani - Member
- Mr. Ahmed Mohamed Al Asmakh - Member
- Mr. Jabir Bin Hajjaj Al Shahwani –Member

#### The responsibilities of the Committee:

1. Develop the company strategy and approve the internal policies and procedures.
2. Review and approve the Organizational structure.
3. Supervise and monitor the financial performance of the company.
4. Review the annual budget before submitting it to the board Directors for approval.
5. Develop general guidelines and policies for investments and present them to the Board of Directors.
6. Develop the portfolio investment policy.
7. Approve all the investment projects.
8. Review and approve on sale of fixed assets.
9. Approve all agreed upon agreements and obligations that are beyond the authority of the CEO.
10. Approve the request of borrowing from financial institutions
11. Develop business plans and strategies of the company before presenting it to the Board of Directors.
12. Review and approve the proposals for change in paid up capital or company restructure.
13. Review and approve the proposals for issuing bonds and investments securities.
14. Appoint and terminate CEO and his deputy, and determine his salary.



## NOMINATION, REMUNERATION AND GOVERNANCE COMMITTEE

Nomination, Remuneration and Governance Committee comprises of three members of the Board. The membership of the Committee will correspond to the tenure of Board membership.

### The members of the Committee are:

- Mr. Nasser Hamad Al Sulaiti – Chairman
- H.E Sheikh Suhaim Bin Khaled Al Thani - Member
- Ms. Moza Al Sulaiti – Chairman

### The responsibilities of the Committee:

1. Report to the Board any matters that, in the opinion of the Committee, necessitate action and to recommend necessary follow-up action.
2. Report to the Board on the matters related to the Committee as outlined in the QFMA CGC and its terms of reference.
3. Consider other issues as determined by the Board.
4. Responsible for the Board nomination process and overseeing the process regarding appointment of Board of Directors.
5. Responsible for formulating and publishing a formal, rigorous and transparent procedure for nomination of Board Members based on the requirements of the Dlala Holding's bylaws (including Articles of Association), QFMA CGC, Commercial Companies Law and other relevant authority.
6. Propose to the Board for amendment to the Articles of Association for approval by the Extraordinary General Assembly of the shareholders, where ever the Committee deems such amendments to be necessary.
7. Establish and publish (after approval from the shareholders in the General Assembly) a remuneration policy, which governs the remuneration of the Chairman of the Board,

Board Members and Senior Executive Management based on Dlala's bylaws (including Articles of Association), QFMA CGC, Commercial Companies Law, other applicable regulations and international best practices applicable to Qatar.

8. Define and implement Related Party Policy to govern commercial transaction with the related parties and potential conflicts of interest, with reference to the definition of related parties as included in the QFMA CGC. Such policy to include the requirements as specified in the QFMA CGC.
9. Ensure, in co-operation with the Chairman of the Board, that an annual evaluation of the Board's performance is performed.
10. Prepare and present to the Board for approval – Management succession plan, Induction program for new Board Members, Training process and plan for Board Members, Annual Corporate Governance Report as per requirements of QFMA CGC.
11. Attend the General Assembly. (Article 14.2 – QFMA CGC)
12. Consult at Dlala's expense any independent expert or consultant with prior approval from the Board.
13. Delegate responsibilities to a sub-committee comprising one or more of its members or to Dlala's CEO.
14. Keep the Board updated about the latest developments in the area of corporate governance and industry best practices.

## CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2015



## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.S.C.

### 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") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2015 and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Board of Directors' Responsibility for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' 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 about whether the consolidated financial statements are free from material misstatement.

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 auditors' 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 entity'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 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 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, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### REPORT ON LEGAL AND OTHER REGULATORY REQUIREMENTS

Furthermore, in our opinion, proper books of account have been kept by the Company and the consolidated financial statements comply with the Qatar Commercial Companies' Law No. 11 of 2015 and the Company's Articles of Association. We further confirm that the financial information included in the Annual Report of the Board of Directors is in agreement with the books and records of the Group. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year, which might have had a material effect on the business of the Group or on its financial position.

### T.F. Sexton

of Ernst & Young  
Auditor's Registration No.114

15 February 2016  
Doha

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

Notes	2015 QR'000	2014 QR'000
<b>ASSETS</b>		
Current assets		
4	147,982	162,034
5	504,799	732,596
6	31,285	12,734
	-	70,743
7	84,731	123,198
8	30,067	63,278
	<b>798,864</b>	<b>1,164,583</b>
Non-current assets		
9	260	-
10	42,284	43,480
	<b>42,544</b>	<b>43,480</b>
	<b>841,408</b>	<b>1,208,063</b>
<b>TOTAL ASSETS</b>		
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
	510,327	812,043
	16,694	-
11	44,963	97,928
	<b>571,984</b>	<b>909,971</b>
<b>Non-current liability</b>		
12	3,985	3,527
	<b>575,969</b>	<b>913,498</b>
<b>TOTAL LIABILITIES</b>		
<b>Equity</b>		
13	284,160	222,000
14	25,204	24,821
	(1,952)	(14,701)
	(42,016)	62,388
	<b>265,396</b>	<b>294,508</b>
	43	57
	<b>265,439</b>	<b>294,565</b>
	<b>841,408</b>	<b>1,208,063</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		

Nasser Hamad Al Sulaiti  
Chairman

Ahmed Mohamed Al Asmakh  
Managing Director

## CONSOLIDATED STATEMENT OF INCOME

### For the year ended 31 December 2015

	Notes	2015 QR'000	2014 QR'000
Brokerage and commission income		44,318	103,940
Brokerage and commission expense	16	(14,729)	(34,493)
<b>Net brokerage and commission income</b>		<b>29,589</b>	69,447
Net investment income	17	3,276	26,163
Real estate income	18	5,574	6,409
Interest income		1,474	1,026
Other operating income		11	86
Net operating income		<b>39,924</b>	103,131
Other income		40	201
General and administrative expenses	19	(26,301)	(33,988)
Depreciation and amortization	9 & 10	(2,034)	(2,560)
<b>Profit before impairment losses on available-for-sale investments</b>		<b>11,629</b>	66,784
Impairment losses on available-for-sale investments		(53,603)	-
<b>(LOSS) PROFIT FOR THE YEAR</b>		<b>(41,974)</b>	66,784
Attributable to:			
Owners of the parent		(41,969)	66,772
Non-controlling interests		(5)	12
		<b>(41,974)</b>	66,784
<b>BASIC AND DILUTED (LOSS) EARNINGS PER SHARE (QR)</b> (Attributable to owners of the parent)	20	<b>(1.48)</b>	2.35

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### For the year ended 31 December 2015

	2015 QR'000	2014 QR'000
<b>(Loss) profit for the year</b>	(41,974)	66,784
<b>Other comprehensive income:</b>		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Net fair value (loss) gain on available-for-sale investments	(40,791)	11,364
Net gain on disposal of available-for-sale investments reclassified to the consolidated statement of income (Note 17)	(63)	(20,280)
Impairment losses on available-for-sale investments reclassified to the consolidated statement of income	53,603	-
<b>Net other comprehensive income (loss) to be classified to profit or loss in subsequent periods</b>	12,749	(8,916)
Items not to be reclassified to profit or loss in subsequent periods	-	-
<b>Total other comprehensive income (loss) for the year</b>	12,749	(8,916)
<b>TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR</b>	<b>(29,225)</b>	57,868
Attributable to:		
Owners of the parent	(29,220)	57,856
Non-controlling interests	(5)	12
	<b>(29,225)</b>	57,868



## CONSOLIDATED STATEMENT OF CASH FLOWS

### For the year ended 31 December 2015

	Notes	2015 QR'000	2014 QR'000
<b>OPERATING ACTIVITIES</b>			
(Loss) profit for the year		(41,974)	66,784
Adjustments for:			
Depreciation and amortization	9 & 10	2,034	2,560
Provision for employees' end of service benefits	12	569	1,041
Gain on disposal of available-for-sale investments	17	(63)	(20,280)
Profit on disposal of property and equipment		(34)	-
Impairment losses on available-for-sale investments		53,603	-
Interest income		(1,474)	(1,026)
Dividend income	17	(3,213)	(5,883)
Operating profit before working capital changes		<b>9,448</b>	43,196
Working capital changes:			
Customers funds		227,797	(368,521)
Due from customers		(18,551)	35,556
Due from/to QCSD		87,437	(44,818)
Other assets		33,514	(17,777)
Due to customers		(301,716)	368,669
Other liabilities		(51,295)	12,885
Net cash flows (used in) from operations		<b>(13,366)</b>	29,190
Employees' end of service benefits paid	12	(111)	(125)
Contribution paid to social fund		(1,670)	(136)
Cash flows (used in) from operating activities		<b>(15,147)</b>	28,929
<b>INVESTING ACTIVITIES</b>			
Proceeds from sale of available-for-sale investments	17	138,268	807,976
Purchase of available-for-sale investments		(140,592)	(785,674)
Purchase of property and equipment	10	(1,098)	(1,136)
Proceeds from sale of property and equipment		34	-
Interest received		1,171	1,026
Dividend received		3,213	5,883
Proceeds from sale of fractional shares arising from bonus issue		108	-
Net cash flows from investing activities		<b>1,104</b>	28,075
<b>FINANCING ACTIVITIES</b>			
Dividends paid to non-controlling interests		(9)	-
Bank deposits maturing after 90 days	4	(15,000)	-
Net cash flows used in financing activities		<b>(15,009)</b>	-
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at 1 January		(29,052)	57,004
Cash and cash equivalents at 31 December	4	<b>132,982</b>	105,030

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### For the year ended 31 December 2015

	Equity attributable to owners' of the parent					Non-controlling interests	Total equity
	Share capital	Legal reserve	Fair Value reserve	Retaining earnings	Total	QR'000	QR'000
Balance at 1 January 2014	222,000	18,143	(5,785)	3,964	238,322	45	238,367
Profit for the year	-	-	-	66,772	66,772	12	66,784
Other comprehensive loss for the year	-	-	(8,916)	-	(8,916)	-	(8,916)
Total comprehensive income for the year	-	-	(8,916)	66,772	57,856	12	57,868
Transfer to legal reserve	-	6,678	-	(6,678)	-	-	-
Contribution to Social and Sports Development Fund (Note 11)	-	-	-	(1,670)	(1,670)	-	(1,670)
Balance at 31 December 2014	222,000	24,821	(14,701)	62,388	294,508	57	294,565
(Loss) profit for the year	-	-	-	(41,969)	(41,969)	(5)	(41,974)
Other comprehensive income for the year	-	-	12,749	-	12,749	-	12,749
Total comprehensive loss for the year	-	-	12,749	(41,969)	(29,220)	(5)	(29,225)
Transfer to legal reserve	-	383	-	(383)	-	-	-
Bonus shares issued (Note 15)	62,160	-	-	(62,160)	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	(9)	(9)
Proceeds from sale of fractional shares arising from bonus issue	-	-	-	108	108	-	108
<b>Balance at 31 December 2015</b>	<b>284,160</b>	<b>25,204</b>	<b>(1,952)</b>	<b>(42,016)</b>	<b>265,396</b>	<b>43</b>	<b>265,439</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

## 1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Dlala Brokerage and Investment Holding Company Q.S.C. (the "Company") is a Qatari Shareholding Company (Q.S.C.) incorporated in the State of Qatar on 24 May 2005 under Commercial Registration No. 30670. The Company is listed in the Qatar Exchange and is governed by the provisions of the Qatar Commercial Companies Law No. 11 of 2015, and the regulations of Qatar Financial Markets Authority and Qatar Exchange. The Company's registered office is at P.O. Box 24571, Doha, State of Qatar.

