دلالة القابضة
DLALA HOLDING

ANNUAL REPORT 2011

REPORT 2011 ANNUAL

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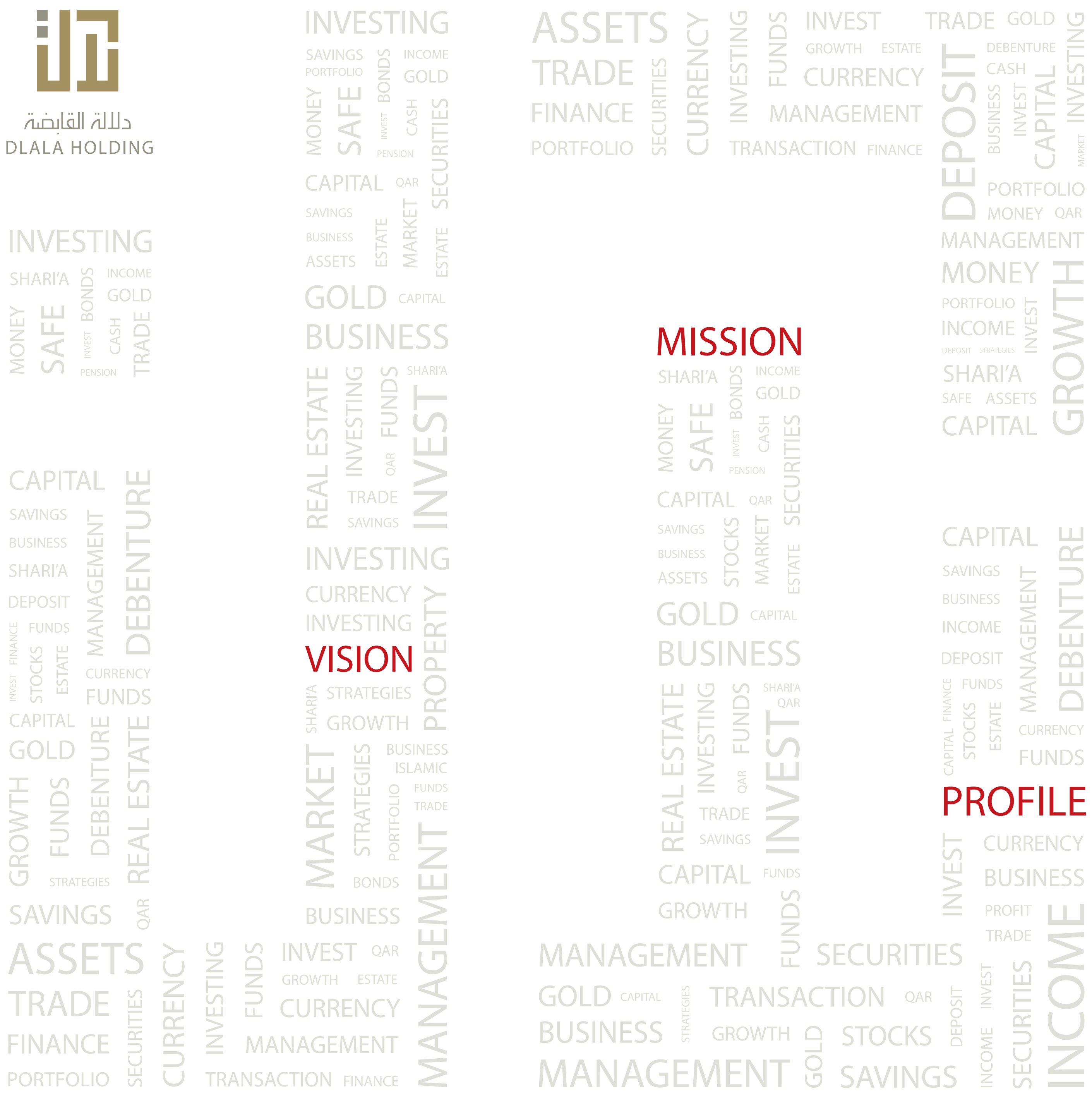
H.H. Sheikh Hamad Bin Khalifa Al-Thani
Emir of the State of Qatar

H.H. Sheikh Tamim Bin Hamad Bin Khalifa Al-Thani
Heir Apparent

دلالة القابضة
DLALA HOLDING



VISION

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

MISSION

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

PROFILE

Dlala Brokerage and Investment Holding Company (Q.S.C.) was established in May 2005, with a paid-up capital of QR 200 million (approx. US$ 55 million). In September 2005, the Company became the first non-banking financial organisation 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.

BOARD OF DIRECTORS

"INNOVATION IS A CONTINUAL PROCESS AT DLALA.

IT FILTERS THROUGH EVERY FIBRE OF OUR ORGANIZATION FROM THE DIRECTORS TO EMPLOYEES AT EVERY LEVEL.

ALL EMPLOYEES ARE ENCOURAGED TO THINK SMART AND FIND NEW SOLUTIONS TO NEW CHALLENGES."

HIS EXCELLENCY MR. RASHID AHMED HAMAD AL MANNAI
CHAIRMAN

H.E. DR. SHEIKH HAMAD BIN NASSER AL-THANI
VICE CHAIRMAN

MR. AHMED MOHAMED ALI IBRAHIM AL ASMAKH
MANAGING DIRECTOR

MR. ABDUL RAHMAN AHMAD AL MANA
MEMBER OF B.O.D

H.E. SHEIKH SUHAIM BIN KHALID BIN HAMAD AL THANI
MEMBER OF B.O.D

MR. ALI HUSSEIN ALI AL SADA
MEMBER OF B.O.D

MS. MOZA MOHAMMED JUMA AL FUDDALLA AL SULAITI
MEMBER OF B.O.D

DR. MOHAMED NASSER AL-QAHTANI
MEMBER OF B.O.D

MR. GEORGE SHEHADEH
MEMBER OF B.O.D

SUMMARY OF THE REPORT OF THE BOARD OF DIRECTORS

IN 2011 THE COMPANY CONCENTRATED ON THE OPTIMAL UTILISATION OF ITS CAPABILITIES AS WELL AS ON DIVERSIFYING ITS INCOME RESOURCES

THE YEAR 2011 SAW US ACHIEVE MANY OF THE MILESTONES AND OBJECTIVES SET BY OUR BOARD OF DIRECTORS

DLALA HOLDING AIMS TO BE RECOGNISED AS A KEY PARTNER OF THE QATAR NATIONAL VISION 2030 OBJECTIVES

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

Respectable Shareholders,

On my personal behalf as well as on behalf of the board of directors of Dlala Brokerage and Investment Holding Company I have immense pleasure in welcoming you to the ordinary general assembly meeting of the Company. I hereby express our sincere gratitude for accepting our invitation to attend this meeting and would like to present to you the annual report on the Company's activities as well as its operational results for the financial year that ended on 31 December 2011.

