

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 September 2016

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF DLALA BROKERAGE AND INVESTMENT 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 September 2016, comprising of the interim consolidated statement of financial position as at 30 September 2016 and the related interim consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2016, the related interim consolidated statements of cash flows and interim consolidated statements of changes in equity for the nine-month period then ended, and certain related explanatory notes. 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 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.


Other matters

The consolidated financial statements for the year ended 31 December 2015 and the interim condensed consolidated financial statement for the nine months ended 30 September 2015 were audited and reviewed by other independent auditors whose reports dated on 15 February 2016 and 19 October 2015 expressed an unqualified audit opinion and review conclusion respectively on those financial statements.

Rödl & Partner

Middle East

Certified Public Accountants


Hikmat Mukhaimer, FCCA (UK)
(License No. 297)



Doha – State of Qatar
19 October 2016

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2016

	Notes	30 September 2016 QR'000 (Reviewed)	31 December 2015 QR'000 (Audited)
ASSETS			
Current assets			
Cash and bank balances	3	111,893	147,982
Bank balances – customer funds	4	498,197	504,799
Due from customers		49,992	31,285
Due from Qatar Central Securities Depository (QCSD)		7,651	-
Financial investments - available-for-sale	5	116,549	84,731
Other assets		27,256	30,067
		<u>811,538</u>	<u>798,864</u>
Non-current assets			
Intangible asset	6	168	260
Property and equipment	7	41,979	42,284
		<u>42,147</u>	<u>42,544</u>
TOTAL ASSETS		<u>853,685</u>	<u>841,408</u>
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Due to customers		556,426	510,327
Due to Qatar Central Securities Depository (QCSD)		-	16,694
Other liabilities		27,663	44,963
		<u>584,089</u>	<u>571,984</u>
Non-current liability			
Employees' end of service benefits		4,254	3,985
Total liabilities		<u>588,343</u>	<u>575,969</u>
Equity			
Share capital	8	284,160	284,160
Legal reserve		25,204	25,204
Fair value reserve		(4,791)	(1,952)
(Accumulated losses) Retained earnings		(39,275)	(42,016)
Equity attributable to owners of the parent		<u>265,298</u>	<u>265,396</u>
Non-controlling interests		44	43
Total equity		<u>265,342</u>	<u>265,439</u>
TOTAL LIABILITIES AND EQUITY		<u>853,685</u>	<u>841,408</u>

H.E Sheikh Abdulrahman Bin Hamad Al-Thani
(Chairman)

Dr. Abdulaziz A. Al-Hammadi
(Chief Executive Officer)

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

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

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the nine months ended 30 September 2016

	<i>Notes</i>	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i> <i>2016</i> <i>QR'000</i> <i>(Reviewed)</i>	<i>30 September</i> <i>2015</i> <i>QR'000</i> <i>(Reviewed)</i>	<i>30 September</i> <i>2016</i> <i>QR'000</i> <i>(Reviewed)</i>	<i>30 September</i> <i>2015</i> <i>QR'000</i> <i>(Reviewed)</i>
Brokerage commission income		6,277	7,074	22,739	35,578
Brokerage commission expense		(2,020)	(2,621)	(7,414)	(11,667)
Net brokerage commission income		4,257	4,453	15,325	23,911
Net investment (loss) income		(1,342)	(1,106)	(887)	3,276
Real estate income		72	1,340	3,897	5,325
Interest income		511	300	1,512	944
Net operating income		3,498	4,987	19,847	33,456
Other income		-	6	2,093	51
General and administrative expenses		(5,820)	(5,563)	(17,923)	(19,768)
Depreciation and amortization		(427)	(477)	(1,273)	(1,559)
(Loss) Profit before impairment losses on available-for-sale investments		(2,749)	(1,047)	2,744	12,180
Impairment losses on available-for-sale investments		4,236	(6,074)	(4)	(36,279)
Profit (Loss) for the period		1,487	(7,121)	2,740	(24,099)
Attributable to:					
Owners of the parent		1,487	(7,121)	2,741	(24,098)
Non-controlling interests		-	-	(1)	(1)
		1,487	(7,121)	2,740	(24,099)
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE (QR)	9	0.052	(0.25)	0.096	(0.85)

