دلالة القابضة
DLALA HOLDING

ANNUAL REPORT
2016

His Highness
Sheikh Hamad Bin Khalifa Al-Thani
Father Emir

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

دلالة القابضة
DLALA HOLDING

Contents

CEO 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.

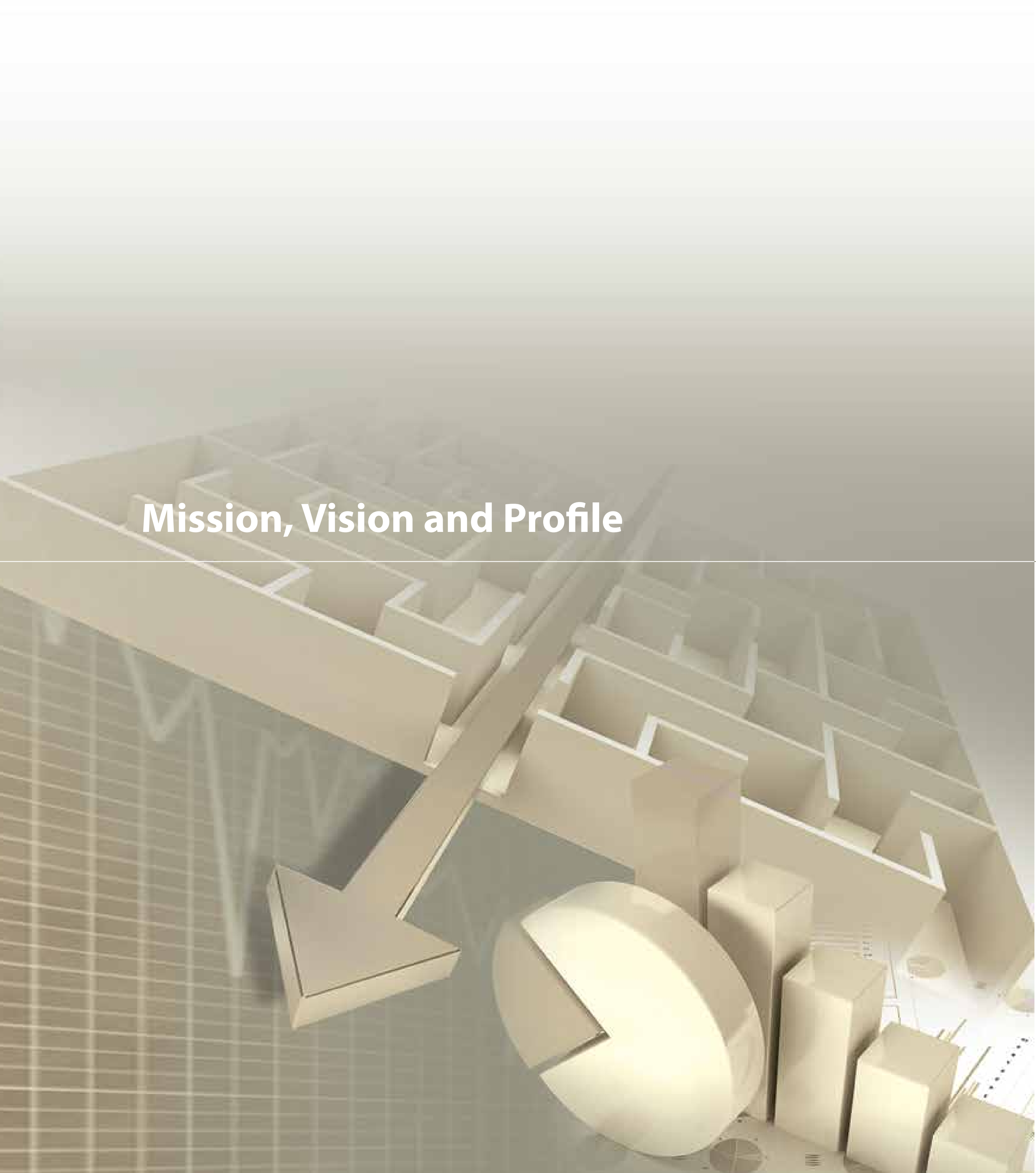
We also plan to provide additional services which are needed by the public clients in line with the rapid development witnessed by the State of Qatar that makes it a very prominent center to attract investment capital from all over the world .

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 .

Dr. Abdul Aziz Ali Al Hammadi
Chief Executive Officer

Mission, Vision and Profile



Group dynamics

Dlala Holding (Q.P.S.C)

Dlala Brokerage and Investment Holding Company (Q.P.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 Amred 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 _nancial 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 loca 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