The year 2011 saw us achieve many of the milestones and objectives set by our board of directors who were elected by your general assembly last year. The Board hereby reiterates its commitment to satisfy the aspirations of each and every shareholder and to ensure continued growth and prosperity for our company.

Dlala Holding aims to be recognised as a key partner of the Nation's development initiatives as well as its journey towards realising the Qatar National Vision 2030 objectives which will transform Qatar into a developed country that is capable of securing sustainable development and well-being for its people, generation after generation.

In 2011 the Company concentrated on the optimal utilisation of its capabilities as well as on diversifying its income resources in order to achieve the best possible results. It achieved a profit from Dlala Real Estate for the first time since its inception in 2009 and added new revenue streams besides its income from brokerage operations, with a view towards diversifying its investments and offsetting the financial market risks as much as possible.

The Company continued to invest in infrastructure development by introducing a new exchange system that will enable the two brokerage companies owned by Dlala Holding to adapt to the latest developments in this sector. The new system, which will be launched shortly, will allow the Company to operate in diverse products, stock markets and currencies.

Financial Results

Despite the challenging conditions that financial markets were undergoing, Dlala Holding achieved excellent financial results during 2011. The Company's net profit reached QR 22.6 million, increasing by 72% compared to last year. Earnings per share reached QR 1.13 compared to QR 0.66 in the previous year.

Based on these results, as well as its commitment to realise better returns for the Company's shareholders, the board of directors has decided to recommend to the esteemed general assembly the distribution of a 10% cash dividend on the nominal value of each share, equivalent to QR 1 per share.

Future Plans

Dlala Holding has developed plans for 2012 in line with the new real estate policy the Company adopted in 2011 with a view towards achieving more success and growth in the real estate sector, and building a wider network of investment and brokerage operations.

In the beginning of the year the Company activated Dlala IT Company and signed a co-operation agreement in information technology, confirming its debut in this field, which is considered to be one of the most vital sectors associated with all investment sectors. According to this agreement the Company will implement a wide range of IT projects in the Qatari market.

Governance Report

Dlala Holding has prepared a detailed report on governance at the Company. The report covers the financial year from 1 January till 31 December 2011, in line with the regulations of Qatar Financial Markets Authority regarding the governance system of companies listed on the financial markets. It was printed and made available for the shareholders and was published on the Company's website.

Dlala Brokerage and Investment Holding Company aims to play a vital role in the progress and development of the State of Qatar, which is presently witnessing a boom in all economic sectors. The Company wishes to become an effective member of the concerted effort to integrate all organisations in the Country in its development march.

In conclusion I would like to extend our most profound gratitude and appreciation to HH Sheikh Hamad Bin Kahlifa Al Thani, Emir of the State of Qatar and HH Sheikh Tamim Bin Hamad Bin Khalifa Al Thani, the Heir Apparent for their farsighted vision and wise policies in developing all sectors of the national economy. Thanks and appreciations are also extended to our esteemed shareholders and clients for their unwavering trust and valuable support.

The board of directors would also like to thank all the employees of Dlala Holding for their loyal service, diligence and keenness to achieve the objectives of the Company and preserve the best interests of its clients.

Rashid Ahmed Al-Mannai
Chairman

MESSAGE **FROM CEO**

MESSAGE FROM CEO

We are tuning our services in line with the rapid development witnessed by the State of Qatar, which has over the years emerged as a popular international investment destination. We strive to develop innovative solutions and provide our clients with market-leading services that justifies their trust in us as a leading company in the investment and financial sectors.

We, at Dlala Holding, along with our subsidiaries are constantly striving to provide high quality investment services to our clients. We are also committed towards providing our clients with a highly secure and comfortable operational environment in order to undertake their transactions with utmost confidentiality and speed.

Since its establishment in 2005 Dlala Holding has earned the confidence of its clients, both inside and outside Qatar, as a result of the high quality services it has been offering them through its highly experienced and qualified team who ensure that every transaction is undertaken with maximum efficiency.

At Dlala, we strive to provide maximum satisfaction to our clients by ensuring that all their demands are conveniently and competently met. In this regard, we are constantly developing new programmes in line with the emerging trends in the investment and real estate markets all over the world.

We are also tuning our services in line with the rapid development witnessed by the State of Qatar, which has over the years emerged as a popular international investment destination. We strive to develop innovative solutions and provide our clients with market-leading services that justifies their trust in us as a leading company in the investment and financial sectors.

We aim to transform Dlala Holding into a market-centric and client-centric investment consultancy, that can constantly redesign financial and real estate investments in the local and regional markets, and in turn help our clients to take the most appropriate investment decisions in a comfortable and secure environment.

Abdulhameed Al-Jaber
Chief Executive Officer

دلالة القابضة
DLALA HOLDING

دلالة للوساطة
DLALA BROKERAGE

دلالة العقارية
DLALA REAL ESTATE

دلالة الإسلامية
DLALA ISLAMIC

SERVICE CHANNELS

DLALA BROKERAGE (L.L.C)

دلالة للوساطة
DLALA BROKERAGE

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.

MISSION

Dlala Brokerage Company (L.L.C) is determined to be recognised 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.

