

**DLALA BROKERAGE AND INVESTMENTS
HOLDING COMPANY (QSC)
DOHA - QATAR**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT**

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the year ended December 31, 2008

INDEX	Page
Independent auditor's report	--
Consolidated balance sheet	1 - 2
Consolidated statement of income	3
Consolidated statement of changes in shareholders' equity	4
Consolidated statement of cash flows	5 - 6
Notes to the consolidated financial statements	7 - 24

QR. 32219

INDEPENDENT AUDITOR'S REPORT

**To The Shareholders of
Dlala Brokerage and Investments Holding Company (QSC)
Doha – Qatar**

Report on consolidated financial statements

We have audited the accompanying consolidated financial statements of Dlala Brokerage and Investments Holding Company (QSC) (“the Company”), which comprise of the consolidated balance sheet as at December 31, 2008, and the consolidated statements of income, changes in shareholders equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, these consolidated financial statements give a true and fair view of the financial position of Dlala Brokerage and Investments Holding Company (QSC) as of December 31, 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

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

For **Deloitte & Touche**

Muhammad Bahemia
License No. 103

Doha - Qatar
February 4, 2009

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)**CONSOLIDATED BALANCE SHEET**

As at December 31, 2008

ASSETS		<u>2008</u>	<u>2007</u>
	Notes	QR.	QR.
Current assets			
Cash and bank balances	4	248,249,388	114,498,062
Bank balances – customers’ funds	5	441,323,691	357,738,889
Due from customers	6	6,187,470	273,906,575
Due from Doha Security Market		75,137,536	--
Other assets	7	3,595,329	3,041,552
		<u>774,493,414</u>	<u>749,185,078</u>
Non-current assets			
Available-for-sale investments	8	28,535,520	47,858,669
Investment in associates	9	10,455,888	11,993,832
Properties and equipment	10	64,738,230	18,580,943
		<u>103,729,638</u>	<u>78,433,444</u>
Total assets		<u>878,223,052</u>	<u>827,618,522</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Bank overdraft		--	40,903,413
Term loan	11	3,931,800	--
Due to customers		578,704,047	429,784,107
Due to Doha Security Market		--	117,158,136
Other liabilities	12	29,812,392	16,091,666
		<u>612,448,239</u>	<u>603,937,322</u>
Non-current liabilities			
End of service benefits		867,823	719,943
Term loan	11	24,451,065	--
		<u>25,318,888</u>	<u>719,943</u>
Total liabilities		<u>637,767,127</u>	<u>604,657,265</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

CONSOLIDATED BALANCE SHEET

As at December 31, 2008

	Notes	<u>2008</u> QR.	<u>2007</u> QR.
Shareholders' equity			
Share capital	13	200,000,000	200,000,000
Legal reserve	14	9,398,577	4,348,093
Fair value reserve		(15,904,729)	(6,894,565)
Proposed dividend	15	40,000,000	24,000,000
Retained earnings		6,924,515	1,479,622
Attributable to equity holders of the Company		<u>240,418,363</u>	<u>222,933,150</u>
Minority interests		<u>37,562</u>	<u>28,107</u>
Total equity		<u>240,455,925</u>	<u>222,961,257</u>
Total equity and liabilities		<u>878,223,052</u>	<u>827,618,522</u>

These consolidated financial statements were approved by the Board of Directors on February 4, 2009 and signed on its behalf by:

Hamad Bin Abdulla Al-Attiyah
Chairman

Sheikh Hamad Bin Nasser Al-Thani
Vice Chairman

Waleed Jassim AlMossallam
CEO

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)**CONSOLIDATED STATEMENT OF INCOME**