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

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

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2016

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September 2016 QR'000 (Reviewed)</i>	<i>30 September 2015 QR'000 (Reviewed)</i>	<i>30 September 2016 QR'000 (Reviewed)</i>	<i>30 September 2015 QR'000 (Reviewed)</i>
Profit (Loss) for the period	<u>1,487</u>	<u>(7,121)</u>	<u>2,740</u>	<u>(24,099)</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Net fair value loss on available-for-sale investments	(2,210)	(14,739)	(5,799)	(31,525)
Loss (Gain) on disposal of available-for-sale investments reclassified to the interim consolidated statement of income	1,342	1,105	2,956	(63)
Impairment losses on available-for-sale investments reclassified to the interim consolidated statement of income	<u>(4,236)</u>	<u>6,074</u>	<u>4</u>	<u>36,279</u>
Net other comprehensive (loss) income to be classified to profit or loss in subsequent periods	<u>(5,104)</u>	<u>(7,560)</u>	<u>(2,839)</u>	<u>4,691</u>
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>	-	-	-	-
Total other comprehensive (loss) income for the period	<u>(5,104)</u>	<u>(7,560)</u>	<u>(2,839)</u>	<u>4,691</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(3,617)</u>	<u>(14,681)</u>	<u>(99)</u>	<u>(19,408)</u>
Attributable to:				
Owners of the parent	(3,617)	(14,680)	(98)	(19,407)
Non-controlling interests	<u>-</u>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>
	<u>(3,617)</u>	<u>(14,681)</u>	<u>(99)</u>	<u>(19,408)</u>

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

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

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2016

	<i>Nine months ended 30 September</i>	
Note	<i>2016</i>	<i>2015</i>
	<i>QR'000</i>	<i>QR'000</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
OPERATING ACTIVITIES		
Profit (Loss) for the period	2,740	(24,099)
Adjustments for:		
Impairment loss on available-for-sale investments	4	36,279
Depreciation and amortization	1,273	1,559
Provision for employees' end of service benefits	338	431
Net loss (gain) on disposal of financial investments – available-for sale	2,956	(63)
Interest income	(1,512)	(944)
Profit on disposal of property and equipment	-	(34)
Dividend income	(2,069)	(3,213)
Operating profit before working capital changes	3,730	9,916
Working capital changes:		
Bank balances - customer funds	6,602	174,669
Due from customers	(18,707)	(66,399)
Due from (to) QCSD	(24,345)	53,244
Other assets	3,008	31,597
Due to customers	46,099	(161,936)
Other liabilities	(17,300)	(51,305)
Cash flows used in operations	(913)	(10,214)
Employees' end of service benefits paid	(69)	(109)
Net cash flows used in operating activities	(982)	(10,323)
INVESTING ACTIVITIES		
Proceeds from disposal of available-for-sale investments	162,380	138,266
Purchase of available-for-sale investments	(199,997)	(140,582)
Proceeds from disposal of property and equipment	-	34
Purchase of property and equipment	(876)	(433)
Interest income	1,315	944
Dividend received	2,069	3,213
Movements in the bank deposits maturing after 90 days	7,914	(22,000)
Proceeds from sale of fractional shares arising from bonus issue	-	108
Net cash flows used in investing activities	(27,195)	(20,450)
FINANCING ACTIVITIES		
Contribution by non-controlling interests	2	-
Dividends paid to non-controlling interests	-	(9)
Net cash flows from (used in) financing activities	2	(9)
NET DECREASE IN CASH AND CASH EQUIVALENT	(28,175)	(30,782)
Cash and cash equivalent at 1 January	132,982	162,034
CASH AND CASH EQUIVALENT AT 30 SEPTEMBER	104,807	131,252

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The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2016