PROFILE

Dlala Brokerage Company L.L.C was established in January 2006 to provide brokerages services in the equities markets for companies listed on financial markets. Dlala Brokerage applies international standards in e-trading via the Internet. It also uses systems that offer maximum security and confidentiality to customers' accounts. Moreover, Dlala Brokerage provides investors with trading services through its call centre which is equipped with the latest communication technology to ensure quality and swift services for all clients. The Company serves its customers through a team with excellent expertise, qualifications and competencies in the field of financial brokerage so as to meet the needs of all customers accurately and quickly.

DLALA ISLAMIC (L.L.C)

دلالة الإسلامية
DLALA ISLAMIC

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

MISSION
To become the first choice of investors who are seeking to enhance their investments in the 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.

PROFILE
Dlala Islamic Brokerage Company (L.L.C), 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 panel (Fatwa) 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.

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

Sheikh Dr. Osama Qais Al-Deraie
Lecturer in International Islamic University - Malaysia - Faculty of Law and Humanities, and a collaborating lecturer with the Faculty of Law at Qatar University; holds a bachelor's degree in the Hadith and its Sciences from the Islamic University in Madeenah and Master's and Doctoral Degrees in Islamic Economics from the University of Malaya - Malaysia; currently the General Manager and CEO of Bait Al-Mashura Finance Consultations; a member of many of the Fatwa and Shari'a Supervisory Bodies inside and outside Qatar; has a number of studies and research on the Islamic financial industry; a trainer specialised in transactions of contemporary jurisprudence and its applications in financial institutions.

Sheikh Dr. Esam Al-Enezy
Assistant Chief Executive of Shari'a Supervision; member of the Teaching Commission of Kuwait University; member of Shari'a Supervision Commission of Investment House Company since 2005; member of the Shari'a Commission of Boubyan Bank; has many researches specialised in Islamic Financial Tools and in the field of Shari'a Agreement with Contemporary Banking Activities; obtained PhD in Jurisprudence from Jordan University in Jordan.

Sheikh. Walid bin Hadi
Holds a M.A and PhD in Islamic Shari'a; Head of Shari'a Supervision Commission of QInvest Company; member of Shari'a Supervision Commission for many other Islamic Finance Organisations, including Qatar Islamic Bank, Al-Rayan Bank, Qatar International Islamic Bank, Qatar National Bank, European Finance House, Asian Finance House, Qatar-Syria International Bank and Arab Finance House; has published many articles in the field of Islamic Financial Transactions.

Sheikh Dr. AbdulRazzaq bin Khalifa Al-Shayji
Professor at Shari'a College and Higher Studies College in Kuwait University; worked as Assistant Dean for Scientific Affairs and Higher Studies and Research at Shari'a College of Kuwait University; spent more than 25 years in Research Centres through which he gained a number of awards, the last one was from Kuwait Scientific Development Organization; obtained his B.A from Shari'a College/Kuwait University, and his M.A and PhD from Shari'a College/ Al-Azhar University; heads many Fatwa and Shari'a Supervision Commissions, inside and outside Kuwait; is an advisor to the Kuwaiti Council of Representatives as well as Advisor to the General Commission for Teenagers' Affairs.

DLALA REAL ESTATE

دلالة العقارية
DLALA REAL ESTATE

VISION
To be a pioneer in real estate management and marketing and to offer the very best technological solutions in customer services.

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

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

The ranges of activities include:

1. **Property Management**
   a. Rental Collection
   Automated functionality of rental dues and collection ensures that collection is made on time. It is well supported by competitive legal and back office procedures.
   b. Rental Services
   (Renting and Contract Management)
   Our automated notification functionality along with our wide range of advertising and marketing plans accelerates the rent process and improves property occupancy rate
   c. Facilities Management
   We hire and supervise experienced personnel/independent contractors who will provide maintenance, cleaning, security and allied services to our customers.

2. **Project Development & Management**
   The Company's new line of business - invest in real estate projects in line with the sector's growth to meet our customers' expectations.

3. **Sell and Buy Brokerage**
   We work closely with our customers to secure the best possible deal in the market. Dlala policies and procedures are designed to facilitate both the buyer's and seller's interests.

4. **Certified Real Estate Evaluator**
   Dlala policies and procedures are designed to produce a trusted evaluation documentation of the properties' market price.

- **Electronic Services**
  a. Website – www.dlalarealestate.com
  The Website contains a list of properties available for rent and sale. It also contains electronic follow-up tools.
  b. 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.
  c. Notify Me
  Real time electronic communication with our customers notifying them of listed properties.

SERVICE CHANNELS

We have the biggest call centre of its kind in Qatar and were the first company to launch an online e-trading service in Qatar. Dlala Brokerage and Investment Holding Company (Q.S.C.) provides services for shares listed on Qatar Exchange (QE). The company buys and sells shares listed on QE through a variety of channels, as shown below:

- Account Managers
- Call Centre
- Customer Service
- Branches
- Online e-trading

Online e-trading

Dlala was the first company to launch an online e-trading service in Qatar. In this regard, the Company developed an advanced IT infrastructure, based on the latest international standards in IT systems. The new system ensures the highest standards of trading flexibility, and offers absolute and secure transactions and orders very quickly.

Account Managers

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

Dlala Brokerage

- Customer Service Branches
  Salwa Road & Qatar Exchange Building

- Branches
  Salwa Road Branch
  Telephone:
  +974 4428 4444/4428 5599
  Qatar Exchange Branch
  Telephone: +974 4428 6619
  P.O. Box: 24571, Doha, Qatar

- Call Centre - Tel. 4428 4444
  Dlala Brokerage has the biggest call centre of its kind in Qatar. Equipped with the latest technology and experienced professionals, the call centre provides the following services:
  - Receiving orders – buying, selling, amending, cancelling.
  - Receiving 'uplift' instructions to customers' portfolios.
  - Receiving payment orders, cheque issue orders and bank transfers.
  - Answering customer enquiries about their portfolios.
  - Providing customers with news about Qatar Exchange (QE).