For the year ended December 31, 2008

		<u>2008</u>	<u>2007</u>
Revenue	Notes	QR.	QR.
Brokerage and commission income	16.a	132,774,200	108,581,466
Brokerage and commission expense	16.b	<u>(41,073,972)</u>	<u>(31,897,853)</u>
Brokerage and commission income, net		91,700,228	76,683,613
Bank deposit interest income		8,046,631	5,986,450
Net investment income	17	8,413,813	3,899,368
Share of profit in associate company		<u>240,835</u>	<u>552,535</u>
Total Revenue		108,401,507	87,121,966
Expenses			
General and administrative expenses	18	(24,560,167)	(25,463,246)
Staff costs		(28,131,224)	(21,716,831)
Provision for legal cases	19	(2,228,800)	(4,379,905)
Provision for bad debts		--	(4,030,270)
Impairment of available for sale investments		(1,417,392)	(4,117,736)
Finance costs		<u>(1,559,092)</u>	<u>(2,355,313)</u>
Profit for the year		<u>50,504,832</u>	<u>25,058,665</u>
Attributable to			
Equity holders of the company		50,494,326	25,053,160
Minority interest		<u>10,506</u>	<u>5,505</u>
Total		<u>50,504,832</u>	<u>25,058,665</u>
Earnings per share	20	<u>2.52</u>	<u>1.25</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended December 31, 2008

	<u>Issued capital</u>	<u>Legal reserve</u>	<u>Fair value reserve</u>	<u>Proposed dividend</u>	<u>Retained earnings</u>	<u>Total equity attributable to equity holders of the company</u>	<u>Minority interests</u>	<u>Total</u>
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Balance – January 1, 2007	200,000,000	1,842,228	(22,298,259)	10,000,000	2,931,778	192,475,747	23,151	192,498,898
Profit for the year	--	--	--	--	25,053,160	25,053,160	5,505	25,058,665
Transfer to legal reserve for the year	--	2,505,865	--	--	(2,505,316)	549	(549)	--
Increase in fair value reserve	--	--	7,128,661	--	--	7,128,661	--	7,128,661
Dividend paid	--	--	--	(10,000,000)	--	(10,000,000)	--	(10,000,000)
Cumulative loss transferred to income statement on disposal of available-for-sale investments	--	--	4,897,678	--	--	4,897,678	--	4,897,678
Cumulative loss transferred to income statement on impairment of available-for-sale investments	--	--	4,100,837	--	--	4,100,837	--	4,100,837
Share of associate's investment revaluation reserve	--	--	(723,482)	--	--	(723,482)	--	(723,482)
Proposed dividend	--	--	--	24,000,000	(24,000,000)	--	--	--
Balance - December 31, 2007	200,000,000	4,348,093	(6,894,565)	24,000,000	1,479,622	222,933,150	28,107	222,961,257
Profit for the year	--	--	--	--	50,494,326	50,494,326	10,506	50,504,832
Transfer to legal reserve for the year	--	5,050,484	--	--	(5,049,433)	1,051	(1,051)	--
Decrease in fair value reserve	--	--	(13,838,488)	--	--	(13,838,488)	--	(13,838,488)
Dividend paid	--	--	--	(24,000,000)	--	(24,000,000)	--	(24,000,000)
Cumulative loss transferred to income statement on disposal of available-for-sale investments	--	--	4,828,324	--	--	4,828,324	--	4,828,324
Proposed dividend	--	--	--	40,000,000	(40,000,000)	--	--	--
Balance - December 31, 2008	200,000,000	9,398,577	(15,904,729)	40,000,000	6,924,515	240,418,363	37,562	240,455,925

