

**Dlala Brokerage and Investment Holding
Company Q.P.S.C.**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 JUNE 2018

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Dlala Brokerage and Investment Holding Company Q.P.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2018 and for the six month period ended 30 June 2018, comprising of the interim consolidated statement of financial position as at 30 June 2018 and the related interim consolidated statement of income, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six month period then ended, and the related explanatory notes.

The management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with 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 statements 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.

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.

Other matter

The interim condensed consolidated financial statements of the Group as at 30 June 2017 were reviewed and the consolidated financial statements as at 31 December 2017 were audited by another auditor, whose reports dated 26 July 2017 and 27 February 2018, respectively, expressed unmodified review and audit opinions on these consolidated financial statements.



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

Date: 25 July 2018
Doha



Dlala Brokerage and Investment Holding Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018

		30 June 2018 QR'000 (Reviewed)	31 December 2017 QR'000 (Audited)
	Notes		
ASSETS			
Current assets			
Cash and bank balances	3	93,765	62,777
Bank balances – customer funds	4	235,793	355,941
Due from customers		33,932	33,275
Due from Qatar Central Securities Depository (QCSD)		38,653	21,814
Other assets		39,657	39,956
		441,800	513,763
Non-current assets			
Investment securities	5	86,533	118,884
Intangible asset	6	736	842
Property and equipment	7	39,471	40,173
		126,740	159,899
TOTAL ASSETS		568,540	673,662
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Due to customers		308,315	410,975
Other liabilities		23,684	25,047
		331,999	436,022
Non-current liability			
Employees' end of service benefits		4,839	4,892
Total liabilities		336,838	440,914
Equity			
Share capital	8	284,160	284,160
Legal reserve		27,821	27,821
Fair value OCI reserve		(49,176)	(46,519)
Accumulated losses		(31,614)	(33,316)
Equity attributable to shareholders of the parent		231,191	232,146
Non-controlling interests		511	602
Total equity		231,702	232,748
TOTAL LIABILITIES AND EQUITY		568,540	673,662

Moza Mohamed Al Sulaiti
(Board Member)

Dr. Abdul Aziz Ali Al Hammadi
(Chief Executive Officer)

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

Dlala Brokerage and Investment Holding Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 June 2018

	Note	30 June 2018 QR'000 (Reviewed)	30 June 2017 QR'000 (Reviewed) (Restated)
Brokerage commission income		19,562	30,073
Brokerage commission expense		(6,604)	(9,769)
Net brokerage commission income		12,958	20,304
Dividend income		3,597	3,575
Real estate income		275	3,370
Income from IT services		99	-
Interest income		793	745
Net operating income		17,722	27,994
Other income		8	174
General and administrative expenses		(15,433)	(14,426)
Depreciation and amortization		(953)	(901)
Profit for the period		1,344	12,841
Attributable to:			
Shareholders of the parent		1,435	12,839
Non-controlling interests		(91)	2
		1,344	12,841
BASIC AND DILUTED EARNINGS PER SHARE (QR)			
(Attributable to the shareholders of the parent)	9	0.05	0.45

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

Dlala Brokerage and Investment Holding Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2018

	30 June 2018 QR'000 (Reviewed)	30 June 2017 QR'000 (Reviewed) (Restated)
Profit for the period	<u>1,344</u>	<u>12,841</u>
Other comprehensive income:		
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>		
Net fair value loss on investment securities	<u>(2,390)</u>	<u>(25,495)</u>
Total other comprehensive loss for the period	<u>(2,390)</u>	<u>(25,495)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u><u>(1,046)</u></u>	<u><u>(12,654)</u></u>
Attributable to:		
Shareholders of the parent	(955)	(12,652)
Non-controlling interests	<u>(91)</u>	<u>(2)</u>
	<u><u>(1,046)</u></u>	<u><u>(12,654)</u></u>

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

Dlala Brokerage and Investment Holding Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2018

