

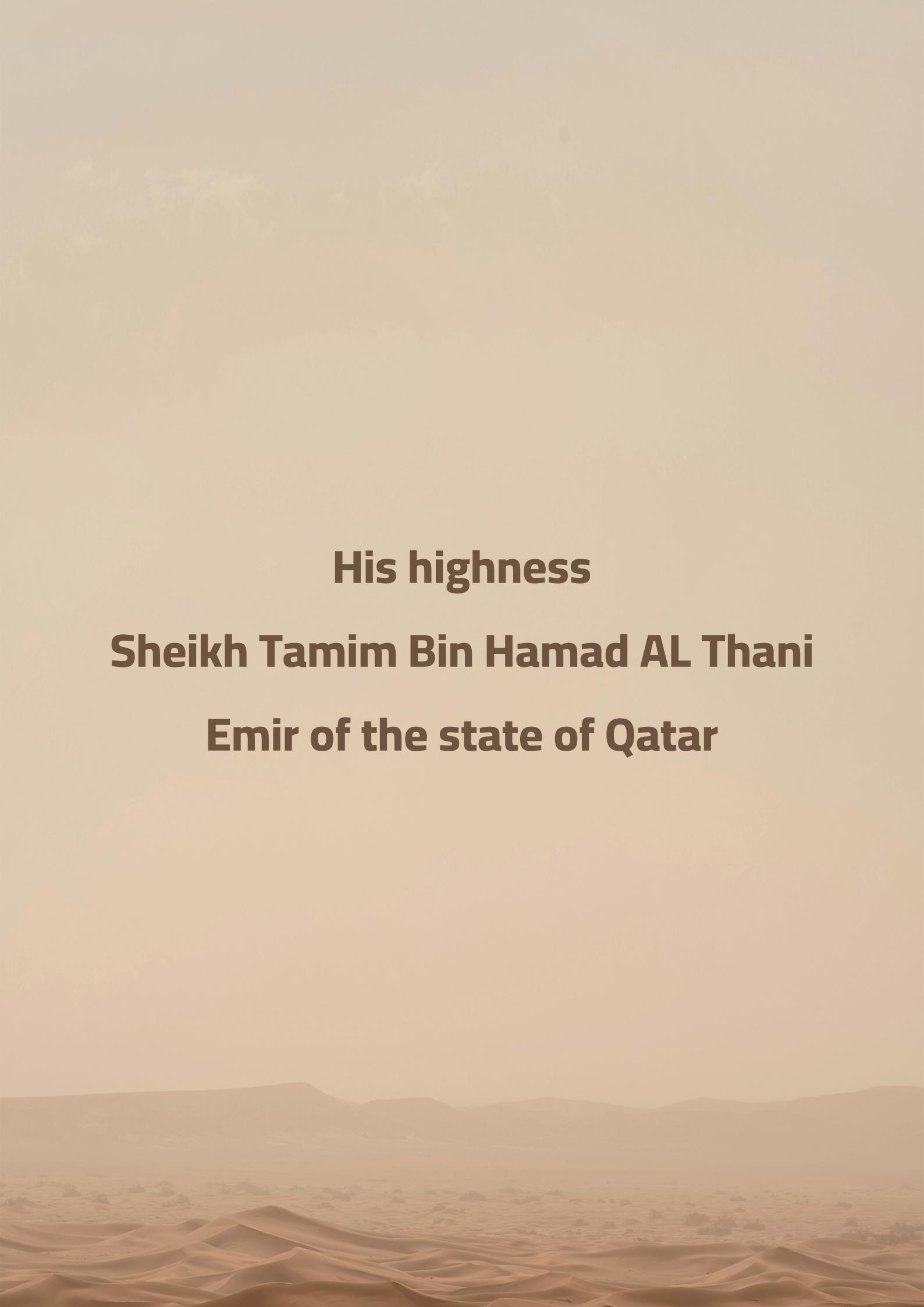


دلالا القابضة  
DLALA HOLDING

# Annual Report

2020

23

The background of the entire image is a soft, hazy landscape. In the foreground, there are numerous sand dunes with gentle curves. Further back, several low, rounded hills or mountains are visible through the haze. The sky above is a uniform, pale yellowish-tan color.

**His highness**

**Sheikh Tamim Bin Hamad AL Thani**

**Emir of the state of Qatar**





دلالة القابضة

DLALA HOLDING

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**Mission, Vision, And an overview of the company**



دلال القابضة  
DLALA HOLDING

## Group dynamics

### Dlala Holding (Q.S.C)

- Dlala Brokerage and Investment Holding Company (Q.S.C.) was established in May 2005. In September 2005, the Company became the first non-banking financial organization to be listed on Qatar Exchange (QE) under code (DBIS) in order to provide brokerage services to investors in equity markets.
- Dlala Holding later went on to establish both Dlala Brokerage Company (W.L.L.) and Dlala Islamic Brokerage Company (W.L.L.). Both companies commenced operations in January 2006 and are registered on QE.
- In a short span of time, Dlala Holding has managed to win the confidence of local and regional investors in QE, thanks to its expertise and experience in brokerage and investment. The investors' growing confidence is adequately reflected in the evolution of the Company's operations. Today the Company's ultimate aim is to help investors to make the most appropriate investment decisions.
- In 2009, Dlala established its real estate investment arm – Dlala Real Estate - to provide different services in real estate business in Qatar such as property management, real estate brokerage, real estate development and real estate evaluation.
- Dlala's current board of directors consists of nine members four of them representing government organizations. They are: Pension Fund of the General Retirement & Social Insurance Authority; Qatar Foundation for Education, Science and Community Development; Education and Health Fund – Ministry of Finance and Investment Fund of Qatar Amred Forces. Dlala Holding's board of directors oversee the strategic administration of all its activities and ensures its conformity with the business practices of leading national organizations.

### Mission

- To exceed our customers' expectations for quality, trustworthy service and professional excellence by delivering exceptional value and maintaining the highest standards of ethics and professional integrity.
- To employ skilled and experienced professionals, who take pride in working closely as a team as well as with our clients and business partners.
- To pursue technical innovation and growth and ensure compliance with the best practices in order to add more value to our customers and create successful opportunities for our stakeholders.
- To foster a business environment that encourages professional and financial growth.
- To ensure continuous improvement and transparency by adopting the best management practices.
- To provide reasonable and sustainable returns to our shareholders.
- To be a responsible corporate citizen.

### Vision

- We strive to adopt the best global business practices within our regional and local cultures; are committed to employ the right mix of business expertise, professional experts and automated solutions and are determined to serve our customers in an environment that adheres to the highest ethical standards.
- We aim to be recognized as the best brokerage house in Qatar, and aspire to be a fully integrated investment entity that would re-engineer the regional investment scene.

# Board of Directors



**Nasser Mohammed Al Sulaiti**

Vice Chairman

Managing Director



**Thani Abdul Rahman Al Kuwari**

Chairman

# **Members of B.O.D**



**Abdulaziz Ali Al Hammad**  
**Board Member**



**Khaled Saud Khaled Al Thani**  
**Board Member**



**Farhoud hadi al hajri**  
**Board Member**



**Sultan Ibrahim Al Kuwari**  
**Board Member**



**Ali Hussein Ibrahim**  
**Board Member**



A Summary of the Board of Directors'  
Report on the Financial Year Ended at  
**31 /12 / 2023**



**In the Name of Allah Most Gracious Most Merciful**  
**Honorable shareholders,**

**Peace and Allah's Mercy and Blessings be upon you,**

- I am pleased on my behalf and on behalf of Dlala Brokerage and Investment's Board of Directors to present the Annual Report of the Company's activities and results of its work during the financial year ended on the 31st of December, 2023 AD.
- In the second quarter of 2023, the current Board assumed responsibility for managing the Company. During this short period, it managed to reorder the internal issues in the Company and correct its course in order to support the Company's activities, activate the internal control tools, and improve the operational processes.
- From the first day of assuming responsibility, the Board was keen on correcting all the previous mistakes that caused large losses incurred by the Company in the previous year and avoiding making the same mistakes. In addition, the Board followed up on all pending cases of previous operational activities to restore the shareholders' rights and safekeep of the Company's assets, as well as activate all policies, procedures and controls that contribute to safeguarding the Company's business.
- In 2023, we carried out an internal restructuring of the company, developed the infrastructure, and paid attention to internal control. Furthermore, many comments that had previously existed were closed. In addition, the Company won several cases that were related to the Company's previous activities.

**Financial Results:**

- As for the Company's financial performance, I am pleased to announce that Dlala Holding Company managed to make excellent profits supported by all of the Company's operational activities. During 2023, the Company's net profits reached 2.1 million Qatari riyals, while in the previous year, the Company's loss reached 36.4 million riyals and the earnings per share reached 0.01 Qatari riyals.

**Future Plans:**

- Our goal in Dlala Holding is to continue the success that we achieved last year in addition to making more achievements through diversifying the Company's investments and developing a clear strategic plan that

shapes the future of the company and charts the course that the company will follow in the coming period in order to achieve the greatest returns for shareholders.