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

Mr. Jaber Bin Hajjaj Al Shahwani
Vice Chairman

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

Mr. Ali Bin Hussain Al-Sada
Board Member

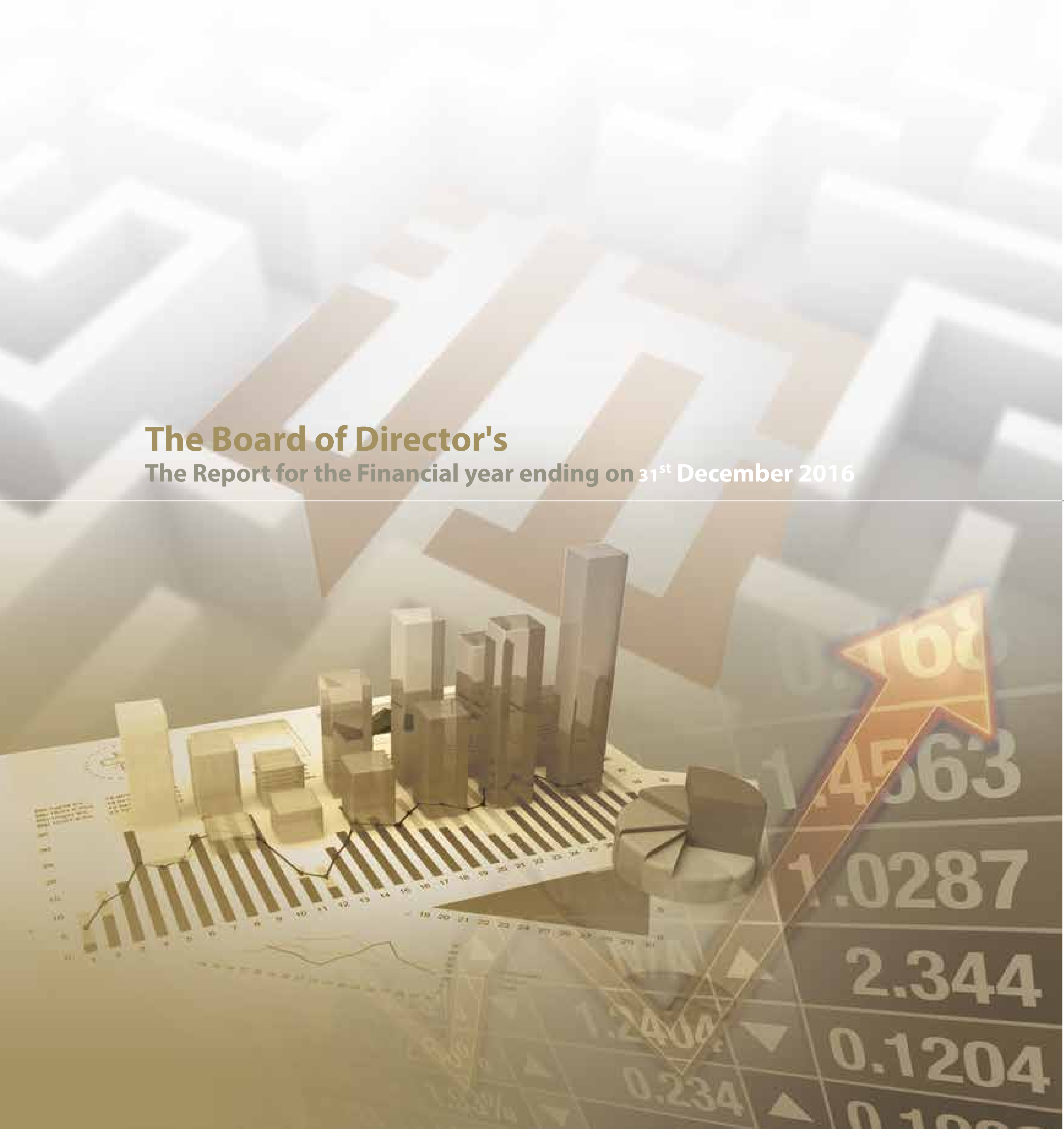
Mr. Khalid Bin Al-Abdulla Al Sowaidi
Board Member

Mr. Waleed Bin Raslan Al-Abdulla
Board Member

Mrs. Moza Bint Mohamed Al Sulaiti
Board Member

Mr. Ahmed Bin Mohamed Al Asmakh
Board Member

Mr. Yossef Bin Ahmed Cano
Board Member



The Board of Director's

The Report for the Financial year ending on 31st December 2016

Dear Sirs,

I am pleased to present to you, personally and on behalf of Dlala Brokerage and Investment Holding

Company Board of Directors (BOD), a summary of Board of Directors annual report on Group

activities and outcomes of its business during the financial year ending on 31st December 2016 and future plans.

The year 2016 Dlala has succeeded to pass the difficutl financial circumestances that faced the regional and global financial markets and the decrease in trading volumes to come out without any loss, and also the company passed the loss that we faced in the year before all this is the results of the efforts by company to not let the external circumastances affect the company's activities.

The company has succeeded to reverse the loss in 2015 to a profit with QR 3.8 million because of the good operation policies applied by the company and diversifying activities as well as increase in our market share in the Qatar Exchange.

Dlala Holding through our two subsidiaries working in Qatar Exchange has gained more customers by providing more new services and improving the current services that helped the company to increase its market share and gain more customer.

Dear Shareholders: The management policy followed by the company has enabled it to maintain profitable operations, whether operating in the brokerage arm through brokerage firms working in stock exchange or in the real estate arm across Dlala Real Estate Company and also through the investments of the company.

Future plans:

Dlala Holding company is currently working on the development of its resources and diversify of its investments to take advantage of the current economic boom in the country and increase its share of the stock market as well as increasing revenue from the real estate sector via Dlala real estate company, so as to serve as an important hub in the development of the country's economy in line with the vision of Qatar 2030.

Dlala Holding is also planning to activate Dlala IT company as we will start to develop our IT department to make a profit center instead of being a cost center by launching new IT services and compete in this field in order to diversify our investments.

Governance Report:

Company has prepared a detailed report on Corporate governance covering the financial year starting 1st January - 31st December 2016, in accordance with Corporate Governance Code for Companies Listed on Markets issued by Qatar Financial Market Authority. The report was printed for shareholders review and is also available on company's website.

Finally, I would like to take the opportunity to present- on behalf of all of you and all Dlala Holding employees and BOD- our deep appreciation and gratefulness to H.H. Sheikh Tamim bin Hamad bin Khalifa Al Thani Emir of Qatar, may Allah bless him, for his wise vision and policy adopted to develop Qatar economy and achieve prosperity in all fields. I would also like to present my gratefulness for honorable shareholders for their confidence, and we look forward to fulfill their expectations.

We hope to find you well and witness together Dlala's success. Board of Directors would also like to thank all Dlala employees for their efforts and dedication and their concern for achieving company's success and customers' interest.

Abdulrahman Bin Hamad Al-Thani

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.)

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

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 four 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 five 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. Khalid Bin Al-Abdulla Al Sowaidi - 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 four members of the Board. The membership of the Committee will correspond to the tenure of Board membership.

The members of the Committee are:

- Mr. Jabir Bin Hajjaj Al Shahwani – Chairman
- Mr. Ahmed Bin Mohamed Al Asmakh - Member
- Mr. Ali Bin Hussain Al-Sada – Member

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.