	<i>Note</i>	30 June 2018 QR'000 (Reviewed)	30 June 2017 QR'000 (Reviewed) (Restated)
OPERATING ACTIVITIES			
Profit for the period		1,344	12,841
<i>Adjustments for:</i>			
Depreciation and amortization		953	901
Provision for employees' end of service benefits		119	308
Interest income		(793)	(745)
Dividend income		(3,597)	(3,575)
		<u>(1,974)</u>	<u>9,730</u>
Operating (loss) profit before working capital changes			
<i>Working capital changes:</i>			
Bank balances – customer funds		120,148	(62,297)
Due from customers		(657)	(71,566)
Due from QCSD		(16,839)	64,859
Other assets		630	8,413
Due to customers		(102,660)	71,512
Other liabilities		(1,363)	(3,627)
		<u>(2,715)</u>	<u>17,024</u>
Cash flows (used in) from operations			
Employees' end of service benefits paid		(172)	(2)
		<u>(2,887)</u>	<u>17,022</u>
Net cash (used in) flows from operating activities			
INVESTING ACTIVITIES			
Proceeds from sale of investment securities		29,962	391,764
Purchase of investment securities		-	(448,502)
Net movement in bank deposits maturing after 90 days		(5,000)	-
Purchase of property and equipment		(147)	(27)
Interest income received		463	745
Dividend received		3,597	3,575
		<u>28,875</u>	<u>(52,445)</u>
Net cash flows from (used in) investing activities			
NET INCERASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
		25,988	(35,423)
Cash and cash equivalents at 1 January		52,777	97,156
CASH AND CASH EQUIVALENTS AT 30 JUNE	3	<u><u>78,765</u></u>	<u><u>61,733</u></u>

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

Dlala Brokerage and Investment Holding Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018

	Attributable to owners of the parent						Non-controlling interests QR '000	Total equity QR '000
	Share capital QR '000	Legal reserve QR '000	Fair value reserve QR '000	Fair value OCI reserve QR '000	Accumulated losses QR '000	Total QR '000		
At 1 January 2017 – previously reported	284,160	26,004	(11,973)	-	(39,107)	259,084	43	259,127
Adjustment on adoption of IFRS 9	-	-	11,973	(12,589)	(436)	(1,052)	-	(1,052)
At 1 January 2017 – Adjusted	284,160	26,004	-	(12,589)	(39,543)	258,032	43	258,075
Profit for the period	-	-	-	-	12,839	12,839	2	12,841
Other comprehensive loss for the period	-	-	-	(25,491)	-	(25,491)	(4)	(25,495)
Total comprehensive (loss) income for the period	-	-	-	(25,491)	12,839	(12,652)	(2)	(12,654)
Profit on sale of investment securities	-	-	-	(1,124)	1,124	-	-	-
At 30 June 2017 (<i>Reviewed</i>) (<i>Restated</i>)	284,160	26,004	-	(39,204)	(25,580)	245,380	41	245,421
At 1 January 2018	284,160	27,821	-	(46,519)	(33,316)	232,146	602	232,748
Profit for the period	-	-	-	-	1,435	1,435	(91)	1,344
Other comprehensive loss for the period	-	-	-	(2,390)	-	(2,390)	-	(2,390)
Total comprehensive (loss) income for the period	-	-	-	(2,390)	1,435	(955)	(91)	(1,046)
Profit on sale of investment securities	-	-	-	(267)	267	-	-	-
At 30 June 2018 (<i>Reviewed</i>)	284,160	27,821	-	(49,176)	(31,614)	231,191	511	231,702

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

Dlala Brokerage and Investment Holding Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2018

1 CORPORATE INFORMATION

Dlala Brokerage and Investment Holding Company Q.P.S.C. (the "Company") is a Qatari Public Shareholding Company (Q.P.S.C.) incorporated in the State of Qatar on 24 May 2005 under Commercial Registration No. 30670. The Company is listed in the Qatar Stock Exchange and is governed by the provisions of the Qatar Commercial Companies Law No. 11 of 2015, and the regulations of Qatar Financial Markets Authority and Qatar Stock 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 Stock Exchange, IT services, real estate and in other investment activities.

The interim condensed consolidated financial statements of the Group for the six months period ended 30 June 2018 were authorised for issue by the Board of Directors on 25 July 2018.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2018 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 and for the year ended 31 December 2017, except for the effect of the implementation IFRS 15 "Revenue from Contracts and Customers", which became effective on 1 January 2018. The effect of the new IFRSs is covered in note 2.3. In addition, the results for the six months ended 30 June 2018 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2018.

