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

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM MAY 24, 2005
(DATE OF INCEPTION)
TO DECEMBEER 31, 2006
TOGETHER WITH
INDEPENDENT AUDITOR’S REPORT

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)
DOHA - QATAR
DECEMBER 31, 2006

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QR. 30439

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 31 December 2006, and the consolidated statements of income, changes in shareholders equity and cash flows for the period from 24 May 2005 (Date of Inception) to 31 December 2006, 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, the consolidated financial statements give a true and fair view of the financial position of **Dlala Brokerage and Investments Holding Company (QSC)** as of 31 December 2006, and of its financial performance and its cash flows for the period from 24 May 2005 (Date of Inception) to 31 December 2006, in accordance with **International Financial Reporting Standards**.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion the consolidated financial statements provide the information required by law 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 Law or the Company's Articles of Association were committed during the period which would materially affect the Company's activities or its financial position.

For **Deloitte & Touche**

Doha - Qatar
January 31, 2007

Muhammad Bahemia
License No. 103

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)
DOHA - QATAR
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2006

ASSETS:	Note	December 31, 2006 QR.
Non-Current Assets:		
Properties and Equipment	4	20,271,799
Available-for-Sale Investments	5	68,388,243
Total Non-Current Assets		**88,660,042**
Current Assets:		
Due from customers		103,961,123
Other assets	6	5,869,659
Customers funds	7	261,540,079
Cash and bank balances	8	66,216,081
Total Current Assets		**437,586,942**
Total Assets		**526,246,984**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' Equity:		
Issued capital	9	200,000,000
Legal reserve	10	1,842,228
Fair value reserve	5	(22,298,259)
Proposed dividend	11	10,000,000
Retained earnings		2,931,778
Attributable to Equity Holders of holding Company		**192,475,747**
Minority Interest		23,151
Total Equity		**192,498,898**
LIABILITIES:		
Current Liabilities:		
Due to customers		224,346,173
Other liabilities		5,700,583
Bank over draft		103,701,330
Total Current Liabilities		**333,748,086**
Total Equity and Liabilities		**526,246,984**

These financial statements were approved by the Board of Directors on February 25, 2007 and signed on its behalf by:

Hamad Bin Abdulla Al-Attiyah	Sheikh Hamad Bin Nasser Al-Thani	Murad Marouf Mahmoud
Chairman	Vice Chairman	CEO

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

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

CONSOLIDATED STATEMENT OF INCOME
FOR THE PERIOD FROM MAY 24, 2005 (DATE OF INCEPTION) TO DECEMBER 31, 2006

	Note	For the Period From May 24, 2005 (Date of Inception) to December 31, 2006 QR.
Revenue:		
Brokerage and commission income	**12.a**	66,330,046
Brokerage and commission expense	**12.b**	(25,977,073)
Brokerage and Commission Income, Net		**40,352,973**
Dividends Income		543,408
Interest income		12,096,760
Profit on disposal of available-for-sale investments		4,314,587
Other Income		87,759
Total Revenue		**57,395,487**
Expenses:		
General and administrative expenses	**13**	(39,717,694)
Marketing Expenses		(1,451,854)
Initial public offering expenses		(1,854,906)
Net Income for the Period		**14,371,033**
Attributable to		
Equity holders of holding company		14,368,643
Minority interest		2,390
Total		**14,371,033**
Earnings per share (basic & diluted)	**14**	**0.72**

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD FROM MAY 24, 2005 (DATE OF INCEPTION) TO DECEMBER 31, 2006

	Note	Issued Capital	Legal Reserves	Fair Value Reserve	Proposed Dividend	Retained Earnings	Attributable to Equity Holders Of holding company	Minority Interest	Total
		QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Balance - May 24, 2005		**200,000,000**	--	--	--	--	**200,000,000**	--	**200,000,000**
Capital Introduced by the Minority Shareholder		--	--	--	--	--	--	21,000	**21,000**
Net income for the period		--	--	--	--	14,368,643	**14,368,643**	2,390	**14,371,033**
Surplus from issuance fees	**10**	--	405,124	--	--	--	**405,124**	--	**405,124**
Transfer to legal reserve for period		--	1,437,104	--	--	(1,436,865)	**239**	(239)	**--**
Net movement in revaluation reserve		--	--	(22,298,259)	--	--	**(22,298,259)**	--	**(22,298,259)**
Proposed dividend		--	--	--	10,000,000	(10,000,000)	**--**	--	**--**
Balance - December 31, 2006		**200,000,000**	**1,842,228**	**(22,298,259)**	**10,000,000**	**2,931,778**	**192,475,747**	**23,151**	**192,498,898**

