

DLALA BROKERAGE AND INVESTMENTS
HOLDING COMPANY (QSC)
DOHA - QATAR

INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD
ENDED MARCH 31, 2006
TOGETHER WITH ACCOUNTANT'S REVIEW
REPORT

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)
DOHA - QATAR
MARCH 31, 2006

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QR. 30439

ACCOUNTANTS' REVIEW REPORT

To The Board of Directors

Dlala Brokerage and Investments Holding Company (QSC)

Doha - Qatar

We have reviewed the accompanying interim consolidated balance sheet of **Dlala Brokerage and Investments Holding Company (QSC)**, as of March 31, 2006 and the related interim consolidated statements of income, changes in shareholders' equity and cash flows for the three month period then ended. These interim consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with **International Standard on Review Engagements 2400**. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim consolidated financial statements are free of material misstatement. A review is limited primarily to inquiries of Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements are not presented fairly, in all material respects, in accordance with **International Accounting Standard-34 Interim Financial Reporting**".

For Deloitte & Touche

**Doha - Qatar
April 19, 2006**

**Samer Jaghoub
License No. 88**

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)
DOHA - QATAR

INTERIM CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2006

<u>ASSETS</u>	Note	March 31, 2006 (Reviewed)	December 31, 2005 (Reviewed)
	-----	-----	-----
		QR.	QR.
Assets:			
Cash on hand and at banks		179,342,691	158,041,432
Due from a related party		20,000	20,000
Prepayments and other debit balances		5,229,158	4,673,194
		-----	-----
Total Current Assets		184,591,849	162,734,626
Available-for-Sale Investments		56,542,284	31,113,497
Properties and Equipments	4	15,922,368	11,904,870
		-----	-----
Total Assets		257,056,501	205,752,993
		=====	=====
 <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Liabilities:			
Current Liabilities:			
Accounts payable		58,910,266	5,748,435
Accruals and other credit balances		423,910	357,397
		-----	-----
Total Current Liabilities		59,334,176	6,105,832
		-----	-----
Shareholders' Equity:			
Share capital	5	200,000,000	200,000,000
Legal reserve	7	628,047	516,380
Fair value reserve		(4,912,042)	(1,870,533)
Retained earnings		2,006,320	1,001,314
		-----	-----
Total Shareholders' Equity		197,722,325	199,647,161
		-----	-----
Total Liabilities and Shareholders' Equity		257,056,501	205,752,993
		=====	=====

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

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)
DOHA - QATAR

INTERIM CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2006

		<u>For the Three Month</u> <u>Period Ended</u> <u>March 31, 2006</u> <u>(Reviewed)</u>	<u>For the Period from</u> <u>May 24, 2005</u> <u>(Date of Incorporation)</u> <u>to March 31, 2006</u> <u>(Reviewed)</u>
	<u>Note</u>	<u>QR.</u>	<u>QR.</u>
Revenue:			
Commission income		8,207,834	8,207,834
Commission expense		(2,991,064)	(2,991,064)
		-----	-----
Commission Income, Net		5,216,770	5,216,770
Income from deposits		1,290,175	4,598,144
Profit on sale of available-for-sale investments		1,456,783	3,150,155
		-----	-----
Total Income		7,963,728	12,965,069
		-----	-----
Expenses:			
General and administrative expenses	6	(6,847,055)	(10,735,825)
		-----	-----
Net Income for the Period		1,116,673	2,229,244
		=====	=====

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DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)
DOHA - QATAR

