

**Dlala Brokerage and Investments Holding
Company Q.S.C.**

**REVIEWED INTERIM CONDENSED
CONSOLIDATED
FINANCIAL STATEMENTS**

30 JUNE 2012

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY Q.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Dlala Brokerage and Investment Holding Company Q.S.C. (“the Company”) and its subsidiaries (together referred to as “the Group”) as at 30 June 2012, comprising of the interim consolidated statement of financial position as at 30 June 2012 and the related interim consolidated statements of income, comprehensive income, cash flows and changes in equity for the six month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting (“IAS 34”). 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. Consequently, it 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.

Conclusion

Based on our review, 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 IAS 34.

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

Date: 8 August 2012
Doha

Dlala Brokerage and Investments Holding Company Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2012

	<i>Notes</i>	30 June 2012 QR'000 (Reviewed)	31 December 2011 QR'000 (Audited)
ASSETS			
Current assets			
Cash and bank balances	3	87,853	96,429
Bank balances - customer funds	4	268,502	388,489
Due from customers		29,745	58,488
Financial investments - available-for-sale	5	85,782	75,085
Trading properties		-	10,585
Advances paid for purchase of trading properties		42,504	-
Other assets		<u>8,853</u>	<u>36,774</u>
		523,239	665,850
Non-current asset			
Property and equipment	6	<u>51,763</u>	<u>54,304</u>
TOTAL ASSETS		<u>575,002</u>	<u>720,154</u>
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Due to customers		293,871	423,956
Due to Qatar Exchange		4,809	31,319
Other liabilities		<u>42,761</u>	<u>30,822</u>
		341,441	486,097
Non-current liability			
Employees' end of service benefits		<u>1,879</u>	<u>1,797</u>
Total liabilities		<u>343,320</u>	<u>487,894</u>
Equity			
Share capital		200,000	200,000
Legal reserve		12,974	12,974
Fair value reserve		(11,920)	(999)
Proposed dividend	11	-	20,000
Retained earnings		<u>30,579</u>	<u>238</u>
Equity attributable to owners of the parent		231,633	232,213
Non-controlling interests		<u>49</u>	<u>47</u>
Total equity		<u>231,682</u>	<u>232,260</u>
TOTAL LIABILITIES AND EQUITY		<u>575,002</u>	<u>720,154</u>

Mr. Rashid Ahmed Al Mannai
(Chairman)

Mr. Abdul Hameed Sultan Al Jaber
(CEO)

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

Dlala Brokerage and Investments Holding Company Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 June 2012

	<i>Notes</i>	<i>Six months ended 30 June</i>	
		2012 <i>QR'000</i> <i>(Reviewed)</i>	2011 <i>QR'000</i> <i>(Reviewed)</i>
Brokerage and commission income		24,810	45,126
Brokerage and commission expense		(8,442)	(21,418)
Net brokerage and commission income		16,368	23,708
Real estate income	7	26,930	1,042
Investment income		5,208	10,762
Interest income		1,120	2,232
Net operating income		49,626	37,744
Other income		519	-
General and administrative expenses		(17,052)	(18,148)
Depreciation	6	(2,750)	(2,805)
PROFIT FOR THE PERIOD		30,343	16,791
Attributable to:			
Owners of the parent		30,341	16,789
Non-controlling interests		2	2
		30,343	16,791
BASIC AND DILUTED EARNINGS PER SHARE (QR)	8	1.52	0.84

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

Dlala Brokerage and Investments Holding Company Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

	<i>Six months ended 30 June</i>	
	2012	2011
	QR'000	QR'000
	(Reviewed)	(Reviewed)
Profit for the period	<u>30,343</u>	<u>16,791</u>
Other comprehensive income:		
Net fair value loss on available-for-sale investments	(10,166)	(2,002)
Net gain on disposal of available-for-sale investments reclassified to the consolidated statement of income	<u>(755)</u>	<u>(5,529)</u>
Total other comprehensive loss for the period	<u>(10,921)</u>	<u>(7,531)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>19,422</u>	<u>9,260</u>
Attributable to:		
Owners of the parent	19,420	9,258
Non-controlling interests	<u>2</u>	<u>2</u>
	<u>19,422</u>	<u>9,260</u>

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

Dlala Brokerage and Investments Holding Company Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012