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM MAY 24, 2005 (DATE OF INCEPTION) TO DECEMBER 31, 2006

	Note	For the Period From May 24, 2005 (Date of Inception) to December 31, 2006 QR.
Cash Flows from Operating Activities:		
Net income for the period		**14,371,033**
Adjustments for:		
Depreciation of properties and equipments		4,301,941
Interest Income		(12,096,760)
Profit on disposal of available-for-sale investments		(4,314,587)
		2,261,627
Due from customers		(103,961,123)
Other assets	**6**	(5,055,399)
Customers funds		(261,540,079)
Due to customers		224,346,173
Other liabilities		5,700,583
Net Cash Flow Used in Operating Activities		**(138,248,218)**
Cash Flows from Investing Activities:		
Purchase and sale of available-for-sale investments		(86,371,915)
Purchase of properties and equipments		(24,573,740)
Interest received		11,282,500
Net Cash Used in Investing Activities		**(99,663,155)**
Cash Flows from Financing Activities:		
Proceeds from issue of share capital		200,000,000
Surplus proceeds from issuance fees		405,124
Minority interest contribution		21,000
Net Cash Flow From Financing Activities		**200,426,124**
Net increase in Cash and cash equivalents		(37,485,249)
Cash and cash equivalents – beginning of the period		--
Cash and cash equivalents - End of the Period	**15**	**(37,485,249)**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM MAY 24, 2005 (DATE OF INCEPTION)
TO DECEMBER 31, 2006

1. General information:

Dlala Brokerage and Investments Holding Company (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 International Financial Reporting Standards:

At the date of authorization of these financial statements, the following Standards and Interpretations were in issue:

Name of Standard / Interpretation	Effective for accounting periods beginning on or after;
New Standards:	
IFRS 7 - Financial Instruments - Disclosures	1 January 2007
IFRS 8 - Operating Segments	1 January 2009
Amendments to Standards:	
Amendment to IAS 1- Capital Disclosure	1 January 2007
New Interpretations:	
IFRIC 10 - Interim Financial Reporting and Impairment	1 November 2006

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company.

3. Significant Accounting Policies:

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

Basis of preparation

The 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.

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.

The results of subsidiaries acquired during the period are included in the consolidated income statement from the effective date of the acquisition.

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 interests in the net assets of consolidated subsidiaries are identified separately from the Company's equity therein.

Revenue recognition:

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

Commissions

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

Commission income is reduced by commission rebates.

Dividend Income

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

Interest Income

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

Properties and Equipments:

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

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

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

Foreign Currency:

Transactions in foreign currencies are recorded in Qatari Riyals at the rates of exchange prevailing at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the period 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.

Available-for-Sale Investments:

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 valuation reserves 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 valuation reserves are included in the statement of income.

Financial Instruments:

Financial Assets

The Company's principal financial assets include bank balances and cash, available for sale investments, due from customers and other debit balances. The financial assets are stated at their nominal value except for available-for-sale investments which are stated at fair value.

Financial Liabilities

Significant financial liabilities include due to customers and accruals and other credit balances, which are stated at their nominal value.

Impairment

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

4. Properties and Equipment:

	Leasehold Improvements QR.	Furniture and Fixture QR.	Computers and Software QR.	Office Equipment QR.	Vehicles QR.	*Work in Progress QR.	Total QR.
Cost:							
Additions	839,401	1,829,533	19,804,250	839,888	132,000	1,128,668	24,573,740
As of December 31, 2006	839,401	1,829,533	19,804,250	839,888	132,000	1,128,668	24,573,740
Depreciation:							
Charge for the period	47,473	213,711	3,915,395	98,312	27,050	--	4,301,941
As of December 31, 2006	47,473	213,711	3,915,395	98,312	27,050	--	4,301,941
Net book value:							
As of December 31, 2006	**791,928**	**1,615,822**	**15,888,855**	**741,576**	**104,950**	**1,128,668**	**20,271,799**
Rates of depreciation	20%	10%	20% - 33.33%	20%	20%	--	

* The work in progress as of December 31, 2006 represents amounts paid for the new hardware infrastructure for the new recording system at head office and Al- Montazah Branch. This system has not been put in operating as of the period end.