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2006

	Note	Share Capital	Legal Reserve	Fair Value Reserve	Retained Earnings	Total
	-----	-----	-----	-----	-----	-----
		QR.	QR.	QR.	QR.	QR.
Balance – May 24, 2005		200,000,000	--	--	--	200,000,000
Net income for the period		--	--	--	1,112,571	1,112,571
Transfer to legal reserve		--	111,257	--	(111,257)	--
Surplus from issuance fees	8	--	405,123	--	--	405,123
Net movement in fair value reserve		--	--	(1,870,533)	--	(1,870,533)
		-----	-----	-----	-----	-----
Balance – December 31, 2005		200,000,000	516,380	(1,870,533)	1,001,314	199,647,161
Net income for the period		--	--	1,116,673	1,116,673	--
Transfer to legal reserve		--	111,667	--	(111,667)	--
Net movement in fair value reserve		--	--	(3,041,509)	--	(3,041,509)
		-----	-----	-----	-----	-----
Balance – March 31, 2006		200,000,000	628,047	(4,912,042)	2,006,320	197,722,325
		=====	=====	=====	=====	=====

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

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)
DOHA - QATAR

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2006

	<u>For the Three Month</u> <u>Period Ended</u> <u>March 31, 2006</u> <u>(Reviewed)</u> <u>QR.</u>	<u>For The Period from</u> <u>May 24, 2005 (Date</u> <u>of Incorporation) to</u> <u>March 31, 2006</u> <u>(Reviewed)</u> <u>QR.</u>
<u>Cash Flows from Operating Activities:</u>		
Net income for the period	1,116,673	2,229,244
Adjustments for:		
Depreciation of properties and equipment	775,603	1,016,326
Surplus from issuance fees	--	405,123
	-----	-----
	1,892,276	3,650,693
Prepayments and other debit balances	(555,964)	(5,229,158)
Available for sale investments	(28,470,296)	(61,454,326)
Due from a related party	--	(20,000)
Accounts payable	53,161,831	58,910,266
Accruals and other credit balances	66,513	423,910
	-----	-----
Net Cash From (Used in) Operating Activities	26,094,360	(3,718,615)
	-----	-----
<u>Cash Flows from Investing Activities:</u>		
Acquisition of Properties and Equipments	(4,793,101)	(16,938,694)
	-----	-----
Net Cash Used in Investing Activities	(4,793,101)	(16,938,694)
	-----	-----
<u>Cash Flows from Financing Activities:</u>		
Capital contribution	--	200,000,000
	-----	-----
Net Cash From Financing Activities	--	200,000,000
	-----	-----
Net increase in cash and banks	21,301,259	179,342,691
Cash on hand and at banks – beginning of the period	158,041,432	--
	-----	-----
Cash on Hand and at Bank Balances - End of the Period	179,342,691	179,342,691
	=====	=====

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

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)
DOHA – QATAR

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2006

1. Status and Activities:

Dlala Brokerage and Investments Holding 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 establishing financial brokerage companies including Islamic brokerage investments funds. It owns shares and portions of companies and participates in managing subsidiaries and fulfils needed support.

2. Adoption of New and Revised International Reporting Standards:

The Company adopted all of new and revised Standards issued by the international Accounting Financial Reporting Standards Board (the IASB) that are relevant to its operations.

3. Significant Accounting Policies:

[a] The Interim consolidated financial statements of the company have been prepared in accordance with **International Accounting Standard-34 “Interim Financial Reporting”**.

[b] The Interim consolidated financial statements have been prepared under the historical cost convention except for the measurement at fair value of available for sale investments.

[c] **Basis of Consolidation:**

The interim consolidated financial statement of the company includes the financial statements of the company and its subsidiaries.

[d] **Subsidiary Companies:**

A subsidiary is where the parent company has the power to govern the financial and operating policies of it so as to obtain benefits from its activities. Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with those used with the parent company. All transactions and account balances between parent company and its subsidiaries are eliminated on consolidation.

[e] **Cash on Hand and at Banks Balances:**

This represents cash on hand, current bank balances and bank deposits which mature within less than 90 days.

[f] Properties and Equipment:

Properties and equipments are stated at cost less accumulated depreciation. Depreciation is computed following the straight-line method over the estimated useful lives of the related property and equipment.

Furniture and Fixture	10%
Computer and softwares	33.33%
Office equipment	20%
Vehicles	20%
Leasehold Improvement	20%

[g] Foreign Currency:

Transactions in foreign currencies are recorded in Qatari Riyals at the rates of exchange prevailing at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the period are translated into Qatari Riyals at the rates of exchange ruling at that date, and the resultant gains or losses are included in the statement of income.