The Company, together with its subsidiaries (together referred to as the "Group"), is engaged in brokerage activities at the Qatar Exchange, real estate and other investment activities.

The consolidated financial statements of the Group for the year ended 31 December 2015 were authorised for issue by the Board of Directors on 15 February 2016.

## 2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Dlala Brokerage and Investment Holding Company Q.S.C. and its subsidiaries. The principal subsidiaries of the Group are as follows:

Entity	Country of incorporation	Relationship	Ownership interest 2015	Ownership interest 2014
Dlala Brokerage Company W.L.L.	Qatar	Subsidiary	99.98%	99.98%
Dlala Islamic Brokerage Company W.L.L.	Qatar	Subsidiary	99.98%	99.98%
Dlala Real Estate S.P.C.	Qatar	Subsidiary	100%	100%
Dlala Investment Company L.L.C. (Dormant)	Qatar	Subsidiary	99.90%	99.90%
Dlala International L.L.C. (Dormant)	Qatar	Subsidiary	99.50%	99.50%
Dlala Information Technology S.P.C. (Dormant)	Qatar	Subsidiary	100%	100%

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All material intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from the equity attributable to the owners of the parent. Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance. Any change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the assets (including any goodwill) and liabilities of the subsidiary, the carrying amount of any non-controlling interest and any cumulative translation differences recorded in equity, and recognises the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in the consolidated statements of income. It will also reclassify the parent's share of components previously recognised in other comprehensive income to the profit or loss or retained earnings, as appropriate.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

## 3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and applicable requirements of Qatar Commercial Companies' Law No. 11 of 2015.

During the year, a new Qatar Commercial Company's law No.11 of 2015 was issued in the State of Qatar. The new law did not have any impact on the consolidated financial statements.

The consolidated financial statements are prepared under the historical cost basis, except for available-for-sale investments that have been measured at fair value.

The consolidated financial statements have been presented in Qatar Riyals (QR), which is the Group's functional and presentation currency and all values are rounded to the nearest thousand (QR'000) except when otherwise indicated.

### Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS recently issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) interpretations effective as of 1 January 2015.

#### Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. These amendments have no impact on the Group's financial performance.

#### Annual Improvements 2010-2012 Cycle

With the exception of the improvement relating to IFRS 2 Share-based Payment applied to share-based payment transactions with a grant date on or after 1 July 2014, all other improvements are effective for accounting periods beginning on or after 1 July 2014. These improvements include:

- IFRS 2 Share-based Payment;
- IFRS 3 Business Combinations;
- IFRS 8 Operating Segments;
- IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets;
- IAS 24 Related Party Disclosures.

#### Annual Improvements 2011-2013 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these consolidated financial statements, where applicable. They include:

- IFRS 3 Business Combinations;
- IFRS 13 Fair Value Measurement;
- IAS 40 Investment Property.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

### 3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued) Changes in accounting policy and disclosures (continued)

#### Standards issued but not yet effective

The following new standards have been issued but are not yet effective. The Group is currently evaluating the impact of these new standards.

<i>Topic</i>	<i>Effective date</i>
IFRS 9 Financial Instruments	1 January 2018
IFRS 14 Regulatory Deferral Accounts	1 January 2016
IFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to IFRS 11 Joint Arrangement: Accounting for acquisition of interest	1 January 2016
Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortization	1 January 2016
Amendments to IAS 27: Equity method in separate financial statements	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 - Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Annual Improvements to IFRSs 2012-2014 Cycle	1 January 2016
Amendments to IAS 1 – Disclosure Initiative	1 January 2016

The Group has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective.

#### Summary of significant accounting policies

##### Revenue

Brokerage and commission income is recognized when a sale or purchase transaction is completed and the right to receive the commission has been established.

Real estate brokerage fee income is recognized when a rental contract is signed between the landlord and the tenant and when the right to receive the income has been established.

Revenue from sale of trading properties is recognized when significant risk and rewards of ownership are passed to the buyer and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties sold. Income from cancellation of sales contract is recognized based on underlying contractual terms.

Dividend income is recognized when the right to receive the dividend is established. Interest income is recognised on time proportionate basis using the effective interest rate method.

##### Due from customers

Amount due from customers are carried at original invoice amount less any allowance for non-collectability of receivables. An allowance for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the customer) that the Group will not be able to collect part or all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired receivables are derecognized when they are assessed as uncollectible.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

### 3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued) Summary of significant accounting policies (continued)

#### Financial investments – available-for-sale

Available-for-sale investments are non-derivatives that are either designated in this category nor classified in any other categories. Available for sale financial assets are recognized initially at fair value plus transaction costs. After initial recognition, available for sale financial assets are subsequently re-measured at fair value, with any resultant gain or loss directly recognised as a separate component of equity under other comprehensive income until the investment is sold, collected or the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the consolidated statement of income for that year. Dividends earned on investments are recognised in the consolidated statement of income as "dividend income" when the right to receive dividend has been established. All regular way purchases and sales of investments are recognised on the trade date when the Group becomes or commit to be a party to contractual provisions of the instrument.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the end of the reporting period. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to current market value of another instrument which is substantially the same, discounted cash flow analysis or other valuation models. For investment in funds, fair value is determined by reference to net asset values provided by the fund administrators.

If an available-for-sale investment is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognised in the consolidated statement of income is transferred from equity to consolidated statement of income. Impairment losses on equity instruments recognized in the consolidated statement of income are not subsequently reversed. Reversals of impairment losses on debt instruments are done through the consolidated statement of income; if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in the consolidated statement of income.

For listed equity investments, a decline in the market value by 30% from cost or more, or for a continuous period of 12 months or more, are considered to be indicators of impairment.

#### Trading properties

Trading properties are real estate properties developed or held for sale in the ordinary course of business. Trading properties are held at the lower of cost and net realisable value. Cost of trading properties comprise all costs of purchase, cost of construction and other costs incurred in bringing the property to their present location and condition.

#### Intangible asset

Intangible asset represents the computer software application. Intangible asset acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

### 3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Summary of significant accounting policies (continued)

##### Intangible asset (continued)

embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of income in the expense category consistent with the nature of the intangible asset.

The following are the useful life and method of amortization of Group's intangible asset.

	<i>Computer software application</i>
Useful life	3 years (finite)
Method of amortization	Straight line

##### Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and/or impairment losses, if any. Costs include expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchase software that is integral to the functionality of the related equipment is capitalized as part of related equipment.

Land is not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Building 20 years
- Leasehold improvements 5 years
- Furniture and fixtures 10 years
- Computers and software 3 to 5 years
- Office equipment 5 years
- Motor vehicles 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognized in the consolidated statement of income as the expense is incurred. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the consolidated statement of income in the year the asset is derecognized.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

### 3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Summary of significant accounting policies (continued)

##### Impairment and uncollectibility of financial assets

An assessment is made at the end of each reporting period to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the consolidated statement of income. Impairment is determined as follows:

- a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the consolidated statement of income;
- b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
- c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

##### Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, balances with banks and short term deposits with an original maturity of less than three months.

##### Due to customers

Amounts due to customers are recognized initially at fair value of the amounts to be paid, less directly attributable transaction costs. Subsequent to initial recognition, due to customers are measured at amortized cost.

Borrowing costs that are directly attributable to the construction of investment properties, properties under developments and, property and equipment are capitalised. The capitalisation of borrowing costs will cease once the asset is ready for its intended use. All other borrowing costs are recognised as expense.

##### Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

##### Employees' end of service benefits

The Group provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

The Group also provides for its contribution to the State administered retirement fund for Qatari employees in accordance with the retirement law, and the resulting charge is included within the staff cost in the consolidated statement of income. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised when they are due.

##### Operating leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the consolidated statement of income on a straight-line basis over the lease term.

##### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. All differences are taken to the consolidated statement of income.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

## 3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

### Summary of significant accounting policies (continued)

#### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability  
or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

For financial instruments where there is no active market, the fair value is determined by using discounted cash flow analysis or reference to broker or dealer price quotations. For discounted cash flow analysis, estimated future cash flows are based on management's best estimates and the discount rate used is a market related rate for a similar instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

#### Derecognition of financial assets and liabilities

- a) Financial assets  
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:
  - The rights to receive cash flows from the asset have expired;

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

## 3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

### Summary of significant accounting policies (continued) Derecognition of financial assets and liabilities (continued)

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

- b) Financial liabilities  
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of income.

#### Current versus non-current classification

The Group presents assets and liabilities in consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- a. Expected to be realised or intended to sold or consumed in normal operating cycle,
- b. Held primarily for the purpose of trading,
- c. Expected to be realised within twelve months after the reporting period,  
or
- d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- a. It is expected to be settled in normal operating cycle
- b. It is held primarily for the purpose of trading
- c. It is due to be settled within twelve months after the reporting period  
or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

### 4 CASH AND CASH EQUIVALENTS

Cash and cash equivalent included in the consolidated statement of cash flows include the following balances:

	2015 QR'000	2014 QR'000
Cash and bank balances	147,982	162,034
Bank deposits with maturity above 90 days	(15,000)	-
	<b>132,982</b>	162,034

Bank balances include short term deposits made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates.

### 5 BANK BALANCES – CUSTOMER FUNDS

Bank balances-customer funds represent bank balances for customers, which the Group holds in trust until the customers commit those funds to purchase of shares. At the settlement date of these transactions, the Group transfers due amounts from these customer funds to the settlement authority.

### 6 DUE FROM CUSTOMERS

	2015 QR'000	2014 QR'000
Amounts due from customers	35,315	16,764
Less: Allowance for impairment	(4,030)	(4,030)
	<b>31,285</b>	12,734

At 31 December 2015, amounts due from customers at nominal value of QR 4,030 thousand (2014: QR 4,030 thousand) were impaired. The Group provides fully for all balances due from its customers, which are overdue or under legal cases. There were no movements in the allowance for impairment during the year (2014: Nil).