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended December 31, 2008

	Notes	<u>2008</u> QR.	<u>2007</u> QR.
OPERATING ACTIVITIES			
Profit for the year		50,504,832	25,058,665
Adjustments for:			
Depreciation of properties and equipment		6,305,902	6,876,703
End of service benefits		147,880	456,202
Share of profit in associate company		(240,835)	(552,535)
Impairment of available-for-sale investments		1,417,392	4,117,736
Interest income		(8,046,631)	(5,986,450)
Finace costs		1,559,092	--
Profit on disposal of available-for-sale investments		(7,550,241)	(2,180,748)
Provision for bad debts		--	4,030,270
Provision for legal cases		2,228,800	4,379,905
		<u>46,326,191</u>	<u>36,199,748</u>
Due from customers		267,719,105	(178,005,992)
Other assets		1,572,112	2,828,107
Customers' funds		(83,584,802)	(96,198,810)
Due to customers		148,919,940	205,437,934
Other liabilities		11,491,925	10,305,189
Due from Doha Security Market		(75,137,536)	--
Due to Doha Security Market		(117,158,136)	69,581,547
Net cash flow from operating activities		<u>200,148,799</u>	<u>50,147,723</u>
INVESTING ACTIVITIES			
Net purchase and sale of available-for-sale investments		18,224,614	24,333,762
Investment in associate company		--	(1,778,779)
Purchase of properties and equipment		(52,463,189)	(5,185,847)
Interest received		5,920,742	5,986,450
Net cash (used in)/ from investing activities		<u>(28,317,833)</u>	<u>23,355,586</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2008

		<u>2008</u>	<u>2007</u>
	Notes	QR.	QR.
FINANCING ACTIVITIES			
Net proceed from loan		28,382,865	--
Finance costs		(1,559,092)	--
Dividend paid		(24,000,000)	(10,000,000)
Net cash flow from/(used in) financing activities		<u>2,823,773</u>	<u>(10,000,000)</u>
Net increase in cash and cash equivalents		174,654,739	63,503,309
Cash and cash equivalents – beginning of the year		73,594,649	10,091,340
Cash and cash equivalents - end of the year	21	<u>248,249,388</u>	<u>73,594,649</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

1. INCORPORATION AND ACTIVITIES

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

2. ADOPTION OF NEW AND REVISED STANDARDS

Standards and interpretations effective in the current year

Three Interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current period. These are: IFRIC 11 – IFRS 2: *Group and Treasury Share Transaction* which is effective for annual periods beginning on or after 1 March 2007, IFRIC 12 *Service Concession Arrangements* which is effective for annual periods beginning on or after January 1, 2008 and IFRIC 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* which is effective for annual periods beginning on or after January 1, 2008

The adoption of these Interpretations had no significant effect on the financial statements of the Company for the year ended December 31, 2008

Standard and interpretations in issue not yet effective

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

Revised Standards

- | | |
|--|--|
| • IAS 1 (Revised) Presentation of Financial Statements | Effective for annual periods beginning on or after January 1, 2009 |
| • IAS 23 (Revised) <i>Borrowing Costs</i> | Effective for annual periods beginning on or after January 1, 2009 |
| • IAS 27 (Revised) <i>Consolidated and Separate Financial Statements</i> | Effective for annual periods beginning on or after July 1, 2009 |
| • IAS 28 (Revised) <i>Investments in Associates</i> | Effective for annual periods beginning on or after July 1, 2009 |
| • IAS 31 (Revised) <i>Interests in Joint Ventures</i> | Effective for annual periods beginning on or after July 1, 2009 |
| • IAS 32 (Revised) <i>Financial Instruments: Presentation</i> | Effective for annual periods beginning on or after January 1, 2009 |

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

2. ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

Standards and interpretations in issue not yet effective (continued)

- | | |
|---|--|
| • IFRS 1 (Revised) <i>First time adoption</i> | Effective for annual periods beginning on or after January 1, 2009 |
| • IFRS 2 (Revised) <i>Share-based Payments</i> | Effective for annual periods beginning on or after January 1, 2009 |
| • IFRS 3 (Revised) <i>Business Combinations</i> | Effective for annual periods beginning on or after July 1, 2009 |

New Standard

- | | |
|------------------------------------|--|
| • IFRS 8 <i>Operating Segments</i> | Effective for annual periods beginning on or after January 1, 2009 |
|------------------------------------|--|

New Interpretation

- | | |
|--|--|
| • IFRIC 13 – <i>Customer loyalty Programmes</i> | Effective for annual periods beginning on or after July 1, 2008 |
| • IFRIC 15 - <i>Agreement for Construction of Real Estate</i> | Effective for annual periods beginning on or after January 1, 2009 |
| • IFRIC 16 – <i>Hedges of Net Investment in Foreign Operations</i> | Effective for annual periods beginning on or after October 1, 2008 |

Management anticipates that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

Basis of preparation

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

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of estimates and judgements

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

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

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements are described in the Note 26.