For more information please visit www.dlalabroker.com

Dlala Islamic

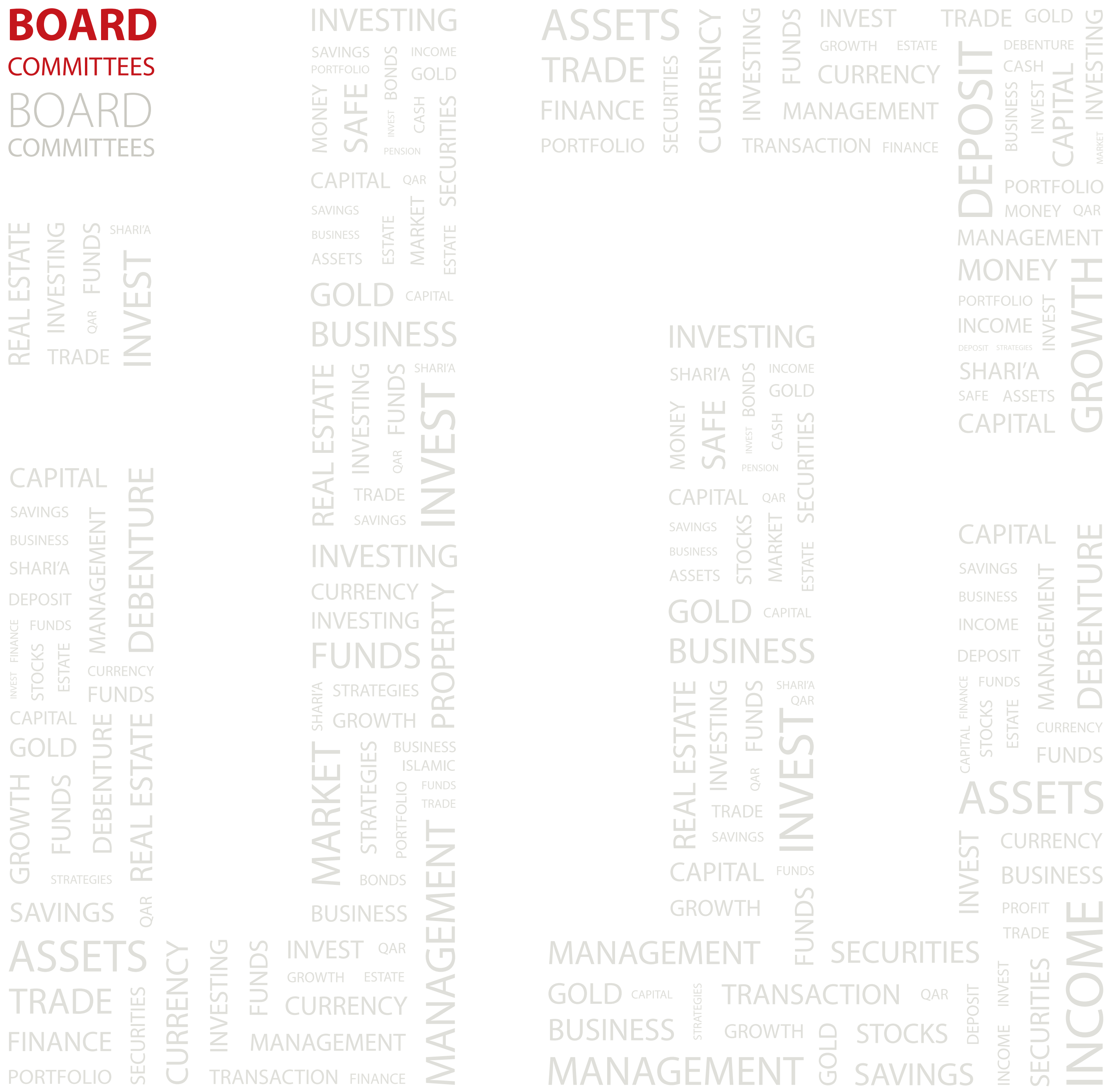
- Customer Service Branches
  Salwa Road & Qatar Exchange Building

- Branches
  Salwa Road Branch
  Telephone:
  +974 4428 5560/4428 4888
  Qatar Exchange Branch
  Telephone:
  +974 4428 6623/4428 6624
  P.O. Box: 24571, Doha, Qatar

- Call Centre - Tel. 4428 5555
  Dlala Islamic has the biggest call centre of its kind in Qatar. Equipped with the latest technology and experienced professionals, the call centre provides the following services:
  - Receiving orders – buying, selling, amending, cancelling.
  - Receiving 'uplift' instructions to customers' portfolios.
  - Receiving payment orders, cheque issue orders and bank transfers.
  - Answering customer enquiries about their portfolios.
  - Providing customers with news about Qatar Exchange (QE).

For more information please visit www.dlalaislamic.com

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:

- H.E. Dr. Sheikh Hamad Bin Naser Al-Thani
  Chairman of Committee
- Mr. Abdul Rahman Ahmad Al Mana
  Member
- Ms. Moza Mohammed Juma Al Fuddala Al Sulaiti
  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. Mr. Rashid Ahmed Hamad Al Mannai
  Committee Chairman
- H.E. Sheikh Suhaim Bin Khalid Bin Hamad Al Thani
  Member
- Mr. Ali Hussein Ali Al Sada
  Member
- Dr. Mohamed Nasser Al Qahtani
  Member

The responsibilities of the Committee as documented in the Board meeting minutes of 2005 are to:

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

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:

- Dr. Mohamed Nasser Al Qahtani
  Committee Chairman
- Mr. Ahmed Mohamed Ali Ibrahim Asmakh
  Member
- Mr. George Shehadeh
  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. Keep the Board updated about the latest developments in the area of corporate governance and industry best practices.

دلالة القابضة
DLALA HOLDING

CONSOLIDATED
FINANCIAL
STATEMENTS
31 DECEMBER 2011

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Dlala Brokerage and Investments Holding Company Q.S.C. (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2011 and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2010 were audited by another auditor whose report dated 18 January 2011 expressed an unqualified audit opinion on those consolidated financial statements.