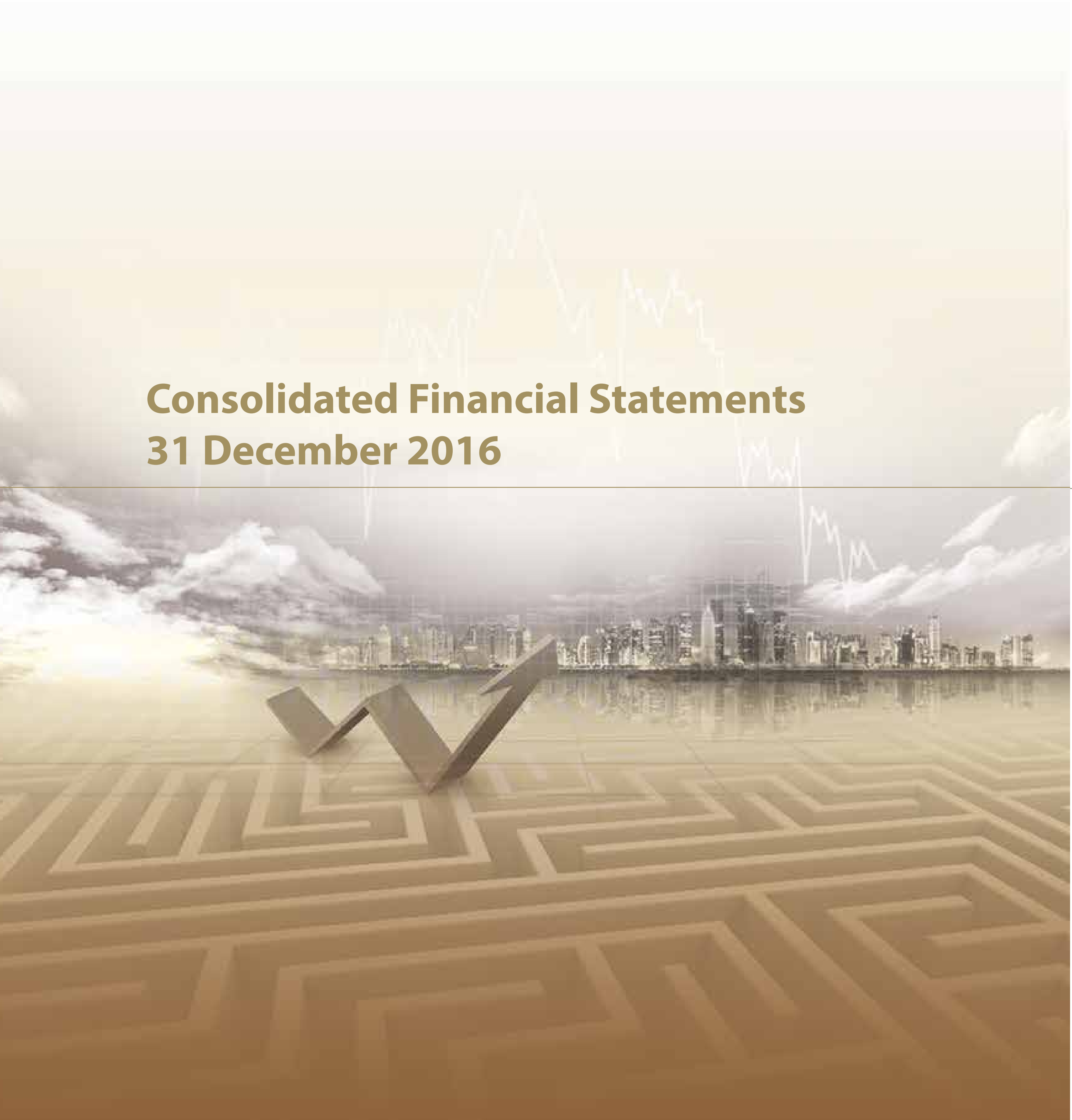
11- Attend the General Assembly. (Article 14.2 – QFMA CGC)

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 2016



INDEPENDENT AUDITOR'S REPORT

To the shareholders of Dlala Brokerage and Investment Holding Company (Q.P.S.C), Doha- Qatar

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Dlala Brokerage and Investment Holding Company(Q.P.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 2016, 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 notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar and we have fulfilled our other responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these matters.

For each matter below our description of how our audit addressed the matters is provided in that context.

Impairment of due from Customers

Due from customers represents the significant portion of the total assets of the Group and as set out in the note No. 6 to the consolidated financial statements, consists of amount receivable from customers on share trading transactions. Due from customers are carried out at original transaction amount less allowance for impairment for non-collectability of receivables, if any. The impairment test of due from customers is considered to be a matter of significance as it requires management judgements and subjective assumptions due to the risk of default associated with individual customer.

Our procedures included, among others, testing a sample of daily transaction reports to verify the existence and completeness of the recorded transactions in the accounting books and tested sample customer files to verify the fulfillment of customers' credit worthiness conditions. We performed detailed procedures, including internal control testing on individual significant balances such as substantiating transactions with underlying documents, obtaining third party and regulatory correspondences/confirmations to make sure the eligibility for such credit limit

Impairment of due from Customers

and verifying the settlement of the due amount subsequent to the reporting period. We also checked the appropriateness of internal control systems related to credit facilities procedures, following up collections, monitoring provisions provided and write offs customers' balances from the Group accounting records.

In addition we evaluated the adequacy of the Group's disclosures regarding due from customers, the related risk such as credit risk and aging of due form customers as disclosed in note No 25 and note No 6 of the consolidated financial statements respectively.

Impairment of Investment securities

As disclosed in the note No.7 to the consolidated financial statements, the Group's investment securities consist of available for sale financial investments. As at December 31, 2016, the Group's investment securities represent a material portion (16%) of Group's total assets. The available for sale financial investments are carried at fair value and the fair value is determined in accordance with the hierarchy as disclosed in the note No. 26 of the consolidated financial statement.

At each reporting date, the Group assesses whether there is any objective evidence that an investment or group of investments is impaired. As detailed in the note No. 3 of the consolidated financial statement, the objective evidence would include a significant and prolonged decline (continuous period of 12 months or more) in the fair value of the investment below its cost or any other impairment indicators. The determination of an impairment is highly subjective and requires significant judgement and estimations. Hence, there is a risk that investment securities are impaired and no such reasonable impairment losses were provided which might have resulted carrying amount of investment securities greater than estimated recoverable amount. Therefore, the impairment test of these investment securities is considered to be a key audit matter.

Our audit procedures in this area included, amongst others, testing the fair valuation of quoted investment securities by comparing the fair values applied by the Group with publicly available market data, selecting a sample of investment securities and checking whether there is an objective evidence that impairment exits on these investment securities and validating the judgements and estimations used by the management in this regard. We also assessed the adequacy of disclosure regarding the accounting policies for investment securities, their impairment and fair value measurement in the Group's financial statements in this regard.

Other matter

The consolidated financial statements of the Group for the year ended December 31, 2015 were audited by other independent auditors whose reports dated February 15, 2016, expressed an unqualified audit opinion on those consolidated financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the

Other information (Continued)

other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and based on the audit evidence

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Furthermore, in our opinion, proper books of account have been kept by the Group and the consolidated financial statements are in agreement therewith. We have obtained all the information and explanations we considered necessary for the purpose of our audit. We are not aware of any violations of the provisions of the Qatar Commercial Companies Law no. 11 of 2015 or the terms of the company's Articles of Association having occurred during the year which might have had a material effect on the business of the Group or its financial position as at 31 December 2016.