At 31 December, the aging of unimpaired amounts due from customers is as follows:

	Total QR'000	Neither past due nor impaired QR'000	Past due but not impaired				
			< 30 days QR'000	30-60 days QR'000	61-90 days QR'000	91-120 days QR'000	>120 days QR'000
<b>2015</b>	<b>31,285</b>	<b>31,285</b>	-	-	-	-	-
2014	12,734	12,733	1	-	-	-	-

Unimpaired amounts due from customer balances are expected to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

### 7 AVAILABLE-FOR-SALE INVESTMENTS

	31 December 2015			31 December 2014		
	Listed QR'000	Unlisted QR'000	Total QR'000	Listed QR'000	Unlisted QR'000	Total QR'000
Shares	75,320	2,196	77,516	118,209	2,073	120,282
Funds	-	7,215	7,215	-	2,916	2,916
<b>Total</b>	<b>75,320</b>	<b>9,411</b>	<b>84,731</b>	<b>118,209</b>	<b>4,989</b>	<b>123,198</b>

### 8 OTHER ASSETS

	2015 QR'000	2014 QR'000
Advance paid for real estate projects	26,444	60,294
Prepayments	1,869	1,995
Other receivables	1,754	989
	<b>30,067</b>	63,278

### 9 INTANGIBLE ASSET

	2015 QR'000	2014 QR'000
Cost:		
At 1 January	-	-
Transfers from property and equipment during the year (Note 10)	376	-
At 31 December	376	-
Amortization:		
At 1 January	-	-
Amortization for the year	116	-
At 31 December	116	-
<b>At 31 December</b>	<b>260</b>	-

Amortization of intangible asset during the year is included under the depreciation and amortization in the consolidated statement of income.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

## 10 PROPERTY AND EQUIPMENT

	Land QR'000	Building QR'000	Leasehold improvements QR'000	Furniture and fixtures QR'000	Computer equipment and software QR'000	Office equipment QR'000	Motor vehicles QR'000	Capital work-in- progress QR'000	Total QR'000
Cost:									
As at 1 January 2015	29,097	13,886	98	1,547	38,281	3,164	929	12	87,014
Additions	-	-	-	20	4	14	-	1,060	1,098
Disposals	-	-	-	-	-	-	(178)	-	(178)
Transfers to intangible asset (Note 9)	-	-	-	-	-	-	-	(376)	(376)
Transfers to computer and equipment	-	-	-	-	25	-	-	(25)	-
As at 31 December 2015	29,097	13,886	98	1,567	38,310	3,178	751	671	87,558
Depreciation:									
As at 1 January 2015	-	2,985	97	777	36,257	2,689	729	-	43,534
Charge for the year	-	716	1	144	615	360	82	-	1,918
Relating to disposals	-	-	-	-	-	-	(178)	-	(178)
As at 31 December 2015	-	3,701	98	921	36,872	3,049	633	-	45,274
<b>Net book value: As at 31 December 2015</b>	<b>29,097</b>	<b>10,185</b>	<b>-</b>	<b>646</b>	<b>1,438</b>	<b>129</b>	<b>118</b>	<b>671</b>	<b>42,284</b>
Cost:									
As at 1 January 2014	29,097	13,860	98	1,843	36,151	3,075	772	982	85,878
Additions	-	26	-	2	47	89	157	815	1,136
Reclassification	-	-	-	(298)	298	-	-	-	-
Transfers	-	-	-	-	1,785	-	-	(1,785)	-
As at 31 December 2014	29,097	13,886	98	1,547	38,281	3,164	929	12	87,014
Depreciation:									
As at 1 January 2014	-	2,267	84	819	34,872	2,308	624	-	40,974
Charge for the year	-	718	13	155	1,188	381	105	-	2,560
Relating to reclassification	-	-	-	(197)	197	-	-	-	-
As at 31 December 2014	-	2,985	97	777	36,257	2,689	729	-	43,534
Net book value: As at 31 December 2014	29,097	10,901	1	770	2,024	475	200	12	43,480

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

### 11 OTHER LIABILITIES

	2015 QR'000	2014 QR'000
Advances received from customers for a real estate project	23,429	65,903
Dividend payable	16,198	17,210
Accrued expenses	2,508	10,799
Contribution to Social and Sports Development Fund (i)	-	1,670
Commission payable	947	1,452
Other payables	1,881	894
	<b>44,963</b>	<b>97,928</b>

- (i) Pursuant to Law No. 13 of 2008 and further clarification of the law issued in 2010, the Group is required to contribute to the social and sports development fund of Qatar, which is calculated at 2.5% of the net profit for the year. Since the Group has generated losses for the year ended 31 December 2015, no provision for the contribution was recorded as of the year ended 31 December 2015.

### 12 EMPLOYEES' END OF SERVICE BENEFITS

The movements in the provision recognised in the consolidated statement of financial position are as follows:

	2015 QR'000	2014 QR'000
Provision as at 1 January	3,527	2,611
Provided during the year	569	1,041
End of service benefit paid	(111)	(125)
Provision as at 31 December	<b>3,985</b>	<b>3,527</b>

### 13 SHARE CAPITAL

	2015 QR'000	2014 QR'000
<b>Authorised, issued and fully paid:</b>		
Balance at the beginning of the year	222,000	222,000
22,200,000 shares of QR 10 each		
Add: Bonus shares issued during the year:	62,160	-
6,216,000 shares at QR 10 each (Note 15)		
Balance at the end of the year:	<b>284,160</b>	<b>222,000</b>
28,416,000 shares of QR 10 each		
(2014: 22,200,000 shares at QR 10 each)		

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

### 14 LEGAL RESERVE

In accordance with the Qatar Commercial Companies' Law No. 11 of 2015 and the Company's Articles of Association, 10% of the profit for the year is required to be transferred to the legal reserve. The transfers are made based on the profits earned by each subsidiary of the Group. The Group may resolve to discontinue such annual transfers, when the reserve equals 50% of the issued capital. This reserve is not available for distribution, except in the circumstances stipulated by the above law.

### 15 DIVIDENDS

At the Extra Ordinary General Assembly held on 7 April 2015, the shareholders approved a bonus share issue of 28 shares for every 100 shares held at 31 December 2014 (Note 13), amounting to QR 62,160 thousand, for the year ended 31 December 2014.

No dividends were declared for the year ended 31 December 2013.

### 16 BROKERAGE AND COMMISSION EXPENSE

	2015 QR'000	2014 QR'000
Commission paid to Qatar Exchange	13,566	31,104
Other commission expenses	90	519
Other brokerage expenses	1,073	2,870
	<b>14,729</b>	<b>34,493</b>

### 17 NET INVESTMENT INCOME

	2015 QR'000	2014 QR'000
Net gain on disposal of available-for-sale investments (Note (i))	63	20,280
Dividend income	3,213	5,883
	<b>3,276</b>	<b>26,163</b>

Note (i):

Net gain on disposal of available-for-sale investments:

	2015 QR'000	2014 QR'000
Proceeds from disposal of available-for-sale investments	138,268	807,976
Cost of disposal	(138,205)	(787,696)
	<b>63</b>	<b>20,280</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

### 18 REAL ESTATE INCOME

	2015 QR'000	2014 QR'000
Gain on sale of trading properties (Note(i))	-	4,472
Other real estate income	-	1,636
Real estate brokerage fee income	5,574	301
	<b>5,574</b>	<b>6,409</b>

Note (i) Gain on sale of trading properties:

	2015 QR'000	2014 QR'000
Sale proceeds	-	49,964
Cost of trading properties sold	-	(45,492)
	<b>-</b>	<b>4,472</b>

### 19 GENERAL AND ADMINISTRATIVE EXPENSES

	2015 QR'000	2014 QR'000
Staff costs and directors' remuneration	17,174	24,760
IT and communication costs	2,777	3,624
Bank guarantee fees	1,315	1,399
Marketing expenses	984	1,300
Consulting and professional fees	748	629
Communication expenses	550	606
Rent expenses	343	343
Maintenance expenses	493	342
License and regulatory fees	677	471
Penalties and claims	780	50
Insurance expenses	38	49
Miscellaneous expenses	422	415
	<b>26,301</b>	<b>33,988</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

### 20 BASIC AND DILUTED (LOSS) EARNINGS PER SHARE

Basic (loss) earnings per share is calculated by dividing the (loss) profit for the year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the year.

	2015	2014
(Loss) profit attributable to owners of the parent (QR'000)	(41,969)	66,772
Weighted average number of shares outstanding during the year (in thousands) (Note 13)	28,416	28,416
Basic and diluted (loss) earnings per share (QR)	(1.48)	2.35

There were no potentially dilutive shares outstanding at any time during the year and therefore, the diluted (loss) earnings per share is equal to the basic (loss) earnings per share.

At the Extra Ordinary General Assembly held on 7 April 2015, the shareholders approved a bonus share issue of 28 shares for every 100 shares held at 31 December 2014, amounting to QR 62,160 thousand. Therefore, previously reported basic and diluted earnings per share of QR 3.01 for the year ended 31 December 2014 has been restated to 2.35.

The weighted average number of shares has been calculated as follows:

	2015	2014
Qualifying shares at the beginning of the year (in thousands)	28,416	22,200
Effect of bonus share issue (in thousands) (Note 15)	-	6,216
Balance at the end of the year (in thousands)	28,416	28,416

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

### 21 RELATED PARTY DISCLOSURES

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

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

	2015 QR'000	2014 QR'000
<b>Board of Directors;</b>		
Brokerage and commission income	3,535	3,117
Fees paid for attending the Board meetings	(130)	-

Balances with related parties included in the consolidated statement of financial position are as follows:

	Payable	
	2015 QR'000	2014 QR'000
Board of Directors	3,555	503

The above balances are included under due to customers.

#### Compensation of key management personnel

Key management personnel of the Group consist of Board of Directors and General Managers.

The remuneration of key management personnel during the year was as follows:

	2015 QR'000	2014 QR'000
Salaries and short-term benefits	2,099	4,933
Pension benefits	19	17
Bonus – Board of Directors	-	4,500
	<b>2,118</b>	<b>9,450</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

### 22 COMMITMENTS AND CONTINGENCIES

The Group had the following commitments and contingent liabilities from which it is anticipated that no material liabilities will arise:

	2015 QR'000	2014 QR'000
Letters of guarantee	225,000	275,000

Letters of guarantee represent the financial guarantees issued by the banks on behalf of the Group to QCSD in the ordinary course of business and will mature within twelve months from the reporting date.

	2015 QR'000	2014 QR'000
<b>Capital commitments</b>		
Capital commitments	1,099	364

Operating lease commitments

Future minimum rental payable under non-cancellable operating lease as at 31 December is as follows:

	2015 QR'000	2014 QR'000
Within one year	356	301
After one year but not more than three years	363	434
More than three years	-	46
	<b>719</b>	<b>781</b>

### 23 SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their nature of activities and has three reportable segments and other activities. The three reportable segments are as follows:

- Stock Broking – this segment includes financial services provided to customers as a stock broker;
- Real Estate – this segment includes providing property management, marketing and sales services for real estate clients;
- IT and International – this segment includes IT management services and other overseas financial services;
- Others – represents the Holding Company, which provide corporate services to subsidiaries in the Group and engages in investing activities.

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the operating profit or loss. Transfer pricing between operating segments are on arm's length basis in a manner similar to transactions with third parties.

