

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

**INTERIM CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**FOR SIX MONTH PERIOD**  
**ENDED JUNE 30, 2007**  
**TOGETHER WITH AUDITOR'S REVIEW**  
**REPORT**

**DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY (QSC)**  
**DOHA - QATAR**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR SIX MONTH PERIOD ENDED JUNE 30, 2007**

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QR. 30439

**Report on Review of Interim Condensed Consolidated Financial Statements**

**To The Board of Directors**

**Dlala Brokerage and Investment Holding Company (QSC)**

**Doha - Qatar**

***Introduction***

We have reviewed the accompanying interim condensed consolidated balance sheet of **Dlala Brokerage and Investment Holding Company (QSC)** as at June 30, 2007 and the related interim condensed consolidated statements of income, changes in shareholders' equity and cash flows for the six month period then ended, and certain explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with **International Accounting Standard – 34 “Interim Financial Reporting”**. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

***Scope of Review***

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For the purpose of these interim condensed consolidated financial statements, the company did not consider the full effect to the profit and loss, of permanently impaired available for sale investments. As mentioned in Note 6, management has decided to record the full impact of the impairment over a phased basis during the year and will be recorded by December 31, 2007.

***Conclusion***

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with **International Accounting Standard - 34 “Interim Financial Reporting”**.

**For Deloitte & Touche**

**Doha – Qatar  
July 12, 2007**

**Muhammad Bahemia  
License No. 103.**

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

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS OF JUNE 30, 2007**

ASSETS:	Note	June 30, 2007 <u>(Reviewed)</u> <u>QR.</u>	December 31, 2006 <u>(Audited)</u> <u>QR.</u>
<b><u>Current Assets:</u></b>			
Cash and bank balances	3	93,692,352	66,210,030
Due from customers		73,590,871	103,961,123
Customers funds	4	239,345,686	261,540,079
Due from Doha Securities Market		19,295,547	6,051
Prepaid and other debit balances		4,170,843	5,869,659
		-----	-----
<b>Total Current Assets</b>		<b>430,095,299</b>	<b>437,586,942</b>
		-----	-----
<b><u>Non-Current Assets:</u></b>			
Properties and Equipment	5	20,695,123	20,271,799
Available-for-Sale Investments	6	55,212,037	68,388,243
		-----	-----
<b>Total Non-Current Assets</b>		<b>75,907,160</b>	<b>88,660,042</b>
		-----	-----
<b>Total Assets</b>		<b>506,002,459</b>	<b>526,246,984</b>
		=====	=====
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES:</b>			
<b><u>Current Liabilities:</u></b>			
Bank over drafts		20,561,691	62,865,676
Due to customers	4	285,679,562	224,346,173
Accruals and other credit balances		5,162,028	5,700,583
Due to Doha securities Market		--	40,835,654
		-----	-----
<b>Total Current Liabilities</b>		<b>311,403,281</b>	<b>333,748,086</b>
		-----	-----
<b><u>Shareholders' Equity:</u></b>			
Capital	7	200,000,000	200,000,000
Legal reserve		1,842,228	1,842,228
Fair value reserve		(20,647,920)	(22,298,259)
Proposed dividend	8	--	10,000,000
Retained earnings		13,379,313	2,931,778
		-----	-----
<b>Attributable to Equity Holders of Holding Company</b>		<b>194,573,621</b>	<b>192,475,747</b>
<b>Minority Interest</b>		25,557	23,151
		-----	-----
<b>Total Equity</b>		<b>194,599,178</b>	<b>192,498,898</b>
		-----	-----
<b>Total Liabilities and Equity</b>		<b>506,002,459</b>	<b>526,246,984</b>
		=====	=====

Hamad Bin Abdulla Al-Attiyah  
Chairman

Murad Marouf Mahmoud  
CEO

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

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007**

	Note	For the Six Month Period Ended June 30, 2007	For the Six Month Period Ended June 30, 2006
<b><u>Revenue:</u></b>		<b><u>QR.</u></b>	<b><u>QR.</u></b>
Brokerage and commission income , net		43,788,574	26,736,311
Brokerage and commission expense		(12,315,109)	(9,879,874)
		-----	-----
<b>Brokerage and Commission Income, Net</b>		<b>31,473,465</b>	<b>16,856,437</b>
Investments income		2,813,320	2,018,974
Interest income		2,314,870	3,245,449
Other income		44,232	--
Impairment loss on investments	<b>6</b>	(2,100,000)	--
General and administrative expenses	<b>9</b>	(22,949,398)	(15,808,449)
Finance cost		(1,069,523)	--
Foreign exchange difference		(77,025)	--
Listing cost		--	(1,324,190)
		-----	-----
<b>Net Income for the Period</b>		<b>10,449,941</b>	<b>4,988,221</b>
		=====	=====
<b>Attributable to</b>			
Equity holders of holding company		10,447,535	4,988,221
Minority interest		2,406	--
		-----	-----
<b>Total</b>		<b>10,449,941</b>	<b>4,988,221</b>
		=====	=====
Earnings per share (basic & diluted)	<b>10</b>	<b>0.52</b>	<b>0.25</b>
		=====	=====