Rödl & Partner
Middle East
Certified Public Accountants

Hikmat Mukhaimer, FCCA (UK)
Doha – Qatar, (License No. 297)
1 February 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2016

	Notes	*2016* QR'000	*2015* QR'000
ASSETS			
Current assets			
Cash and bank balances	4	**117,156**	147,982
Bank balances – customer funds	5	**307,711**	504,799
Due from customers	6	**51,066**	31,285
Due from Qatar Central Securities Depository (QCSD)		**28,691**	-
Available-for-sale investments	7	**109,829**	84,731
Other assets	8	**31,020**	30,067
		645,473	798,864
Non-current assets			
Intangible asset	9	**134**	260
Property and equipment	10	**41,797**	42,284
		41,931	42,544
TOTAL ASSETS		**687,404**	841,408
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Due to customers		**397,479**	510,327
Due to Qatar Central Securities Depository (QCSD)		**-**	16,694
Other liabilities	11	**26,415**	44,963
		423,894	571,984
Non-current liability			
Employees' end of service benefits	12	**4,383**	3,985
Total liabilities		**428,277**	575,969

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*
At 31 December 2016

	Notes	2016 QR'000	2015 QR'000
Equity			
Share capital	13	**284,160**	284,160
Legal reserve	14	**26,004**	25,204
Fair value reserve		**(11,973)**	(1,952)
Accumulated loses		**(39,107)**	(42,016)
Equity attributable to shareholders of the parent		**259,084**	265,396
Non-controlling interests		**43**	43
Total equity		**259,127**	265,439
TOTAL LIABILITIES AND EQUITY		**687,404**	841,408

H.E Sheikh Abdulrahman Bin Hamad Al-Thani
(Chairman)

Dr. Abdulaziz A. Al-Hammadi
(Chief Executive Officer)

CONSOLIDATED STATEMENT OF INCOME
For the year ended 31 December 2016

	Notes	2016 QR'000	2015 QR'000
Brokerage commission income		**31,832**	44,318
Brokerage commission expense	16	**(10,353)**	(14,729)
Net brokerage commission income		**21,479**	29,589
Net investment (loss) income	17	**(139)**	3,276
Real estate income	18	**4,250**	5,574
Interest income		**1,847**	1,474
Other operating income		**-**	11
Net operating income		**27,437**	39,924
Other income		**2,285**	40
General and administrative expenses	19	**(24,195)**	(26,301)
Depreciation and amortization	10 & 9	**(1,724)**	(2,034)
Profit before impairment losses on available-for-sale investments		**3,803**	11,629
Impairment losses on available-for-sale investments		**-**	(53,603)
PROFIT (LOSS) FOR THE YEAR		**3,803**	(41,974)
Attributable to:			
Shareholders of the parent		**3,804**	(41,969)
Non-controlling interests		**(1)**	(5)
		3,803	(41,974)
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE (QR)			
(Attributable to shareholders of the parent)	20	**0.13**	(1.48)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	2016 QR'000	2015 QR'000
Profit (Loss) for the year	**3,803**	(41,974)
Other comprehensive income:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Net fair value loss on available-for-sale investments	**(12,278)**	(40,791)
Net loss (gain) on disposal of available-for-sale investments reclassified to the consolidated statement of income (Note 17)	**2,256**	(63)
Impairment losses on available-for-sale investments reclassified to the consolidated statement of income	**-**	53,603
Net other comprehensive (loss) income to be classified to profit or loss in subsequent periods	**(10,022)**	12,749
Items not to be reclassified to profit or loss in subsequent periods	**-**	-
Total other comprehensive (loss) income for the year	**(10,022)**	12,749
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(6,219)**	(29,225)
Attributable to:		
Shareholders of the parent	**(6,217)**	(29,220)
Non-controlling interests	**(2)**	(5)
	(6,219)	(29,225)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2016

	Notes	2016 QR'000	2015 QR'000
OPERATING ACTIVITIES			
Profit (Loss) for the year		**3,803**	(41,974)
Adjustments for:			
Depreciation and amortization	9 & 10	**1,724**	2,034
Provision for employees' end of service benefits	12	**544**	569
Loss (gain) on disposal of available-for-sale investments	17	**2,256**	(63)
Profit on disposal of property and equipment		**-**	(34)
Impairment losses on available-for-sale investments		**-**	53,603
Interest income		**(1,847)**	(1,474)
Dividend income	17	**(2,117)**	(3,213)
Operating profit before working capital changes		**4,363**	9,448
Working capital changes:			
Customers funds		**197,088**	227,797
Due from customers		**(19,781)**	(18,551)
Due from/to QCSD		**(45,385)**	87,437
Other assets		**(725)**	33,514
Due to customers		**(112,848)**	(301,716)
Other liabilities		**(18,643)**	(51,295)
Net cash flows from (used in) operations		**4,069**	(13,366)
Employees' end of service benefits paid	12	**(146)**	(111)
Contribution paid to social fund		**-**	(1,670)
Cash flows from (used in) operating activities		**3,923**	(15,147)
INVESTING ACTIVITIES			
Proceeds from sale of available-for-sale investments		**352,744**	138,268
Purchase of available-for-sale investments		**(390,120)**	(140,592)
Purchase of property and equipment	10	**(1,111)**	(1,098)
Proceeds from sale of property and equipment		**-**	34
Interest received		**1,667**	1,171

CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

For the year ended 31 December 2016

	Notes	**2016** **QR'000**	*2015* *QR'000*
Dividend received		**2,069**	3,213
Movement in the bank deposits maturing after 90 days	4	**(5,000)**	(15,000)
Proceeds from sale of fractional shares arising from bonus issue		**-**	108
Net cash flows used in investing activities		**(39,751)**	(13,896)
FINANCING ACTIVITIES			
Dividends paid to non-controlling interests		**-**	(9)
Contribution by non-controlling interest		**2**	-
Net cash flows from (used in) financing activities		**2**	(9)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(35,826)**	(29,052)
Cash and cash equivalents at 1 January		**132,982**	162,034
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	4	**97,156**	132,982

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

	Equity attributable to shareholders' of the parent						
	Share capital	*Legal reserve*	*Fair value reserve*	*Retained Earnings/ (accumulated losses)*	*Total*	*Non controlling interests*	*Total equity*
	QR'000	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*	*QR'000*
Balance at 1 January 2015	222,000	24,821	(14,701)	62,388	294,508	57	294,565
Loss 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
Balance at 31 December 2015	284,160	25,204	(1,952)	(42,016)	265,396	43	265,439
Profit for the year	-	-	-	3,804	3,804	(1)	3,803
Other comprehensive loss for the year	-	-	(10,021)	-	(10,021)	(1)	(10,022)
Total comprehensive loss for the year	-	-	(10,021)	3,804	(6,217)	(2)	(6,219)
Transfer to legal reserve	-	800	-	(800)	-	-	-
Contribution	-	-	-	-	-	2	2
Contribution to Social and Sports Development Fund (Note 11)	-	-	-	(95)	(95)	-	(95)
Balance at 31 December 2016	**284,160**	**26,004**	**(11,973)**	**(39,107)**	**259,084**	**43**	**259,127**

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Dlala Brokerage and Investment Holding Company Q.P.S.C. (the "Company") is a Qatari Public Shareholding Company (Q.P.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 2016 were authorised for issue by the Board of Directors on 1 February 2017.