Report on Legal and Other Regulatory Requirements

Furthermore, in our opinion proper books of account have been kept by the Company and the consolidated financial statements comply with the Qatar Commercial Companies' Law No. 5 of 2002 and the Company's Articles of Association. We further confirm that the financial information included in the Annual Report of the Board of Directors is in agreement with the books and records of the Group. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year, which might have had a material effect on the business of the Company or on its financial position.

Ziad Nader
of Ernst & Young
Auditor's Registration No. 258

30 January 2012
Doha, Qatar

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2011

	Notes	2011 QR'000	2010 QR'000
ASSETS			
Current assets			
Cash and bank balances	4	96,429	172,456
Bank balances – customer funds	5	388,489	308,648
Due from customers	6	58,488	48,638
Due from Qatar Exchange		-	104,371
Financial investments - available-for-sale	7	75,085	33,654
Trading properties		10,585	-
Other assets	8	36,774	3,157
		665,850	**670,924**
Noncurrent asset			
Property and equipment	9	54,304	59,270
TOTAL ASSETS		**720,154**	**730,194**
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Due to customers		423,956	462,177
Due to Qatar Exchange		31,319	-
Other liabilities	10	30,822	30,892
		486,097	**493,069**
Noncurrent liability			
Employees' end of service benefits	11	1,797	1,434
Total liabilities		**487,894**	**494,503**
Equity			
Share capital	12	200,000	200,000
Legal reserve	13	12,974	10,713
Fair value reserve		(999)	7,477
Proposed dividend	14	20,000	-
Retained earnings		238	17,457
Equity attributable to owners of the parent		232,213	235,647
Non-controlling interests		47	44
Total equity		**232,260**	**235,691**
TOTAL LIABILITIES AND EQUITY		**720,154**	**730,194**

Rashid Ahmed H Al-Mannai
Chairman

Sheikh Hamad Nasser A A Al-Thani
Vice Chairman

Abdulhameed Sultan J M Al-Jaber
Acting Chief Executive Officer

CONSOLIDATED STATEMENT OF INCOME
For the year ended 31 December 2011

	Notes	2011 QR'000	2010 QR'000
Brokerage and commission income		69,114	70,153
Brokerage and commission expense	15	(32,195)	(31,477)
Net brokerage and commission income		**36,919**	**38,676**
Investment income	16	15,208	5,120
Real estate income	17	7,499	700
Interest income		3,554	8,134
Net operating income		**63,180**	**52,630**
Other income		-	4,229
General and administrative expenses	18	(34,928)	(36,987)
Depreciation	9	(5,642)	(5,989)
Impairment of financial investments - available-for-sale		-	(745)
PROFIT FOR THE YEAR		**22,610**	**13,138**
Attributable to:			
Owners of the parent		22,607	13,135
Non-controlling interests		3	3
		22,610	**13,138**
BASIC AND DILUTED EARNINGS PER SHARE (QR)			
(Attributable to owners of the parent)	19	1.13	0.66

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2011

	2011 QR'000	2010 QR'000
Profit for the year	**22,610**	**13,138**
Other comprehensive income:		
Net fair value (loss) gain on available-for-sale investments	(4,014)	5,979
Net gain on disposal of available-for-sale investments reclassified to the Consolidated statement of income	(4,462)	(67)
Impairment losses on available-for-sale investments reclassified to the Consolidated statement of income	-	745
Total other comprehensive (loss) income for the year	**(8,476)**	**6,657**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**14,134**	**19,795**
Attributable to:		
Owners of the parent	14,131	19,792
Non-controlling interests	3	3
	14,134	**19,795**

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2011

	Notes	2011 QR'000	2010 QR'000
OPERATING ACTIVITIES			
Profit for the year		**22,610**	**13,138**
Adjustments for:			
Depreciation	9	5,642	5,989
Provision for employees' end of service benefits	11	656	707
Impairment losses on available-for-sale investments		-	745
Gain on disposal of available-for-sale investments	16	(14,442)	(3,657)
Gain on sale of trading properties	17	(5,035)	-
Property and equipment written off	18	339	1,030
Interest income		(3,554)	(8,134)
Dividend income	16	(766)	(1,463)
Reversal of provision		-	(4,229)
		5,450	**4,126**
Working capital changes:			
Customers funds		(79,841)	(96)
Due from customers		(9,850)	(20,944)
Due from/to Qatar Exchange		135,690	(96,371)
Purchase of trading properties		(39,703)	-
Other assets		536	2,112
Due to customers		(38,221)	83,388
Other liabilities		(306)	8,567
Cash used in operations		(26,245)	(19,218)
Employees' end of service benefits paid	11	(293)	(282)
Contribution paid to social fund		(329)	-
Net cash used in operating activities		**(26,867)**	**(19,500)**
INVESTING ACTIVITIES			
Proceeds from disposal of available-for-sale investments		241,452	11,714
Purchase of available-for-sale investments		(276,917)	(13,091)
Purchase of property and equipment	9	(1,015)	(6,689)
Interest income		3,554	8,134
Movement in fixed deposits		-	80,000
Dividend income		766	1,463
Net cash (used in) from investing activities		**(32,160)**	**81,531**
FINANCING ACTIVITY			
Dividend paid	14	(17,000)	-
Net cash used in financing activity		(17,000)	-
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(76,027)**	**62,031**
Cash and cash equivalents at 1 January		172,456	110,425
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	4	**96,429**	**172,456**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2011