Functional and presentation currency

The consolidated financial statements have been prepared in Qatari Riyals.

Basis of consolidation

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

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

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

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

Revenue recognition

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

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Commissions

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

Commission income is reduced by commission rebates.

Dividend Income

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

Interest Income

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

Investments in associates

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

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

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

Properties and equipment

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

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

Leasehold improvements are depreciated over five years.

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency

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

Provisions

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

Borrowing Cost

Borrowing costs are recognised in the period in which they are incurred and unpaid amounts are included in "accruals and other credit balances".

Available-for-sale investments

Quoted

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

Unquoted

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

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Available-for-sale investments (continued)

Fair value

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

Employees' end of service benefits

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

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

Financial instruments

Financial assets

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

Financial liabilities

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

Impairment of tangible assets

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

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

4. CASH AND BANK BALANCES

	<u>2008</u> QR.	<u>2007</u> QR.
Cash on hand	2,193	21,317
Fixed deposits	152,500,000	55,690,967
Call accounts	63,538,798	56,049,349
Current accounts	<u>32,208,397</u>	<u>2,736,429</u>
	<u>248,249,388</u>	<u>114,498,062</u>

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

5. BANK BALANCES – CUSTOMERS’ FUNDS

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

6. DUE FROM CUSTOMERS

	<u>2008</u> QR.	<u>2007</u> QR.
Amounts due from customers	10,217,740	277,936,845
Less: Provision for doubtful debts	<u>(4,030,270)</u>	<u>(4,030,270)</u>
Net	<u>6,187,470</u>	<u>273,906,575</u>

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

As at December 31, 2008 balances from customers and movement in the provision for doubtful debts are as follows:

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

6. DUE FROM CUSTOMERS (CONTINUED)

(i) *Neither past due nor impaired*

	<u>2008</u>	<u>2007</u>
	QR.	QR.
Due from customers within 3 days	6,187,470	270,871,662

(ii) *Past due but not impaired*

Due from customers for more than 3 days	--	3,034,913
Total not impaired	<u>6,187,470</u>	<u>273,906,575</u>

(iii) *Impaired customers balances*

	<u>2008</u>	<u>2007</u>
	QR.	QR.
Due from customers	<u>4,030,270</u>	<u>4,030,270</u>

(iv) *Movement in the provision for doubtful debts:*

	<u>2008</u>	<u>2007</u>
	QR.	QR.
Balance at the beginning of the year	4,030,270	--
Provision during the year	--	4,030,270
Balance at the end of the year	<u>4,030,270</u>	<u>4,030,270</u>

7. OTHER ASSETS

	<u>2008</u>	<u>2007</u>
	QR.	QR.
Profit and interest accrued on time and call deposits	2,125,889	738,718
Prepayments and other debit balances	<u>1,469,440</u>	<u>2,302,834</u>
	<u>3,595,329</u>	<u>3,041,552</u>