	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	Retained Earnings/ (Accumulated Losses) QR '000	Total QR '000		
At 1 January 2015	222,000	24,821	(14,701)	62,388	294,508	57	294,565
Loss for the period	-	-	-	(24,098)	(24,098)	(1)	(24,099)
Other comprehensive income for the period	-	-	4,691	-	4,691	-	4,691
Total comprehensive loss for the period	-	-	4,691	(24,098)	(19,407)	(1)	(19,408)
Bonus shares issued (Note 12)	62,160	-	-	(62,160)	-	-	-
Proceeds from sale of fractional shares arising from bonus issue	-	-	-	108	108	-	108
Dividend paid to non-controlling interests	-	-	-	-	-	(9)	(9)
At 30 September 2015 (Reviewed)	284,160	24,821	(10,010)	(23,762)	275,209	47	275,256
At 1 January 2016	284,160	25,204	(1,952)	(42,016)	265,396	43	265,439
Profit for the period	-	-	-	2,741	2,741	(1)	2,740
Other comprehensive loss for the period	-	-	(2,839)	-	(2,839)	-	(2,839)
Total comprehensive loss for the period	-	-	(2,839)	2,741	(98)	(1)	(99)
Contribution	-	-	-	-	-	2	2
At 30 September 2016 (Reviewed)	284,160	25,204	(4,791)	(39,275)	265,298	44	265,342

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 September 2016

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 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, real estate and in other investment activities.

The interim condensed consolidated financial statements of the Group for the nine months period ended 30 September 2016 were authorised for issue by the Board of Directors on 19 October 2016.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the nine months ended 30 September 2016 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 2015. In addition, the results for the nine months ended 30 September 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

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 30 September 2016</i>	<i>Ownership interest 31 December 2015</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 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 W.L.L. (Dormant)	Qatar	100%	100%

At reporting date, the management has taken required approvals and initiatives to liquidate Dlala Investment Company L.L.C and Dlala International L.L.C which were in dormant status since incorporation.

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 2015, except for the adoption of new standards and interpretations effective as of 1 January 2016.

The following amended accounting standards became effective in 2016 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 2016:

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

<i>Topic</i>	<i>Effective date</i>
IFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to IFRS 11 Joint Arrangement: Accounting for acquisition of interest	1 January 2016
Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortization	1 January 2016
Amendments to IAS 27: Equity method in separate financial statements	1 January 2016
Amendments to IAS 1: Disclosure Initiative	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28: Applying the Consolidation Exception	1 January 2016
Annual Improvement Cycle - 2012-2014	

2.4 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 Company intends to adopt these standards, if applicable, when they become effective.

<i>Topic</i>	<i>Effective date</i>
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to IAS-7 Disclosure initiative	1 January 2017
Amendments to IAS 12- Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
IFRS 16 Leases	1 January 2019

The Group is assessing the impact of implementation of these standards

3 CASH AND CASH EQUIVALENT

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

	<i>30 September 2016 QR'000 (Reviewed)</i>	<i>31 December 2015 QR'000 (Audited)</i>	<i>30 September 2015 QR'000 (Reviewed)</i>
Cash and bank balances	111,893	147,982	153,252
Deposits maturing after 90 days	(7,086)	(15,000)	(22,000)
Cash and cash equivalent	<u>104,807</u>	<u>132,982</u>	<u>131,252</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.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2016

5 FINANCIAL INVESTMENTS – AVAILABLE-FOR-SALE

	30 September 2016 (Reviewed)			31 December 2015 (Audited)		
	Listed QR'000	Unlisted QR'000	Total QR'000	Listed QR'000	Unlisted QR'000	Total QR'000
Shares	106,644	2,303	108,947	75,320	2,196	77,516
Funds	-	7,602	7,602	-	7,215	7,215
Total	106,644	9,905	116,549	75,320	9,411	84,731

6 INTANGIBLE ASSET

	30 September 2016 QR'000 (Reviewed)	31 December 2015 QR'000 (Audited)
<i>Cost:</i>		
At the beginning of the period/year	376	-
Transferred from property and equipment during the period/year (Note 7)	-	376
At the end of the period/year	376	376
<i>Amortization:</i>		
At the beginning of the period/year	116	-
Amortization for the period/year	92	116
At the end of the period/year	208	116
Net carrying amount at the end of the period/year	168	260