2 BASIS OF CONSOLIDATION

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

Entity	*Country of incorporation*	*Relationship*	***Ownership interest 2016***	*Ownership interest 2015*
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 W.L.L.	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 W.L.L. (Dormant)	Qatar	Subsidiary	100%	100%

At reporting date, the management has taken required approvals and initiatives to liquidate Dlala Investment Company L.L.C and Dlala International L.L.C which were in dormant status since incorporation.

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

BASIS OF CONSOLIDATION *(Continued)*

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.

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.

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 in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of new standards and interpretations effective as of 1 January 2016.

The following amended accounting standards became effective in 2016 and have been adopted by the Group in preparation of these consolidated financial statements as applicable. Whilst they did not have any material impact, they may require additional disclosures in these consolidated financial statements:

Topic	**Effective date**
IFRS 14 Regulatory Deferral Accounts	1 January 2016
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 IAS 1: Disclosure Initiative	1 January 2016

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

Amendments to IFRS 10, IFRS 12 and IAS 28: Applying the Consolidation Exception	1 January 2016
Annual Improvement Cycle - 2012-2014	1 January 2016

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Topic	**Effective date**
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to IAS-7 Disclosure initiative	1 January 2017
Amendments to IAS 12- Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to IFRS 2 on classification and measurement of share based payment transactions	1 January 2018
IFRS 16 Leases	1 January 2019

The Group is assessing the impact of implementation of these standards

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

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

Due from customers (continued)

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.

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 less 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 recognized 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.

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

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 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.

	Computer software application
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

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

• 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.

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.

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

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.

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.

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

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;
- 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.

3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
Derecognition of financial assets and liabilities (continued)

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 classified as 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 classified as 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.

3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
Derecognition of financial assets and liabilities (continued)

4 CASH AND CASH EQUIVALENTS

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

	2016	*2015*
	QR'000	*QR'000*
Cash and bank balances	**117,156**	147,982
Bank deposits with maturity above 90 days	**(20,000)**	(15,000)
	97,156	132,982

Bank balances include short term deposits made for varying periods 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

	2016	*2015*
	QR'000	*QR'000*
Amounts due from customers	**51,066**	35,315
Less: Allowance for impairment	**-**	(4,030)
	51,066	31,285

There were no allowance for impairment of due from customers at 31 December 2016. (2015: QR 4,030 thousand). The Group provides fully for all balances due from its customers, which are overdue or under legal cases. The movements in the allowance for impairment of due from customers during the year is as follows.

6 DUE FROM CUSTOMERS (continued)

	2016	2015
	QR'000	QR'000
Balance at 1 January	**4,030**	4,030
Written off against due from customers during the year	**(4,030)**	-
Balance at the reporting date	**-**	4,030

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

			Past due but not impaired				
	Total QR'000	*Neither past due nor impaired QR'000*	*< 30 days QR'000*	*30 – 60 days QR'000*	*61 – 90 days QR'000*	*91 – 120 days QR'000*	*>120 days QR'000*
2016	**51,066**	**51,066**	-	-	-	-	-
2015	31,285	31,285	-	-	-	-	-

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.

7 AVAILABLE-FOR-SALE INVESTMENTS

	31 December 2016			*31 December 2015*		
	Listed	***Unlisted***	***Total***	*Listed*	*Unlisted*	*Total*
	QR'000	***QR'000***	***QR'000***	*QR'000*	*QR'000*	*QR'000*
Shares	**107,525**	**2,304**	**109,829**	75,320	2,196	77,516
Funds	**-**	**-**	**-**	-	7,215	7,215
Total	**107,525**	**2,304**	**109,829**	75,320	9,411	84,731

8 OTHER ASSETS

	2016	*2015*
	QR'000	*QR'000*
Advance paid for real estate projects	**27,417**	26,444
Prepayments	**1,101**	1,869
Other receivables	**2,502**	1,754
	31,020	30,067

9 INTANGIBLE ASSET

	2016	*2015*
	QR'000	*QR'000*
Cost:		
At 1 January	**376**	-
Transfers from property and equipment (Note 10)	**-**	376
At 31 December	**376**	376
Amortization:		
At 1 January	**116**	-
Amortization for the year	**126**	116
At 31 December	**242**	116
At 31 December	**134**	260

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 2016

10 PROPERTY AND EQUIPMENT

	Land	Building	Leasehold improvements	Furniture and fixtures	Computer equipment and software	Office equipment	Motor vehicles	Capital work-in -progress	Total
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Cost:									
As at 1 January 2016	29,097	13,886	98	1,567	38,310	3,178	751	671	87,558
Additions	-	-	-	7	-	1	-	1,103	1,111
Transfers during the year	-	-	-	-	1,774	-	-	(1,774)	-
As at 31 December 2016	29,097	13,886	98	1,574	40,084	3,179	751	-	88,669
Depreciation:									
As at 1 January 2016	-	3,701	98	921	36,872	3,049	633	-	45,274
Charge for the year	-	715	-	131	641	65	46	-	1,598
As at 31 December 2016	-	4,416	98	1,052	37,513	3,114	679	-	46,872
Net book value:									
As at 31 December 2016	**29,097**	**9,470**	**-**	**522**	**2,571**	**65**	**72**	**-**	**41,797**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
At 31 December 2016

10. PROPERTY AND EQUIPMENT (Continued)

	Land	Building	Leasehold improvements	Furniture and fixtures	Computer equipment and software	Office equipment	Motor vehicles	Capital work-in-progress	Total
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	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
Net book value:									
As at 31 December 2015	29,097	10,185	-	646	1,438	129	118	671	42,284

11 OTHER LIABILITIES

	2016 QR'000	2015 QR'000
Advances received from customers for a real estate project	**7,772**	23,429
Dividend payable	**16,028**	16,198
Accrued expenses	**1,673**	2,508
Contribution to Social and Sports Development Fund (i)	**95**	-
Commission payable	**436**	947
Other payables	**411**	1,881
	26,415	44,963

(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.