**Governance Report:**

- The Company prepared a detailed report on the Company's Governance that covers the financial year from the 1st of January to the 31st of December 2023 according to the requirements of the Governance Code for Companies listed in the Financial Markets issued by the Qatar Financial Markets Authority which was printed to inform the shareholders and it was also posted on the Company's website.
- Honorable shareholders: In Dlala Brokerage and Investment Holding Company, we work to effectively contribute to developing and improving the Company's assets to achieve the best returns for shareholders and for the Company to be a significant part in the development and progress system in the State of Qatar in addition to contributing adequately to achieving the Qatar National Vision 2030 to which we all aspire.
- Finally, I take this opportunity to raise, in the name of all of you and of the employees of "Dlala Holding Company" and its Board of Directors, the highest expressions of gratitude to His Highness Sheikh/ Tamim bin Hamad bin Khalifa Al Thani, the Emir of Qatar, may Allah bless and protect him, for his insightful vision and wise policy he pursues to develop the economy of the State of Qatar and its advancement in all fields.
- On behalf of the Board of Directors, I extend my sincere thanks and appreciation to the respected shareholders and our customers for their trust and support, and we hope to be worthy of their trust and meet you again when the Company achieves further success and goals.
- The Board also extends thanks to all "Dlala" employees for their sincere efforts, dedication, and constant eagerness to achieve the Company's goals and the interests of its customers.
- Peace and Allah's mercy and Blessings be upon you,

**Dr. Thani Abdul Rahman Al-Kuwari**

**Chairman of the Board of Directors**



## **Service channels**



## Mission

- Dlala Brokerage Company (W.L.L.) is determined to be recognized as a pioneer in the brokerage sector by helping investors to make timely and appropriate investment decisions, observing the highest ethical and professional standards and, delivering the expectations of our customers.
- We strive to ensure ‘total satisfaction’ for our customers and employees and aim to provide our customers with the most modern means of trading, that utilises the latest state-of-the-art e-trading methods, both online and through our call centre. We are committed to provide our investors with the best possible service, wherever they might be, and help them fulfill their aspirations and investment goals.

## Vision

- To assume a leading role in promoting the integration of stock markets around the world by exploring newer avenues of co-operation among them and by establishing a platform that brings together all the leading brokerage companies in these markets.



دلال العقارية  
DLALA REAL ESTATE

## Mission

- To establish ourselves as the real estate company of choice, offering modern solutions for property management,
- building trust, raising the standards of customer service and protecting owners and investors from risk.

## Vision

- To be pioneers in Real Estate management and marketing and to offer the very best technological solutions for customer services.

## Profile

- Dlala Real Estate, the third subsidiary of Dlala Holding has been launched to offer clients in Qatar, leading edge solutions
- to property management and marketing. Its system and policies and procedures have been designed to provide quality
- and professional services to client through quick, simple and convenient procedures and financial settlements. Additionally,
- it is committed to securing owners and investors rights whilst keeping risk to minimum.

### 1 - The range of activities:

#### - Property Management:

- Rental Collection: Automated functionality of rentals due and collection insures that collection is made on time. Supported by legal and back office procedures.

#### - Rental Services (renting and contract management):

- Our automated notification functionality accelerate the rent process and improve property occupancy rate, using our wide range of advertising and marketing plans.

#### - Facilities Management:

- We hire and supervise experienced personnel/independent contractors who will provide service to landlord properties.

**2 - Sell & Buy Brokerage:** We work closely with our customers to secure the possible deal in the market. Dlala policies and procedures are designed to facilitate both buyer and seller interest.

**3 - Electronic Follow Up:** Landlord Access: For Landlords to follow up electronically the details of the property transactions like (Tenant details, unit status, rent amounts and payments, contract dates and other relevant details).

**4 - Notify me:** communicate electronically real time with our customers to notifying them with listed properties.

**5 - Certified Real Estate Evaluator:** Dlala policies and procedures are designed to produce a trusted evaluation documentation presenting properties market price.

**DLALA BROKERAGE AND INVESTMENT  
HOLDING COMPANY Q.P.S.C.  
CONSOLIDATED FINANCIAL STATEMENTS  
31 DECEMBER 2023**



## TO THE SHAREHOLDERS OF DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.

### Report on the audit of the consolidated financial statements

#### Opinion:

- We have audited the consolidated financial statements of Dlala Brokerage and Investment Holding Company Q.P.S.C. (the “Company”) and its subsidiaries (together referred to as “Group”) which comprise the consolidated statement of financial position as at 31 December 2023 and the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements including, a summary material accounting policy information.
- In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for opinion:

- We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matter:

- Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current year. We identified the following key audit matters which were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed our key audit matter
<p><b>_ Bank balances - customers&gt; funds and due to customers</b></p> <p>Refer to Note 5 to the consolidated financial statements:</p> <p>- Bank balances - customers&gt; funds represents 41% of the consolidated total assets amounting to QR 204.81 million.</p> <p>- Amounts due to customers represents 88% of the consolidated total liabilities amounting to QR 276.24 million.</p> <p>Bank balances - customers&gt; funds relates to the deposits made by the customers and the collections made on behalf of the customers on trade in securities. All such balances are recorded as due to customers. These balances are to be settled or withdrawn by the customers and hence it&gt;s recorded as current liabilities.</p>	<p><b>_ Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>• We evaluated the relevant internal controls to assess their adequacy and effectiveness and tested them accordingly.</li> <li>• We performed analytical procedures on the balances related to amounts due to customers and bank balances - customers&gt; funds as at 31 December 2023 to gain further insight into the financial data and identify any unusual transactions or trends.</li> <li>• We selected a sample of customers and vouched their balances for accuracy, comparing them to the corresponding balances as per the books.</li> <li>• We obtained direct confirmation letters for all bank accounts as at 31 December 2023 and verified them against the balances as per the books.</li> </ul>



Key audit matter	How our audit addressed our key audit matter
<p><b>_ Bank balances - customers' funds and due to customers (continued)</b></p> <p>Due to the magnitude of the account balances, nature, and high volume of transactions, we determined the completeness of bank balances - customers funds and amounts due to customers as key audit matters.</p>	<ul style="list-style-type: none"> <li>✓ We examined the bank account reconciliation statements prepared by the management of the Group and ensured the accuracy of the reconciliations between the balances as per bank statements and as per the books of account.</li> <li>✓ We examined a selected sample of subsequently settled accounts and share transactions related to amounts due to customers to assess the accuracy and completeness of the settlements.</li> <li>✓ We examined the reconciliation between the amounts due to customers and the corresponding bank balances - customers' funds as at 31 December 2023 to verify the accuracy and completeness of the reconciliation.</li> </ul>

### Other information:

- The Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report for 2023 but does not include in the consolidated financial statements and our auditor>s report.
- The Group>s 2023 annual report is expected to be made available to us after the date of this auditor>s report, thereon. Our opinion on these consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact, we have nothing to report in respect of the report on the other information.

### Responsibilities of Board of Directors for the consolidated financial statements:

- The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
- In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



## Auditor's responsibilities for the audit of the consolidated financial statements:

• Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

• Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

**\_ As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:**

✓ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

✓ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

✓ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

✓ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

✓ Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

✓ Obtain sufficient appropriate audit evidence regarding the financial information of the entities of business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the decision, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

• We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

• We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



- From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Further, as required by Qatar Commercial Companies Law, we report the following:**

- ✓ The Group has maintained proper books of account and the consolidated financial statements are in agreement therewith.
- ✓ We have obtained all the information and explanations we considered necessary for the purpose of our audit,
- ✓ We are not aware of any violations of the Qatar Commercial Companies' Law (QCCL) No. 11 of 2015 or the Articles of Association having occurred during the year which might have had a material effect on the consolidated financial position of the Group or on its financial performance as at and for the year ended 31 December 2023; and
- ✓ We have read the report of the Board of Directors to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Group.

**Mohab Samy Misallam**

**Auditor's Registration No. 349**

**QFMA Registration No. 1201911**

**Date: 28 February 2024**

**Doha, State of Qatar**



	Note	2023	2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	68,357	69,625
Bank balances – customers' funds	5	204,806	352,118
Due from customers	6	7,220	342
Due from Qatar Central Securities Depository (QCSD)	5	75,157	-
Investment securities at fair value through profit or loss (FVTPL)	7	90,724	65,291
Other assets	8	4,864	31,360
Trading properties	9	-	9,030
<b>Total current assets</b>		<b>451,128</b>	<b>527,766</b>
<b>Non - current assets</b>			
Investment securities at fair value through other comprehensive income (FVOCI)	7	3,705	7,423
Investment properties	10	11,469	-
Intangible assets	11	723	1,315
Property and equipment	12	35,118	36,341
<b>Total non-current assets</b>		<b>51,015</b>	<b>45,079</b>
<b>TOTAL ASSETS</b>		<b>502,143</b>	<b>572,845</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Due to customers	5	276,235	319,750
Due to Qatar Central Securities Depository (QCSD)	5	-	16,283
Provision for legal cases	13	14,600	26,402
Other liabilities	14	18,893	20,448
<b>Total current liabilities</b>		<b>309,728</b>	<b>382,883</b>
<b>Non - current liability</b>			
Employees' end-of-service benefits	15	5,172	5,086
<b>Total non-current liability</b>		<b>5,172</b>	<b>5,086</b>
<b>TOTAL LIABILITIES</b>		<b>314,900</b>	<b>387,969</b>
<b>EQUITY</b>			
Share capital	16	190,387	190,387
Legal reserve	17	29,574	29,364
Fair value reserve	7	586	789
Accumulated losses		(33,304)	(35,664)
<b>TOTAL EQUITY</b>		<b>187,243</b>	<b>184,876</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>502,143</b>	<b>572,845</b>

These consolidated financial statements were approved by board of directors and authorised for issue on 28 February 2024.

Thani Abdulrahman Al-Kuwari  
Chairman

Nasser Hamad Al-Sulaiti  
Vice Chairman

The accompanying notes are an integral part of these consolidated financial statements.



