

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

CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE PERIOD
ENDED SEPTEMBER 30, 2006

DLALA BROKERAGE AND INVESTMENTS HOLDING COMPANY (QSC)
DOHA - QATAR
SEPTEMBER 30, 2006

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

INTERIM CONSOLIDATED BALANCE SHEET
AS OF SEPTEMBER 30, 2006

<u>ASSETS</u>	<u>Note</u>	<u>September 30,</u> <u>2006</u> <u>(Reviewed)</u> <u>QR.</u>	<u>December 31,</u> <u>2005</u> <u>(Reviewed)</u> <u>QR.</u>
Current Assets:			
Cash on hand and at banks		281,226,614	158,041,432
Due from a related party		--	20,000
Prepayments and other debit balances		3,542,682	4,673,194
		-----	-----
Total Current Assets		284,769,296	162,734,626
		-----	-----
Non-Current Assets:			
Available-for-sale investments		45,798,342	31,113,497
Properties and equipment	3	19,348,152	11,904,870
		-----	-----
Total Non-Current Assets		65,146,494	43,018,367
		-----	-----
Total Assets		349,915,790	205,752,993
		=====	=====
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Liabilities:			
Current Liabilities:			
Customers' accounts		151,083,106	--
Accounts payable		2,206,893	5,748,435
Accruals and other credit balances		1,977,963	357,397
		-----	-----
Total Current Liabilities		155,267,962	6,105,832
		-----	-----
Shareholders' Equity:			
Share capital	4	200,000,000	200,000,000
Legal reserve	5	1,812,858	516,380
Fair value reserve		(19,834,655)	(1,870,533)
Retained earnings		12,669,625	1,001,314
		-----	-----
Net Shareholders' Equity		194,647,828	199,647,161
		-----	-----
Total Liabilities and Shareholders' Equity		349,915,790	205,752,993
		=====	=====

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

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

INTERIM CONSOLIDATED STATEMENT OF INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2006

	<u>Note</u>	<u>For the Period</u> <u>From July 1, 2006</u> <u>to September 30,</u> <u>2006</u> <u>Three Months</u> <u>(Reviewed)</u> <u>QR.</u>	<u>For the Period from</u> <u>January 1, 2006 to</u> <u>September 30,</u> <u>2006</u> <u>Nine Months</u> <u>(Reviewed)</u> <u>QR.</u>	<u>For the Period from May</u> <u>24, 2005</u> <u>(Date of Incorporation) to</u> <u>September 30,</u> <u>2006</u> <u>(Reviewed)</u> <u>QR.</u>
Revenue:				
Brokerage and commission income		29,067,016	55,803,327	55,803,327
Brokerage and commission expense		(12,599,245)	(22,479,119)	(22,479,119)
Brokerage and Commission Income, Net		16,467,771	33,324,208	33,324,208
Interest income and others		2,455,667	5,701,116	9,009,085
Profit on sale of available-for-sale investments		632,406	2,651,380	4,344,751
Total Income		19,555,844	41,676,704	46,678,044
Expenses:				
General and administrative expenses	6	(11,147,412)	(26,955,860)	(30,844,629)
Additional expenses for listing purposes		(431,865)	(1,756,055)	(1,756,055)
Net Income for the Period		7,976,567	12,964,789	14,077,360
Weighted average number of ordinary shares outstanding during the period		20,000,000	20,000,000	20,000,000
Basic earning per share (expression in QR. per share)		0.40	0.65	0.70

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2006

Note	Share Capital	Legal Reserve	Fair Value Reserve	Retained Earnings	Total
-----	-----	-----	-----	-----	-----
	QR.	QR.	QR.	QR.	QR.
Balance – May 24, 2005 (Date of Incorporation)	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	7	405,123	--	--	405,123
Net movement in fair value reserve	--	--	(1,870,533)	--	(1,870,533)
	-----	-----	-----	-----	-----
Balance – December 31, 2005 (Reviewed)	200,000,000	516,380	(1,870,533)	1,001,314	199,647,161
Net income for the period	--	--	--	12,964,789	12,964,789
Transfer to legal reserve	--	1,296,478	--	(1,296,478)	--
Net movement in fair value reserve	--	--	(17,964,122)	--	(17,964,122)
	-----	-----	-----	-----	-----
Balance – September 30, 2006 (Reviewed)	200,000,000	1,812,858	(19,834,655)	12,669,625	194,647,828
	=====	=====	=====	=====	=====