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.P.S.C (the "Company") and its subsidiaries (together referred to as the "Group"). The subsidiaries of the Group are as follows:

<i>Entity Name</i>	<i>Country of incorporation</i>	<i>Ownership interest 30 June 2018</i>	<i>Ownership interest 31 December 2017</i>
Dlala Brokerage Company W.L.L.	Qatar	99.98%	99.98%
Dlala Islamic Brokerage Company W.L.L.	Qatar	99.98%	99.98%
Dlala Real Estate W.L.L.	Qatar	100%	100%
Dlala Information Technology W.L.L. (Dormant)	Qatar	100%	100%
Dlala Smart Information Technology W.L.L.	Qatar	60%	60%

During the period, the management has obtained approval from the Board of Directors and Qatar Financial Market Authority to merge Dlala Islamic Company W.L.L with Dlala Brokerage Company W.L.L. The merger activities are in progress and expected to be completed before 31 December 2018.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 New and amended standards and interpretations adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2017, except for following.

In 2017, the Company has early adopted IFRS 9 and have elected to apply the modified retrospective approach. In accordance with the transitional provisions of the standard, comparatives have not been restated. With respect to debt instruments, there are no impact to the interim condensed consolidated financial statements since all of the Company's debt instruments are already accounted at amortised cost.

For equity instruments, the effect is merely a change in the name from AFS investments to FVOCI and an additional fair value loss of QR 616 thousand were accounted in the fair value OCI reserve at 1 January 2017.

With regard to impairment, an additional impairment of QR 436 thousand were adjusted to retained earnings as a result of adopting a new impairment model.

IFRS 15 - Revenue from Contracts with Customers

A) IFRS 15 - Revenue from Contracts with Customers – Impact of adoption

The group has adopted IFRS 15 "Revenue from Contracts with Customers" with effect from 1 January 2018, which resulted in changes in accounting policies. The adoption of IFRS 15 did not result in changes to the amounts recognised in the interim condensed consolidated financial statements. In accordance with the transition provisions in IFRS 15. The standard permits either a full retrospective or a modified retrospective approach for the adoption and the Group adopted modified retrospective approach upon the transition. However, no major impact the previously reported numbers.

B) IFRS 15 - Revenue from Contracts with Customers – Accounting policies

Nature of change:

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Impact:

Management has assessed the effects of applying the new standard on the Group's financial statements and has identified that the recognition and measurement of revenue for all the current ongoing contracts under the IFRS 15 five-step model will not change as currently recognized under IAS 18. As most of the group's outstanding revenue contracts comprise mainly of one performance obligation, and revenue recognition criteria meets the recognition at a point in time criteria, the Group assessed that there is no material impact on the revenue recorded from the existing revenue contracts. As a result, the accounting policy related to revenue recognition is not materially different from previously reported policy.

Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Principal versus agent consideration

The Group acts as a broker in trading of securities and real estate properties and therefore the revenue earned by the Company represents the commission earned on the brokerage activities and does not include the value of assets being sold.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 New and amended standards and interpretations adopted by the Group (continued)

The following amended accounting standards became effective in 2018 and have been adopted by the Group in preparation of these interim condensed consolidated financial statements as applicable. Whilst they did not have any material impact on these interim condensed consolidated financial statements, they may require additional disclosures in the annual consolidated financial statements for the year ending 31 December 2018:

<i>Topic</i>
Annual Improvements (2014-2016 Cycle) to IFRS 1 & IAS 28
Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters

The Group does not expect material impact on the interim financial statements.

2.4 Standards and amendments to the standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

<i>Topic</i>	<i>Effective date</i>
IFRS 16 Leases	1 January 2019

The Group is assessing the impact of implementation of these standards

3 CASH AND CASH EQUIVALENTS

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

	<i>30 June 2018 QR'000 (Reviewed)</i>	<i>31 December 2017 QR'000 (Audited)</i>	<i>30 June 2017 QR'000 (Reviewed)</i>
Cash and bank balances	93,765	62,777	81,733
Bank deposits with maturity after 90 days	(15,000)	(10,000)	(20,000)
	<u>78,765</u>	<u>52,777</u>	<u>61,733</u>

Bank balances include short term deposits made for varying periods of between one day and three months, depending on the 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 purchase of shares. At the settlement date of these transactions, the Group transfers due amounts from these customer funds to the settlement authority.