	Note	2023	2022
Brokerage commission income		<b>15,954</b>	25,750
Brokerage commission expense	18	(6,584)	(9,701)
<b>Net brokerage commission income</b>	5	<b>9,370</b>	16,049
Dividend income from investment securities	7	<b>4,291</b>	4,872
Net fair value gain / (loss) on investment securities at FVTPL	7	<b>3,921</b>	(11,473)
Gain on sale of investment securities at FVTPL	7	<b>553</b>	9,850
Unrealized fair value gain on investment properties	10	<b>2,439</b>	-
Real estate income	19	<b>1,117</b>	2,951
Portfolio income		<b>178</b>	<b>323</b>
Interest income	4	<b>2,950</b>	1,288
<b>Net operating income</b>		<b>24,819</b>	23,860
Other income	20	<b>271</b>	330
Reversal of provision for legal cases	13	<b>4,950</b>	-
Provision for legal cases	13	(2,000)	(20,902)
Provision for impairment of advance to supplier	8	-	(7,750)
General and administrative expenses	21	(25,939)	(31,921)
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>2,101</b>	(36,383)
Profit / (loss) attributable to:			
Equity holders of the Parent Company		<b>2,101</b>	(36,383)
Non-controlling interests		-	-
<b>BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE</b>	23	<b>0.01</b>	(0.14)

The accompanying notes are an integral part of these consolidated financial statements.



	Note	2023	2022
Profit / (loss) for the year		2,101	(36,383)
Other comprehensive income:			
<b>Item not to be reclassified to profit or loss:</b>			
Fair value movement on investment securities at FVOCI	7	318	702
Total other comprehensive income for the year		<b>318</b>	<b>702</b>
Attributable to:			
Equity holders of the Parent Company		2,419	(35,681)
Non – controlling interests		-	-
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR</b>		<b>2,419</b>	<b>(35,681)</b>

The accompanying notes are an integral part of these consolidated financial statements.



	Share capital	Legal reserve	Fair value reserve	Accumulated losses	Total	Non-controlling Interests	Total Equity
At 1 January 2022	284,160	29,364	317	(92,301)	221,540	(983)	220,557
Loss for the year	-	-	-	(36,383)	(36,383)	-	(36,383)
Other comprehensive income for the year	-	-	702	-	702	-	702
Total comprehensive loss for the year	-	-	702	(36,383)	(35,681)	-	(35,681)
Capital reduction during the year	(93,773)			93,773	-	-	-
Minority interest written off	-	-	-	(983)	(983)	983	-
Reclassification of net change in fair value of investment securities (FVOCI) upon derecognition (Note 7)	-	-	(230)	230	-	-	-
<b>Balance at 31 December 2022</b>	<b>190,387</b>	<b>29,364</b>	<b>789</b>	<b>(35,664)</b>	<b>184,876</b>	<b>-</b>	<b>184,876</b>
Profit for the year	-	-	-	2,101	2,101	-	2,101
Other comprehensive income for the year	-	-	318	-	318	-	318
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>318</b>	<b>2,101</b>	<b>2,419</b>	<b>-</b>	<b>2,419</b>
Reclassification of net change in fair value of investment securities (FVOCI) upon derecognition (Note 7)	-	-	(521)	521	-	-	-
Transfer to legal reserve	-	210	-	(210)	-	-	-
Transferred to Social and Sport Contribution Fund (Note 14)	-	-	-	(52)	(52)	-	(52)
<b>Balance at 31 December 2023</b>	<b>190,387</b>	<b>29,574</b>	<b>586</b>	<b>(33,304)</b>	<b>187,243</b>	<b>-</b>	<b>187,243</b>

The accompanying notes are an integral part of these consolidated financial statements.



	Note	2023	2022
<b>OPERATING ACTIVITIES</b>			
Profit / (loss) for the year		2,101	(36,383)
Adjustments for:			
Dividend income from investment securities	7	(4,291)	(4,872)
Net fair value (gain) / loss on investment securities at FVTPL	7	(3,921)	11,473
Gain on sale of investments securities at FVTPL	7	(553)	(9,850)
Fair value gain on investment properties	10	(2,439)	-
Provision for employees' end-of-service benefits	15	382	1,254
Reversal for employees' end-of-service benefits	15	(248)	-
Depreciation of property and equipment	12	1,518	2,034
Amortization of intangible asset	11	769	588
Interest income from short term deposits	4	(2,950)	(1,288)
Profit from sale of trading properties		-	(1,426)
Reversal of provision for legal cases	13	(4,950)	-
Provision for legal cases	13	2,000	20,902
Provision for impairment of advance to supplier	8	-	7,750
Provision for an onerous contract		-	500
CWIP write off	12	46	423
<b>Operating loss before changes in working capital</b>		<b>(12,536)</b>	<b>(8,895)</b>
Working capital changes:			
Bank balances - customer funds		147,312	(470)
Due from customers		(6,878)	(237)
Due from / to QCSD		(91,440)	36,869
Other assets		26,496	(26,714)
Due to customers		(43,515)	(43,719)
Other liabilities		(1,608)	(345)
<b>Cash generated from / (used in) operating activities</b>		<b>17,831</b>	<b>(43,511)</b>
Employees' end-of-service benefits paid	15	(48)	(1,139)
Payment made against provision for legal cases	13	(8,852)	(4,350)
<b>Net generated from / (used in) operating activities</b>		<b>8,931</b>	<b>(49,000)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of investments securities	7	(118,439)	(92,942)
Purchase of intangible asset	11	(177)	(562)
Purchase of property and equipment	12	(340)	(1,190)
Proceeds from disposal of trading properties		-	8,650
Proceeds from disposal of investment securities		101,516	124,981
Interest received		2,950	1,288
Dividends received		4,291	4,872
<b>Net cash (used in) / generated from investing activities</b>		<b>(10,199)</b>	<b>45,097</b>
Net decrease in cash and cash equivalents		(1,268)	(3,903)
Cash and cash equivalents at 1 January		69,625	73,528
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	4	<b>68,357</b>	<b>69,625</b>



## 1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES:

- Dlala Brokerage and Investment Holding Company Q.P.S.C. (the “Company”) is a Qatari Public Shareholding Company registered in the State of Qatar under the Commercial Registration Number 30670. The Company was established on 24 May 2005 as a limited liability Company and was publicly listed at Qatar Stock Exchange (the “QSE”) on 4 September 2005. The Company is domiciled in the State of Qatar and its registered office is at P.O. Box 24571, Doha, State of Qatar.
- These consolidated financial statements comprise the Company and its subsidiaries (collectively referred as the “Group” and individually as the “Group entities”).
- The Group is engaged in brokerage activities at QSE, design and programming special programs, information technology (IT) consultation services, real estate, and other investment activities.

**\_ The principal subsidiaries of the Group are as follows:**

Name of the subsidiary	Principal activity	Percentage of ownership	
		31 December 2023	31 December 2022
Dlala Brokerage Company W.L.L. (i)	Stock brokerage	100%	100%
Dlala Real Estate W.L.L.	Real estate	100%	100%
Dlala Information Technology W.L.L. (ii)	IT consultation services	-	100%

- All of the subsidiaries enumerated above are incorporated in State of Qatar.
- i) During the year 2022, the Group decided to acquire the remaining 0.02% interest in voting shares, increasing its ownership interest to 100% of its share capital, total cash consideration was amounting to QR 38,119 thousand based on agreement dated on 11 January 2022.
- ii) On 18 January 2023, the Board of Directors of the Group decided to liquidate the Dlala Information Technology Company W.L.L., a Subsidiary Company and discontinue its activities and plan for an orderly discontinuance, surrender of license and solvent liquidation of the Company’s business. On 26 December 2023, the Board of Directors of the Group approved the completion of final liquidation procedures and corresponding accounting entries.

## 2. BASIS OF PREPARATION:

- The consolidated financial statements for the year ended 31 December 2023 of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and applicable requirements of Qatar Commercial Company Law No. 11 of 2015, as amended by Law No. 8 of 2021.

**\_ a) Statement of compliance:**

- These consolidated financial statements are prepared under the historical cost basis, except for investments in securities at FVTPL and FVOCI and investment properties that have been measured at fair values.

**\_ b) Basis of measurement:**

- These consolidated financial statements have been presented in Qatar Riyals (QR), which is the Group’s functional and presentation currency, and all values are rounded to the nearest thousand (QR’000) except when otherwise indicated.



### **c) Functional and presentation currency**

- The consolidated financial statements of the Group comprise the financial statements of the Parent Company and its subsidiaries. An entity, including a structured entity, is considered a subsidiary of the Group when we determine that the Parent Company has control over the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the Group entities and has the ability to affect those returns through its power over the Group. Power is being assessed by examining existing rights that give the Group the current ability to direct the relevant activities of the Group entities. For consolidation purposes, the effect of all transactions between entities in the Group have been eliminated.

### **e) Use of estimates and judgments**

- The information about significant areas of estimation uncertainty and critical judgments applied in the preparation of the consolidated financial statements are disclosed in Note 29.

### **f) Newly effective amendments to standards**

- During the current year, the below amended International Financial Reporting Standards (“IFRSs” or “standards”) became effective for the first time for financial years beginning on 1 January 2023:

<b>Effective for year beginning 1 January 2023</b>	<ul style="list-style-type: none"> <li>• IFRS 17 Insurance Contracts</li> <li>• Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)</li> <li>• Definition of Accounting Estimates (Amendments to IAS 8)</li> <li>• Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)</li> </ul>
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The adoption of the above amended standards had no significant impact on the Group’s consolidated financial statements..

### **g) New, amended and improvements to standards not yet effective, but available for early adoption**

- The below new and amended International Financial Reporting Standards (“IFRSs” or “standards”) that are available for early adoption for financial years beginning after 1 January 2023 are not effective until a later period, and they have not been applied in preparing these consolidated financial statements.

<b>Effective for year beginning 1 January 2024</b>	<ul style="list-style-type: none"> <li>• Classification of Liabilities as Current or Non-current (Amendments to IAS 1)</li> <li>• Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)</li> </ul>
<b>Effective date deferred indefinitely / available for optional adoption</b>	Effective date deferred indefinitely / available for optional adoption



- Management does not expect that the adoption in future years of the above new and amended standards will have a significant impact on the Group's consolidated financial statements.