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

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

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30, 2006

	<u>For the Period from</u> <u>January 1, 2006 to</u> <u>September 30, 2006</u> <u>(Reviewed)</u> QR.	<u>For The</u> <u>Period from</u> <u>May 24, 2005</u> <u>(Date of Incorporation)</u> <u>to September 30, 2006</u> <u>(Reviewed)</u> QR.
<u>Cash Flows from Operating Activities:</u>		
Net income for the period	12,964,789	14,077,360
Adjustments for:		
Depreciation of properties and equipments	2,826,756	3,067,479
	-----	-----
	15,791,545	17,144,839
Prepayments and other debit balances	1,130,512	(3,542,682)
Due from a related party	20,000	--
Customers accounts	151,083,106	151,083,106
Accounts payable	(3,541,542)	2,206,893
Accruals and other credit balances	1,620,566	1,977,963
	-----	-----
Net Cash Flow From Operating Activities	166,104,187	168,870,119
	-----	-----
<u>Cash Flows from Investing Activities:</u>		
Purchase of properties and equipments	(10,270,038)	(22,415,631)
Available-for-sale investments	(32,648,967)	(65,632,997)
	-----	-----
Cash Used in Investing Activities	(42,919,005)	(88,048,628)
	-----	-----
<u>Cash Flows from Financing Activities:</u>		
Capital contribution	--	200,000,000
Surplus from issuance fees	--	405,123
	-----	-----
Cash Flow From Financing Activities	--	200,405,123
	-----	-----
Net increase in cash on hand and at banks	123,185,182	281,226,614
Cash on hand and at banks – beginning of the period	158,041,432	--
	-----	-----
Cash on Hand and at Banks – End of the Period	281,226,614	281,226,614
	=====	=====

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 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. 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 the subsidiary 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:**

This represents cash on hand, current bank balances and bank deposits which mature within 90 days from the date of the balance sheet.

[f] Properties and Equipment:

Properties and equipment 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 are sold, collected or otherwise disposed of, or the investments are 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.

3. Properties and Equipment:

	<u>Leasehold Improvements</u> QR.	<u>Furniture and Fixture</u> QR.	<u>Computers and Software</u> QR.	<u>Office Equipments</u> QR.	<u>Vehicles</u> QR.	<u>Work in Progress</u> QR.	<u>Total</u> QR.
Cost:							
As of January 1, 2006	--	995,063	10,821,015	159,815	36,000	133,700	12,145,593
Additions	156,406	556,533	7,685,625	470,333	96,000	1,305,141	10,270,038
Transfer	--	--	133,700	--	--	(133,700)	--
	-----	-----	-----	-----	-----	-----	-----
As of September 30, 2006	156,406	1,551,596	18,640,340	630,148	132,000	1,305,141	22,415,631
	-----	-----	-----	-----	-----	-----	-----
Depreciation:							
As of January 1, 2006	--	60,609	176,955	909	2,250	--	240,723
Charge for the period	18,855	109,868	2,621,449	58,384	18,200	--	2,826,756
	-----	-----	-----	-----	-----	-----	-----
As of September 30, 2006	18,855	170,477	2,798,404	59,293	20,450	--	3,067,479
	-----	-----	-----	-----	-----	-----	-----
Net book value:							
As of September 30, 2006 (Reviewed)	<u>137,551</u>	<u>1,381,119</u>	<u>15,841,936</u>	<u>570,855</u>	<u>111,550</u>	<u>1,305,141</u>	<u>19,348,152</u>
Rates of depreciation	20%	10%	33.33%	20%	20%	--	

4. Share Capital:

	<u>September 30,</u> <u>2006</u> <u>(Reviewed)</u> <u>QR.</u>	<u>December 31,</u> <u>2005</u> <u>(Reviewed)</u> <u>QR.</u>
Share capital consists of:		
(20,000,000 shares of QR.10 each issued and fully paid)	200,000,000 =====	200,000,000 =====

5. Legal Reserve:

- In accordance with the Qatar Commercial Companies' Law No. 5 of 2002, 10% of net income for the 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.

6. General and Administrative Expenses:

	<u>For the Period from</u> <u>July 1, 2006 to</u> <u>September 30, 2006</u> <u>Three Months</u> <u>(Reviewed)</u> <u>QR.</u>	<u>For the Period from</u> <u>January 1, 2006 to</u> <u>September 30, 2006</u> <u>Nine Months</u> <u>(Reviewed)</u> <u>QR.</u>	<u>For the Period from</u> <u>May 24, 2005</u> <u>(Date of Incorporation)</u> <u>to September 30,</u> <u>2006</u> <u>(Reviewed)</u> <u>QR.</u>
Staff cost	5,287,606	12,356,122	13,659,233
Consultant and training expenses	790,108	1,995,743	2,281,208
DSM Membership fee and rental	55,752	177,037	177,037
Rent expenses	1,025,124	2,430,484	2,822,002
Printing and stationery	384,488	1,485,848	2,021,499
Depreciation	1,158,073	2,890,507	3,131,230
Advertising expenses	252,554	953,689	1,221,492
Telephone and fax expenses	502,259	1,181,313	1,274,078
Travel expenses	81,870	357,701	440,627
Insurance expenses	122,817	347,175	347,175
Training expenses	61,537	129,070	147,321
Maintenance expenses	349,039	599,508	687,281
Governmental expenses	44,626	99,131	383,380
Bank charges	803,059	1,532,354	1,576,414
Miscellaneous expenses	228,500	420,178	674,652
Total	11,147,412 =====	26,955,860 =====	30,844,629 =====

7. Pre-Operating Expenses / Issuance Fees:

Issuance fees representing 2% of share capital was used to cover certain pre-operating expenses and subscription expenses. The surplus has been transferred to legal reserve.

8. Contingent Liabilities:

	<u>September 30,</u> <u>2006</u> <u>(Reviewed)</u> <u>QR.</u>	<u>December 31,</u> <u>2005</u> <u>(Reviewed)</u> <u>QR.</u>
Commitments to banks against letters of guarantee	155,000,000 =====	155,000,000 =====