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

7 PROPERTY AND EQUIPMENT

	30 September 2016 QR'000 (Reviewed)	31 December 2015 QR'000 (Audited)
<i>Cost:</i>		
At the beginning of the period/year	87,558	87,014
Additions during the period/year	876	1,098
Disposals during the period/year	-	(178)
Transferred to intangible assets during the period/year (Note 6)	-	(376)
At the end of the period/year	88,434	87,558
<i>Accumulated depreciation:</i>		
At the beginning of the period/year	45,274	43,534
Depreciation for the period/year	1,181	1,918
Relating to disposal	-	(178)
At the end of the period/year	46,455	45,274
Net carrying amount at the end of the period/year	41,979	42,284

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 September 2016

8 SHARE CAPITAL

	<i>30 September 2016 QR'000 (Reviewed)</i>	<i>31 December 2015 QR'000 (Audited)</i>
<i>Authorised, issued and fully paid:</i>		
28,416,000 shares of QR10 each	<u>284,160</u>	<u>284,160</u>

The movement in the share capital during the period/year is as follows:

	<i>30 September 2016 (Reviewed)</i>	<i>31 December 2015 (Audited)</i>
<i>Authorised, issued and fully paid:</i>		
Balance at the beginning of the period/year	28,416,000	22,200,000
Add: Bonus shares issued during the period/year (Note 12)	<u>-</u>	<u>6,216,000</u>
Balance at the end of the period/year:	<u>28,416,000</u>	<u>28,416,000</u>

9 BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

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

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September 2016 (Reviewed)</i>	<i>30 September 2015 (Reviewed)</i>	<i>30 September 2016 (Reviewed)</i>	<i>30 September 2015 (Reviewed)</i>
Profit (Loss) for the period attributable to owners of the parent (QR'000)	<u>1,487</u>	<u>(7,121)</u>	<u>2,741</u>	<u>(24,098)</u>
Weighted average number of shares outstanding during the period (in thousands)	<u>28,416</u>	<u>28,416</u>	<u>28,416</u>	<u>28,416</u>
Basic and diluted earnings (loss) per share (QR)	<u>0.052</u>	<u>(0.25)</u>	<u>0.096</u>	<u>(0.85)</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

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

	<i>30 September 2016 QR'000 (Reviewed)</i>	<i>31 December 2015 QR'000 (Audited)</i>
Letters of guarantee	<u>225,000</u>	<u>225,000</u>

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2016

10 COMMITMENTS AND CONTINGENCIES (CONTINUED)

	<i>30 September 2016 QR'000 (Reviewed)</i>	<i>31 December 2015 QR'000 (Audited)</i>
Capital commitments		
Capital commitments	<u>2,738</u>	<u>6,118</u>

Operating lease commitments

Future minimum rental payable under non-cancellable operating lease for the period/year are as follows:

	<i>30 September 2016 QR'000 (Reviewed)</i>	<i>31 December 2015 QR'000 (Audited)</i>
Within one year	243	356
After one year but not more than three years	<u>55</u>	<u>298</u>
	<u>298</u>	<u>654</u>

11 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>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September 2016 QR'000 (Reviewed)</i>	<i>30 September 2015 QR'000 (Reviewed)</i>	<i>30 September 2016 QR'000 (Reviewed)</i>	<i>30 September 2015 QR'000 (Reviewed)</i>
Brokerage and commission income (Board of Directors)	<u>44</u>	<u>476</u>	<u>824</u>	<u>1,156</u>

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

	<i>30 September 2016</i>		<i>31 December 2015</i>	
	<i>Receivables QR'000 (Reviewed)</i>	<i>Payables QR'000 (Reviewed)</i>	<i>Receivables QR'000 (Reviewed)</i>	<i>Payables QR'000 (Reviewed)</i>
Key management personnel	<u>-</u>	<u>409</u>	<u>-</u>	<u>3,555</u>

The above payables to key management personnel are included under due to customer balances.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2016