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

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007**

	Capital	Legal Reserve	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 – January 31, 2006	200,000,000	516,380	(1,870,533)		1,001,314	199,647,161	--	199,647,161
Net income for the period	--	--	--		4,988,221	4,988,221	--	4,988,221
Transfer to legal reserve for period*	--	498,822	--	--	(498,822)	--	--	--
Net movement in revaluation reserve	--	--	(17,130,544)	--	--	(17,130,544)	--	(17,130,544)
<b>Balance - June 30, 2006</b>	<b>200,000,000</b>	<b>1,015,202</b>	<b>(19,001,077)</b>	--	<b>5,490,713</b>	<b>187,504,838</b>	--	<b>187,504,838</b>
	=====	=====	=====	=====	=====	=====	=====	=====
Balance – January 31, 2007	200,000,000	1,842,228	(22,298,259)	10,000,000	2,931,778	192,475,747	23,151	192,498,898
Dividends paid				(10,000,000)		(10,000,000)		(10,000,000)
Net income for the period	--	--	--		10,447,535	10,447,535	2,406	10,449,941
Net movement in revaluation reserve	--	--	1,650,339		--	1,650,339	--	1,650,339
<b>Balance - June 30, 2007</b>	<b>200,000,000</b>	<b>1,842,228</b>	<b>(20,647,920)</b>	--	<b>13,379,313</b>	<b>194,573,621</b>	<b>25,557</b>	<b>194,599,178</b>
	=====	=====	=====	=====	=====	=====	=====	=====

\*Transfer to to legal reserve for year 2007 will be recorded at the year end as per Qatar Commercial Companies' Law No. 5 of 2002

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

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007**

		For the Six Month Period Ended June 30, 2007 <u>(Reviewed)</u> <u>QR.</u>	For the Six Month Period Ended June 30, 2006 <u>(Reviewed)</u> <u>QR.</u>
<b><u>Cash Flows from Operating Activities:</u></b>			
Net income for the period		10,449,941	4,988,221
Adjustments for:			
Depreciation of properties and equipments		3,882,746	1,732,434
Interest Income		(2,314,870)	(3,245,449)
Impairment loss on investments		2,100,000	--
		-----	-----
		<b>14,117,817</b>	<b>3,475,206</b>
Due from customers		30,370,252	--
Due from Doha Securities Market		(19,289,496)	(34,236,946)
Prepaid and other debit balances		1,969,596	8,969
Customers funds		22,194,393	(429,214,440)
Due to customers		61,333,389	166,869,034
Due to Doha Securities Market		(40,835,654)	18,078,465
Accruals and other credit balances		(538,555)	(1,238,784)
		-----	-----
<b>Net Cash Flow From (Used in) Operating Activities</b>		<b>69,321,742</b>	<b>(276,258,496)</b>
<b><u>Cash Flows from Investing Activities:</u></b>			
Purchase and sale of available-for-sale investments , net		12,726,546	(33,498,535)
Purchase of properties and equipments		(4,306,070)	(7,958,613)
Interest received		2,044,089	3,245,449
		-----	-----
<b>Net Cash From (Used in) Investing Activities</b>		<b>10,464,565</b>	<b>(38,211,699)</b>
<b><u>Cash Flows from Finance Activities:</u></b>			
Dividends paid		(10,000,000)	--
		-----	-----
<b>Cash Used in Finance Activities</b>		<b>(10,000,000)</b>	<b>--</b>
		-----	-----
Net increase (decrease) in cash and cash equivalents		69,786,307	(314,470,195)
Cash and cash equivalents – beginning of the period		3,344,354	158,041,432
		-----	-----
<b>Cash and cash equivalents - End of the Period</b>	<b>11</b>	<b>73,130,661</b>	<b>(156,428,763)</b>
		=====	=====

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



**DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY (QSC)**  
**DOHA – QATAR**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS**

**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007**

**1. General information:**

Dlala Brokerage and Investment 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. Accounting Policies:**

The interim condensed consolidated financial statements of the Company for the six months ended June 30, 2007 are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2006. These interim condensed consolidated financial statements should be read in conjunction with the 2006 annual consolidated financial statements and the notes attached thereto.