**– h) Changes in material accounting policies – material accounting policy information**

- The Company adopted “Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice statement 2)” from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the consolidated financial statements.
- The amendments require the disclosure of ‘material’ rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the consolidated financial statements.
- Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

### **3. MATERIAL ACCOUNTING POLICIES:**

- The material accounting policies of the Group applied in the preparation of the consolidated financial statements are set out below. These policies have been applied consistently to both years presented in these consolidated financial statements.

#### **Financial instruments**

- Receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.
- A financial asset or financial liability is initially measured at fair value plus, for an item not at Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.
- A trade receivable without a significant financing component is initially measured at the transaction price.

**– Financial assets: Classification and subsequent measurement**

**– On initial recognition, a financial asset is classified at:**

- a) Amortised cost - if it meets both of the following conditions and is not designated as at FVTPL:
  - ✓ it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
  - ✓ its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- b) Fair Value Through Other Comprehensive Income (FVOCI) - if it meets both of the following conditions and is not designated as at FVTPL:
  - ✓ it is held within a business model whose objective achieved by both collecting contractual cash flows and selling financial assets; and
  - ✓ its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding



- c) Fair Value Through Profit or Loss (FVTPL) - All financial assets not classified as measured at amortised cost or FVOCI as described above.
- On initial recognition, the Group may irrecoverably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.
- Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.
- The Group has classified on initial recognition its due from customers, due from QCSD, other assets (advances to portfolio manager and other receivables), cash and cash equivalents and bank balances – customer funds at amortised cost.

#### **\_ Financial assets: Business model assessment**

- The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management.

**The information considered includes:**

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual cash flows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume, and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.
- Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

#### **\_ Financial assets: Assessment whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)**

- For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.



- In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers: contingent events that would change the amount or timing of cash flows; terms that may adjust the contractual coupon rate, including variable-rate features; prepayment and extension features; and terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse features).
- A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

#### **\_ Financial assets: Subsequent measurement and gains and losses**

- ✓ Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- ✓ Financial assets FVTPL -These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. The Group does hold such assets.
- ✓ Debt instruments at FVOCI - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. The Group does not hold such assets.
- ✓ Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never derecognised to profit or loss. The Group does hold such assets.

#### **\_ Financial liabilities: Classification and subsequent measurement**

- Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.



## **\_ Financial assets: Derecognition**

- A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:
  - ✓ The rights to receive cash flows from the asset have expired; and
  - ✓ The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.
- A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

## **\_ Offsetting**

- Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## **. Impairment**

### **\_ Non-derivative financial assets**

- The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. The Group does not hold debt investments measured at amortised cost.
- The Group measures loss allowance either at an amount equal to:
  - lifetime ECLs, which are those ECLs that result from all possible default events over the expected life of a financial instruments; or
  - 12-month ECLs, which includes the portion of ECLs that results from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).
- The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.



- Loss allowances for due from customers, due from QCSD and other assets (advances to portfolio manager and other receivables) are measured either at an amount equal to 12-month or lifetime ECLs depending on the magnitude of increases in credit risk since the initial recognition of the assets.
- Loss allowances on cash and cash equivalents and bank balances – customer funds are always measured at an amount equal to 12-month ECLs.
- The Group considers a financial asset to be in default when customer is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).
- The Group considers cash and cash equivalents and bank balances – customer funds to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade’.
- Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk ECLs are a probability-weighted estimate of credit losses.

#### **\_ Measurement of ECLs**

- ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

#### **\_ Credit-impaired financial assets**

- At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
- Evidence that a financial asset is credit-impaired includes a breach of contract such as a default.

#### **\_ Presentation of allowance for ECL in the statement of financial position**

- Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.



## **Write-off**

- The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.
- Financial assets were assessed at each reporting date to determine whether there was objective evidence of impairment.
- *Objective evidence that financial assets were impaired includes:*
  - ❖ default or delinquency by a debtor;
  - ❖ restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
  - ❖ indications that a debtor will enter bankruptcy; or
  - ❖ observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

## **Financial assets measured at amortized cost**

- The Group considered evidence of impairment for these assets (cash and cash equivalents, bank balances – customer funds, due from customers, due from QCSD and other assets (advances to portfolio manager and other receivables) at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.
- In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.
- An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Group considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off.
- If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

## **.Non-financial assets**

- At each reporting date, the Group reviews the carrying amounts of its non-financial assets (property and equipment and intangible assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.



- For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).
- The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or a CGU.

## Cash and cash equivalents

- For the purpose of presentation in the statement of cash flows, cash and cash equivalents include bank balances and short - term deposits having maturity of less 3 months.

### **\_ Bank balances - customers funds**

- This represents the cash advances received from the Group's trading customers or the collections received from Qatar Central Securities Depository (the "QCSD") in trading customers' securities.

### **\_ Fair value measurement**

- The Group measures investment securities at fair value at each reporting date.

- Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ✓ In the principal market for the asset or liability, or
- ✓ In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.
- The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
- All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
  - ❖ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
  - ❖ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
  - ❖ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.



- For assets that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## **Investment properties**

- Investment property are properties which are held either to earn rental income, including those under development, or for capital appreciation or for both and are initially measured at cost, including transaction costs.
- Subsequent to initial recognition, investment property are stated at fair value which reflects market condition at the reporting date. Gains and losses arising from changes in the fair values of investment property are included in the consolidated statement of profit or loss in the period in which they arise.
- Fair values are determined based on revaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.
- Investment properties are derecognised either when disposed all or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal and the carrying amount of the asset is recognised in the consolidated statement of profit or loss in the period of derecognition.
- Property that is being constructed for future use as investment property is accounted for as investment property under the fair value model. Property under construction is designated as investment property only if there are unambiguous plans by management to subsequently utilize the property for rental activities upon completion of development, or if there is undetermined future use of the property and hence the property is held for long term capital appreciation.

## **Transfers between property categories**

- Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:
  - (a) commencement of owner-occupation, for a transfer from investment properties to owner- occupied property;
  - (b) commencement of development with a view to sale, for a transfer from investment properties to inventories;
  - (c) end of owner-occupation, for a transfer from owner-occupied property to investment property;
  - (d) commencement of an operating lease to another party, for a transfer from inventories to investment property.
- When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any difference between carrying value and fair value arising on remeasurement is recognized directly in equity as a revaluation surplus.
- For a transfer from investment property carried at fair value to owner-occupied property or inventories, the property's deemed cost for subsequent accounting in accordance with IAS 16 'Property, Plant and Equipment' or IAS 2 'Inventories' shall be its fair value at the date of change in use.



- For a transfer from inventories to investment property that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognized in consolidated statement of profit or loss.

## Intangible asset

- Cost associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:
  - It is technically feasible to complete the software so that it will be available for use;
  - Management intends to complete the software and use or sell it;
  - There is an ability to use or sell the software;
  - It can be demonstrated how the software will generate probable future economic benefits;
  - Adequate technical, financial, and other resources to complete the development and to use or sell the software are available; and
  - The expenditure attributable to the software during its development can be reliably measured.
- Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.
- Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.
- The Group amortizes intangible asset (brokerage trading platform software and other licenses) with useful life from 3 to 5 years using the straight-line method.

## Property and equipment

- Property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
- Depreciation is calculated using the straight-line method to allocate its cost net of its residual values, over their estimated useful lives.

	Years
Buildings	20
Leasehold improvements	5
Furniture and fixtures	10
Computer and equipment	3–5
Office equipment	5
Motor vehicles	5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.



- An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.
- Capital- work- in progress comprises costs incurred towards an infrastructure security system upgrade. These costs are transferred to computers and equipment upon commencement of operational activities of the relevant asset. Capital - work - in progress is not depreciate

### **Employees' end of service benefits**

- The Group provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment..
- The Group also provides for its contribution to the State administered retirement fund for Qatari employees in accordance with the retirement law, and the resulting charge is included within the staff cost in the consolidated statement of income. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised when they are due.

### **Trading properties**

- Property acquired for sale in the ordinary course of business, is held as trading properties and is measured the lower of cost and net realisable value (NRV). Principally, this includes residential properties and a land that the Group intends to sell. The Group may decide to lease out on a temporary basis to increase the possibility of selling the properties rather than to earn rental income on a continuing basis and the property is not held for capital appreciation.
- The Group accounts for these properties as trading properties and not investment properties as the properties continue to be held exclusively with the view to subsequent disposal in the ordinary course of business. Cost incurred in bringing each property to its present location and condition includes:
  - Freehold and leasehold rights for land
  - Amounts paid to contractors for development
  - Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs
- NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale. Provision is made if net realizable value is lower than the carrying value.
- When a trading property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognized.



## Provisions

- Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.
- A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The increase in the provision due to the passage of time is recognised as interest expense. Provisions are reviewed annually to reflect current best estimates of the expenditure required to settle the obligations.

## Foreign currency transactions and balances

- Transactions in foreign currencies during the year are translated into the functional currency of the Group at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the year are translated into the functional currency at the exchange rate at the reporting date. Realized and unrealized foreign currency differences are recognized in profit or loss. The Group does not have non-monetary assets and liabilities denominated in foreign currencies at the end of the reporting period..

## Leases

- A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:
  - ✓ the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
  - ✓ the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
  - ✓ the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either the Group has the right to operate the asset; or the Group designed the asset in a way that predetermines how and for what purpose it will be used
- At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their stand-alone price.
- However, for the lease of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.



## Short-term lease

- The Group has elected not to recognize right-of-use asset and lease liabilities as the Group has short-term leases that have a lease term of 12 months or less. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## Share capital

- Ordinary shares issued by the Group are classified as equity.

## Current versus non-current classification

- The Group presents assets and liabilities based on current/non-current classification.
- An asset is current when it is:
  - ❖ Expected to be realized or intended to be sold or consumed in normal operating cycle;
  - ❖ Held primarily for the purpose of trading;
  - ❖ Expected to be realised within twelve months after the reporting period, or
  - ❖ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.
- A liability is current when:
  - It is expected to be settled in normal operating cycle;
  - It is held primarily for the purpose of trading;
  - It is due to be settled within twelve months after the reporting, or
  - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting.
- The Group classifies all other liabilities as non-current.