11 RELATED PARTY DISCLOSURES (CONTINUED)

Terms and conditions of transactions with related parties

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

Compensation of key management personnel

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

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30</i>	<i>30</i>	<i>30</i>	<i>30</i>
	<i>September</i>	<i>September</i>	<i>September</i>	<i>September</i>
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Salaries, short-term benefits and commission	559	549	1,644	1,588
Pension benefits	29	5	76	14
	<u>588</u>	<u>554</u>	<u>1,720</u>	<u>1,602</u>

12 DIVIDENDS DECLARED

No dividends were declared and paid during the current financial period. (2015: At the Extra Ordinary General Assembly held on 7 April 2015, the shareholders approved a bonus share issue of 28 shares for every 100 shares held at 31 December 2014 total amounting to QR 62,160 thousand).

13 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 – represents the Holding Company, which provides corporate services to the subsidiaries in 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. 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 and profit information regarding the Group's operating segments for the nine months ended 30 September 2016 and 2015, respectively.

<i>Nine months ended</i>	<i>Stock</i>	<i>Real</i>	<i>IT and</i>	<i>Others</i>	<i>Elimination</i>	<i>Total</i>
<i>30 September 2016 (Reviewed)</i>	<i>Broking</i>	<i>Estate</i>	<i>International</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Net brokerage commission income	15,325	-	-	-	-	15,325
Others (*)	(4,372)	6,713	2	4,678	(2,499)	4,522
Segment revenue	<u>10,953</u>	<u>6,713</u>	<u>2</u>	<u>4,678</u>	<u>(2,499)</u>	<u>19,847</u>
Segment (loss) profit	<u>(4,635)</u>	<u>3,234</u>	<u>(33)</u>	<u>4,174</u>	<u>-</u>	<u>2,740</u>
Depreciation and amortization	<u>122</u>	<u>562</u>	<u>-</u>	<u>589</u>	<u>-</u>	<u>1,273</u>

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13 SEGMENT INFORMATION (CONTINUED)

<i>Nine months ended 30 September 2015 (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 commission income	23,911	-	-	-	-	23,911
Others	2,091	8,075	1	65,869	(66,491)	9,545
Segment revenue	26,002	8,075	1	65,869	(66,491)	33,456
Segment profit (loss)	(7,316)	3,788	(43)	43,463	(63,991)	(24,099)
Depreciation	145	611	-	803	-	1,559

(*) Others include investment profit (loss) and interest revenue for the period.

The following table presents the segment assets and liabilities:

<i>At 30 September 2016 (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>
Segment assets	696,942	82,076	16,024	320,100	(261,457)	853,685
Segment liabilities	559,645	9,287	124	46,634	(27,347)	588,343

<i>At 31 December 2015 (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>
Segment assets	666,339	93,362	16,057	307,642	(241,992)	841,408
Segment liabilities	533,386	23,807	115	36,660	(17,999)	575,969

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 bank balances, bank balance-customer funds, due from customers, due from QCSD and available-for-sale investments. Financial liabilities consist of due to customers, due to QCSD and other liabilities.

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 September 2016, the following table shows an analysis of financial instruments recorded at fair value by level of fair value hierarchy:

	<i>Total</i> <i>QR'000</i>	<i>Level 1</i> <i>QR'000</i>	<i>Level 2</i> <i>QR'000</i>	<i>Level 3</i> <i>QR'000</i>
<i>At 30 September 2016 (Reviewed)</i>				
Available-for-sale investments	<u>114,246</u>	<u>106,644</u>	<u>7,602</u>	<u>-</u>
	<i>Total</i> <i>QR'000</i>	<i>Level 1</i> <i>QR'000</i>	<i>Level 2</i> <i>QR'000</i>	<i>Level 3</i> <i>QR'000</i>
<i>At 31 December 2015 (Audited)</i>				
Available-for-sale investments	<u>82,535</u>	<u>75,320</u>	<u>7,215</u>	<u>-</u>

During the period ended 30 September 2016, 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 (2015: Nil).

15 COMPARATIVE INFORMATION

Comparative information has been reclassified as necessary to comply with current period's presentation and to improve the quality of information presented. However, such reclassifications do not affect the previously reported profits (losses) or equity.