	Attributable to owners of the parent							
	Share capital QR'000	*Legal reserve* QR'000	*Fair value reserve* QR'000	*Retained earnings* QR'000	*Proposed deividend* QR'000	*Total* QR'000	*Non-controlling interests* QR'000	*Total equity* QR'000
At 1 January 2010	**200,000**	**9,399**	**820**	**5,965**	**-**	**216,184**	**41**	**216,225**
Profit for the year	-	-	-	13,135	-	13,135	3	13,138
Other comprehensive income for the year	-	-	6,657	-	-	6,657	-	6,657
Total comprehensive income for the year	-	-	6,657	13,135	-	19,792	3	19,795
Transfer to legal reserve	-	1,314	-	(1,314)	-	-	-	-
Contribution to Social and Sports Fund (Note 10)	-	-	-	(329)	-	(329)	-	(329)
At 31 December 2010	**200,000**	**10,713**	**7,477**	**17,457**	**-**	**235,647**	**44**	**235,691**
Profit for the year	-	-	-	22,607	-	22,607	3	22,610
Other comprehensive loss for the year	-	-	(8,476)	-	-	(8,476)	-	(8,476)
Total comprehensive income for the year	-	-	(8,476)	22,607	-	14,131	3	14,134
Transfer to legal reserve	-	2,261	-	(2,261)	-	-	-	-
Contribution to Social and Sports Fund (Note 10)	-	-	-	(565)	-	(565)	-	(565)
Dividend paid (Note 14)	-	-	-	(17,000)	-	(17,000)	-	(17,000)
Proposed dividend (Note 14)	-	-	-	(20,000)	20,000	-	-	-
Balance at 31 December 2011	**200,000**	**12,974**	**(999)**	**238**	**20,000**	**232,213**	**47**	**232,260**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
At 31 December 2011

1. Legal Status And Principal Activities

Dlala Brokerage and Investments Holding Company Q.S.C. ("The Company") is a Qatari Shareholding Company (Q.S.C.) Incorporated in the State of Qatar on 24 May 2005 under Commercial Registration No.30670. The Company is listed in the Qatar Exchange and is governed by the provisions of the Qatar Commercial Companies Law No. 5 of 2002, 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 2011 were authorised for issue by the Board of Directors on 30 January 2012.

2. Basis Of Consolidation

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

Entity	*Country of incorporation*	*Relationship*	*Ownership interest* 2011	*Ownership interest* 2010
Dlala Brokerage W.L.L.	Qatar	Subsidiary	99.98%	99.98%
Dlala Islamic Brokerage W.L.L.	Qatar	Subsidiary	99.98%	99.98%
Dlala Real Estate S.P.C.	Qatar	Subsidiary	100%	100%
Dlala Investment Company L.L.C. (Dormant)	Qatar	Subsidiary	99.90%	99.90%
Dlala International L.L.C. (Dormant)	Qatar	Subsidiary	99.50%	99.50%
Dlala Information Technology S.P.C. (Dormant)	Qatar	Subsidiary	100%	100%

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

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

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. 5 of 2002.

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 the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2010, except as noted below. During the year, the Group adopted the following standards effective for annual periods beginning on or after 1 January 2011.

IAS 24, 'Related Party Disclosures (Revised)'

The definition of a related party has been clarified to simplify the identification of related party relationships, particularly in relation to significant influence and joint control. A partial exemption from the disclosures has been included for government-related entities. For these entities, the general disclosure requirements of IAS 24 will not apply. Instead, alternative disclosures have been included, requiring: (a) The name of the government and the nature of its relationship with the reporting entity (b) The nature and amount of individually significant transactions (c) A qualitative or quantitative indication of the extent of other transactions that are collectively significant. This amendment did not give rise to any changes to the Group's consolidated financial statements.

IAS 32 Financial Instruments: Presentation (Amendment)

The definition of a financial liability has been amended to classify rights issues (and certain options or warrants) as equity instruments if: (a) The rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments and (b) In order to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment provide reliefs to entities that issue rights (fixed in a currency other than their functional currency), from treating the rights as derivatives with fair value changes recorded in profit or loss. Rights issued in foreign currencies that were previously accounted for as derivatives will now be classified as equity instruments. This amendment did not give rise to any changes to the Group's consolidated financial statements.

Improvements to IFRS

Improvements to IFRS comprise amendments that result in accounting changes for presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. Most of the amendments are effective for annual periods beginning on or after 1 January 2011, with earlier application permitted. No material changes to accounting policies are expected as a result of these amendments.

Standards issued but not yet effective

The following IASB standards have been issued but are not yet mandatory, and have not been early adopted by the Group:

Standard/Interpretation	*Content*	*Effective Date*
IFRS 9	Financial Instruments: Classification & Measurement (Part 1)	1 January 2015
IFRS 10	Consolidated Financial Statements	1 January 2013
IFRS 11	Joint Arrangements	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013

The Group is considering the implications of the above standards, the impact on the Group and the timing of its adoption by the Group.

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 income 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.

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

Due from customers

Amount due from customers are carried at original invoiced amount less any allowance for non-collectability of receivables. An allowance for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the customer) that the Group will not be able to collect 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 debts are derecognized when they are assessed as uncollectible.

Financial investments – available-for-sale

Available-for-sale investments are recognised and derecognised, on a trade date basis, when the Group becomes, or ceases to be, a party to the contractual provisions of the instrument.

Investments designated as available-for-sale investments are initially recorded at cost and subsequently measured at fair value, unless this cannot be reliably measured. Changes in fair value are reported as a separate component of equity through other comprehensive income. Upon impairment any loss, or upon derecognition any gain or loss, previously reported as "fair value reserve" within equity is included in the consolidated statement of income for the period.

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 is determined on a specific identification basis.

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and/or impairment losses, if any. When significant parts of property and equipment are required to be replaced in intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognised in the consolidated statement of income as incurred.

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

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

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, being the higher of their fair value less costs to sell and their value in use.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in the consolidated statement of income when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

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 bank balances
For the purposes of the consolidated statement of cash flows, cash and bank balances consist of cash in hand, balances with banks and short term deposits with a 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.

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.

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 values
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.

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.

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.

4. Cash and Bank Balances

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

	2011 QR'000	2010 QR'000
Cash and bank balances	96,429	172,456

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

5. Bank Balances – Customer Funds

Bank balances - customer funds represent bank balances for customers, which the Group holds until the customers commit those funds to the purchase of shares following which the Group transfers the committed funds to the Group's bank accounts and settles the transactions with the settlement authority.

6. Due From Customers

	2011 QR'000	2010 QR'000
Amounts due from customers	62,518	52,668
Less: allowance for impairment of receivables	(4,030)	(4,030)
	58,488	**48,638**

At 31 December 2011, amounts due from customers at nominal value of QR 4,030 thousand (2010: QR 4,030 thousand) were impaired. The Group provides fully for all balances due from its customers, which are under legal cases. There were no movements in the allowance during the year (2010: Nil).