5. Available-for-Sale Investments:

	December 31, 2006 QR.
Investments - **Quoted**	78,267,647
Investments - **Unquoted**	12,418,855
Total cost of investments	90,686,502
Changes in fair value - **Quoted**	(22,101,737)
Changes in fair value - **Unquoted**	(196,522)
Fair value reserve	(22,298,259)
Total	**68,388,243**

6. Other assets:

	December 31, 2006 QR.
Profit accrued on time deposit and saving accounts	814,260
Prepayments and other debit balances	5,055,399
Total	**5,869,659**

7. Customers funds:

Customer's funds represent bank balances for the customers, which the Company holds in trust for them until the customers commit those funds to purchase of shares following which the Company transfers the committed funds to the Company's bank accounts. Customer funds includes amounts relating to purchase and sell transactions and commission charges that were not recorded in the Company's records due to timing differences.

8. Cash and bank balances:

	December 31, 2006 QR.
Cash on Hand	3,567
Fixed deposits	52,059,170
Cash at bank	14,153,344
	66,216,081

Fixed deposits and call accounts represent short term investments in various banks, with effective interest rates ranging from 2.5% to 5.45 %, and have a maturity dates up to 90 days.

9. Share Capital:

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

10. Legal Reserve:

- In accordance with the Qatar Commercial Companies' Law No. 5 of 2002, 10% of net income for the period is to be transferred to legal reserve. This annual transfer may cease when the reserve equals 50% of the paid up capital and must be maintained at a minimum of 50% of paid up capital. This reserve is not available for distribution. Any excess over 50% can be distributed in circumstances specified in the Qatar Commercial Companies Law of 2002.

- During the period surplus proceeds from share issuance fees in the amount of QR. 405,124 computed on the basis of 2% of share capital which was used to cover certain pre-operating and subscription expenses has been transferred to legal reserve.

11. Proposed Dividend:

The Board of Directors decided in their meeting held on February 25, 2007 to propose a dividend in the amount of QR. 10,000,000 for the year 2006.

12. Commissions:

a) Commission Income

Commission income is generated from the purchase and sale a securities on behalf of customers. The applicable rate of commission income was changed by Doha Securities Market (DSM) from 0.4% to 0.275% during the period.

b) Commission Expenses

Commission expenses are paid to DSM based on the commissions generated by the Company. The applicable commission expenses rates were changed by DSM from 30% to 20% during the period.

13. General and Administrative Expenses:

	For the Period From May 24, 2005 (Date of Inception) to December 31, 2006 QR.
Staff costs	18,483,502
Consultant and training expenses	3,126,648
DSM Membership fee and rental	232,781
Rent expenses	3,773,503
Printing and stationery	2,374,750
Depreciation	4,301,941
Telephone and fax expenses	1,851,203
Travel expenses	558,344
Insurance expenses	474,270
Maintenance expenses	916,174
Governmental expenses	412,221
Bank charges	2,458,049
Miscellaneous expenses	754,308
Total	**39,717,694**

14. Earnings per Share:

Earnings per share is calculated by dividing the net income for the period by the weighted average number of ordinary shares outstanding during the period as follows:

		For the Period From May 24, 2005 (Date of Inception) to December 31, 2006 QR.
Net income for the period	**QR.**	**14,371,033**
Weighted average number of shares		20,000,000
Earnings per share (basic & diluted)		**0.72**

15. Cash and Cash Equivalents

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

	December 31, 2006 QR.
Cash and bank balances	66,216,081
Bank overdraft	(103,701,330)

Cash and Cash Equivalents at the end of the period	**(37,485,249)**
	==========

16. Contingent Liabilities:

	December 31, 2006 QR.
Banks letters of guarantee	235,000,000
	==========

17. Risk Management:

Credit Risk

Credit risk is the risk that the Company will incur financial loss as a result of one of the customers failing to discharge an obligation. The Company attempts to control credit risk by monitoring the credit exposures and continually assessing the credit worthiness of customers.

Liquidity Risk

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

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.

18. Related Party Transactions

Compensation of key management personnel

	December 31, 2006 QR.
Short-term benefits	2,478,087
	=========

19. Subsidiaries

Details of the Company's direct and indirect subsidiaries at 31 December 2006 are as follows:

Name of subsidiary	Place of Incorporation	Proportion of Ownership interest	Principal activity
Dlala Brokerage Company W.L.L.	Qatar	99.98%	Brokerage
Dlala Islamic Brokerage Company W.L.L.	Qatar	99.98%	Brokerage
Dlala Investments Company W.L.L.	Qatar	99.90%	Investments
Dlala Gulf Investment Company W.L.L.	Qatar	99.50%	Investments

Dlala Investments and Dlala Gulf Investment did not have any operations and activities during the period.

20. 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 financial statements.

Available-for-Sale Investments

Financial assets could be classified either as available for sale investments, held-to-maturity investments, or at fair value through profit or loss account.

The Company's management has decided to account its investments as available for sale investments. Management's intention is not to trade these investments.