## Revenue recognition

### **Revenue from contracts with customers**

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

- Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.



- Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
  - Step 5. Recognise revenue when (or as) the Group satisfies a performance obligation.
  - The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:
    1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
    2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
    3. The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.
  - For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.
  - When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.
  - The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.
- \_ Brokerage commission income**
- The Group's contracts with customers pertain to provision of brokerage services which constitutes only one performance obligation. The commission income is recognized when a sale or purchase of equity transaction is completed.
- \_ Volume rebates**
- Some contracts for the brokerage service includes volume rebates. As the Group provides volume rebates on trading transactions to its customers, revenue is recognised at a point in time.
- \_ Dividend income from investment securities**
- Dividend income is recognized when the right to receive the dividend is established.
- \_ Income from information technology services**
- Income from information technology services is recognized when the services are delivered and right to receive income is established.



## Real estate income

- Real estate brokerage fee income is recognized when the brokerage service is provided and when the right to receive the income has been established.
- Revenue from sale of real estate trading properties is recognized when control is passed to the buyer and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties sold. Income from cancellation of sales contract is recognized based on underlying contractual terms.

### Other income

- Revenue is recognized when earned.

## Income tax

- Income tax expense comprises current and deferred tax attributed to the non-GCC shareholder(s) of the Group. It is recognized in the statement of comprehensive income.

### Current tax

- Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year attributed to the non-GCC shareholder(s) of the Group, and any adjustments to the tax payable or receivable in respect of previous years. It is calculated on the basis of the tax laws enacted (Income Tax Law No. 24 of 2018 and its executive regulations and Income Tax Law No. 11 of 2022) or substantively enacted at the reporting date in the State of Qatar.
- Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

### Interest income / expenses

- Interest income is recognized in the statement of profit using the effective interest method.
- The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.
- The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability. Interest income and expense



- presented in the statement of comprehensive income include interest on financial assets and financial liabilities measured at amortized cost calculated on an effective interest basis.
- Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the qualifying asset.

#### **\_ Contingent assets and liabilities**

- Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.
- Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

## **4. CASH AND CASH EQUIVALENTS**

	<b>2023</b>	<b>2022</b>
Cash at banks	36,345	47,618
Short - term deposits (maturity less than 90 days)	32,000	22,000
Cash on hand	12	7
	<b>68,357</b>	<b>69,625</b>

The Group generated interest income from the deposits amounting to QR 2,950 thousand (2022: QR 1,288 thousand) during the year. The Group earned interest income at an average interest rate of 3.78% (2022: 2%) per annum.

## **5. BROKERAGE - ACTIVITY DISCLOSURES:**

- The “Bank balances - customers funds” represents the cash advances received from the Group’s trading customers or the collections received from QCSD in trading customers’ securities. The Group recognizes liability for these fund balances which is presented as part of “Due to customers” account. Any QCSD’s outstanding balances (due from or due to) are to be collected / settled on the third working day (“T+3”).
- The Group generates commission income for every trading transaction held in stock exchange and recognizes the related commission expense incurred with QCSD and QSE. The net commission earned in these transactions are presented as part of “Net brokerage commission income” account.

	<b>2023</b>	<b>2022</b>
Bank balances – customers’ funds	204,806	352,118
Due from QCSD	75,157	–
Due to customers	276,235	319,750
Due to QCSD	–	16,283
Net brokerage commission income	<b>9,370</b>	<b>16,049</b>



## 6. DUE FROM CUSTOMERS

Due from customers, gross	10,222	14,295
Less: provision for impairment of due from customers (i)	(3,002)	(13,953)
Due from customers, net	<u>7,220</u>	<u>342</u>

### (i) The movements in the provision for impairment of accounts receivable:

	<b>2023</b>	<b>2022</b>
At 1 January	13,953	13,980
Written off during the year	(10,926)	—
Reversal during the year	(25)	(27)
At 31 December	<u>3,002</u>	<u>13,953</u>

Information about the Group's exposure to credit risk for due from customers is included in Note 27.

## 7. INVESTMENTS SECURITIES

- The investments securities are presented in the consolidated statement of financial position as follows:

	<b>2023</b>	<b>2022</b>
<b>Current asset</b>		
Quoted investments at FVTPL	90,724	65,291
<b>Non - current asset</b>		
Quoted investments at FVOCI	3,705	5,426
Unquoted investment at FVOCI	—	1,997
	<u>3,705</u>	<u>7,423</u>
	<u>94,429</u>	<u>72,714</u>

- The movements in quoted investment securities designated as FVOCI and FVTPL are as follows:

	<b>2023</b>	<b>2022</b>
At 1 January	72,714	105,904
Additions during the year	118,439	92,942
Disposals during the year	(100,963)	(115,131)
Net change in fair values at:		
- FVTPL	3,921	(11,473)
- FVOCI	318	472
At 31 December	<u>94,429</u>	<u>72,714</u>

- The Group recognized dividend income from the investment securities amounting to QR 4,291 thousand (2022: QR 4,872 thousand) during the year.
- The Group recognized gain on sale of investment securities at FVTPL amounting to QR 553 thousand (2022: QR 9,850 thousand).



- The movements in fair value reserve of investments securities at FVOCI during the year are as follows:

	<b>2023</b>	<b>2022</b>
At 1 January	789	317
Fair value movement through OCI	318	702
Reclassification of net change in fair value of investment securities in FVOCI upon derecognition	(521)	(230)
Net change in fair value at FVOCI	(203)	472
<b>At 31 December</b>	<b>586</b>	<b>789</b>

## 8. OTHER ASSETS

	<b>2023</b>	<b>2022</b>
Real estate advances	7,750	10,085
Less: provision for impairment of real estate advances (i)	(7,750)	(7,750)
	-	2,335
Advances to portfolio manager	2,280	24,819
Prepayments and advances	1,820	4,117
Other receivables	764	89
	4,864	31,360

(i) During the year 2022, provision for impairment amounting to QR 7,750 thousand had been recorded related to an advance given to the main supplier for the Al-Makkan project. The supplier was hired to build and operate fan zone on rented land for the FIFA World Cup 2022, but the Group terminated the contract due to the contractor's non-compliance, and the supplier refused to return the funds. The Group had initiated legal proceedings to recover the advance, during the year, the court ruled in favor of the Group and obligated the other party to pay QR 7,763 thousand. Simultaneously, during the year, the supplier also filed a legal case against the Group, claiming compensation for damages resulting from the termination of the contract. In this instance, the court ruled in favor of the supplier, obligating the Group to pay QR 4,337 thousand. The Group has requested the court to set off the amounts between the two rulings. The management has fully provided for this amount in the financial statements until the final settlement is made..

## 9. TRADING PROPERTIES

- The Group acquired residential properties, which it intends to sell in the ordinary course of business. All trading properties are held in the state of Qatar. The movement in trading properties is set out below:

	<b>2023</b>	<b>2022</b>
At 1 January	9,030	16,253
Transferred to investment properties (Note 10)	(9,030)	(7,223)
<b>At 31 December</b>	<b>-</b>	<b>9,030</b>



## 10. INVESTMENT PROPERTIES

- Investment property comprises five residential properties intended for leasing. During the year, the management's intention regarding the use of these residential properties has changed from sale of trading properties to earn rental income, therefore it was reclassified from trading properties to investment properties.
- Investment properties are located in Al-Wukair, State of Qatar.

The following amounts are recognized in statement of financial position:

	2023	2022
At 1 January	—	—
Transfer from trading properties (Notes 9)	9,030	—
Unrealized gain from change in fair value of investment properties	2,439	—
At 31 December	<u>11,469</u>	<u>—</u>
The following amounts are recognized in statement of comprehensive income:		
Rental income	631	—
Direct operating expenses generating rental income	(3)	—
Profit arising from investment properties	<u>628</u>	<u>—</u>

- Investment properties are stated at fair value, which has been determined based on valuation performed by accredited independent valuer as at 31 December 2023. The valuer is an accredited independent valuers with a recognized and relevant professional qualification and with recent experience in the location and category of those investment property being valued. In arriving at estimated market values, the valuer has used his market knowledge and professional judgment and not only relied on historical transactions comparable.
- The Group's management believes that the assumptions used in valuation of investment properties performed by accredited independent valuer were within the acceptable range within real estate market at State of Qatar. The valuation of investment properties as performed by accredited independent valuers as stated previously and as stated in the Group's financial position represents a fair value and reflects the real estate market situation in the State of Qatar.
- The investment property were valued using the market approach. The total fair value of the investment property as at 31 December 2023 is QR 11,469 thousand. The fair value measurement for all of the investment properties has been categorized as Level 2.

Market approach

- Market approach or direct comparison method is based on comparing the subject asset with identical or similar assets (or liabilities) for which price information is available, such as a comparison with market transactions in the same, or closely similar (i.e. similar properties that have actually been sold in arms'-length transactions or are offered for sale), type of asset (or liability) within an appropriate time horizon. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar assets (or liabilities) in an open and competitive market. Generally, the opinion on value is based on evidence of open market transactions in similar property with adjustments of the comparable to differentiate the differences between the subject property and the comparable.



## 11. INTANGIBLE ASSET

	2023	2022
Cost: At 1 January / December	3,631	3,069
Addition during the year	177	562
Accumulated amortization:	3,808	3,631
At 1 January	2,316	1,676
Charge during the year (Note 21)	769	640
At 31 December	3,085	2,316
Carrying amount	723	1,315

This pertains to the Group's brokerage trading platform software, computer software and licenses.