12 EMPLOYEES' END OF SERVICE BENEFITS

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

	2016 QR'000	2015 QR'000
Provision as at 1 January	**3,985**	3,527
Provided during the year	**544**	569
End of service benefit paid	**(146)**	(111)
Provision as at 31 December	**4,383**	3,985

13 SHARE CAPITAL

	2016 QR'000	2015 QR'000
Authorised, issued and fully paid:		
Balance at the beginning of the year		
28,416 thousand shares of QR 10 each (22,200,000 shares)	**284,160**	222,000
Add: Bonus shares issued during the year:		
6,216,000 shares at QR 10 each (Note 15)	**-**	62,160
Balance at the end of the year:		
28,416,000 shares of QR 10 each	**284,160**	284,160

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

No dividends were declared or paid during current financial year. (2015: 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).

16 BROKERAGE COMMISSION EXPENSE

	2016 QR'000	2015 QR'000
Commission paid to Qatar Exchange	**9,620**	13,566
Other commission expenses	**5**	90
Other brokerage expenses	**728**	1,073
	10,353	14,729

17 NET INVESTMENT (LOSS) INCOME

	2016 QR'000	2015 QR'000
Net (loss) gain on disposal of available-for-sale investments	(2,256)	63
Dividend income	2,117	3,213
	(139)	3,276

18 REAL ESTATE INCOME

	2016 QR'000	2015 QR'000
Real estate brokerage fee income	4,052	5,574
Other real estate services	198	-
	4,250	5,574

19 GENERAL AND ADMINISTRATIVE EXPENSES

	2016 QR'000	2015 QR'000
Staff costs	16,665	17,174
IT and communication costs	2,485	2,777
Bank guarantee fees	1,072	1,315
Marketing expenses	611	984
Consulting and professional fees	664	748
Communication expenses	583	550
Rent expenses	356	343
Maintenance expenses	428	493
Government and regulatory fees	681	677
Penalties and claims	300	780
Insurance expenses	41	38
Miscellaneous expenses	309	422
	24,195	26,301

20 BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

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

	2016	2015
Profit (Loss) attributable to shareholders of the parent (QR'000)	3,804	(41,969)
Weighted average number of shares outstanding during the year (in thousands)	28,416	28,416
Basic and diluted earnings (loss) per share (QR)	0.13	(1.48)

There were no potentially dilutive shares outstanding at any time during the year and therefore, the diluted earnings (loss) per share is equal to the basic earnings (loss) 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. The number of shares at end of the year 2015 is stated after incorporating the effect of the above mentioned bonus share issue (6,216 thousand shares).

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:

	2016 QR'000	2015 QR'000
Key management and their close family members;		
Net brokerage commission income	1,157	3,535
Fees paid for attending the Board meetings	(105)	(130)
Other related parties:		
Net brokerage commission income	1,760	-

21 RELATED PARTY DISCLOSURES (continued)

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

	Receivable		Payable	
	2016	2015	**2016**	2015
	QR'000	QR'000	**QR'000**	QR'000
Board of Directors	**10,431**	-	**185**	3,555
Other related parties	**28,194**	-	-	-

The above receivable and payable balances from and to related parties are included under due from and due to customers respectively.

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:

	2016	2015
	QR'000	QR'000
Salaries and short-term benefits	**2,158**	2,099
Pension benefits	**125**	19
	2,283	2,118

22 COMMITMENTS AND CONTINGENT LIABILITIES

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

	2016	2015
	QR'000	QR'000
Letters of guarantee	**225,000**	225,000

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.

	2016	2015
	QR'000	QR'000
Capital commitments		
Capital commitments	**-**	1,099

Operating lease commitments

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

	2016	2015
	QR'000	QR'000
Within one year	**298**	356
After one year but not more than three years	**-**	298
	298	654

23 CONTINGENT ASSET

During the year ended 31 December 2016, the Group received initial verdict from the Court of Qatar for the claim made against an ex-employee for losses suffered by the Group during the year 2013 due to his misconduct of a client's share trading account. As per the initial judgment, the above mentioned ex-employee was held responsible to settle the full amount of losses incurred by the Group amounting to QR 19.5 million. The Directors are of the opinion that result of the recent court verdict has given strong indication that the claim is probable to be met in full in the near future.

24 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 2016 and 2015, respectively.

31 December 2016	***Stock Broking QR'000***	***Real Estate QR'000***	***IT and Inter-national QR'000***	***Others QR'000***	***Elimination QR'000***	***Total QR'000***
Brokerage commission income (net)	**21,479**	**-**	**-**	**-**	**-**	**21,479**
Other revenues (*)	**(4,320)**	**7,583**	**2**	**6,107**	**(3,414)**	**5,958**
Segment revenue	**17,159**	**7,583**	**2**	**6,107**	**(3,414)**	**27,437**
Segment (loss)/profit	**(4,124)**	**2,985**	**(41)**	**4,983**	**-**	**3,803**
Depreciation and amortization	**164**	**748**	**-**	**812**	**-**	**1,724**
Segment assets	**535,949**	**80,416**	**16,017**	**315,843**	**(260,821)**	**687,404**
Segment liabilities	**400,678**	**7,876**	**124**	**46,306**	**(26,707)**	**428,277**
31 December 2015	*Stock Broking QR'000*	*Real Estate QR'000*	*IT and International QR'000*	*Others QR'000*	*Elimination QR'000*	*Total QR'000*
Brokerage 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

The Group's operations are located in the State of Qatar.
*Other revenues include net investment and real estate income.

25 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.

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 2016. 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*
2016	**+25 b.p**	**190**
2015	+25 b.p	329

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
2016		
Available-for-sale investments - Qatar Exchange	**+5%**	**5,376**
2015		
Available-for-sale investments – Qatar Exchange	+5%	3,766

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 more than 10% (2015: 10%) of total amount due from customers at reporting date.

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.

	2016 QR'000	2015 QR'000
Bank balances (excluding cash)	**117,149**	147,975
Bank balances - customer funds	**307,711**	504,799
Due from customers	**51,066**	35,315
Other assets	**2,502**	1,754
	478,428	689,843

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.

At 31 December 2016	On demand QR'000	Less than 1 year QR'000	Total QR'000
Due to customers	**397,479**	**-**	**397,479**
Other liabilities	**-**	**18,643**	**18,643**
Total	**397,479**	**18,643**	**416,122**

Liquidity risk (continued)

At 31 December 2015	***On demand***	***Less than 1 year***	***Total***
	QR'000	***QR'000***	***QR'000***
Due to customers	510,327	-	510,327
Due to QCSD	16,694	-	16,694
Other liabilities	-	21,534	21,534
Total	527,021	21,534	548,555

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 2016 and 31 December 2015. Capital comprises share capital and accumulated losses, and is measured at QR 245,053 thousand at 31 December 2016 (2015: QR 242,144 thousand).