For the purpose of these interim condensed consolidated financial information, the Company has adopted revised and amended Standards issued by the International Accounting Standards Board (IASB) and the IFRIC that are relevant to its operations for the period beginning January 1, 2007.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the six months period ended June 30, 2007 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2007.

**3. Cash and bank balances:**

	<b><u>June 30,</u></b> <b><u>2007</u></b> <b><u>(Reviewed)</u></b> <b><u>QR.</u></b>	<b><u>December 31,</u></b> <b><u>2006</u></b> <b><u>(Audited)</u></b> <b><u>QR.</u></b>
Cash on Hand	21,127	3,567
Fixed deposits	52,075,989	52,059,170
Bank current accounts	41,595,236	14,153,344
	----- <b>93,692,352</b> =====	----- <b>66,216,081</b> =====

**4. Customers funds:**

Customer's funds represents collection from the customers, which the Company holds in trust until the customers commit those funds to the purchase of shares, following which the Company transfers the committed funds to the Company's bank accounts. Customer funds include amounts relating to purchase and sale transactions that were not recorded in the Company's records due to timing differences.

## 5. Properties and Equipment:

	<u>Leasehold Improvements</u> QR.	<u>Furniture and Fixtures</u> QR.	<u>Computers and Software</u> QR.	<u>Office Equipment</u> QR.	<u>Vehicles</u> QR.	<u>*Work in Progress</u> QR.	<u>Total</u> QR.
<b>Cost:</b>							
As of January 1, 2006	--	995,063	10,821,015	159,815	36,000	133,700	12,145,593
Additions	149,146	500,013	6,483,801	372,653	96,000	357,000	7,958,613
Transfer	--	--	133,700	--	--	(133,700)	--
As of June 30, 2006	<u>149,146</u>	<u>1,495,076</u>	<u>17,438,516</u>	<u>532,468</u>	<u>132,000</u>	<u>357,000</u>	<u>20,104,206</u>
<b>Depreciation:</b>							
As of January 1, 2006	--	60,609	176,955	909	2,250	--	240,723
Charge for the period	<u>11,167</u>	<u>71,940</u>	<u>1,610,155</u>	<u>27,572</u>	<u>11,600</u>	<u>--</u>	<u>1,732,434</u>
As of June 30, 2006	<u>11,167</u>	<u>132,549</u>	<u>1,787,110</u>	<u>28,481</u>	<u>13,850</u>	<u>--</u>	<u>1,973,157</u>
<b>Net book value:</b>							
As of June 30, 2006	<u><b>137,979</b></u>	<u><b>1,362,527</b></u>	<u><b>15,651,406</b></u>	<u><b>503,987</b></u>	<u><b>118,150</b></u>	<u><b>357,000</b></u>	<u><b>18,131,049</b></u>
<b>Cost:</b>							
As of January 1, 2007	839,401	1,829,533	19,804,250	839,888	132,000	1,128,668	24,573,740
Additions	86,673	138,275	800,819	182,913	46,000	3,051,390	4,306,070
Transfer	<u>8,900</u>	<u>--</u>	<u>955,367</u>	<u>370,080</u>	<u>--</u>	<u>(1,334,347)</u>	<u>--</u>
As of June 30, 2007	<u>934,974</u>	<u>1,967,808</u>	<u>21,560,436</u>	<u>1,392,881</u>	<u>178,000</u>	<u>2,845,711</u>	<u>28,879,810</u>
<b>Depreciation:</b>							
As of January 1, 2007	47,473	213,711	3,915,395	98,312	27,050	--	4,301,941
Charge for the period	<u>90,021</u>	<u>93,503</u>	<u>3,580,268</u>	<u>104,987</u>	<u>13,967</u>	<u>--</u>	<u>3,882,746</u>
As of June 30, 2007	<u>137,494</u>	<u>307,214</u>	<u>7,495,663</u>	<u>203,299</u>	<u>41,017</u>	<u>--</u>	<u>8,184,687</u>
<b>Net book value:</b>							
As of June 30, 2007	<u><b>797,480</b></u>	<u><b>1,660,594</b></u>	<u><b>14,064,773</b></u>	<u><b>1,189,582</b></u>	<u><b>136,983</b></u>	<u><b>2,845,711</b></u>	<u><b>20,695,123</b></u>
Rates of depreciation	20%	10%	20% - 33.33%	20%	20%	--	

\* The work in progress represents amounts paid for the enhanced brokerage system. This system is not operational as of the period end.