## 12. PROPERTY AND EQUIPMENT

	Land	Buildings	Leasehold improvements	Furniture and fixtures	Computer system and software	Office equipment	Motor vehicles	Capital work in progress	Total
<b>Cost</b>									
At 1 January 2022	29,097	14,325	98	1,630	43,603	3,322	751	888	93,714
Additions	-	-	-	55	410	54	-	671	1,190
Transfers from CWIP	-	-	-	-	334	-	-	(334)	-
CWIP Write off	-	-	-	-	-	-	-	(423)	(423)
At 31 December 2022	29,097	14,325	98	1,685	44,347	3,376	751	802	94,481
Additions	-	-	-	1	14	1	-	325	340
Transfers from CWIP	-	-	-	-	696	-	-	(696)	-
CWIP Write off	-	-	-	-	-	-	-	(46)	(46)
At 31 December 2023	29,097	14,325	98	1,686	45,057	3,377	751	385	94,776
<b>Accumulated depreciation</b>									
At 1 January 2022	-	8,065	98	1,615	42,308	3,269	751	-	56,106
Charge for the year (Note 21)	-	803	-	17	1,187	27	-	-	2,034
At 31 December 2022	-	8,868	98	1,632	43,495	3,296	751	-	58,140
Charge for the year (Note 21)	-	803	-	13	667	35	-	-	1,518
At 31 December 2023	-	9,671	98	1,645	44,162	3,331	751	-	59,658
<b>Carrying amounts</b>									
At 31 December 2023	<b>29,097</b>	<b>4,654</b>	-	41	895	46	-	385	<b>35,118</b>
At 31 December 2022	<b>29,097</b>	<b>5,457</b>	-	53	852	80	-	802	<b>36,341</b>



### 13. PROVISIONS FOR LEGAL CASES

	<b>2023</b>	<b>2022</b>
At 1 January	26,402	9,850
Charged during the year	2,000	20,902
Reversed during the year	(4,950)	-
Payments made during the year (7)	(8,852)	(4,350)
At 31 December	<b>14,600</b>	<b>26,402</b>

As of 31 December 2023, the provision for legal cases is comprises of the followings:

No.	Plaintiff	Legal case reference	Court ruling	Provision provided
(1)	Customer	2019 / 2925	11,050	11,050
(2)	QFMA	2020 / 10	500	500
(3)	QFMA	2021 / 3	2,000	2,000
(4)	QFMA	2021 / 19	50	50
(5)	QFMA	2023 / 1	500	500
(6)	QFMA	2023 / 5	1,000	500
				<b>15,100</b>
				<b>14,600</b>

(1) The Group and two other parties were subject to a criminal case filed by the public prosecution in 2019 (case no. 29252019/). The appeal (no. 8552021/) resulted in a penalty of QR 100 thousand and a joint obligation to pay QR 10.95 million. The Group provided a 100% provision for any potential outcomes.

(2) In 2021, the QFMA Disciplinary Committee imposed a QR 10 million penalty for specific regulatory violations (case no.102020/). Subsequently, upon the Group's appeal to the Appeals Committee (Case 92021/), the penalty was reduced to QR 500 thousand, and the Group fully accounted for this amount. In 2022, the administrative Court of Appeal (Case no. 26, 41, 422022/) upheld the QFMA Disciplinary Committee's original QR 10 million penalty, for which the Group had provisioned 50%, totaling QR 5 million.

On 31 January 2024, the administrative Court of Appeal responded to the Group's cassation (case no.7952022/) and affirmed the annulment of all fines imposed on the group. As a result of this decision, the Group reversed the provision for legal cases by QR 4.5 million and retained QR 500 thousand to cover the penalty decided by the Appeals Committee (Note 31).

(3) In 2022, the QFMA Disciplinary Committee imposed a penalty of QR 2 million following an inspection visit conducted in 2020 (case no. 32021/). The Group appealed this decision first to the Appeals Committee (Case no. 212022/), then to the administrative Court of Appeal (case no. 3122023/), and finally to the Court of Cassation (case no. 15632023/) and provided a 100% provision for any potential outcomes.

(4) In 2023, the QFMA Disciplinary Committee imposed a penalty of QR 500 thousand following an inspection visit conducted in 2021 (case no. 192021/). The Group contested the decision (case no. 62023/) and provided a 100% provision to mitigate any adverse outcome. Othe penalty was reduced to QR 50 thousand after the Group appealed to the Appeals Committee. As the QFMA Disciplinary Committee did not pursue further appeal to the administrative Court of Appeal, the Group reversed the provision for the legal case by QR 450 thousand, while retaining QR 50 thousand to cover the penalty determined by the Appeals Committee.

(5) In 2023, the QFMA Disciplinary Committee imposed a penalty of QR 500 thousand for non-disclosure of results of Board of Directors meeting held on 19 November 2022 (Case no. 12023/). The Group appealed this decision to the Appeals Committee (Case n. 182023/) and provided a 100% provision for any potential outcomes.



(6) In 2023, the QFMA Disciplinary Committee imposed a penalty of QR 1 million for non-disclosure of the liquidation of the Subsidiary Dlala Information Technology W.L.L. The Group appealed this decision to the Appeals Committee (Case n. 12024/) and provided a 50% provision for any potential outcomes.

(7) An arbitration sentence was issued by the Disciplinary Committee of QFMA (case no. 12021/) which resulted in a requirement for the Group to pay QR 8.85 million to a customer. In 2022, the Group provided a 100% provision to cover any adverse outcome. During the year, the Group fulfilled its obligation by making the payment.

## 14. OTHER LIABILITIES

	2023	2022
Dividends payable (i)	15,666	15,690
Accrued expenses	2,028	2,586
Refunds payable to property owners (ii)	153	1,639
Provision for Social and Sports Activities Fund (iv)	52	-
Provision for an onerous contract (iii)	-	500
Other payables	994	33
	<b>18,893</b>	<b>20,448</b>

i) Pertain to dividends that were declared for shareholders between 2006 and 2011 but have not been claimed.

ii) During the last year 2022, the subsidiary Dlala Real Estate W.L.L. entered into agreements with several property owners and collected registration fees for the «Invest Your Home» project. This project aimed to offer accommodations to FIFA World Cup 2022 fans through an online portal. However, the project did not yield the expected results, as only a few bookings were made via the portal. As a result, the management decided to terminate the project and arrange for the reimbursement of the registration fees to the respective owners.

iii) This provision reflects the anticipated losses resulting from a rental agreement, which the Group cannot derive any economic benefits from due to the termination of the Al-Makkan project. During the year the losses have been realized.

iv) In accordance with Law No. 8 of 2011 (Amendment to Law No. 13 of 2008), the Group made an appropriation of profit in amount of QR 52 thousand equivalent to 2.5% of the consolidated net profit for the year for the support of sports, cultural, social and charitable activities.

## 15. EMPLOYEES' END OF SERVICE BENEFITS

	2023	2022
At 1 January	5,086	4,971
Charged during the year (Note 22)	382	1,254
Reversals during the year	(248)	–
Payments made during the year	(48)	(1,139)
<b>At 31 December</b>	<b>5,172</b>	<b>5,086</b>

- Management has classified the obligation within non-current liability in the consolidated statement of financial position as it does not expect that there will be significant payments towards its employees' end of service benefits obligation within 12 months from the reporting date. The provision is not discounted to present value as the effect of the time value of money is not expected to be significant..



## 16. SHARE CAPITAL

	2023		2022	
	No. of shares	Amount	No. of shares	Amount
<b>Authorized, issued and paid</b>				
Ordinary shares of QR 1 each	190,387,200	190,387	190,387,200	190,387

- The capital is fixed for the amount of QR 190,387 thousand divided into 190,387,200 equal shares at QR 1 per share.

## 17. LEGAL RESERVE

- In accordance with the requirements of the Qatar Commercial Companies Law No. 11 of 2015 and the Group's Articles of Association, an amount equal to 10% of the net profit for the year should be transferred to a legal reserve each year until this reserve is equal to 50% of the paid - up share capital. The reserve is not available for distribution except in the circumstances stipulated in the above law and the Group's Articles of Association. In accordance with its Articles of Association and statutory law requirements, the Group is transferring a specific percentage from its annual net profit to the legal reserve. .

## 18. BROKERAGE COMMISSION EXPENSE

	2023	2022
Commission paid	5,790	9,339
Other brokerage expenses	794	362
	<b>6,584</b>	<b>9,701</b>

## 19. REAL ESTATE INCOME

Rental income	1,063	1,006
Real estate brokerage	39	207
Fee income	15	312
Income from sale of trading properties	—	1,426
	<b>1,117</b>	<b>2,951</b>

## 20. OTHER INCOME

	2023	2022
Compensation received from a customer in settlement of a legal case	—	226
Others	271	104
	<b>271</b>	<b>330</b>



## 21. GENERAL AND ADMINISTRATIVE EXPENSES

Staff costs (Note 22)	13,776	16,589
Information technology and communication costs	4,101	3,807
Professional fees	2,784	4,192
Depreciation of property and equipment (Note 12)	1,518	2,034
Regulatory fees, charges and penalties	1,261	751
Amortization of intangible assets (Note 11)	769	640
Bank guarantee fee	476	600
Repairs and maintenance	348	438
Advertising	280	1,019
Rent (i)	130	1,120
Provision for onerous contract (Note 14)	—	500
Others	496	231
	<b>25,939</b>	<b>31,921</b>

(i) This account pertains to short-term rental contracts.

## 22. STAFF COSTS

Salaries and benefits	13,394	15,335
Provision for employees' end of service benefits (Note 15)	382	1,254
	<b>13,776</b>	<b>16,589</b>

## 23. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE

- Basic earnings per share are calculated by dividing the net profit for the year attributable to shareholders of the Group by the weighted average number of shares outstanding during the year. There were no potentially dilutive shares outstanding at any time during the year and, therefore, the dilutive earnings per share are equal to the basic earnings per share..