	Notes	Six months ended 30 June	
		2012 QR'000 (Reviewed)	2011 QR'000 (Reviewed)
OPERATING ACTIVITIES			
Profit for the period		30,343	16,791
Adjustments for:			
Depreciation	6	2,750	2,805
Provision for employees' end of service benefits		267	333
Profit on sale of financial investments – available-for-sale		(755)	(9,997)
Loss on disposal of property and equipment		25	410
Interest income		(1,120)	(2,232)
Dividend income		(4,453)	(765)
Operating profit before working capital changes		27,057	7,345
Working capital changes:			
Customers funds		119,987	(102,903)
Due from customers		28,743	(75,437)
Due to Qatar Exchange		(26,510)	113,816
Other assets		27,921	(482)
Trading properties		10,585	-
Due to customers		(130,085)	92,253
Advances paid to trading properties		(42,504)	-
Other liabilities		11,939	698
Cash from operations		27,133	35,290
Employees' end of service benefits paid		(185)	(181)
Net cash from operating activities		26,948	35,109
INVESTING ACTIVITIES			
Proceeds from sale of available-for-sale investments		141,904	26,707
Purchase of available-for-sale investments		(162,767)	(3,592)
Proceeds from disposal of property and equipment		75	39
Purchase of property and equipment	6	(309)	(672)
Interest income		1,120	2,232
Dividend income		4,453	765
Net cash (used in) from investing activities		(15,524)	25,479
FINANCING ACTIVITIES			
Dividends paid	11	(20,000)	(17,000)
Net cash used in financing activities		(20,000)	(17,000)
INCREASE IN CASH AND BANK BALANCES			
Cash and bank balances 1 January		96,429	172,456
CASH AND BANK BALANCES AT 30 JUNE	3	87,853	216,044

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

Dlala Brokerage and Investments Holding Company Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012

	<i>Attributable to owners of the parent</i>				<i>Total</i> <i>QR'000</i>	<i>Non-</i> <i>controlling</i> <i>interests</i> <i>QR'000</i>	<i>Total</i> <i>equity</i> <i>QR'000</i>
	<i>Share</i> <i>capital</i> <i>QR'000</i>	<i>Legal</i> <i>reserve</i> <i>QR'000</i>	<i>Fair value</i> <i>reserve</i> <i>QR'000</i>	<i>Retained</i> <i>earnings</i> <i>QR'000</i>			
At 1 January 2012 (<i>Audited</i>)	200,000	12,974	(999)	20,238	232,213	47	232,260
Profit for the period	-	-	-	30,341	30,341	2	30,343
Other comprehensive loss for the period	-	-	(10,921)	-	(10,921)	-	(10,921)
Total comprehensive income for the period	-	-	(10,921)	30,341	19,420	2	19,422
Dividend paid (Note 11)	-	-	-	(20,000)	(20,000)	-	(20,000)
At 30 June 2012 (<i>Reviewed</i>)	200,000	12,974	(11,920)	30,579	231,633	49	231,682
At 1 January 2011 (<i>Audited</i>)	200,000	10,713	7,477	17,457	235,647	44	235,691
Profit for the period	-	-	-	16,789	16,789	2	16,791
Other comprehensive loss for the period	-	-	(7,531)	-	(7,531)	-	(7,531)
Total comprehensive income for the period	-	-	(7,531)	16,789	9,258	2	9,260
Dividend paid (Note 11)	-	-	-	(17,000)	(17,000)	-	(17,000)
At 30 June 2011 (<i>Reviewed</i>)	200,000	10,713	(54)	17,246	227,905	46	227,951

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

Dlala Brokerage and Investments Holding Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

1 CORPORATE INFORMATION

Dlala Brokerage and Investment Holding Company Q.S.C. (“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 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 together with its subsidiaries is engaged in brokerage activities at the Qatar Exchange and in investment activities.

The interim condensed consolidated financial statements of the Group for the six months period ended 30 June 2012 were authorised for issue by the Board of Directors on 8 August 2012.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2012 have been prepared in accordance with International Financial Reporting Standard IAS 34 “Interim Financial Reporting” (“IAS 34”).

The interim condensed consolidated financial statements are prepared in Qatar Riyals, which is the Group’s functional and presentation currency, and all values are rounded to the nearest thousands (QR’000) except when otherwise indicated.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2011. In addition, the results for the six months ended 30 June 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012.