Dlala Brokerage and Investment Holding Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2018

5 INVESTMENT SECURITIES

	30 June 2018 (Reviewed)			31 December 2017 (Audited)		
	Listed QR'000	Unlisted QR'000	Total QR'000	Listed QR'000	Unlisted QR'000	Total QR'000
Shares - FVOCI	<u>85,537</u>	<u>996</u>	<u>86,533</u>	<u>117,888</u>	<u>996</u>	<u>118,884</u>

6 INTANGIBLE ASSET

	30 June 2018 QR'000 (Reviewed)	31 December 2017 QR'000 (Audited)
Cost:		
At the beginning of the period/year	1,209	376
Additions during the year	-	833
At the end of the period/year	<u>1,209</u>	<u>1,209</u>
Accumulated amortization:		
Balance at the beginning of the period/year	367	242
Amortization for the period/year	106	125
At the end of the period/year	<u>473</u>	<u>367</u>
Net carrying amount at the end of the period/year	<u>736</u>	<u>842</u>

Intangible assets represents the mobile trading application for the brokerage companies and the cost of the website purchased for Dlala Smart Information Technology W.L.L.

Amortization of intangible asset for the period is included under the depreciation and amortization in the interim consolidated statement of income.

7 PROPERTY AND EQUIPMENT

	30 June 2018 QR'000 (Reviewed)	31 December 2017 QR'000 (Audited)
Cost:		
At the beginning of the period/year	88,716	88,669
Additions during the period/year	147	49
Transfers during the period/year	(3)	-
On liquidation of subsidiaries	-	(2)
At the end of the period/year	<u>88,860</u>	<u>88,716</u>
Accumulated depreciation:		
At the beginning of the period/year	48,543	46,872
Depreciation for the period/year	847	1,673
Related to transfers during the period/year	(1)	-
On liquidation of subsidiaries	-	(2)
At the end of the period/year	<u>49,389</u>	<u>48,543</u>
Net carrying amount at the end of the period/year	<u>39,471</u>	<u>40,173</u>

Dlala Brokerage and Investment Holding Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2018

8 SHARE CAPITAL

	30 June 2018 QR'000 (Reviewed)	31 December 2017 QR'000 (Audited)
<i>Authorised, issued and fully paid:</i> 28,416,000 shares of QR 10 each	<u>284,160</u>	<u>284,160</u>

9 BASIC AND DILUTED EARNINGS PER SHARE

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

	<i>Six months ended</i>	
	30 June 2018 QR'000 (Reviewed)	30 June 2017 QR'000 (Reviewed) (Restated)
Profit for the period attributable to Shareholders of the parent (QR'000)	<u>1,435</u>	<u>12,839</u>
Weighted average number of shares outstanding during the period (in thousands)	<u>28,416</u>	<u>28,416</u>
Basic and diluted earnings per share (QR)	<u>0.05</u>	<u>0.45</u>

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

10 COMMITMENTS AND CONTINGENCIES

Contingent liabilities

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

	30 June 2018 (Reviewed) QR'000	31 December 2017 (Audited) QR'000
Letters of guarantee	<u>200,000</u>	<u>200,000</u>

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

Operating lease commitments

Future minimum rental payable under non-cancellable operating lease as at the reporting date are as follows:

	30 June 2018 (Reviewed) QR'000	31 December 2017 (Audited) QR'000
Within one year	<u>-</u>	<u>81</u>

Dlala Brokerage and Investment Holding Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2018

10 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Capital expenditure commitments

The Group had the following capital expenditure commitments contracted for at the end of the reporting period but not provided for:

	30 June 2018 (Reviewed) QR'000	31 December 2017 (Audited) QR'000
Capital expenditure commitments	<u>2,961</u>	<u>2,616</u>

11 CONTINGENT ASSET

During the year ended 31 December 2016, the Group received initial verdict from the Court of Qatar for the claim made against an ex-employee for losses suffered by the Group during the year 2013 due to his misconduct of a client's share trading account. As per the initial judgment, the above mentioned ex-employee was held responsible to settle the full amount of losses incurred by the Group amounting to QR 19.5 million. The Directors are of the opinion that result of the recent court verdict has given strong indication that the claim is probable to be met in full in the near future.