[h] Provisions:

Provisions are recognised when the Company has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

[i] Available-for-Sale Investments:

- i. Available-for-sale investments are initially measured at cost. After initial recognition, investments which are classified as “available-for-sale” are re-measured at fair value. The unrealised gains and losses on re-measurement to fair value are reported as a separate component of equity until the investments is sold, collected or otherwise disposed of, or the investments is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the statement of income.
- ii. The fair value of unquoted investments cannot be reliably measured due to the nature of their cash flows. These investments are therefore recorded at cost less any provision for impairment.

[j] **Financial Instruments:**

Financial Assets

The Company's principal financial assets include banks balances and cash, available for sale investments and other debit balances. The financial assets are stated at their nominal value except for available-for-sale investments which are stated at fair value.

Financial Liabilities

Significant financial liabilities include accounts payable and accruals and other credit balances, which are stated at their nominal value.

4) Property and Equipment

	Leasehold Improvement	Furniture and Fixture	Computers and Software	Office Equipments	Vehicles	Work in Progress	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Cost:							
As of January 1, 2006	--	995,063	10,821,015	159,815	36,000	133,700	12,145,593
Acquisitions	78,888	431,465	4,084,979	101,769	96,000	--	4,793,101
Transfer	--	--	133,700	--	--	(133,700)	--
As of March 31, 2006	78,888	1,426,528	15,039,694	261,584	132,000	--	16,938,694
Depreciation:							
As of January 1, 2006	--	60,609	176,955	909	2,250	--	240,723
Charge for the period	3,948	35,077	721,707	9,871	5,000	--	775,603
As of March 31, 2006	3,948	95,686	898,662	10,780	7,250	--	1,016,326
Net book value:							
As of March 31, 2006 (reviewed)	74,940	1,330,842	14,141,032	250,804	124,750	--	15,922,368
As of December 31, 2005 (reviewed)	--	934,454	10,644,060	158,906	33,750	133,700	11,904,870
Rates of depreciation	20%	10%	33.33%	20%	20%		

5. Share Capital:

	March 31, 2006 (Reviewed)	December 31, 2005 (Reviewed)
	----- QR.	----- QR.
Share capital consists of:		
(20,000,000 shares of QR.10 each issued and fully paid)	200,000,000 =====	200,000,000 =====

6. General and Administrative Expenses:

	<u>For the Three Month Period Ended March 31, 2006</u>	<u>For The Period from May 24, 2005 (Date of Incorporation) to March 31, 2006</u>
	QR.	QR.
Staff cost	3,036,930	4,315,041
Consultant and training expenses	483,822	769,287
DSM Membership fee and rental	65,533	349,782
Rent expenses	498,817	1,110,619
Printing and stationery	479,275	980,738
Depreciation	775,603	1,016,326
Advertising expenses	246,740	270,860
Telephone and fax expenses	411,827	500,060
Bank charges	292,023	292,023
Travel expenses	124,376	207,302
Insurance expenses	113,880	113,880
Training expenses	46,086	64,336
Maintenance expenses	155,504	241,676
Miscellaneous expenses	116,639	503,895
	-----	-----
Total	6,847,055	10,735,825
	=====	=====

7. Legal Reserve:

In accordance with the Qatar Commercial Companies' Law No. 5 of 2002, 10% of net income for the year / period is to be transferred to legal reserve. This annual transfer may cease when the reserve equals 50% of the paid up capital and must be maintained at the minimum of 50% of paid up capital. This reserve is not available for distribution except in circumstances specified in the Qatar Commercial Companies Law.

The surplus from issuance fees have been transferred to legal reserve.

8. Pre-Operating Expenses / Issuance Fees:

Issuance fees representing 2% of share capital was used to cover certain pre-operating expenses and subscription expenses. The extra amounts received from the shareholders have been transferred to legal reserve.