2.2 Basis of consolidation

The interim condensed consolidated financial statements comprise the interim condensed financial statements of Dlala Brokerage and Investment Holding Company Q.S.C (“the Company”) and its subsidiaries (together referred to as “the Group”). The principal subsidiaries of the Group are as follows:

<i>Entity Name</i>	<i>Country of incorporation</i>	<i>Ownership interest 2012</i>	<i>Ownership interest 2011</i>
Dlala Brokerage W.L.L.	Qatar	99.98%	99.98%
Dlala Islamic Brokerage W.L.L.	Qatar	99.98%	99.98%
Dlala Real Estate S.P.C.	Qatar	100%	100%
Dlala Investment Company L.L.C. (Dormant)	Qatar	99.90%	99.90%
Dlala International L.L.C. (Dormant)	Qatar	99.50%	99.50%
Dlala Information Technology S.P.C. (Dormant)	Qatar	100%	100%

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2011, except as noted below:

During the period, the Group has adopted the following standards effective for annual periods beginning on or after 1 January 2012.

IFRS 7 - Disclosures - Transfers of financial assets (Amendment)

The IASB issued an amendment to IFRS 7 that enhances disclosures for financial assets. These disclosures relate to assets transferred (as defined under IAS 39). If the assets transferred are not derecognised entirely in the consolidated financial statements, an entity has to disclose information that enables users of consolidated financial statements to understand the relationship between those assets which are not derecognised and their associated liabilities. If those assets are derecognised entirely, but the entity retains a continuing involvement, disclosures have to be provided that enable users of consolidated financial statements to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets.

The amended disclosures are more extensive and not onerous than previous disclosures. This amendment did have any impact on the Group.

The following amendments to standards became effective in 2012, but did not have any impact on the accounting policies, financial position or performance of the Group:

<i>Standards</i>	<i>Content</i>
IAS 12	Income Taxes – Tax recovery of underlying assets (Amendment)
IFRS 1	First-time adoption – Severe hyperinflation and removal of fixed dates for first-time adopters (Amendment)

Standards and amendments issued but not adopted

The Group is currently considering the implications of the new standards and amendments to standards which are effective for future accounting periods and has not early adopted any of the new or amended Standards as listed below:

<i>Standards</i>	<i>Content</i>	<i>Effective date</i>
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
IAS 1	Presentation of Items of Other Comprehensive Income (Amendment)	1 January 2013
IAS 19	Employee Benefits (Revised)	1 January 2013

Dlala Brokerage and Investments Holding Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

3 CASH AND BANK BALANCES

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

	30 June 2012 QR'000 (Reviewed)	30 June 2011 QR'000 (Reviewed)
Cash and bank balances	<u>87,853</u>	<u>216,044</u>

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.

4 BANK BALANCES – CUSTOMER FUNDS

Bank balances-customer funds represent bank balances for customers, which the Group holds in trust until the customers commit those funds to 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.

5 FINANCIAL INVESTMENTS – AVAILABLE-FOR-SALE

	30 June 2012 (Reviewed)			31 December 2011 (Audited)		
	Listed QR'000	Unlisted QR'000	Total QR'000	Listed QR'000	Unlisted QR'000	Total QR'000
Shares	82,406	1,532	83,938	71,712	1,531	73,243
Funds	-	1,844	1,844	-	1,842	1,842
Total	<u>82,406</u>	<u>3,376</u>	<u>85,782</u>	<u>71,712</u>	<u>3,373</u>	<u>75,085</u>

6 PROPERTY AND EQUIPMENT

	30 June 2012 (Reviewed) QR'000	31 December 2011 (Audited) QR'000
<i>Cost:</i>		
Balance at the beginning of the period/year	87,602	87,178
Additions during the period/year	309	1,015
Disposal/written off during the period/year	(920)	(591)
Balance at the end of the period/year	<u>86,991</u>	<u>87,602</u>
<i>Accumulated depreciation:</i>		
Balance at the beginning of the period/year	33,298	27,908
Depreciation for the period/year	2,750	5,642
Relating to disposal	(820)	(252)
Balance at the end of the period/year	<u>35,228</u>	<u>33,298</u>
Net carrying amount at the end of the period/year	<u>51,763</u>	<u>54,304</u>

Dlala Brokerage and Investments Holding Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

7 REAL ESTATE INCOME

	<i>Six months ended 30 June</i>	
	2012	2011
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Gain on sale of trading properties (Note i)	25,055	-
Real estate brokerage fee income	1,875	1,042
	26,930	1,042

Note i:

Sales proceeds and cost of the trading properties sold during the period are as follows:

	<i>Six months ended 30 June</i>	
	2012	2011
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Sales proceeds	473,016	-
Costs of the properties	(447,961)	-
	25,055	-