12 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.

Related party transactions

Transactions with related parties included in the consolidated statement of income are as follows:

	Six months ended	
	30 June 2018 QR'000 (Reviewed)	30 June 2017 QR'000 (Reviewed)
Key management personnel and their close family members:		
Brokerage and commission income	<u>245</u>	<u>1,202</u>
Other related parties:		
Brokerage and commission income	<u>130</u>	<u>1,800</u>

Related party balances

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

	30 June 2018 (Reviewed)		31 December 2017 (Audited)	
	Receivables QR'000	Payables QR'000	Receivables QR'000	Payables QR'000
Key management personnel and their close family members	<u>-</u>	<u>3</u>	<u>-</u>	<u>23,639</u>
Other related parties	<u>-</u>	<u>-</u>	<u>15,175</u>	<u>-</u>

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

Dlala Brokerage and Investment Holding Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2018

12 RELATED PARTY DISCLOSURES (CONTINUED)

Terms and conditions of transactions with related parties

The transactions with related parties are made at normal market prices or as per the contractual terms. Outstanding balances at the end of the year are unsecured and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

The Group did not record any impairment of receivables relating to amounts due from related parties during the period/year. This assessment is undertaken each financial year through examining the financial positions of the related party and the market in which the related party operates.

Compensation of key management personnel

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

	<i>Six months ended</i>	
	<i>30 June 2018 QR'000 (Reviewed)</i>	<i>30 June 2017 QR'000 (Reviewed)</i>
Salaries and short-term benefits	1,397	1,380
Pension benefits	68	68
	<u>1,465</u>	<u>1,448</u>

13 SEGMENT INFORMATION

For management purposes, the Group is organised into four 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;
- Information technology – this segment includes information technology management and consultation services and developing and programing special programs.
- Others – represents the Holding Company, which provide corporate services to subsidiaries in the Group and engages in investing activities.

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 the 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 revenue, profit and depreciation and amortization information regarding the Group's operating segments for the six months ended 30 June 2018 and 2017, respectively.

<i>Six months ended 30 June 2018 (Reviewed)</i>	<i>Stock Broking QR'000</i>	<i>Real Estate QR'000</i>	<i>Information Technology QR'000</i>	<i>Others QR'000</i>	<i>Elimination QR'000</i>	<i>Total QR'000</i>
Net brokerage commission income	12,958	179	-	-	-	13,137
Others	<u>3,550</u>	<u>1,908</u>	<u>100</u>	<u>1,370</u>	<u>(2,343)</u>	<u>4,585</u>
Segment revenue	<u>16,508</u>	<u>2,087</u>	<u>100</u>	<u>1,370</u>	<u>(2,343)</u>	<u>17,722</u>
Segment (loss) profit	<u>2,105</u>	<u>(1,121)</u>	<u>(254)</u>	<u>614</u>	<u>-</u>	<u>1,344</u>
Depreciation and amortization	<u>31</u>	<u>375</u>	<u>98</u>	<u>449</u>	<u>-</u>	<u>953</u>

Dlala Brokerage and Investment Holding Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2018

13 SEGMENT INFORMATION (CONTINUED)

<i>Six months ended 30 June 2017 (Reviewed) (Restated)</i>	<i>Stock Broking QR'000</i>	<i>Real Estate QR'000</i>	<i>Information Technology QR'000</i>	<i>Others QR'000</i>	<i>Elimination QR'000</i>	<i>Total QR'000</i>
Net brokerage commission income	20,496	3,305	-	-	(192)	23,609
Others	3,136	1,790	1	1,124	(1,666)	4,385
Segment revenue	23,632	5,095	1	1,124	(1,858)	27,994
Segment profit (loss)	10,702	1,848	(17)	500	(192)	12,841
Depreciation and amortization	84	373	1	443	-	901

The following table presents the segment assets and liabilities:

<i>At 30 June 2018 (Reviewed)</i>	<i>Stock Broking QR'000</i>	<i>Real Estate QR'000</i>	<i>Information Technology QR'000</i>	<i>Others QR'000</i>	<i>Elimination QR'000</i>	<i>Total QR'000</i>
Segment assets	475,015	76,828	17,055	315,074	(315,432)	568,540
Segment liabilities	352,373	3,984	200	61,612	(81,331)	336,838

<i>At 31 December 2017 (Audited)</i>	<i>Stock Broking QR'000</i>	<i>Real Estate QR'000</i>	<i>Information Technology QR'000</i>	<i>Others QR'000</i>	<i>Elimination QR'000</i>	<i>Total QR'000</i>
Segment assets	549,471	77,953	17,928	297,622	(269,312)	673,662
Segment liabilities	427,046	3,987	819	44,577	(35,515)	440,914

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

14 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and bank balances, due from customers, bank balances – customer funds, due from QCSD, investment securities and other receivables. Financial liabilities consist of due to customers 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.

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14 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

As at 30 June, the following table shows an analysis of financial instruments recorded at fair value by level of fair value hierarchy:

<i>At 30 June 2018 (Reviewed)</i>	<i>Total QR'000</i>	<i>Level 1 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 QR'000</i>
Investment securities	<u>86,533</u>	<u>85,537</u>	<u>996</u>	<u>-</u>
<i>At 31 December 2017 (Audited)</i>	<i>Total QR'000</i>	<i>Level 1 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 QR'000</i>
Investment securities	<u>118,884</u>	<u>117,888</u>	<u>996</u>	<u>-</u>

During the period ended 30 June 2018, 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 (2017: Nil).

15 COMPARATIVE INFORMATION

Group early adopted IFRS 9 with effect from 1 January 2017. The first interim condensed consolidated financial statements with IFRS 9 adjustments were issued for the period ended 30 September 2017. Thus the interim condensed consolidated financial statements as of and for the six month period ended 30 June 2017 included in this interim condensed consolidated financial statements as comparative figures were restated to conform with the requirements of IFRS 9. Below are the changes as a result of adoption of IFRS 9 to reported comparative information of the interim condensed consolidated financial statements for the period ended 30 June 2017.

<i>Description</i>	<i>Reported amount QR'000</i>	<i>Amount after IFRS 9 adjustment QR'000</i>	<i>Change QR'000</i>
Interim consolidated statement of income			
Net investment income	<u>4,699</u>	<u>3,575</u>	<u>(1,124)</u>
Net operating income	<u>29,118</u>	<u>27,994</u>	<u>(1,124)</u>
Profit for the period	<u>13,965</u>	<u>12,841</u>	<u>(1,124)</u>
Profits attributable to shareholders of the parent	<u>13,963</u>	<u>12,839</u>	<u>(1,124)</u>
Basic and diluted earnings per share (QR)	<u>0.49</u>	<u>0.45</u>	<u>(0.04)</u>
Interim consolidated statement of comprehensive income			
Net gain on disposal of investment securities reclassified to the interim consolidated statement of income	<u>(1,124)</u>	<u>-</u>	<u>1,124</u>
Interim consolidated statement of cash flows			
Net gain on disposal of investment securities	<u>1,124</u>	<u>-</u>	<u>(1,124)</u>

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15 COMPARATIVE INFORMATION (CONTINUED)

<i>Description</i>	<i>Reported amount QR'000</i>	<i>Amount after IFRS 9 adjustment QR'000</i>	<i>Change QR'000</i>
Interim consolidated statement of changes in equity			
Fair value reserve 1 January 2017	(11,973)	-	11,973
Fair value OCI reserve 1 January 2017	-	(12,589)	(12,589)
Profit for the period	13,963	12,839	(1,124)
Profit on sale of investment securities	-	1,124	1,124

16 LITIGATIONS AND CLAIMS

One of the clients of brokerage companies has filed a litigation against a subsidiary of the Group and two other third parties claiming damages for misuse of money withdrawn from the trading account of the client. The management is confident that the Company shall not pay any damages on this as all required rules, regulations and procedures relating to issuance of cheques from the Group have been fully complied with.