26. 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, due from QCSD, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
At 31 December 2016

As at 31 December 2016, the following table shows an analysis of financial instruments recorded at fair value by level of fair value hierarchy:

	Total	***Level 1***	***Level 2***	***Level 3***
	QR'000	***QR'000***	***QR'000***	***QR'000***
At 31 December 2016				
Available-for-sale investments	**107,525**	**107,525**	**-**	**-**
	Total	*Level 1*	*Level 2*	*Level 3*
	QR'000	*QR'000*	*QR'000*	*QR'000*
At 31 December 2015				
Available-for-sale investments	82,535	75,320	7, 215	-

During the year ended 31 December 2016, 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.

27. 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.

27. SIGNIFICANT ASSUMPTIONS, ESTIMATES AND JUDGMENTS (continued)
Impairment of receivables (continued)

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 51,066 thousand (2015: QR 35,315 thousand) and there were no impairment of due from customers at reporting date (2015: 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 109,829 (2015: QR 84,731) with no allowance for impairment losses. (2015: QR 53,603). 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 2016 to 31 December 2016

Article No.	Item No.	Compliance	Non - Compliance	N/A	Governance applications	Non-compliance justifications
Article 3 The company should adhere to the principles of governance	**3-1** The Board shall ensure the company's complies with QFMA Code	✔			**DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C** 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.	
	3-2 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.	
	3-3 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.	
Article 4 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.	
Article 5 Board mission and responsibilities	**5-1** 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).	
	5-2 In addition to the board functions and responsibilities mentioned herein, the board shall be responsible for what follows: committees **5-2-1** 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	✔			**Dlala BOD shall have the following responsibilities:** - Setting the general policy of the company and its strategy and monitoring the implementation of that strategy. - Discuss and approve the periodic Financial Statements of the company.	

CORPORATE GOVERNANCE DISCLOSURE STATEMENT

1 January 2016 to 31 December 2016

Article No.	Item No.	Compliance	Non - Compliance	N/A	Governance applications	Non-compliance justifications
	5-2-2 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	✔			- Appointment and removal of the Executive Managers and monitoring the management performance. - Ensure that Dlala Holding complies with related laws and regulations as well as the Articles of Association (AOA) and the Corporate Governance Code.	
	5-3 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.	
Article 6 Board members' fiduciary duties	**6-1** 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.	
	6-2 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	
	6-3 The board members should act effectively to fulfill their responsibilities towards the company.	✔			- Board Members are sticking to their responsibilities toward the Company, in addition to their adherence to all resolutions issued by the Board. - Members discuss the topics on the agenda of each meeting and express their opinions. - Members' fulfill the tasks assigned by the Board within the limits set to them.	
Article 7 The segregation between the positions of the Chairman and the CEO	**7-1** 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 CEO, since **HE Sheikh Abdul Rahman Bin Hamad Khaled Al Thani** had been elected at 19/10/2016 as the Chairman of the Board and shall exercise his powers and functions provided by AOA and the applicable laws, while HE **Dr. Abdul Aziz Ali Al Hammadi** had been appointed to be the Acting CEO of the Company at11/02/2016, later he prompted to be the CEO of the Company, handles the daily management of the Company.	
	7-2 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.	

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Article No.	Item No.	Compliance	Non - Compliance	N/A	Governance applications	Non-compliance justifications
Article 8 The duties of the chairman	**8-1** 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.	
	8-2 The chairman may not be a member of any board committees mentioned in this code.	✔			Chairman is not a member of any Board Committees mentioned in this code	
	8-3 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. 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.	✔ ✔			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 - Approving the draft agenda for each Board meeting. - Preside over meetings of the Board and managing it. - Representing the Board in front of the judicature and other third parties	
	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	✔			- **Preside over meetings of the ordinary and extraordinary General Assembly:** **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. **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.	Evaluation program is being prepared.
	4- Ensure that effective communication channels are in place with the shareholders and that their feedback is received by the board members.	✔			- All decisions and actions of the board for each year shall be discussed and evaluated during its first meeting in the following year.	
	5- Allow effective participation of the non-executive board members in particular and encourage any constructive relations between executive and non-executive board members.	✔			- 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.	
	6- Ensure that annual assessment is duly performed to the board's performance.		✔			
Article 9 Board composition	**9-1** 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	✔			- 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. - The current Board had been appointed and elected by shareholders' General Assembly which was held on 01 April 2014.	

Article No.	Item No.	Compliance	Non - Compliance	N/A	Governance applications	Non-compliance justifications
	9-2 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 1/3 of the Board members; due to the increased number of shares that they own more than the minimum equity guarantee membership. (Attachment A).
	9-3 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.	
	9-4 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.	
Article 10 Non-executive board members	**10-1** Duties of non-executive board members include but not limited to the following: **10-1-1** Participation in the board meetings and give their independent opinion in relation to strategic issues, policy, performance, accountability, resources, main appointments and operation standards	✔			- 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. - 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.	
	10-1-2 Ensuring that priority shall be given to the company's and shareholders' interests in case of conflict of interest	✔			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 2016.	
	10-1-3 Participation in the company's audit committee	✔			The Audit Committee formed entirely from the DOB Members, and its meetings are held periodically.	

Article No.	Item No.	Compliance	Non - Compliance	N/A	Governance applications	Non-compliance justifications
	10-1-4 Monitoring the company's performance in achieving the objectives agreed upon and reviewing its performance reports including the annual, half year and quarterly reports	✔			BOD Members disclose the Company reports and approve them during the Board meetings.	
	10-1-5 Supervising the development of the procedural rules of Corporate Governance and ensure that such rules are implemented in accordance to such rules	✔			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.	
	10-1-6 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	✔			board members have considerable experience in the field of Firm's business, and they provide all of their experiences and skills to the Board.	
	10-2 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 2016.	
Article 11 Board meetings	**11-1** 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 2016.
	11-2 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	
Article 12 Board secretary	**12-1** 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.	
	12-2 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.	

Article No.	Item No.	Compliance	Non - Compliance	N/A	Governance applications	Non-compliance justifications
	12-3 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.	
	12-4 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.	
	12-5 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 11-year experience as a board secretary in Qatar.	
Article 13 Conflict of interest and insider trading	**13-1** 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.	
	13-2 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.	
	13-3 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.	
	13-4 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 2016 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 suspense 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.	