8 BASIC AND DILUTED EARNINGS PER SHARE

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

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

	<i>Six months ended 30 June</i>	
	2012	2011
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Profit for the period attributable to owners of the parent (QR'000)	30,341	16,789
Weighted average number of shares outstanding during the period (in thousands)	20,000	20,000
Basic and diluted earnings per share (QR)	1.52	0.84

9 CONTINGENT LIABILITIES

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

	30 June	31 December
	2012	2011
	<i>(Reviewed)</i>	<i>(Audited)</i>
	QR'000	QR'000
Letters of guarantee	150,000	204,500

Dlala Brokerage and Investments Holding Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

10 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 interim consolidated statement of income are as follows:

	<i>Six months ended 30 June</i>	
	2012	2011
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	QR'000	QR'000
Purchase of trading properties	336,048	-
Brokerage and commission income	754	64

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

	<i>30 June 2012</i>		<i>31 December 2011</i>	
	<i>(Reviewed)</i>		<i>(Audited)</i>	
	<i>Receivables</i>	<i>Payables</i>	<i>Receivables</i>	<i>Payables</i>
	QR'000	QR'000	QR'000	QR'000
Key management personnel	-	-	739	-
	-	-	739	-

The above balances are included under due from and to customers respectively.

Compensation of key management personnel

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

	<i>Six months ended 30 June</i>	
	2012	2011
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	QR'000	QR'000
Short-term benefits	577	767
Pension benefits	54	51
	631	818

11 DIVIDEND PAID

During the period, the Group paid a cash dividend of QR 1 per share totaling to QR 20,000,000 (30 June 2011: QR 0.85 per share total amounting to QR 17,000,000).

Dlala Brokerage and Investments Holding Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012

12 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.
- *Others* - Holding Company it provides corporate services to the branches and subsidiaries of the Group.

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.

The following table presents revenue and profit information regarding the Group's operating segment for the six months ended 30 June 2012 and 2011, respectively.

<i>Six months ended 30 June 2012 (Reviewed)</i>	<i>Stock broking QR'000</i>	<i>Real estate QR'000</i>	<i>IT and international QR'000</i>	<i>Others QR'000</i>	<i>Elimination QR'000</i>	<i>Total QR'000</i>
Net brokerage and commission income	16,368	-	-	-	-	16,368
Others	3,502	26,984	63	2,971	(262)	33,258
Segment revenue	19,870	26,984	63	2,971	(262)	49,626
Segment profit (loss)	8,459	21,823	(1,821)	1,882	-	30,343
Depreciation	547	203	25	1,975	-	2,750
<i>Six months ended 30 June 2011 (Reviewed)</i>	<i>Stock broking QR'000</i>	<i>Real estate QR'000</i>	<i>IT and international QR'000</i>	<i>Others QR'000</i>	<i>Elimination QR'000</i>	<i>Total QR'000</i>
Net brokerage and commission income	23,708	-	-	-	-	23,708
Others	3,653	2,110	235	9,717	(1,679)	14,036
Segment revenue	27,361	2,110	235	9,717	(1,679)	37,744
Segment profit (loss)	9,371	(199)	224	7,395	-	16,791
Depreciation	660	199	-	1,946	-	2,805

Dlala Brokerage and Investments Holding Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2012

12 SEGMENT INFORMATION (CONTINUED)

The following table presents the segment assets and liabilities:

<i>At 30 June 2012 (Reviewed)</i>	<i>Stock broking QR'000</i>	<i>Real estate QR'000</i>	<i>IT and international QR'000</i>	<i>Others QR'000</i>	<i>Elimination QR'000</i>	<i>Total QR'000</i>
Total assets	<u>404,826</u>	<u>95,737</u>	<u>22,187</u>	<u>221,070</u>	<u>(168,818)</u>	<u>575,002</u>
Total liabilities	<u>289,624</u>	<u>14,131</u>	<u>3,879</u>	<u>23,193</u>	<u>12,493</u>	<u>343,320</u>
<i>At 31 December 2011 (Audited)</i>	<i>Stock broking QR'000</i>	<i>Real estate QR'000</i>	<i>IT and international QR'000</i>	<i>Others QR'000</i>	<i>Elimination QR'000</i>	<i>Total QR'000</i>
Total assets	<u>588,150</u>	<u>64,928</u>	<u>20,775</u>	<u>85,296</u>	<u>(38,995)</u>	<u>720,154</u>
Total liabilities	<u>463,871</u>	<u>5,144</u>	<u>79</u>	<u>57,795</u>	<u>(38,995)</u>	<u>487,894</u>