The following table presents the revenue, profit, assets and liabilities information regarding the Group's operating segments for the year ended 31 December 2015 and 2014, respectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

### 23 SEGMENT INFORMATION (continued)

	Stock Broking QR'000	Real Estate QR'000	IT and International QR'000	Others QR'000	Elimination QR'000	Total QR'000
<b>31 December 2015</b>						
Brokerage and commission income (net)	29,589	-	-	-	-	29,589
Other revenues (*)	2,478	9,251	2	65,929	(67,325)	10,335
Segment revenue	32,067	9,251	2	65,929	(67,325)	39,924
Segment (loss)/profit	(22,251)	3,826	(53)	40,495	(63,991)	(41,974)
Depreciation and amortization	182	804	-	1,048	-	2,034
Segment assets	666,339	93,362	16,057	307,642	(241,992)	841,408
Segment liabilities	533,386	23,807	115	36,660	(17,999)	575,969
<b>31 December 2014</b>						
Brokerage and commission income (net)	69,447	-	-	-	-	69,447
Others revenues (*)	15,344	10,227	2	11,711	(3,600)	33,684
Segment revenue	84,791	10,227	2	11,711	(3,600)	103,131
Segment profit/(loss)	59,506	3,244	(30)	4,064	-	66,784
Depreciation	201	878	1	1,480	-	2,560
Segment assets	976,388	154,826	16,087	268,458	(207,696)	1,208,063
Segment liabilities	826,820	68,097	99	45,000	(26,518)	913,498

The Group's operations are located in the State of Qatar.

\*Other revenues include investment and real estate income and profits.

### 24 FINANCIAL RISK MANAGEMENT

#### Objective and policies

The Group's principal financial liabilities comprise of amounts due to customers, due to QCSD and certain other liabilities. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as amounts due from customers, due from QCSD, available-for-sale investments, bank balances - customer funds and cash and bank balances, which arise directly from its operations.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The management reviews and agrees policies for managing each of these risks, which are summarized below.

#### Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity prices will affect the Group's income or value of its holding of financial instruments. The objective of market risk management is to manage and control the market risk exposure within acceptable parameters, while optimizing return.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

### 24 FINANCIAL RISK MANAGEMENT (continued)

#### Interest rate risk

The Group is exposed to interest rate risk on its floating rate interest bearing financial instruments. The following table demonstrates the sensitivity of the consolidated statement of income to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the consolidated statement of income is the effect of the assumed changes in interest rates on the Group's profit for the year, based on the floating rate financial instruments held at 31 December 2015. The effect of decreases in interest rates is expected to be equal and opposite to the effect of the increases shown.

	Increase in basis points	Effect on profit QR'000
<b>2015</b>	+25 b.p	329
2014	+25 b.p	404

There is no impact on the Group's equity.

#### Equity price risk

The following table demonstrates the sensitivity of the effect of cumulative changes in fair values recognised in the equity to reasonably possible changes in equity prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

	Changes in equity prices	Effect on equity QR'000
<b>2015</b>		
<b>Available-for-sale investments - Qatar Exchange</b>	+5%	3,766
2014		
Available-for-sale investments – Qatar Exchange	+5%	5,910

#### Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. As the Qatari Riyal is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk. The Group is not exposed to significant currency risk, in light of minimal balances in foreign currencies other than US Dollars.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk on its due from customers, bank balances and bank balances – customer funds and certain other assets, as reflected in the consolidated statement of financial position.

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting credit limits and monitoring outstanding receivables. The Group provides brokerage services to a large number of customers and its top 10 customers account for 10% (2014: 10%) of total amount due from customers at reporting date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

### 24 FINANCIAL RISK MANAGEMENT (continued)

With respect to credit risk arising from the financial assets of the Group, including receivables and bank balances, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets in the consolidated statement of financial position.

The table below shows the maximum exposure to credit risk for the components of the consolidated statement of financial position. The maximum exposure is shown gross.

	2015 QR'000	2014 QR'000
Bank balances (excluding cash)	147,975	162,028
Bank balances - customer funds	504,799	732,596
Due from customers	35,315	16,764
Due from QCSD	-	70,743
Other assets	1,754	989
	<b>689,843</b>	<b>983,120</b>

#### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the its reputation.

The Group limits its liquidity risk by ensuring adequate bank facilities are available. The Group's terms of trade require amounts to be settled within its specified terms in invoices. Due to customers and QCSD are normally settled within the terms of trade.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

	On demand QR'000	Less than 1 year QR'000	Total QR'000
<b>At 31 December 2015</b>			
Due to customers	510,327	-	510,327
Due to QCSD	16,694	-	16,694
Other liabilities	-	19,026	19,026
<b>Total</b>	<b>527,021</b>	<b>19,026</b>	<b>546,047</b>
<b>At 31 December 2014</b>			
Due to customers	812,043	-	812,043
Other liabilities	-	21,226	21,226
<b>Total</b>	<b>812,043</b>	<b>21,226</b>	<b>833,269</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

### 24 FINANCIAL RISK MANAGEMENT (continued)

#### Capital management

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2015 and 31 December 2014. Capital comprises share capital and (accumulated losses) retained earnings, and is measured at QR 242,144 thousand at 31 December 2015 (2014: QR 284,388 thousand).

In addition, the Group's subsidiaries engaged in brokerage services are required by the "Financial Solvency Rules for Financial Services Firms" issued by Qatar Financial Markets Authority to comply with certain capital adequacy measures. Management monitors these requirements on a daily basis and corrective actions are taken when necessary.

### 25 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and bank balances, bank balances- customer funds due from customers, available-for-sale investments and other receivables. Financial liabilities consist of due to customers, due to QCSD and other payables.

The fair values of financial instruments are not materially different from their carrying values.

#### Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2015, the following table shows an analysis of financial instruments recorded at fair value by level of fair value hierarchy:

	Total QR'000	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000
<b>At 31 December 2015</b>				
Available-for-sale investments	<b>82,535</b>	<b>75,320</b>	<b>7,215</b>	-
<b>At 31 December 2014</b>				
Available-for-sale investments	121,125	118,209	2,916	-

During the year ended 31 December 2015, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

### 26 SIGNIFICANT ASSUMPTIONS, ESTIMATES AND JUDGMENTS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and certain disclosures at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. In the process of applying the Group's accounting policies, management has made the following judgments, estimates and assumptions, which have the most significant effect on the amounts recognised in the consolidated financial statements:

The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future.

#### Impairment of receivables

An estimate of the collectible amount of receivables 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 an allowance applied according to the length of time past due.

At the end of the reporting period, gross amounts due from customers was QR 35,315 thousand (2014: QR 16,764 thousand) and the allowance for impairment of receivables was QR 4,030 thousand (2014: QR 4,030 thousand). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated statement of income.

#### Useful lives of property and equipment intangible asset

The Group's management determines the estimated useful lives of its property and equipment and intangible assets for calculating depreciation/amortization. This estimate is determined after considering the expected usage of the asset and physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation/amortization charge would be adjusted where the management believes the useful lives differ from previous estimates.

#### Impairment of available-for-sale investments

For available-for-sale investments, the Company assess at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the separate statement of income, is removed from equity and recognised in the (consolidated) statement of income.

At the reporting date, the carrying value of investments were QR 84,731 (2014: QR 123,198) with a provision for impairment loss of QR 53,603 (2014: Nil). Impairment losses on equity investments are not reversed through the (consolidated) income statement and increases in fair value after impairment are recognised directly in equity through other comprehensive income.

#### Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.



# CORPORATE GOVERNANCE

# CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015



Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
<b>Article 3</b> The company should adhere to the principles of governance	<b>3-1</b> The Board shall ensure the company's complies with QFMA Code	✓			Dlala applies the stipulated corporate governance procedures Issued by Qatar Financial Markets Authority (QFMA), those procedures provide assurance for the Board Of Directors of Dlala Holding Co. (BOD) in monitoring the company's practices.	
	<b>3-2</b> The Board shall review and update the approved governance applications on regular basis	✓			Dlala BOD believes in the continues improving of governance practices to suit the changing needs, furthermore the commitment of reviewing the governance practices on a permanent basis in addition to adding the necessary adjustments from time to time.  This report aims to present the company's corporate governance practices.	
	<b>3-3</b> The Board should set and periodically review professional conduct rules for the Board, staff and advisors. (Professional conduct rules include Board Charter, Audit Committee Charter, Company Regulations, Related Party Transactions, Insider Trading), the board shall also review the professional conduct rules periodically to ensure that such rules are reflecting the best practices and provide the needs of the company	✓			Dlala BOD is continually reviews the Code of Conduct and other internal policies and procedures such as BOD Charter, Related Party Policy, Conflicts of Interest, Security Trading and Disclosure Policy (including insider trading provisions), and works to develop them to meet the company's needs.	
<b>Article 4</b> Board charter	The board shall approve a charter, the charter should detail the responsibilities and duties of the board members that they should fully adhere to. The charter should be drafted in accordance to the provisions of these regulations and in accordance to the model attached herein, when reviewing the charter, the amendments performed by the Authority from time to time should be considered, the charter should be published by the board on the company's website and make it available to the public.	✓			The Board has approved its own charter identifies the internal regulations of the Board and its responsibilities and obligations, and adhere to, it has been published on the company's website to inform shareholders about it.	
<b>Article 5</b> Board mission and responsibilities	<b>5-1</b> The company shall be managed by an effective board of directors which shall be collectively responsible for the proper management of the company	✓			The BOD has The most extensive powers in managing the company, and those powers are not limited except if stipulated by the law, Articles of Association (AOA) or General Assembly resolutions, and BOD members are directly combined responsible for whereof resolutions issued by the BOD (Article 33 of AOA).	

## CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
	<b>5-2</b> In addition to the board functions and responsibilities mentioned herein, the board shall be responsible for what follows: committees				<b>Dlala BOD shall have the following responsibilities:</b> <ul style="list-style-type: none"> <li>- Setting the general policy of the company and its strategy and monitoring the implementation of that strategy.</li> <li>- Discuss and approve the periodic Financial Statements of the company.</li> <li>- Appointment and removal of the Executive Managers, and monitoring the management performance.</li> <li>- Ensure that Dlala Holding complies with related laws and regulations as well as the Articles of Association (AOA) and the Corporate Governance Code.</li> </ul>	
	<b>5-2-1</b> Approving the company's strategic objectives, appointing directors, nominating their compensations and replacing them, reviewing the performance of the management and ensuring that succession plans are in place authorities mandated by the board to such	✓				
	<b>5-2-2</b> Ensuring the company's compliance with the related laws and regulations and the compliance with the company's articles of association, the board shall also be responsible for protecting the company from any illegal, abusive or inappropriate actions	✓				
	<b>5-3</b> The board may delegate some of its functions to the special committees and form such committees to perform certain duties, the committees shall perform its own tasks in accordance to a clear written directions, in all cases, the board shall be responsible for any	✓			The main issues should be discussed in the board meetings, and as per the BOD Charter, a temporary committees has delegated to handle the responsibility of helping carrying out the board's functions and to improve BOD efficiency; these committees hold their meetings when necessary.	
<b>Article 6</b> Board members' fiduciary duties	<b>6-1</b> The board shall represent all the shareholders and should pay all required care while managing the company and should adhere to the institutional authorities as mentioned in relevant laws and regulations including this code and the board's charter	✓			Dlala Holding Co. is managed by a board of directors composed of 9 members. Three of them are representing the Founders, while the rest of the members are elected every three years as per Article no. 28 of the AOA.	
	<b>6-2</b> Board members should, all times, act on clear information, in a good faith and with utmost care and responsibility to protect the interests of the company as well as the shareholders	✓			Board Members get all information and documents at any time through the Board Secretary	
	<b>6-3</b> The board members should act effectively to fulfill their responsibilities towards the company.	✓			<ul style="list-style-type: none"> <li>- Board Members are sticking to their responsibilities toward the Company, in addition to their adherence to all resolutions issued by the Board.</li> <li>- Members discuss the topics on the agenda of each meeting and express their opinions.</li> <li>- Members' fulfill the tasks assigned by the Board within the limits set to them.</li> </ul>	

## CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
<b>Article 7</b> The segregation between the positions of the Chairman and the CEO	<b>7-1</b> The same person may not hold or exercise the position of the chairman and the position of the CEO or any other executive position in the company.	✓			There is a clear separation of responsibilities between the Board Chairman and Managing Director, since HE Mr. / Nasser bin Hamad Al Sulaiti is the Chairman of the Board and shall exercise his powers and functions provided by AOA and the applicable laws, while HE Mr. / Ahmed Mohammed AL Asmakh – the Managing Director of the Company, handle the daily management of the Company.	
	<b>7-2</b> In all cases, no one person shall have unfettered powers in the decision making process.	✓			Board Members are participating in the periodic meeting of the Board, they express their opinions and suggestions on setting the general policy of the company and its strategy, all Board resolutions are issued by a majority vote of the attendees, and in case of equivalence, the Chairman side would be prevailed, and the objecting member has the right to affirm his objection in the Board minutes of the meeting, and no absolute authority in the decision-making process.	
<b>Article 8</b> The duties of the chairman	<b>8-1</b> The chairman shall be responsible for ensuring the proper functioning of the board in an appropriate and effective manner including the board's timely receipt of complete and accurate information.	✓			Chairman of the Board is the head of the company who is representing it against the judicature and third parties, taking into consideration the Chairman's privileges stated by law or AOA.	
	<b>8-2</b> The chairman may not be a member of any board committees mentioned in this code.		✓			Chairman is a member of the Remuneration, Nomination and Governance Committee, the committee forming will be modified soon.
	<b>8-3</b> The duties and responsibilities of the chairman, along with the duties mentioned in this code, shall include but not limited to the following: 1- Ensure that the board discuss all the main issues in an efficient and timely manner.	✓			According to Article 6 of Board by-law and Article 8 of Corporate Governance Code, the Chairman is distinguished by the following: - Call the Board for the meeting	
	2- Approve the agenda of every board meeting taking in consideration any matter proposed by any other board member, this task may be delegated by the chairman to a board member but the chairman shall remain solely responsible for any actions performed by the board member.	✓			<ul style="list-style-type: none"> <li>- Approving the draft agenda for each Board meeting.</li> <li>- Preside over meetings of the Board and managing it.</li> <li>- Representing the Board in front of the judicature and other third parties</li> </ul>	



## CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
	3- Encourage all board members to fully and effectively participate in performing the duties assigned to the board to ensure that the board is functioning to achieve the interests of the company	✓			<ul style="list-style-type: none"> <li>- <b>Preside over meetings of the ordinary and extraordinary General Assembly:</b> <ol style="list-style-type: none"> <li>1. Ensure the proper functioning of the Board also ensures that Members get the full and correct information at the right time and immediately via each member's e-mail address.</li> <li>2. Ensure effective communication with Shareholders and communication of their opinions to the Board of Directors through the company's website as well as discussing them during the General Assembly.</li> </ol> </li> </ul>	
	4- Ensure that effective communication channels are in place with the shareholders and that their feedback is received by the board members.	✓			<ul style="list-style-type: none"> <li>- All decisions and actions of the board for each year shall be discussed and evaluated during its first meeting in the following year.</li> </ul>	
	5- Allow effective participation of the non-executive board members in particular and encourage any constructive relations between executive and non-executive board members.	✓			<ul style="list-style-type: none"> <li>- Encourage the Board Members to participate effectively in the conduct of the affairs of the Board by assigning certain tasks related to his work and committees.</li> </ul>	
	6- Ensure that annual assessment is duly performed to the board's performance.		✓			Evaluation program is being prepared.
<b>Article 9</b> Board composition	<b>9-1</b> The board composition shall be determined in the company's articles of association, such composition should include executive and non-executive board members as well as independent board members to ensure that board decisions are not dominated by one individual or by a small group	✓			<ul style="list-style-type: none"> <li>- According to Article 28 of the company AOA, the Board of Directors is composed of nine members. Three of them are representing the Founders, while the rest of the members are elected every three years as per Article no. 28 of the AOA.</li> <li>- The current Board had been appointed and elected by shareholders' General Assembly which was held on 01 April 2014.</li> </ul>	
	<b>9-2</b> At least one third of the board members shall be independent members while the majority of the members shall be non-executive		✓			The majority of the Board Members are non-executive, the independent members forming less than 3/1 of the Board members; due to the increased number of shares that they own more than the minimum equity guarantee membership. (Attachment A).

## CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
	<b>9-3</b> Board members shall have adequate experience and knowledge to effectively perform their functions to achieve the interests of the company, and they should give sufficient time and attention to achieve the company objectives	✓				All board members hold high qualifications in their fields, with considerable experience in the field of board memberships, which entitle them to perform their duties effectively.
	<b>9-4</b> The person nominated to be an independent board member shall not be owning more than the required shares to maintain his membership in its board of directors	✓				According to Article 28 of the company AOA, a Board Candidate shall own 50,000 share of the company equity, to ensure the rights of the Company, Shareholders, creditors, and others against the responsibility of the members of the Board of Directors.
<b>Article 10</b> Non-executive board members	<b>10-1</b> Duties of non-executive board members include but not limited to the following:	✓				<ul style="list-style-type: none"> <li>- The Board are obliged to attend the periodic meetings without failure except with excuse, and with a written apology, as well as, they attended the General Assembly and Extraordinary General Assembly Meetings.</li> <li>- Board Members are discussing the topics on the agenda of each meeting and express their opinions, and there is no exception in participating in the discussion and the voting.</li> </ul>
	<b>10-1-1</b> Participation in the board meetings and give their independent opinion in relation to strategic issues, policy, performance, accountability, resources, main appointments and operation standards	✓				Board Members are committed to apply to the conflicts of interest policies, giving the priority to the company's interests, and no case of conflict of interest had been recorded in 2015.
	<b>10-1-2</b> Ensuring that priority shall be given to the company's and shareholders' interests in case of conflict of interest	✓				The Audit Committee formed entirely from the DOB Members, and its meetings are held periodically.
	<b>10-1-3</b> Participation in the company's audit committee	✓				BOD Members disclose the Company reports and approve them during the Board meetings.
	<b>10-1-4</b> Monitoring the company's performance in achieving the objectives agreed upon and reviewing its performance reports including the annual, half year and quarterly reports	✓				Members are committed to supervise and review the new developments in the field of governance and matching it with the BOD Charter related to the governance of the company.
	<b>10-1-5</b> Supervising the development of the procedural rules of Corporate Governance and ensure that such rules are implemented in accordance to such rules	✓				board members have considerable experience in the field of Firm's business, and they provide all of their experiences and skills to the Board.
	<b>10-1-6</b> Availing the board of directors and its different committees their skills, experiences and their diversified specialists through their regular presence in the board meetings and their effective participation in the general assemblies and understanding the shareholders' opinions in a balanced and fair way	✓				



## CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
	<b>10-2</b> The majority of the non-executive board members may request obtaining the opinion of independent external advisor, on the expense of the company, in relation to any issue relevant to the company	✓			Non-Executive Board Members may request the opinion of an independent consultant, which does not happen during 2015.	
<b>Article 11</b> Board meetings	<b>11-1</b> The board shall hold meetings regularly to ensure that the board is effectively performing its duties. The board should hold at least 6 meetings annually and not less than one meeting every 2 months		✓			The Board has held 5 meetings during 2015.
	<b>11-2</b> The board shall meet when invited to do so by the chairman or upon a written request presented by 2 board members, the invitation and the agenda shall be sent to the board members prior a week at least from the scheduled meeting, noting that any board member have the right to add any issue to the meeting's agenda	✓			According to Article 35 of the company AOA, the Board shall hold a meeting following to an invitation of the Chairman or a written request by of two its members, and the invitation shall be addressed to the members before two weeks from the meeting date, accompanied by the meeting agenda, and a member has the right to propose adding any clause or section to the agenda	
<b>Article 12</b> Board secretary	<b>12-1</b> The board shall appoint a board secretary to perform the following duties: recording the minutes of board meetings and maintain the board decisions in a special record in a serial number, define attending members and their recommendations, maintain the board's minutes of the meetings, the records files and reports raised to him by or to the board, the board secretary shall, under the chairman's supervision, maintain and distribute the working papers of the meetings and the documents and the information and the agenda and shall coordinate with the board members and other stakeholders including the shareholders and the management and the employee	✓			The Marketing and Public Relations Manager had assigned the responsibility of the Board secretary by Board Resolution, to maintain the Board meetings records, documents and reports that raised to/from the Board.	
	<b>12-2</b> The board secretary shall ensure that board members are having full and timely access to the minutes of board meetings, information, documents and records pertaining to the board of directors	✓			The Board secretary ensures providing information, documents, records, and the minutes of meetings to the Board Members.	
	<b>12-3</b> Board members shall have access to the services and advises of the board secretary	✓			The Board secretary is in constant contact with the members to satisfy any inquiries, and noticing them with the developments.	
	<b>12-4</b> the board shall have the sole right to appoint or remove the board's secretary	✓			Only the Board has the right to appoint or dismiss the Board Secretary, according to the Board Charter, the Board has appointed him by Board Resolution dated 9 August 2010.	

## CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
	<b>12-5</b> It's preferable that the board secretary to be a member of a professional and accredited accountants body or a member of a recognized or chartered body of corporate secretaries or a lawyer or a graduate from a recognized university or equivalent. The secretary should have at least 3 years of experience in handling the affairs of a public listed company	✓			Dlala Board secretary has a B.Sc. in Mass Communication and more than 10 year experience as a board secretary in Qatar.	
<b>Article 13</b> Conflict of interest and insider trading	<b>13-1</b> The company shall adopt and make public general rules and procedures that is governing the company's transactions with related parties (which is known as the general policy of the company in relation to related parties). In all cases, the company is not permitted to enter any transaction with related parties unless if the company is in compliance with the aforementioned policy, such policy include the principles of transparency, fairness and disclosure in addition to obtaining the approval of the company's general assembly before any transaction with related parties	✓			A Related Party policy to govern commercial transactions with related parties, potential conflicts of interest, related practices and disclosures, has been approved by the Board of Directors, to ensure the compliance of the Company and its Employees with the rules and standards and professional controls to enhance the integrity of the company and its employees at all levels.	
	<b>13-2</b> If the company's board is discussing any issue relevant to the conflict of interests is raised or any commercial transaction between the company and any of its board members or any related party who is in relation to any of the board members, then such discussion should take place in the absence of the concerned board member	✓			According to Dlala BOD Charter, it's forbidden for the Chairman or the Members to have a direct or indirect benefit in the agreements or transactions made by the company or for its benefit.	
	<b>13-3</b> In all cases, such transactions shall be disclosed in the company's annual report and shall be informed to the general assembly following such transaction	✓			According to Dlala BOD Charter, a disclosure shall be made for any conflict of interest between the company and any one of the Board Member or any related party, and the Board make it done by placing at the disposal of the Shareholder a detailed disclosure includes all amounts or benefits or bonuses obtained by the Chairman or a Board Member, as well as the transactions in which a Board Member has an interest.	
	<b>13-4</b> Any trading transactions by board members in the company's shares and securities should be disclosed and the company shall adopt clear rules and procedures to control such transactions performed by the board members or any of its employees	✓			During the year 2015 no direct or indirect contract or agreements were made between the Chairman or a Board Member and the Company, and the Board Member have been notified to suspend any securities trades before the Board meeting that would discuss the periodic financial statements and before the General Assembly meeting by fifteen days, and notification is sent to Qatar Exchange at the same time.	

## CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
<b>Article 14</b> Board's other duties and tasks	<b>14-1</b> Board members shall have full and immediate access to information, documents and records pertaining to the company in order to perform their duties and have a full knowledge about all the aspects relevant to the business, the executive management shall provide the boards and its committees with all requested documents and information	✓			All Board Members get all information, documents, and records by the board secretary at any time.	
	<b>14-2</b> The board members shall ensure the attendance of, the nomination, remuneration and audit committee board members and the external auditor representatives, the meetings of the general assembly				An Invitation has been sent to both Internal and External Auditors and Members of the various committees to attend the AGM and EGM, which held at 04.07.2015 and 04.13.2015.	
	<b>14-3</b> The board shall develop an induction program for the newly appointed board members in order to ensure that they are fully aware of the company's businesses and operations as well as their duties and responsibilities				The responsibility of the new Board Member shall be explained and listed, and training programs are existed for the Board Members.	
	<b>14-4</b> The board members are responsible for having an appropriate understanding of their role and duties and for educating themselves in financial, business and industry practices as well as the company's operations and businesses. For this purpose, the board shall adopt an appropriate formal training to enhance the skills and knowledge of its members				The members of the Board of Directors have adequate experience to manage of the company's business, in which they are all qualified parties of their institutions and renowned for their experience needed to run the big companies business as members of its Board of Directors.	
	<b>14-5</b> The board of directors shall, in all times, aware and updated of the latest developments and the best practices in relation to the Governance, the board may delegate the audit committee or the Governance committee or any other body as appropriate to perform the same				The governance code and its changes or modifications are presented by the Board Secretary on the Board meeting Agenda.	
	<b>14-6</b> The company's articles of association shall include clear procedures for removing board members in the event of not attending the board meetings				AOA of the Company includes the procedures of dismissal of the Chairman and the Members of the Board in the case of absence; According to the provisions of Article 37 of the AOA, if a Board Member is frequently absence for three consecutive Board meetings in a row or for five meetings without an acceptable excuse by the Board, then the Board shall consider the Member as resigned, and according to the provision of Article 36, the General Assembly may dismiss the Board Chairman or a Board Member as per a suggestion issued by the Board of Directors with an absolute majority, or at a signed request by shareholders who hold not less than one quarter of the subscribed capital, and no such case has been presented during 2015.	

## CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
<b>Article 15</b> Board committees		✓			All important matters are discussed in the Board, and in accordance with the BOD Charter, temporary committees have been delegated to handle the responsibility of helping carrying out the board's functions and to improve BOD efficiency; these committees hold their meetings when necessary.	
<b>Article 16</b> The appointment of board members – nomination committee	<b>16-1</b> Nominations and appointments of board members shall be made according to formal, rigorous and transparent procedures	✓			In addition to the provided in the AOA's Articles regarding the Board Member nomination provisions, the Board shall accurately review the nominee list and a notification shall be sent to the companies' Department accompanied with a copy of the Nomination Forms, nominee details, date of nomination, and the category that the nominee represent, moreover the nominee list shall be sent to QE & QFMA at the same time. All those procedure had been made before holding the General Assembly on 01.04.2014 and the voting has been made to elect the current board.	
	<b>16-2</b> The board shall form a nomination committee chaired by an independent board member and shall comprise of independent board members who will in return suggest the appointment and re-nomination of board members by the general assembly (to avoid any doubt, nomination by the committee does not deprive any shareholder from his rights to nominate or to be nominated)	✓			The Nominations Committee is comprises of Three non-executive Board Members to nominate candidates to be appointed and re nominate them for the election.	
	<b>16-3</b> Nominations shall take into consideration, among other things, the candidates' ability to perform their duties as board members in addition to their skills, knowledge and experience as well as their professional, technical and academic qualifications and personality, and should be based on "fit and proper" guidelines for nominating board members annexed to this code that may be amended by the authority	✓			The Nominations Committee takes into consideration the guiding principles accompanied with the Corporate Governance Code issued by QFMA.	
	<b>16-4</b> The nomination committee, when formed, shall approve and deploy its duties and roles in a way that elaborate its authorities and role	✓			The Committee had been formed by the Board decision approving its terms of reference according to Article no 16 of the Corporate Governance Code.	
	<b>16-5</b> The nomination committee's role shall include the annual assessment of the board's performance	✓			The forming decision specify performing annual appraisal for the Board Member performance within its duties.	
	<b>16-6</b> Banks and other companies shall comply with any conditions or requirements in relation to the nomination, election or appointment of board members that may be issued by QCB or any other authority			✓	Related only to banks and private banks.	

## CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
<b>Article 17</b> Remunerations of the board members – remuneration committee	<b>17-1</b> The board shall establish a remuneration committee that comprise of 3 non-executive members at least provided that the majority are independent members	✓			The Nominations Committee is comprises of Three non-executive independent Board Members.	
	<b>17-2</b> The remuneration committee, when formed, shall deploy and actin accordance to its roles, duties and main responsibilities	✓			The Committee had been formed by the Board decision approving its terms of reference according to Article no 17 of the Corporate Governance Code.	
	<b>17-3</b> The remuneration's committee key role shall include defining the company's remuneration policy including the remuneration of the chairman and board members as well as the senior executive management	✓			Chairman and Board Members' remuneration are determined for services they do by the General Assembly not more than 10% of the net profit in accordance with Article 42 of AOA, taking into consideration the overall performance of the company, depending on the annual results of the company.	
	<b>17-4</b> The remunerations of the board members policy shall be disclosed in the company's annual report		✓			The remunerations policy is being prepared.
	<b>17-5</b> The remuneration committee shall take the responsibilities and duties of the board members and the senior executive management members and the performance of the company in consideration. Such remunerations shall include a fixed and performance-related remunerations, noting that performance related components should be based on the company's long-term performance	✓			Chairman and Board Members' remuneration are determined for services they do by the General Assembly not more than 10% of the net profit in accordance with Article 42 of AOA, taking into consideration the overall performance of the company, depending on the annual results of the company.	
<b>Article 18</b> Audit committee	<b>18-1</b> The board of directors shall establish audit committee that shall comprise of 3 members at least the majority from independent members, the audit committee should include one member at least who has financial and audit experience.	✓			An Audit Committee (financial) had been formed from three non-executive and independent Board Members, and its membership includes the Internal Auditor of the company, which has experience in financial audit, the Committee shall request whoever experts to assist in its work.	
	<b>18-2</b> In all cases, any person who is or has been employed by the company's external auditors within the last 2 years may not be eligible to be member of the audit committee	✓			Audit Committee does not contain in its formation any per anyone son who is working or was working for external auditors of the company.	
	<b>18-3</b> The audit committee may consult, at the company's expense, any independent expert or consultant	✓			The Committee may appoint independent expert to study a specific issue, express their opinions regarding it and advice about it, if required.	
	<b>18-4</b> The audit committee shall meet when required but at least once every 3 months and should prepare the minutes of such meetings	✓			The committee hold its meeting every 3 months, and raise its report to the Chairman as per what stated in the forming decision.	

## CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
	<b>18-5</b> In the event of any disagreement between the audit committee recommendations and the board's decision, including when the board refuses to follow the committee's recommendations in relation to the external auditor, then the board shall prepare the governance report including a statement to detail such recommendations and the reasons behind the board's decision not to follow the committee's recommendations	✓			No conflict has been raised between the Committee and the Board during the financial year 2015.	
	<b>18-6</b> The audit committee, when established, shall approve and deploy its business and key roles and responsibilities to the public in the form of a charter, the responsibilities shall include the following in particular:  a. Adopt a policy for appointing the external auditors and to report to the board any matters that, in the committee's opinion, requires taking an action and to provide recommendations on the necessary procedures or required action	✓			The Committee had been formed by the Board decision at 2010 approving its terms of reference, according to Article no 18 of the Corporate Governance Code. The responsibilities of the Committee include review the Financial and Internal Control and risk management systems and the company's commitment to the Code of Conduct and to conduct the necessary investigations, if any.	
	b. To oversee and follow up the independence and objectivity of the external auditor, and the nature, the scope and efficiency of the audit in accordance to audit international standards and the international financial reporting standards	✓			The Audit Committee Manual had been approved by the Board this manual includes all responsibilities and tasks of the Committee Members specially supervising External Auditors and maintain their independency.	
	c. Oversee the accuracy and validity of the financial statements and the yearly, mid-year and quarterly reports and review such statements and reports. In this regard, the committee shall particularly focus on the following:  1- Any changes to the accounting policies and practices 2- Matters subject to the discretion judgment of the senior executive management 3- Major amendments resulting from the audit 4- The continuation of the company as a viable going concern 5- Compliance with the accounting standards designated by the authority 6- Compliance with disclosure rules and any other requirements in relation to the preparation of financial reports 7- Compliance with applicable listing rules	✓			The Audit Committee Manual includes reviewing the accuracy of the Annual, Bi-Annual and Quarterly Financial Statements, during its quarterly meetings.  Accounting policies and applications, and are being reviewed and violations shall presented to the Audit Committee in its quarterly meetings.  A discussion of all discretionary provisions of the executive management, if any, with the Chief Executive Officer is being made on a quarterly basis and to ensure the objectivity of these estimates. Been discussed with the Internal Auditor during the quarterly meeting.  Been discussed with External and Internal Auditor during the quarterly meeting.  Been discussed with External and Internal Auditor during the quarterly meeting, and the External Auditor Report states that the company the Company conforms to IFRS/IAS  Been discussed with the Compliance Officer during the representation of the Compliance Annual Report.	



## CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
	d. To coordinate with the board of directors, senior executive management and the company's CFO or the person undertaking his tasks and meeting with the external auditors once annually at least	✓			Audit Committee hold meeting with External and Internal Auditors quarterly to discuss the periodic statements.	
	e. To consider any significant and unusual matters contained or to be contained in the financial reports and accounts, and to give due consideration to any issues raised by the company's CFO or the person undertaking his tasks or the company's compliance officer or external auditors	✓			Been discussed with External and Internal Auditor during the quarterly meeting to discuss the periodic statements.	
	f. To review the financial and internal controls or risk management systems	✓			Internal Auditor raise a full report regarding all internal audit financial and internal observations quarterly.	
	g. To discuss the internal controls with the management and ensure that management's performance achieves the goals required for the development of the internal controls	✓			Internal Auditor raise a full report regarding all internal audit financial and internal observations quarterly.	
	h. To consider the findings of principal investigations in relation to internal controls mandated to the committee by the board of directors or carried out by the committee after being duly approved by the board of directors	✓			Audit Committee hold meeting with the Internal Auditor to consider the results of the main investigation regarding the internal auditing issues. (If any).	
	i. Ensure the coordination between internal and external auditors, ensure the availability of necessary resources and the effectiveness of internal controls	✓			The Audit Committee Charter contain articles to ensure coordination between the internal auditors and external auditors and provide the necessary resources and verify the effectiveness of internal control and supervision body, discussions about the application of this coordination are made during the quarterly meeting with the Internal Auditor.	
	j. Review the company's financial and accounting policies and procedures	✓			The Internal Auditor review those policies and procedures and report the observations and discuss the recommendation during the quarterly meeting.	
	k. To review the appointments of external auditors, the business plan of the external auditor and any significant clarifications requested from the senior management and their reply in relation to accounting records, the financial accounts or controls	✓			The audit plan is being discussed at the beginning of the year.	
	l. Ensure providing the board of directors quick answers to any queries raised by the board in relation to the letters and reports submitted by the external auditors	✓			The Audit Committee shall ensure the quick reply to the queries and important matters during periodic meetings.	

## CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
	m. The development of rules where the employees can report any concerns in relation to the financial reports or internal controls or any other suspicious matters, and to ensure the availability of proper arrangements to all independent and fair investigation of such matters while ensure that the aforementioned employees are afforded confidentiality and protected from any reprisals, such rules should be raised to the board for approval	✓			At the end of 2014, the company had formed a committee under the name of Discipline and follow-up Committee, headed by the Board Secretary, based on a Board decision, in which it investigating complaints and violations of the company's employees, and reporting its recommendation to the Board of Directors.	
	n. Oversee the company's adherence with the rules of professional conduct	✓			Discipline Committee raises reports to the Board include miss conducting of professional conduct rules.	
	o. Ensure that the rules of business relevant to such duties and authorizes as being mandated by the board of directors are applied properly	✓			It shall be done during the Board of Directors evaluation of the Internal Audit Committee.	
	p. Submit a report to the board of directors on the matters included in this article	✓			The Audit Committee shall raise a letter accompanied with internal audit observations to the Chairman and all Members quarterly.	
	q. Consider any issues as determined by the board of directors	✓			It shall be done during the Board meeting.	
<b>Article 19</b>	<b>19-1</b> The company shall adopt internal controls, after being approved by the board of directors, to be used in the assessment of the methods and procedures of the risk management and for the implementation of the company's corporate governance approved by the company and the compliance with relevant laws and regulations. The internal controls should include clear standards for the accountability and responsibility of the company's departments				The Board of Directors is entirely responsible for the company's internal control system, as policies, guidelines and controls of the limits of responsibility and performance has been developed, to monitor the performance mechanisms in place. The general management of the company is considered the responsible for the oversight of these controls, specifically Department Managers and Heads, and the business evaluation shall be done by the Internal Auditor and external auditor.	
	<b>19-2</b> Internal controls shall include effective and independent risk assessment and management functions as well as financial and operational internal audit functions in addition to the external audit, the internal controls shall ensure that all related parties transactions are handled in accordance to the requirements related thereto				The Company has an in-house Risk Committee defines and assess operational risks in cooperation with the relevant Department Managers, in addition to assessing the financial risk in coordination with the financial management, the risk assessment shall be reported within the annual report submitted to the Board of Directors.	

## CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
	<b>19-3</b> The company shall have an internal audit function with clearly defined functions and roles. In particular, the internal audit function shall be assigned the following:  1. To audit the internal controls and oversee their implementation  2. Should be managed by a qualified and independent and well-trained teamwork	✓			The Company has an in-house Internal Audit Department, headed by an independent qualified professional and experienced Internal Auditor, who raise his reports to the Audit Committee every three months, including any issues or irregularities, if any, with the proposed corrective action to be taken.	
	3. The internal audit function shall submit its reports to the board of directors directly or indirectly through the board's audit committee and shall be accountable by the board	✓			A continues coordination between Internal Audit Department and The Audit Committee is being made by holding a periodic meeting every 3 months.	
	4. The internal audit shall have access to the company's activities	✓			The Internal Auditor has the authority to audit all the company's activates as per the internal audit policies and procedures.	
	5. The internal audit function shall be independent where shall not be assigned to perform day to day business, the function shall be fully independent for example the remunerations of its members shall be defined by the board directly	✓			Audit Committee is the only body responsible for supervising of the company's Internal Auditor work, as per the policies and procedures of the internal audit and organizational structure of the department.	
	<b>19-4</b> The internal audit function shall include at least one internal auditor to be appointed by the board of directors, such internal auditor shall be accountable by the board itself	✓			The Company has an in-house Internal Audit Department, headed by an independent qualified professional and experienced Internal Auditor, reporting directly to the Board Audit Committee.	
	<b>19-5</b> The internal auditor shall prepare and submit the internal audit report to the audit committee and the board including a review and assessment for the internal controls applicable by the company. The scope of the report shall be defined by the board (in accordance to the recommendations of the audit committee) and the internal auditor, the report shall include the following in particular:  - Applicable procedures used in controlling and supervising the financial affairs, investments and risk management	✓			The Internal Audit raise his reports to the Board every three months, including any issues or irregularities, if any, with the proposed corrective action to be taken, in addition to the procedures mentioned in Article no 19-5 of the Corporate Governance Code.	
	- Comparative evaluation for the development of risk factors and systems in place to respond to drastic or unexpected changes in the market  - The assessment of the board's and senior management's performance in implementing the internal controls including how many times the board was notified of control issues (including risk management issues) and the how such matters were handled by the board	✓  ✓			Internal Audit Reports classify the observations according to its risk degree – it shall be reported and approve the needed recommendation to the Audit Committee.  The Audit Committee shall raise a letter accompanied with internal audit Report which contain the main pending observations which did not fulfilled by top management.  The quarter internal audit reports contain such cases.	

## CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
	- Failure in applying internal controls or the weaknesses or contingencies that have affected or may affect the company's financial performance and the procedures followed by the company in addressing the internal control failures (especially the issues disclosed in the annual reports and the financial statements of the company)	✓			The Annual Compliance Report contain a report of the company status and its compliance to the rules and conditions that have been set.  The Risk Committee establish a risk register and it shall be discussed with all of the Company's department and sections.	
	- The company's compliance with internal controls when defining and managing risks	✓				
	- All relevant information that describe the company's operations of risk management	✓				
	<b>19-6</b> The internal audit report shall be prepared every 3 months	✓			The Internal Auditor is preparing his report every 3 months (03-31 / 06-30 / 09-30 / 12-31).	
<b>Article 20</b> External auditor	<b>20-1</b> The external auditor shall be independent and qualified, shall be appointed as per the recommendation of the audit committee raised to the board and shall be appointed by the decision of the general assembly, the external auditor shall perform annual and semiannual independent external audit to the financial information, the audit's objectives is to provide the board and the shareholders objective assurance that the financial statements are prepared in accordance to this code, relevant laws and regulations and international financial reporting standards and accurately represent the financial position and performance of the company in all material respects	✓			The shareholders through the AGM are appointing the company's External Auditor, Ernst & Young has been assigned as an External Auditor during the AGM, moreover, a new External Auditor shall be selected during 2016.	
	<b>20-2</b> The external auditors shall comply with the highest professional standards and the company shall not assign them to provide any advice or services other than the financial audit of the company, the external auditors should be fully independent from the company and its board members and shall not have any conflict of interest with the company	✓			External auditor adhere to international professional standards, as it appears in its financial report for 2015, and he is completely independent of the Board of Directors and there is no conflict of interest in his relation to the company.	
	<b>20-3</b> The company's external auditor shall attend the company's annual meeting of the general assembly to present their annual report and answer any queries	✓			The external auditor shall be invited to attend the Assembly at the same time as the call to the Shareholder sent by law, the External Auditor has attended the General Assembly meeting held on 04.07.2015 and has attended by Extraordinary Assembly which was held on 04.13.2015.	

## CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
	<b>20-4</b> The external auditors shall be accountable before the shareholders and the company in exercising the due professional care while performing their audit. The external auditors shall be responsible for notifying the authority or any other regulatory authority should the board fail to take proper action versus any suspicious matters raised by the auditors	✓			External Auditor is responsible to the Shareholders and they report to the General Assembly for approval, and they present their report for 2014 during the AGM that held on 07.04.2015 and the Shareholders approved it.	
	<b>20-5</b> All listed companies shall change their external auditors every no more than 5 years	✓			The law statute that the company shall change the External Auditor every five years who has completed his fifth year in 2015 and will be a replacement will be chosen during the next General Assembly.	
<b>Article 21 Disclosure</b>	<b>21-1</b> The company shall comply with disclosure requirements including the submission of financial reports and the disclosure of the number of shares owned by the board members and the key executives of the company and the major shareholders or the controlling shareholders, the company also shall disclose all the information relevant to the board members including their CVs describing his/her respective education, profession, the memberships in other boards, if any, as well as the disclosure of the names of different committee members formed by the board in accordance to article 5-3 along with the composition of such committees	✓			The information relevant to the board members is published in the company's website, and the company discloses its quarterly, bi-annually financial reports of 2015 including all information and published it through QE website, daily newspapers and the company's website, in addition to, all the annual reports of the year 2015 had been done.	
	<b>21-2</b> The board shall ensure that all disclosures made by the company provide accurate and true information and is not miss-leading	✓			The External Auditor report states clearly whether they obtained all information needed, and whether the Company conforms to IFRS/IAS.	
	<b>21-3</b> The company's financial reports shall comply with the requirements of IFRS/IAS and ISA standards, the reports of the external auditors shall include a statement whether the external auditor obtained the required information and whether the company is in compliance with the IFRS/IAS standards and whether the audit was performed in accordance to IAS standards	✓			The Company presents financial reports that comply with IFRS/IAS and ISA standards and requirements. The External Auditor report states whether they obtained all information needed, and whether the Company conforms to IFRS/IAS and that the audit has been conducted in accordance with IAS.	
	<b>21-4</b> The audited financial reports of the company shall be circulated to all shareholders	✓			The Company audited financial reports are presented to the Shareholders during General Assembly and in Newspapers before the General Assembly date by 15 days.	

## CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
<b>Article 22</b> The rights of shareholders and key ownership elements	Shareholders shall have the right conferred to them by relevant laws and regulations including the rights mentioned in this code and the company's articles of association, the board shall ensure that the rights of the shareholders are duly protected in a fair and equitable manner	✓			<ul style="list-style-type: none"> <li>- According to Article no 11 of the AOA, Shareholders are not obliged except for the value of each share and it's forbidden to increase their obligations.</li> <li>- Article no 45 of the AOA states that each Shareholder may attend the General Assembly by himself originality or behalf of someone else, a power of attorney for attending the General Assembly may be made. The Board of Directors shall prepare the agenda and the company's balance sheet, and earnings and losses statement certified by the External Auditor and a report of the company's activities, it shall be announced to the Shareholders before the Assembly by fifteen days and should be discussed with them during the General Assembly.</li> <li>- During the voting process each shareholder has a number of votes equals to the number of his shares, and the company shall consider that no one has number of votes more than 25% of the votes represented during the Assembly.</li> <li>- The Board of Directors shall maintain and ensure respecting all Shareholders' rights, and there is no observations during the year 2015 for this regard.</li> </ul>	
<b>Article 23</b> Ownership records	<b>23-1</b> The company shall keep valid and updated ownership records	✓			The Company rely on the registration system of Qatar Central Securities Depository (QCSD) to obtain valid up-to-date record of shareholdings according to QFMA instructions.	
	<b>23-2</b> Shareholders shall have the right to review and access the shareholders record for free during the company's working hours or as determined in the access to information procedures set out by the company	✓			According to Article no 11 of the AOA, a Shareholder has the right to obtain the company's shareholdings reregister at any time for free.	
	<b>23-3</b> The shareholder shall have the right to receive a copy from the following documents: board members record, the company's articles of association and by-laws, the documents that create a charge or right from the company's assets, related party transactions and any other documents as determined by the authority upon the payment of the prescribed fee	✓			For the time being, there is no any fees requesting the company for a document by a Shareholder.	

## CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
<b>Article 24</b> Access to information	<b>24-1</b> The company shall include in its articles of association and by-laws a procedure for the access to information to ensure that shareholders' rights of accessing company documents and information in a timely manner and on regular basis is protected. The access to information procedure should be clear and detailed and shall determine the following:  1- The accessible Information including the types of information made accessible to the shareholders or to the shareholders representing the minimum percentage of shares  2- A clear and express procedure for accessing information	✓			Article no 11 of the AOA ensures the right of the Shareholder to obtain the company's records and requesting information.  Articles no 38 & 48 of the AOA enforce the BOD to set a list of the financial information under the use of the Shareholder before the General Assembly.  Article no 48 of the AOA gives the shareholders the right to get a meeting agenda, full audited financial statements and both External Audit and Board Reports before the General Assembly.  All this Information are available for the use of the Shareholders at any time on the Company's website	
	<b>24-2</b> The company shall have a website where all relevant and public information shall be posted, this include all information required to be made public by this code or any other relevant laws and regulations	✓			The Company has its own website in which all disclosures and information that should be disclose as per laws and regulation of QFMA shall be uploaded on. The last update of the company's Article of Association, Corporate Governance Charter and Periodical Financial Statements are published.	
	The company's articles of association and the by-laws shall include provisions ensuring that the shareholders' rights in calling for the general assembly in a reasonable time is protected as well as their right to include any issues to the agenda to be discussed during the meeting and to raise any questions and receive answers and their right in making informed decisions while being fully aware of the issues under discussion	✓			Articles no 50 & 57 of the AOA ensure that the Shareholders have the right to call for a General Assembly, and the right to propose agenda items on the agenda, and the right of the discussion and asking questions and receiving answers from the Board, s stated in the second chapter of the Corporate Governance Charter.	
<b>Article 26</b> The fair and equitable treatment of shareholders and the exercise of voting rights	<b>26-1</b> All shares of the same class shall have the same rights	✓			According to Article no 21 of the AOA, each share allows his owner an equal share without any privilege in the ownership of the company's assets and earnings.	
	<b>26-2</b> Proxy voting is permitted in accordance to the relevant laws and regulations	✓			The Company allows the exercise of proxy vote according to Article no 45 of the AOA, and proof the proxy attendance in the minutes of the General Assembly.	

## CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
<b>Article 27</b> Shareholders' rights in relation to the election of board members	<b>27-1</b> The company's articles of association and the by-laws shall include provisions ensure that the shareholders receive information about the candidates for the membership of the board and their professional and technical skills, their experiences and other qualifications		✓			This item has been added to the next EGA agenda to amend the AOA to ensure providing shareholders with information about the candidates for the membership of the Board.
	<b>27-2</b> Shareholders shall have the right to vote in the election of the board members by way of cumulative voting			✓		Shareholders are electing board members by cumulative secret vote under the provisions of Article 46 of the AO, and according to the system used in the Ministry of Economy and Trade, and it will be subsequently amended in accordance with the instructions of the Qatar Financial Markets Authority.
<b>Article 28</b> Shareholders rights in relation to dividend	The board of directors shall provide the general assembly a clear dividend policy. The policy shall include a detailed description on how the company's and shareholders' interests shall be protected	✓			Articles no 42, 67 & 68 of the AOA identify clearly the dividend policy of the company, and the company comply to that policy when distributing dividends annually and it shall be included in the annual financial report of the company provided to shareholders in the General Assembly.	
<b>Article 29</b> Capital structure, shareholders' rights and major transactions	<b>29-1</b> The capital structure shall be disclosed and the companies shall have to define the type of shareholders agreements that should be disclosed	✓			Capital structure is included in the annual audited financial statements and published in newspaper, QE and the company's website.	
	<b>29-2</b> Companies shall include in their articles of association and/or by-laws certain provisions for the protection of minority shareholders in case of approving any major transactions where the minority shareholders have voted against them	✓			Articles no 49, 57 & 58 of the AOA, stated that each Shareholder has the right discuss with the Board or the External Auditor regarding all data and transactions included in the reports that being discussed in the General Assembly, and receive answers, and seek a decision from the General Assembly in case of Lack of conviction, also, has the right to prove his objection regarding any matter in the minutes of the Assembly.	



## CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
	<b>29-3</b> The companies shall include in their articles of association and/or by-laws certain mechanism ensuring the trigger of a public offer or the exercise of Tag Along Rights in case of any change in the ownership that exceeds a specific percentage (threshold). The threshold should take in consideration the shares held by third parties but under the control of the disclosing shareholder, including the shares covered by the shareholders' agreements which should be disclosed.	✓			Articles no 14, 15, 16 & 17 of the AOA ensure that each Shareholder has the right to dispose of his shares at any time by sale or pledge or donation in accordance with specific rules.	
<b>Article 30</b> Rights of other stakeholders	<b>30-1</b> The company shall respect the rights of the other stakeholders. Where the stakeholders participate in the corporate governance arrangements, they shall have access to relevant, sufficient and reliable information on timely and regular manner	✓			The company is keen to respect the rights of stakeholders by providing all the necessary documented information for all of its transactions, even by publishing or through direct contact	
	<b>30-2</b> The board of directors shall ensure that the company's employees are treated in accordance to fair and equity principles with no discrimination based on the race, gender or religion	✓			A unified HR Manual is being applied to all the company's Employees of all nationalities, ensures fairness for all, and includes compensation and incentives and other advantages.	
	<b>30-3</b> The board shall develop a remuneration policy and packages that provide incentives for the company's employees and management in order to perform their duties to achieve the best interests of the company. This policy shall take in consideration the long-term performance of the company	✓			The company adopted a regulation of special bonuses based on the overall performance assessment as a basis, in addition to the special rewards in exchange for efforts that contribute developing Company's business or lead the company to gain or to avoid a big loss.	
	<b>30-4</b> The board shall adopt a mechanism that allows the employees of the company from reporting any suspicious behavior to the board if such behavior is unethical, illegal or detrimental to the company. The board shall ensure that the employees reporting such issues are given the proper confidentiality and duly protected from any negative reaction by other employees or by their superiors	✓			At the end of 2014, the company had formed a committee under the name of Discipline and follow-up Committee, headed by the Board Secretary, based on a Board decision, in which it investigating complaints and violations of the company's employees, and reporting its recommendation to the Board of Directors.	
	<b>30-5</b> The companies shall adhere fully to the provisions of this article, where this article is excluded from the principle of compliance and reasons of non-compliance	✓				

## CORPORATE GOVERNANCE DISCLOSURE STATEMENT 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
<b>Article 31</b> Governance report	<b>31-1</b> The board shall prepare annual corporate governance report signed by the chairman	✓			The Board prepare the Corporate Governance Report annually, signed by the Chairman, 2014's report was the last report and this one.	
	<b>31-2</b> The governance report shall be submitted annually to the authority and whenever requested by the authority, the report shall be attached to the annual report prepared by the company in compliance with the regular disclosure principle	✓			The Company provide the Board Report and the Financial Report and the Corporate Governance Report to QFMA before 15 days of the General Assembly, 2014's report was the last report and this one.	
	<b>31-3</b> The governance report shall be included in the general assembly's meeting's agenda and a copy from the report shall be circulated on all shareholders during the meeting	✓			The Corporate Governance Report is included on the General Assembly agenda and it shall be discussed and approved by the General Assembly. And the last one was 2014 which included in 2015 General Assembly agenda.	
	<b>31-4</b> The governance report shall include all the information relevant to the implementation of the provisions of this code including but not limited to the following:  1. The procedures followed by the company in this respect  2. The disclosure of any violations committed during the fiscal year, their reasons and the remedial measures taken to avoid the repetition of the same violations in future  3. The disclosure of the board members and its committees and their responsibilities and activities during the year in accordance to their categories and authorities and the methods used to determine the remunerations of the board members and the senior executive management  4. The disclosure of the internal controls including supervising the financial affairs, investments and risk management  5. The disclosure of procedures followed by the company in defining, assessment and managing significant risks, and the disclosure of the comparative analysis of the risk factors Corporate Governance Report is prepared in accordance with the detailed model stated in	✓  ✓  ✓  ✓  ✓			Corporate Governance Report is prepared in accordance with the detailed model stated in the Corporate Governance Code of listed companies issued by QFMA.  Corporate Governance Report is prepared in accordance with the detailed model stated in the Corporate Governance Code of listed companies issued by QFMA.	

# CORPORATE GOVERNANCE DISCLOSURE STATEMENT

## 1 January 2015 to 31 December 2015

Article No.	Item No.	Compliance	Non-compliance	N/A	Governance applications	Non-compliance justifications
	6 The disclosure of the assessments performed for the board's and the senior management's performance in implementing the internal controls including the identification of the number of times when the board was notified of control issues, including risk management, and the ways of handling such issues by the board	✓				
	7. The disclosure of the failures in internal controls or weaknesses or contingencies that have affected or may affect the company's financial performance and the procedures followed by the company in addressing internal control failures, in particular the problems disclosed in the company's annual reports and financial statements	✓				
	8. The disclosure of the company's compliance with applicable listing and the disclosure of the rules and requirements of listing	✓				
	9. The disclosure of the company's compliance with the internal controls for determining and managing risks	✓				
	10.All relevant information describing the processes of the company's risk management and the internal controls applicable by the company	✓				