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

8. AVAILABLE-FOR-SALE INVESTMENTS

	<u>Quoted Shares</u>	<u>Unquoted Shares</u>	<u>Total</u>
	QR.	QR.	QR.
At Cost			
As at January 1, 2007	80,300,502	--	80,300,502
Acquisition during the year	16,735,063	1,050,000	17,785,063
Impairment	(4,117,736)	--	(4,117,736)
Disposal during the year	(39,938,077)	--	(39,938,077)
As at December 31, 2007	52,979,752	1,050,000	54,029,752
Acquisition during the year	41,553,290	--	41,553,290
Transferred from associate (note 9-b)	--	1,778,779	1,778,779
Impairment	(1,417,392)	--	(1,417,392)
Disposal during the year	(52,227,663)	--	(52,227,663)
As at December 31, 2008	40,887,987	2,828,779	43,716,766
Fair value Adjustments			
As at January 1, 2007	22,298,259	--	22,298,259
Reversal of investment revaluation reserve on disposal	(4,897,678)	--	(4,897,678)
Movement during the year	(11,229,498)	--	(11,229,498)
As at December 31, 2007	6,171,083	--	6,171,083
Reversal of investment revaluation reserve on disposal	(4,828,324)	--	(4,828,324)
Movement during the year	13,838,487	--	13,838,487
As at December 31, 2008	15,181,246	--	15,181,246
At Fair Value			
As at December 31, 2008	25,706,741	2,828,779	28,535,520
As at December 31, 2007	46,808,669	1,050,000	47,858,669

9. INVESTMENT IN ASSOCIATES

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

	<u>Ownership</u>	<u>2008</u>	<u>2007</u>
		QR.	QR.
Tuhama Investments *	22%	10,455,888	10,215,053
Edata Tech and Consulting**	25%	--	1,778,779
		10,455,888	11,993,832

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

9. INVESTMENT IN ASSOCIATES (CONTINUED)

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

	<u>2008</u>	<u>2007</u>
	QR.	QR.
Balance as at January 1	11,993,832	10,386,000
Acquisition of associate	--	1,778,779
Share of profit for the year	240,835	552,535
Share of associate investment revaluation reserve on available for sale investment	--	(723,482)
Reclassification as available for sale (note 8)	(1,778,779)	--
Balance as at December 31	<u>10,455,888</u>	<u>11,993,832</u>

The Company's share in associate:

	<u>2008</u>	<u>2007</u>
	QR.	QR.
Total assets	48,549,149	46,799,583
Total liabilities	(5,857,521)	(796,360)
Net assets	<u>42,691,628</u>	<u>46,003,223</u>
Company's share in the net assets of associate	<u>9,392,158</u>	<u>10,120,709</u>
Total revenues	<u>7,150,978</u>	<u>5,983,042</u>
Profit for the year	<u>1,094,704</u>	<u>2,511,525</u>
Company's share of profit from associates	<u>240,835</u>	<u>552,535</u>

*The share of profit from associate accounted is based on management accounts.

**Edata Tech and Consulting increased the share capital during the year which diluted the shareholding of the Company from 25% to 5%. Subsequently, the investment in associate is classified as available for sale as the Company does not have significant influence on Edata Tech and Consulting.

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

10. PROPERTIES AND EQUIPMENT

	Land	Leasehold improvements	Furniture and fixtures	Computers and software	Office equipment	Vehicles	*Work in progress	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Cost:								
As of January 1, 2007	-	839,401	1,829,533	19,804,252	839,888	132,000	1,128,668	24,573,742
Additions	-	173,612	159,474	3,291,654	572,307	46,000	942,800	5,185,847
Transfer	-	--	--	1,128,668	--	--	(1,128,668)	--
As of December 31, 2007	--	1,013,013	1,989,007	24,224,574	1,412,195	178,000	942,800	29,759,589
Additions	36,306,584	234,021	28,005	1,167,425	450,182	179,000	14,097,972	52,463,189
Transfer	-	--	--	942,800	--	--	(942,800)	--
As of December 31, 2008	36,306,584	1,247,034	2,017,012	26,334,799	1,862,377	357,000	14,097,972	82,222,778
Depreciation:								
As of January 1, 2007	--	47,474	213,711	3,915,395	98,313	27,050	--	4,301,943
Charge for the year	--	187,538	192,536	6,218,969	245,891	31,769	--	6,876,703
As of December 31, 2007	--	235,012	406,247	10,134,364	344,204	58,819	--	11,178,646
Charge for the year	--	240,598	201,461	5,468,465	339,345	56,033	--	6,305,902
As of December 31, 2008	--	475,610	607,708	15,602,829	683,549	114,852	--	17,484,548
Net book value:								
As of December 31, 2008	36,306,584	771,424	1,409,304	10,731,970	1,178,828	242,148	14,097,972	64,738,230
As of December 31, 2007	--	778,001	1,582,760	14,090,210	1,067,991	119,181	942,800	18,580,943
Rates of depreciation	--	20%	10%	20% - 33.33%	20%	20%	--	

* The work in progress as of December 31, 2008 represents the cost of building on the land acquired during the year plus the renovation costs and IT projects. The building will be ready by the end of April 2009.