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Article No.	Item No.	Compliance	Non - Compliance	N/A	Governance applications	Non-compliance justifications
Article 14 Board's other duties and tasks	**14-1** 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.	
	14-2 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 held at 15/03/2016 and EGMs, which held at 15/03/2016 and 22/03/2016 because of the lack of legal quorum in the first meeting.	
	14-3 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.	
	14-4 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.	
	14-5 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.	
	14-6 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 2016.	
Article 15 Board committees	The board shall evaluate the advantages of the establishment of board special committees to supervise the progress and performance of key functions, on deciding the committees that should be established, the board shall put in consideration the previous issues	✔			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.	

Article No.	Item No.	Compliance	Non - Compliance	N/A	Governance applications	Non-compliance justifications
Article 16 The appointment of board members – nomination committee	**16-1** 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.	
	16-2 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.	
	16-3 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.	
	16-4 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.	
	16-5 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.	
	16-6 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			✔	**DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C** is not governance by QCB and complies with any conditions or requirements in relation to the nomination, election or appointment of board members issued by Ministry of Economy and Commerce and QFMA.	
Article 17 Remunerations of the board members – remuneration committee	**17-1** 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 Board Members.	
	17-2 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.	

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	17-3 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.	
	17-4 The remunerations of the board members policy shall be disclosed in the company's annual report		✔			The remunera-tions policy is being prepared.
	17-5 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 5% of the net profit in accordance with the Companies Law no. 11 for the year 2015, taking into consideration the overall performance of the company, depending on the annual results of the company.	
Article 18 Audit committee	**18-1** 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 Board Members, , the Committee shall request whoever experts to assist in its work.	
	18-2 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.	
	18-3 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.	
	18-4 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.	
	18-5 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 2016.	

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Article No.	Item No.	Compliance	Non - Compliance	N/A	Governance applications	Non-compliance justifications
	18-6 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	✔			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.	
	2- Matters subject to the discretion judgment of the senior executive management	✔			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.	
	3- Major amendments resulting from the audit	✔			Been discussed with the Internal Auditor during the quarterly meeting.	
	4- The continuation of the company as a viable going concern	✔			Been discussed with External and Internal Auditor during the quarterly meeting.	
	5- Compliance with the accounting standards designated by the authority	✔			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	
	6- Compliance with disclosure rules and any other requirements in relation to the preparation of financial reports	✔			Been discussed with the Compliance Officer during the representation of the Compliance Annual Report.	
	7- Compliance with applicable listing rules	✔			Been discussed with External and Internal Auditor during the quarterly meeting.	
	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.	

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	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 discus 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.	
	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.	

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	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.	
Article 19 Compliance with internal controls and the internal auditor	**19-1** 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.	
	19-2 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.	
	19-3 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	✔			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.	
	2. Should be managed by a qualified and independent and well-trained teamwork	✔				
	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.	

Article No.	Item No.	Compliance	Non - Compliance	N/A	Governance applications	Non-compliance justifications
	19-4 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.	
	19-5 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	✔			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 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	✔			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.	
	- 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 quarter internal audit reports contain such cases.	
	- The company's compliance with internal controls when defining and managing risks	✔			The Annual Compliance Report contain a report of the company status and its compliance to the rules and conditions that have been set.	
	- All relevant information that describe the company's operations of risk management	✔			The Risk Committee establish a risk register and it shall be discussed with all of the Company's department and sections.	
	19-6 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).	

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Article No.	Item No.	Compliance	Non - Compliance	N/A	Governance applications	Non-compliance justifications
Article 20 External auditor	**20-1** 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, Rödl & Partner has been assigned as an External Auditor during the AGM, moreover, a new External Auditor shall be selected during the next year 2017.	
	20-2 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 2016, and he is completely independent of the Board of Directors and there is no conflict of interest in his relation to the company.	
	20-3 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 15.03.2016 and has attended by Extraordinary Assembly which was held on 22.03.2016.	
	20-4 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.	
	20-5 All listed companies shall change their external auditors every no more than 5 years	✔			The AOA statute that the company shall change the External Auditor every five years, the Company complies with that Article.	
Article 21 Disclosure	**21-1** 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 2016 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 2016 had been done.	
	21-2 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.	
	21-3 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.	
	21-4 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.	
Article 22 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	✔			- 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. - Article no 45 of the AOA stats that each Shareholder ay 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. - 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 that 25% of the votes represented during the Assembly. - The Board of Directors shall maintain and ensure respecting all Shareholders' rights, and there is no observations during the year 2016 for this regard.	

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Article No.	Item No.	Compliance	Non - Compliance	N/A	Governance applications	Non-compliance justifications
Article 23 Ownership records	23-1 The company shall keep valid and updated ownership records 23-2 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	✔ ✔			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. 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.	
	23-3 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 he company for a document by a Shareholder.	
Article 24 Access to information	**24-1** 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	
	24-2 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.	

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Article No.	Item No.	Compliance	Non - Compliance	N/A	Governance applications	Non-compliance justifications
Article 25 Shareholders' rights in relation to shareholders' meetings	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.	
Article 26 The fair and equitable treatment of shareholders and the exercise of voting rights	**26-1** 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.	
	26-2 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.	
Article 27 Shareholders' rights in relation to the election of board members	**27-1** 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		✔			
	27-2 Shareholders shall have the right to vote in the election of the board members by way of cumulative voting	✔			Shareholders are electing board members in accordance with the Companies Law no. 11 for the year 2015	
Article 28 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.	

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Article No.	Item No.	Compliance	Non - Compliance	N/A	Governance applications	Non-compliance justifications
Article 29 Capital structure, shareholders' rights and major transactions	**29-1** 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.	
	29-2 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 discus 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.	
	29-3 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.	
Article 30 Rights of other stakeholders	**30-1** 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	
	30-2 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.	
	30-3 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.	

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Article No.	Item No.	Compliance	Non - Compliance	N/A	Governance applications	Non-compliance justifications
	30-4 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.	
	30-5 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	✔				
Article 31 Governance report	**31-1** The board shall prepare annual corporate governance report signed by the chairman	✔			The Board prepare the Corporate Governance Report annually, signed by the Chairman, 2015's report was the last report and this one.	
	31-2 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, 2015's report was the last report and this one.	
	31-3 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 wand approved by the General Assembly. And the last one was 2015 which included in 2016 General Assembly agenda.	
	31-4 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.	

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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	✔			Corporate Governance Report is prepared in accordance with the detailed model stated in the Corporate Governance Code of listed companies issued by QFMA.	
	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	✔				