	<b>2023</b>	<b>2022</b>
Profit / (loss) attributable to equity holders of the Group	2,101	(36,383)
Weighted average number of shares outstanding during the year (In thousands) (Note 16)	190,387	265,404
Basic and diluted earnings / (loss) per share (QR)	0.01	(0.14)

## 24. RELATED PARTY DISCLOSURES

- Related parties represent the shareholders, directors and key management personnel of the Group and companies in which they are major owners. Pricing policies and terms of these transactions are approved by the Group's management..

### a) Related party transactions

	<b>2023</b>	<b>2022</b>
Key management personnel and their close family members:		
Net brokerage commission income (*)	28	125
Portfolio management income	43	23

(\*) During the year, the Group earned a total net brokerage commission income of QR 9,370 thousand

(2022: QR 16,049 thousand) as stated in Note 5. Within this amount, the Group earned a net brokerage commission income of QR 28 thousand (2022: QR 125 thousand) from related parties.



## 24. RELATED PARTY DISCLOSURES (CONTINUED)

	<b>2023</b>	<b>2022</b>
Salaries and short - term employee benefits	1,987	2,184
Retirement benefits	125	125
Attendance allowance of meetings	—	244
	<b>2,112</b>	<b>2,553</b>

b) Related party balances	<b>2023</b>	<b>2022</b>
Key management personnel and their close family members:		
Due to customers	1,995	702

## 25. COMMITMENTS AND CONTINGENCIES

- The Group had the following commitments and contingent liabilities as at reporting date:

	<b>2023</b>	<b>2022</b>
Letters of guarantee (i)	100,000	150,000
Legal cases (ii)	500	29,208

(i) This balance reflects the financial guarantees provided by banks on behalf of the Group to QCSD as a part of normal business operations, and will be due within twelve months from the reporting date.

(ii) Pertains ongoing legal cases for which no provisions have been made.

## 26. SEGMENT INFORMATION

- For management purposes, the Group is organised into four strategic business units based on their nature of activities, thus, it has four reportable segments which are as follows:

- ❖ Stock brokerage – this segment includes financial services provided to customers as a stockbroker in the QSE;
- ❖ 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 programming of IT programs; and
- ❖ Others – represents the operations of holding Group which provides corporate services to subsidiaries in the Group and is also engaged in investing activities.
- The Group's management separately monitors the operating results of the operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the operating profit or loss.



\_ The Group's Chief Executive Officer reviews the internal management reports of each business unit at least quarterly.

	Stock brokerage	Real estate	Information technology	Others	Elimination	Total
<b>31 December 2023</b>						
Brokerage commission income, net	9,370	—	—	—	—	9,370
Real estate income	—	685	—	982	(550)	1,117
Income from investments	5,677	2,439	—	3,086	—	11,202
Other revenues	7,444	480	—	20,286	(19,859)	8,351
<b>Segment revenue</b>	<b>22,491</b>	<b>3,604</b>	<b>—</b>	<b>24,354</b>	<b>(20,409)</b>	<b>30,040</b>
Segment expenses	(16,694)	(3,094)	(19,287)	(9,273)	20,409	(27,939)
<b>Segment profit</b>	<b>5,797</b>	<b>510</b>	<b>(19,287)</b>	<b>15,081</b>	<b>—</b>	<b>2,101</b>
Depreciation and amortization	834	51	3	1,402	—	2,290
Segment assets	414,811	24,583	—	224,749	(162,000)	502,143
Segment liabilities	(293,005)	(213)	—	(40,523)	18,841	(314,900)
<b>31 December 2022</b>						
Brokerage commission income, net	16,049	—	—	323	—	16,372
Real estate income	—	3,109	—	573	(731)	2,951
Other revenues	3,685	206	—	2,003	(1,027)	4,867
<b>Segment revenue</b>	<b>19,734</b>	<b>3,315</b>	<b>—</b>	<b>2,899</b>	<b>(1,758)</b>	<b>24,190</b>
Segment expenses	(36,766)	(15,094)	(843)	(29,627)	21,757	(60,573)
Segment losses	(17,032)	(11,779)	(843)	(26,728)	19,999	(36,383)
Depreciation and amortization	638	257	3	1,723	—	2,621
Segment assets	497,557	24,718	19,287	221,939	(190,656)	572,845
Segment liabilities	381,867	857	—	52,743	(47,498)	387,969

## 27. FINANCIAL RISKS AND CAPITAL MANAGEMENT

### \_ Financial risks management

- The risk management function within the Group is carried out in respect of financial risks.
- Financial risks are risks arising from financial instruments to which the Group is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk, equity price risk and interest rate risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.
- Management has the overall responsibility for the establishment and oversight of the Group's risk management framework. The risks faced by the Group are managed through the close involvement of the management in the Group's activities.



### **a) Market risk**

- Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial assets. The objective of market risks management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group has a set of acceptable parameters, based on value at risk, that may be accepted and which is monitored on a regular basis.

#### **(i) Currency risk**

- The Group is not exposed to significant foreign exchange risk as it primarily transacts in Qatari Riyal, which is the Group's functional currency. Also, some transactions of the Group in the US Dollar bear no foreign currency risk as the US Dollar is pegged with the Qatari Riyal.

#### **(ii) Interest rate risk**

- Interest rate risk is the risk that the Group's earnings will be affected as a result of fluctuations in the value of financial instruments due to changes in market interest rates. The Group's interest rate risk arises from short-term deposits and due from a related party. Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.
- At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments is:

	2023	2022
<b>Floating interest rate instruments</b>		
Short-term deposits (Note 4)	<u>32,000</u>	<u>22,000</u>

- The following table demonstrates the sensitivity of the statement of profit or loss to reasonably possible changes in interest rates by 25 basis points, with all other variables held constant. The sensitivity of the statement of profit or loss is the effect of the assumed changes in interest rates for one year, based on the floating rate financial liabilities held at the reporting date.

**\_ The effect of the decreases in interest rates is expected to be equal and opposite to the effect of the increases shown::**

	Increase in basis points	Effect on profit
<b>31 December 2023</b>	+25	80
Floating interest rate instruments	−25	(80)
<b>31 December 2022</b>	+25	55
Floating interest rate instruments	−25	(55)

#### **(iii) Equity price risk**

- The Group's listed and non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.



- At the reporting date, the exposure to equity investments at fair value listed on the QSE was QR 94,429 thousand. Given that the changes in fair values of the equity investments held are strongly positively correlated with changes of the QSE market index, the Group has determined that an increase/(decrease) of 10% on the QSE market index could have an impact of approximately QR 9,443 thousand increase/(decrease) on the income and equity attributable to the Group.

#### **b) Credit risk**

- Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's due from customers, due from related parties, bank balances, due from QCSD and certain other assets.

**\_ Below table summarises the maximum exposure of the Group equal to the carrying amounts of these financial assets are as follows:**

	<b>2023</b>	<b>2022</b>
Bank balances - customer funds	204,806	352,118
Cash in banks	68,345	69,618
Due from QCSD	75,157	—
Due from customers	7,220	342
Other assets	3,044	24,856
<b>At 31 December</b>	<b>358,572</b>	<b>446,934</b>

#### **❖ Due from customers**

- The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.
- The Group limits its exposure to credit risk from these financial assets by evaluating the creditworthiness of each counter - party prior to entering into contracts; establishing sale limits for each counter-party, which are reviewed regularly; and periodically reviewing the collectability of its receivables for identification of any impaired amounts.

**\_ The following table provides information about the exposure to credit risk and ECLs for due from customers as at 31 December:**

<b>2023</b>	<b>Weighted average loss rate (1)</b>	<b>Gross carrying amounts</b>	<b>Loss allowance</b>	<b>Credit-Impaired</b>
Not past due	—	7,220	—	—
Above 365 days	100%	3,002	—	3,002
<b>Total (Note 6)</b>		10,222	—	3,002

<b>2022</b>	<b>Weighted average loss rate (1)</b>	<b>Gross carrying amounts</b>	<b>Loss allowance</b>	<b>Credit-Impaired</b>
Not past due	—	—	—	—
Above 365 days	98%	14,295	—	13,953
<b>Total (Note 6)</b>		14,295	—	13,953



#### ❖ Cash in banks and bank balances - customer funds

- The cash and cash equivalents are held with a credit worthy and reputable banks.
- Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

#### ❖ Due from QCSD

- Management believes that there is no significant credit risk from the outstanding amount from QCSD as it is a government entity.

#### ❖ Other receivables

- The Group uses an allowance matrix to measure the ECLs of its receivables from staff. Credit risks on these receivables are considered to be minimal as these are substantially recovered on monthly basis and based on historical payment behaviour and analysis of customer credit base and accordingly no provision for impairment on these receivables is recognised.

### C) Liquidity risk

- Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation..

#### ✓ Exposure to liquidity risk

- The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.
- The table summarises the maturity profile of the Group's undiscounted financial liabilities at 31 December based on contractual payment dates and current market profit.

2023	Carrying amounts	Contractual cash flows	Less than 1 year	1 - 2 years	2 - 5 years
Financial liabilities					
Due to customers	276,235	276,235	276,235	—	—
Dividend payable	15,666	15,666	15,666		
Other liabilities	1,199	1,199	1,199	—	—
	<b>293,100</b>	<b>293,100</b>	<b>293,100</b>	-	-

2022	Carrying amounts	Contractual cash flows	Less than 1 year	1 - 2 years	2 - 5 years
Financial liabilities					
Due to customers	319,750	319,750	319,750	—	—
Dividend payable	16,283	16,283	16,283	—	—
Other liabilities	15,690	15,690	15,690	—	—
	<b>351,723</b>	<b>351,723</b>	<b>351,723</b>		



### ✓ Capital management

- The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and to sustain future development of the business. The management monitors the capital, which the Group defines as total shareholders' equity excluding cumulative changes in fair value reserve and is measured at surplus of
- QR 187,243 thousand as at 31 December 2023 (31 December 2022: surplus of QR 184,876 thousand).
- The Group manages its capital structure and makes adjustments to it, in light of changes in business conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, or increase capital. No changes were made in the objectives, policies or process during the year 2023.