* The work in progress as of December 31, 2007 represents amounts paid for the implementation of Oracle Financials. The new accounting package was effectively used as from April 2008.

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

11. TERM LOAN

	<u>2008</u> QR.
Total amount of loan due to bank	28,382,865
Less: Current portion	<u>(3,931,800)</u>
Long term portion	<u>24,451,065</u>

Loan amounting to QR 29,445,000 was borrowed from a bank with an initial rate of interest of 7.5% per annum for the acquisition of land and building. The building under work in progress is secured with the bank.

12. OTHER LIABILITIES

	<u>2008</u> QR.	<u>2007</u> QR.
Accounts payable	3,081,616	752,539
Provision for legal cases	6,608,704	4,379,904
Dividend payable	7,634,090	2,701,074
Provisions and other accruals	12,487,982	8,258,149
	<u>29,812,392</u>	<u>16,091,666</u>

13. SHARE CAPITAL

	<u>2008</u> QR.	<u>2007</u> QR.
Share capital consists of:		
20,000,000 authorised ,issued and fully paid shares of QR.10 each	<u>200,000,000</u>	<u>200,000,000</u>

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

14. LEGAL RESERVE

- In accordance with the Qatar Commercial Companies' Law No. 5 of 2002, 10% of net income for the year is to be transferred to legal reserve. This annual transfer may cease when the reserve equals 50% of the paid up capital. This reserve is not available for distribution.
- In first year of operations, a net surplus from share issuance fees in the amount of QR. 405,124 was transferred to the legal reserve.

15. PROPOSED DIVIDEND

The Board of Directors have proposed a cash dividend of QR 2 per share totaling to QR 40,000,000 for the year 2008 (2007 : QR 24,000,000) in their meeting held on February 4, 2009, which is subject to the approval of the shareholders at the Annual General Assembly.

16. BROKERAGE AND COMMISSION

a) Brokerage and commission income

Commission income comprises commission raised on share purchase and sale transactions, less rebates offered to clients.

b) Brokerage and commission expenses

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

17. INVESTMENT INCOME

	<u>2008</u>	<u>2007</u>
	<u>QR.</u>	<u>QR.</u>
Profit on disposal of available-for-sale investments	7,252,536	2,180,748
Dividends received	1,161,277	1,718,620
	<u>8,413,813</u>	<u>3,899,368</u>

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

18. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>2008</u>	<u>2007</u>
	QR.	QR.
Consulting and professional expenses	1,086,537	944,551
DSM Membership fee and rental	273,000	313,219
Rent expenses	3,785,762	5,369,616
IT and communication costs	3,937,127	3,090,821
Marketing	3,607,100	2,834,834
Depreciation	6,305,902	6,876,704
Telephone and fax expenses	609,278	652,727
Travel expenses	452,694	488,081
Insurance expenses	486,065	430,083
Maintenance expenses	304,106	228,721
Governmental expenses	203,534	253,732
DSM penalty*	509,000	2,000,000
Bank guarantee fee	2,673,828	1,648,680
Miscellaneous expenses	326,234	331,477
	<u>24,560,167</u>	<u>25,463,246</u>

* The expense represents the penalty charged by DSM for violating in 2007 certain of its trading rules in accordance with DSM regulations.

19. PROVISION FOR LEGAL CASES

(I) The provision for legal cases represents a claim from a sub tenant of the Company, for duplicate rental paid by the sub tennant. The Company will raise a claim against the landlord, who received the duplicate rental payment. The Company has taken a full provision amounting to QR2,228,800 during the year.