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
2011	**58,488**	**54,794**	**3,694**	**-**	**-**	**-**	**-**
2010	48,638	48,548	90	-	-	-	-

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. Financial Investments – Available-for-Sale

	31 December 2011			31 December 2010		
	Listed QR'000	*Unlisted* QR'000	*Total* QR'000	*Listed* QR'000	*Unlisted* QR'000	*Total* QR'000
Shares	71,712	1,531	73,243	30,624	991	31,615
Funds	-	1,842	1,842	-	2,039	2,039
Total	**71,712**	**3,373**	**75,085**	**30,624**	**3,030**	**33,654**

8. Other Assets

	2011 QR'000	*2010* QR'000
Real estate accounts receivable	34,153	-
Prepayments	2,193	2,066
Other receivables	428	1,091
	36,774	**3,157**

9. Property and Equipment

	Land QR'000	*Building* QR'000	*Leasehold improvements* QR'000	*Furniture and fixtures* QR'000	*Computers and software* QR'000	*Office equipment* QR'000	*Motor vehicles* QR'000	*Capital work in progress* QR'000	*Total* QR'000
Cost:									
As at 1 January 2011	29,097	11,871	70	1,565	31,398	2,165	579	10,433	87,178
Additions	-	9	13	90	275	113	193	322	1,015
Disposals/write off	-	-	-	(481)	-	(89)	-	(21)	(591)
Transfers	-	171	-	547	5,257	1,377	-	(7,352)	-
As at 31 December 2011	29,097	12,051	83	1,721	36,930	3,566	772	3,382	87,602
Depreciation:									
As at 1 January 2011	-	445	30	599	25,090	1,456	288	-	27,908
Charge for the year	-	602	18	148	4,156	602	116	-	5,642
Disposals/write off	-	-	-	(163)	-	(89)	-	-	(252)
As at 31 December 2011	-	1,047	48	584	29,246	1,969	404	-	33,298
Net book value:									
As at 31 December 2011	**29,097**	**11,004**	**35**	**1,137**	**7,684**	**1,597**	**368**	**3,382**	**54,304**

Property and Equipment (continued)

	Land QR'000	*Building* QR'000	*Leasehold improvements* QR'000	*Furniture and fixtures* QR'000	*Computers and software* QR'000	*Office equipment* QR'000	*Motor vehicles* QR'000	*Capital work in progress* QR'000	*Total* QR'000
Cost:									
As at 1 January 2010	29,097	-	1,250	2,021	28,780	1,882	357	19,329	82,716
Additions	-	766	39	228	572	283	222	4,579	6,689
Disposals/write off	-	-	(1,219)	(781)	-	-	-	(227)	(2,227)
Transfers	-	11,105	-	97	2,046	-	-	(13,248)	-
As at 31 December 2010	29,097	11,871	70	1,565	31,398	2,165	579	10,433	87,178
Depreciation:									
As at 1 January 2010	-	-	725	810	20,339	1,056	186	-	23,116
Charge for the year	-	445	114	177	4,751	400	102	-	5,989
Disposals/write off	-	-	(809)	(388)	-	-	-	-	(1,197)
As at 31 December 2010	-	445	30	599	25,090	1,456	288	-	27,908
Net book value:									
As at 31 December 2010	**29,097**	**11,426**	**40**	**966**	**6,308**	**709**	**291**	**10,433**	**59,270**

10. Other Liabilities

	2011 QR'000	*2010* QR'000
Dividend payable	16,012	13,695
Accrued expenses (i)	10,053	9,043
Commission payable	786	3,592
Contribution payable to Social and Sports Development Fund (ii)	565	329
Other payables	3,406	4,233
	30,822	**30,892**

Notes:

(i) Accrued expenses include provision made in relation to claims made by customers and ex-employees against the Group amounting to QR 3,698 thousand (2010: QR 2,500 thousand).

(ii) Pursuant to Law No. 13 of 2008 and further clarification of the law issued in 2010, the Group made an appropriation of QR 565 thousand (2010: QR 329 thousand) to the Social and Sports Development Fund of Qatar. This amount represents 2.5% of the net profit for the year.

11. Employees' End of Service Benefits

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

	2011 QR'000	2010 QR'000
Provision as at 1 January	1,434	1,009
Provided during the year	656	707
End of service benefit paid	(293)	(282)
Provision as at 31 December	**1,797**	**1,434**

12. Share Capital

	2011 QR'000	2010 QR'000
Authorised, issued and fully paid:		
20,000,000 shares of QR 10 each	**200,000**	200,000

13. Legal Reserve

In accordance with the Qatar Commercial Companies' Law No. 5 of 2002 and the Company's Articles of Association, 10% of the profit for the year is required to be transferred to the legal reserve. 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.

14. Dividend Proposed and Paid

A cash dividend of QR 1 per share amounting to QR 20,000 thousand has been proposed by Board of Directors for the year ended 31 December 2011. During the year, the Group declared and paid a cash dividend of QR 0.85 per share totaling to QR 17,000 thousand (2010: Nil) relating to the year ended 31 December 2010.

15. Brokerage and Commission Expense

	2011 QR'000	2010 QR'000
Commission paid to Qatar Exchange	19,087	17,565
Other commission expenses	11,625	12,520
Other direct brokerage expenses	1,483	1,392
	32,195	**31,477**

16. Investment Income

	2011 QR'000	2010 QR'000
Gain on disposal of available-for-sale investments	14,442	3,657
Dividend income	766	1,463
	15,208	**5,120**

17. Real Estate Income

	2011 QR'000	2010 QR'000
Gain on sale of trading properties (Note)	5,035	-
Real estate brokerage fee income	2,464	700
	7,499	700

Notes:
During the year, the Group purchased a land amounting to QR 39,703 thousand for trading purposes and sold a part of the land for QR 34,153 thousand (cost QR 29,118 thousand). This resulted in a gain of QR 5,035 thousand.