**6. Available-for-Sale Investments:**

	<b><u>June 30,</u></b> <b><u>2007</u></b> <b><u>(Reviewed)</u></b> <b><u>QR.</u></b>	<b><u>December 31,</u></b> <b><u>2006</u></b> <b><u>(Audited)</u></b> <b><u>QR.</u></b>
Investments - <b>Quoted</b>	63,442,102	78,267,647
Investments - <b>Unquoted</b>	12,417,855	12,418,855
	-----	-----
Total cost of investments	75,859,957	90,686,502
Changes in fair value - <b>Quoted</b>	(20,588,528)	(22,101,737)
Changes in fair value - <b>Unquoted</b>	(59,392)	(196,522)
	-----	-----
Fair value reserve	(20,647,920)	(22,298,259)
	-----	-----
<b>Total</b>	<b>55,212,037</b>	<b>68,388,243</b>
	=====	=====

The company has chosen to make a full provision for impairment by December 31, 2007 which in management's opinion will not exceed QR 6 million. Management is phasing the provision over the financial year and as at 30 June 2007 the amount recorded is QR2.1 million.

**7. Share Capital:**

	<b><u>June 30,</u></b> <b><u>2007</u></b> <b><u>(Reviewed)</u></b> <b><u>QR.</u></b>	<b><u>December 31,</u></b> <b><u>2006</u></b> <b><u>(Audited)</u></b> <b><u>QR.</u></b>
<b>Share capital consists of:</b>		
(20,000,000 shares of QR.10 each authorized issued and fully paid)	200,000,000	200,000,000
	=====	=====

**8. Proposed Dividend:**

The Company's General Assembly approved in its ordinary meeting held on April 11, 2007 the board of Directors to pay dividends in amount of QR. 10,000,000 for the year 2006. The dividends were paid to the shareholders.

**9. General and Administrative Expenses:**

	<b><u>For the Period</u></b> <b><u>From January 1,</u></b> <b><u>2007</u></b> <b><u>to June 30, 2007</u></b> <b>QR.</b>	<b><u>For the Period</u></b> <b><u>From January 1,</u></b> <b><u>2006</u></b> <b><u>to June 30, 2006</u></b> <b>QR.</b>
Staff costs	10,407,339	7,068,516
Consulting and training	752,024	1,273,168
DSM Membership fee and rental	156,609	121,285
Rent	3,193,748	1,405,360
IT and communication cost	927,959	585,354
Advertising	1,578,992	701,135
Printing and stationery	67,366	1,101,360
Depreciation	3,882,746	1,732,434
Telephone and fax	380,933	93,700
Travel	237,246	275,831
Insurance	229,025	224,358
Maintenance	66,363	250,469
Governmental fees	55,662	54,506
Bank charges	834,357	729,295
Others	179,029	191,678
<b>Total</b>	<b>22,949,398</b>	<b>15,808,449</b>

**10. 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:

	<b><u>For the Period</u></b> <b><u>From January 1, 2007</u></b> <b><u>to June 30, 2007</u></b> <b><u>(Reviewed)</u></b> <b>QR.</b>	<b><u>For the Period</u></b> <b><u>From January 1, 2006</u></b> <b><u>to June 30, 2006</u></b> <b><u>(Reviewed)</u></b> <b>QR.</b>
Net income for the period	10,449,941	4,988,221
Weighted average number of shares	20,000,000	20,000,000
Earnings per share (basic & diluted)	<b>0.52</b>	<b>0.25</b>

### **11. Cash and Cash Equivalents:**

For the purpose of the statement of cash flow, cash and cash equivalents include the cash and the bank balances, net of outstanding 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:

	<b><u>June 30,</u> <u>2007</u> <b>(Reviewed)</b> <b>QR.</b></b>	<b><u>June 30,</u> <u>2006</u> <b>(Reviewed)</b> <b>QR.</b></b>
Cash and bank balances	93,692,352	106,228,325
Bank overdraft	(20,561,691)	(262,657,088)
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>73,130,661</b>	<b>(156,428,763)</b>
	=====	=====

### **12. Contingent Liabilities:**

	<b><u>June 30,</u> <u>2007</u> <b>(Reviewed)</b> <b>QR.</b></b>	<b><u>December 31,</u> <u>2006</u> <b>(Audited)</b> <b>QR.</b></b>
Banks letters of guarantee	235,000,000	235,000,000
	=====	=====

### **13. Subsidiaries:**

Details of the Company's direct and indirect subsidiaries at June 30, 2007 are as follows:

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

Dlala Investments and Dlala Gulf Investment were not in operation as of June 30, 2007.