(II) In the previous year various claims were made by customers which are still outstanding. The Company has made full provision for these claims amounting to QR 4,379,905.

20. EARNINGS PER SHARE

	<u>2008</u>	<u>2007</u>
	QR.	QR.
Net income attributable to equity holders of the company	50,494,326	25,053,160
Number of shares	20,000,000	20,000,000
Earnings per share	<u>2.52</u>	<u>1.25</u>

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

21. CASH AND CASH EQUIVALENTS

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

	<u>2008</u>	<u>2007</u>
	QR.	QR.
Cash and bank balances	248,249,388	114,498,062
Bank overdraft	--	(40,903,413)
Cash and cash equivalents at the end of the year	<u>248,249,388</u>	<u>73,594,649</u>

22. CONTINGENT LIABILITIES

	<u>2008</u>	<u>2007</u>
	QR.	QR.
Letters of guarantee	<u>462,500,000</u>	<u>235,000,000</u>

23. FINANCIAL RISK MANAGEMENT

The activities of the Company expose it to routine financial risks. The Company's management seeks to minimize potential adverse effects on the financial performance of the Company by taking appropriate steps to address those risks.

Interest rate risk exposures

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

The Company is exposed to interest rate risk on its fixed deposits and loans. A 1% increase or decrease in the interest rate will result in an increase or decrease of QR 1,373,000 (2007:QR 556,910) in the assets and profit and loss.

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

23. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's policy is to only transact with customers with credit balances. In certain special limited circumstances, the Company allows certain customers with good credit ratings to trade on a T+3 basis. The Company's exposure to its counterparties is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by management. Cash is placed with financial institutions with good credit ratings.

Liquidity risk

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

Currency risk

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

Market risk

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

A 10% increase or decrease in market value of the Company's portfolio of available-for-sale investment is expected to result in an increase or decrease of QR 2,570,674 (2007:QR. 4,680,867) in the assets and equity of the Company.

Capital risk management

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

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

23. FINANCIAL RISK MANAGEMENT (CONTINUED)

Gearing ratio

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

The gearing ratio at the year end is as follows:

	<u>2008</u>	<u>2007</u>
	<u>QR.</u>	<u>QR.</u>
Debt (i)	<u>28,382,865</u>	<u>40,903,413</u>
Equity (ii)	<u>240,418,363</u>	<u>222,933,150</u>
Net debt to equity ratio	<u>12%</u>	<u>18%</u>

(i) Debt is defined as short term and long term borrowings.

(ii) Equity includes all capital and reserves of the Company attributable to equity holders.

24. COMPENSATION OF KEY MANAGEMENT PERSONNEL

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

	<u>2008</u>	<u>2007</u>
	<u>QR.</u>	<u>QR.</u>
Short-term benefits – salary packages to senior managers	<u>2,653,553</u>	<u>2,583,700</u>
Bonuses to senior managers	<u>500,000</u>	<u>143,520</u>
Directors fees and bonuses to senior managers	<u>1,800,000</u>	<u>1,350,000</u>
	<u>4,953,553</u>	<u>4,077,220</u>

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

25. SUBSIDIARIES

Details of the Company's direct and indirect subsidiaries at December 31, 2008 are as follows:

<u>Name of subsidiary</u>	<u>Place of Incorporation</u>	<u>Proportion of Ownership interest</u>	<u>Principal activity</u>
Dlala Brokerage Company W.L.L.	Qatar	99.98%	Brokerage
Dlala Islamic Brokerage Company W.L.L.	Qatar	99.98%	Brokerage
Dlala Investments Company W.L.L.	Qatar	99.90%	Investments
Dlala International Company W.L.L. (Formerly known as Dlala Gulf Company WLL)	Qatar	99.50%	Investments
Dlala Real Estate Company WLL	Qatar	100%	Real Estate

26. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

Available-for-sale investments

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

Management is confident that available-for-sale investments as at December 31, 2008 are not impaired, except those accounted for at year end.