18. General and Administrative Expenses

	2011 QR'000	2010 QR'000
Staff costs	22,023	20,850
IT and communication costs	3,958	3,962
Bank guarantee fees	1,448	1,675
Marketing expenses	1,332	1,851
Legal expenses	1,198	-
Penalties	950	-
Rent expenses	739	4,128
Communication expenses	658	636
Consulting and professional expenses	592	1,543
License and regulatory fees	438	361
Maintenance expenses	403	342
Property and equipment written off	339	1,030
Insurance expenses	274	278
Miscellaneous expenses	576	331
	34,928	**36,987**

19. Earnings per Share

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

	2011	2010
Profit attributable to owners of the parent (QR'000)	22,607	13,135
Weighted average number of shares outstanding during the year	20,000,000	20,000,000
Basic and diluted earnings per share (QR)	1.13	0.66

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

20. 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:

	2011 QR'000	2010 QR'000
Brokerage and commission income	561	22
Purchase of trading properties (Board of Directors)	39,703	-

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

	2011 Receivables QR'000	2010 Receivables QR'000
Board of Directors	739	-

The above balances are included under due from customers.

Compensation of key management personnel

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

	2011 QR'000	2010 QR'000
Salaries and short-term benefits	2,282	2,282
Pension benefits	125	102
	2,407	**2,384**

21. Contingent Liabilities

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

	2011 QR'000	2010 QR'000
Letters of guarantee	204,500	262,500

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

22. Segment Information

For management purposes, the Group is organized 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.

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 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 and profit information regarding the Group's operating segments for the year ended 31 December 2011 and 2010, respectively.

31 December 2011	Stock Broking QR'000	Real Estate QR'000	IT and International QR'000	Others QR'000	Elimination QR'000	Total QR'000
Brokerage and commission income	36,919	-	-	-	-	36,919
Others	8,442	9,653	428	11,158	(3,420)	26,261
Segment revenue	45,361	9,653	428	11,158	(3,420)	63,180
Segment profit	13,614	4,457	406	4,133	-	22,610
Depreciation	1,258	406	-	3,978	-	5,642
Segment assets	588,150	64,928	20,775	85,296	(38,995)	720,154
Segment liabilities	463,871	5,144	79	57,795	(38,995)	487,894

31 December 2010	Stock Broking QR'000	Real Estate QR'000	IT and International QR'000	Others QR'000	Elimination QR'000	Total QR'000
Brokerage and commission income	38,676	-	-	-	-	38,676
Others	10,156	3,222	904	2,020	(2,348)	13,954
Segment revenue	48,832	3,222	904	2,020	(2,348)	52,630
Segment profit	13,998	273	897	(2,030)	-	13,138
Depreciation	1,886	294	-	3,809	-	5,989
Segment assets	600,746	55,819	21,148	81,588	(29,107)	730,194
Segment liabilities	475,445	492	20,050	27,623	(29,107)	494,503

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

23. Financial Risk Management

Objective and policies

The Group's principal financial liabilities comprise due to customers, due to Qatar Exchange 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 due from customers, bank balances - customer funds, 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 summarised 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 optimising return.

Interest rate risk

The Group is exposed to interest rate risk on its floating rate interest-bearing assets (bank deposits). 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 2011 and 2010. The effect of decreases in interest rates is expected to be equal and opposite to the effect of the increases shown.

	Increase in basic points	Effect on profit QR'000
2011	**+25 b.p**	**164**
2010	+25 b.p	383

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
2011 Available-for -sale investments	+5	3,586
2010 Available-for sale investments	+5	1,531

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 no single customer accounts for more than 5% of the outstanding receivables at 31 December 2011 (2010: Nil).

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.

	2011 QR'000	2010 QR'000
Bank balances (excluding cash)	96,355	172,420
Bank balances - customer funds	388,489	308,648
Due from customers	58,488	48,638
Due from Qatar Exchange	-	104,371
Other assets	34,581	1,091
	577,913	**635,168**

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 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 Qatar Exchange 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.

31 December 2011	On demand QR'000	Less than 1 year QR'000	Total QR'000
Due to customers	423,956	-	423,956
Due to Qatar Exchange	31,319	-	31,319
Other liabilities	20,769	-	20,769
Total	**476,044**	**-**	**476,044**

31 December 2010	On demand QR'000	Less than 1 year QR'000	Total QR'000
Due to customers	462,177	-	462,177
Other liabilities	21,849	-	21,849
Total	**484,026**	**-**	**484,026**

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 2011 and 31 December 2010. Capital comprises share capital and retained earnings, and is measured at QR 200,238 thousand at 31 December 2011 (2010: QR 217,457 thousand).

24. Fair Values of Financial Instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of bank balances, due from customers, available-for-sale investments and other receivables. Financial liabilities consist of due to customers, due to Qatar Exchange and other payables.

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

Fair value hierarchy

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

Level 1

Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2

Other techniques for which all inputs which have a significant effect on the

Recorded fair value are observable, either directly or indirectly

Level 3

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

As at 31 December 2011, the Group held the following financial instruments measured at fair value:

31 December 2011	*Total* QR'000	*Level 1* QR'000	*Level 2* QR'000	*Level 3* QR'000
Available-for-sale investments - listed	73,554	71,712	1,842	-

31 December 2010	*Total* QR'000	*Level 1* QR'000	*Level 2* QR'000	*Level 3* QR'000
Available-for-sale investments - listed	32,663	30,624	2,039	-

During the year ended 31 December 2011, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

25. 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:

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 62,518 thousand (2010: QR 52,668 thousand) and the allowance for impairment of receivables was QR 4,030 thousand (2010: 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

The Group's management determines the estimated useful lives of its property and equipment for calculating depreciation. 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 charge would be adjusted where the management believes the useful lives differ from previous estimates.

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.

26. Comparative Information

Certain comparative figures pertaining to 31 December 2010 have been reclassified in order to conform to the presentation of the current year and improve the quality of the information presented. However, such reclassifications do not affect the previously reported profit or equity.