## 28. FAIR VALUE MEASUREMENT

- Fair value is the amount for which an asset can be exchanged, or a liability settled, between knowledgeable and willing parties at arm's length basis. Since the accompanying consolidated financial statements have been prepared under the historical cost convention, the carrying value of the Group's financial instruments except for certain investments as recorded could therefore be different from the fair value. However, in management's opinion, the fair values of the Group's financial assets and liabilities are not considered significantly different from their book value. The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

#### – Fair value measurement hierarchy for assets as at 31 December:

2023	Fair value measurement				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
Investment properties	31-Dec-23	11,469	–	11,469	–
Quoted equity investments					
Financial assets at FVOCI	31-Dec-23	3,705	3,705	–	–
Financial assets at FVTPL	31-Dec-23	90,724	90,724	–	–

2022	Fair value measurement				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
Quoted equity investments					
Financial assets at FVTPL	31-Dec-22	65,291	65,291	–	–
Financial assets at FVOCI	31-Dec-22	7,423	5,426	–	1,997



- The following table show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments in the statement of financial position as well as the significant unobservable inputs used.

**✓ Valuation techniques and significant unobservable inputs**

- The following table shows the valuation techniques used in measuring Level 2 fair values as at 31 December 2023 for assets and liabilities measured at fair value in the consolidated statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in (Note 10).

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment property –Land and Buildings in State of Qatar	Market comparison technique: The fair values are calculated as derived from the current market prices available for the properties or nearby / adjacent properties adjusted for any differences with the comparable properties.	Not applicable	Not applicable

## 29. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

- In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.
- Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.
- Information about significant areas that involve higher degree of judgment or complexity, or areas where assumptions or estimates have a significant risk of resulting in a material adjustment to the amounts recognised in the consolidated financial statements are as follows:

**❖ Impairment of receivables**

- The expected credit loss (ECL) impairment model requires forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability of default to various categories of receivables. Probability of default constitutes a key input in measuring an ECL and entails considerable judgement; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

**❖ Business model assessment**

- Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is



part of Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes required during the year.

#### ❖ Useful lives of intangible asset and property and equipment

- The Group's management determines the estimated useful lives of its intangible assets and property and equipment in order to calculate the depreciation and the amortisation. This estimate is determined after considering the expected usage of the asset and intangibles, physical wear and tear, technical or commercial obsolescence. The Group's management reviews the residual value and useful lives annually and future depreciation and amortisation charge would be adjusted where the management believes the useful lives differ from previous estimates.

#### ❖ Impairment of non-financial assets

- The carrying amounts of the Group's non-financial assets (intangible asset and property and equipment) are reviewed at each reporting date to determine whether there is any indication of impairment. The determination of what can be considered impaired requires significant judgement. As at the reporting date, management did not identify any evidence from internal reporting indicating impairment of an asset or class of assets.

#### ❖ Fair value measurement of investment properties

- The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of comprehensive income. The Group engages independent external valuers to determine the fair value. The valuers used recognised valuation techniques such as market approach.

#### ❖ Distinction between property and equipment, trading properties and investment properties

- The Group determines whether a property qualifies as an investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Property and equipment or owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used in the production or supply process.
- Group holds some properties that comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use for administrative purposes. These portions could not be sold separately (or leased out separately under a finance lease), so the Group has classified the whole of property as property and equipment because only an insignificant portion is held for use to earn rentals.

#### ❖ Legal proceedings

- The Group is subject to legal proceedings in which the ultimate outcome of each being always subject to many uncertainties inherent in litigation. The management applies significant assumptions in measuring the risks of exposure to contingent liabilities and provisions related to existing legal proceedings and other unsettled claims. The management's judgment is required in estimating the probability of a successful claim against the Group or crystallizing of a material obligation, and in determining the probable amount of the final settlement or obligation. The Group makes provisions against legal cases for all present obligations based on their prior experience on similar cases and advice sought from the legal advisers.

#### ❖ Provision for employees' end of service benefits

- Management has measured the Group's obligation for the post-employment benefits of its employees



based on the provisions of the Qatar Labour Law No. 14 of 2004. Management does not perform an actuarial valuation as required by International Accounting Standard 19 “Employee Benefits” as it estimates that such valuation does not result to a significantly different level of provision.

- The calculation of the provision is performed by management at the end of each year, and any change to the projected benefit obligation at the year-end is adjusted in the provision for employees' end of service benefits in the profit or loss.

❖ **Other provisions and liabilities**

- Other provisions and liabilities are recognized in the period only to the extent management considers it probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated.

- The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the actual cash outflows can take place in subsequent years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances. A change in estimate of a recognized provision or liability would result in a charge or credit to profit or loss in the period in which the change occurs.

❖ **Going concern**

- The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

## 30. COMPARATIVE INFORMATION

- Certain changes in the classification of accounts and accordingly, to the supporting note disclosures have been made to the previous year's consolidated financial statements to confirm to the current year's consolidated financial statements' presentation.



- The reclassification did not materially affect previously reported profit or equity.

Consolidated statement of financial position	As previously reported 31 December 2022	Reclassification	As reclassified 31 December 2022
Non-current assets			
Intangible assets	1,106	209	1,315
Current assets			
Other assets	31,569	(209)	31,360
Consolidated statement of other comprehensive income			
Brokerage commission income	26,073	(323)	25,750
Portfolio management income	–	323	323
Consolidated statement of profit and loss			
General and administrative expense			
Information technology and communication costs	3,859	(52)	3,807
Amortisation of intangible assets	588	52	640

- The presentation and classification of items in the consolidated financial statements shall be retained from one year to the next unless a change in presentation including the reclassification of comparative figures provides more reliable and relevant information to the users of the consolidated financial statements. The reclassifications of comparative figures did not affect the previously reported results of operations and equity.

### 31. SUBSEQUENT EVENTS

- «On 31 January 2024, the Administrative Court of Appeal issued a ruling (Case no.26/2022) in response to the cassation (case no. 795/2022) filed by Dlala Brokerage Company against the decision of the Administrative Court of Appeal (Case n. 26, 41, 42/2022) which had affirmed the QFMA Disciplinary Committee decision (case n. 10/2020), imposing a penalty of QR 10 million on Dlala Brokerage Company and, had rejected the decision of the Appeal Committee (Case 9/2021), imposing a penalty of QR 500 thousand on Dlala Brokerage.
- The ruling affirmed the annulment of all fines imposed on the group. As a result of this decision, the Group reversed the provision for legal cases by QR 4.5 million (Note 13).»

**Dlala Brokerage and Investment Holding Company**  
**Governance Report for the Financial Year ending on**  
**31 December 2023**



## Introduction:

- This Report identifies the rules of the framework and basic practices of governance of the Dlala Brokerage and Investment Holding Company, hereinafter referred to as “Dlala Holding” and “the Company”. Whereas, Dlala Holding is keen on complying with rules and guidelines of the Governance of companies stipulated in the Governance Code for Companies and Legal Entities Listed on the Main Market. The Code issued by the Qatar Financial Market Authority “QFMA” to develop the standards of the governance of companies and achieve the best practices of good governance which is considered one of the priorities of the Board of Directors and Senior Executive Management of Dlala Holding. Furthermore, the Company always strives to enhance and improve the principles and code of its governance aimed at achieving the interests of both its shareholders and current and potential stakeholders. The current Dlala Holding governance system includes strengthening the relationship between the Board of Directors and Senior Executive Management with shareholders, stakeholders, and the community to ensure continuous enhancement and improvement of the corporate governance code. Based on this, **Dlala Holding emphasizes that it shall always be keen on implementing the following:**

- ✓ Deal with all shareholders fairly and equally.
- ✓ Enhance the principle of transparency and disclose the fundamental issues related to the Company.
- ✓ Comply with the provisions of the relevant laws and regulations applied by the competent authorities.
- ✓ Prohibit the combination of the position of Chairman of the Board of Directors and executive positions.
- Finally, this Report was prepared according to the Governance Code for Companies issued by the Qatar Financial Markets Authority, taking into account the efforts made by Dlala Holding to comply with it.



## Compliance with the Laws of the Qatar Financial Markets Authority and the Application of the Governance Code

- Dlala Holding is keen on applying the Governance Code and enhancing its practices within this Code in accordance with local and international standards.
- The Board of Directors is also keen on developing effective foundations and rules that meet the highest standards of independence and transparency for control to maintain the confidence of investors at the present and in the future.
- To achieve the principle of compliance, the Board of Directors assigned an external audit office to develop a mechanism to monitor compliance with applying governance and improve the level of control in the company.
- This report highlights the basic elements of the control system that was designed and implemented for the financial year from the 1st of January, 2023 to the 31st of December 2023.
- Noting that Dlala Holding continues to apply and comply with the Governance Code, however, there are some obstacles that shall be addressed and improved to fully implement the Governance Code. For example, the information Technology Security Policy and the accounting policy shall be periodically reviewed, and the standard information Security Guideline is currently being prepared and approved.
- Compared to last year, Dlala Holding carried out several procedures to develop the governance environment at the Company, including:
  - ✓ Constituting a Risk Committee whose task is to monitor the risk environment at the Company, guide activities, and provide consultation on the necessary controls to mitigate the impacts of risks.
  - ✓ Updating the Risk Record in line with variables faced by the Company.
  - ✓ The company contracted with a consulting firm specializing in preparing all policies and procedures related to technological security.
- Over the past years, Dlala Holding strived to achieve the best application of the Governance Code, and it shall continue its efforts to improve the current situation and fulfill all the requirements of the Governance Code according to the best practices accepted locally and internationally. Dlala Holding continues improving the governance of the Company which shall be periodically reviewed to ensure compliance with the Governance Code for Companies issued by the QFMA. To review the Code, please, review the Company's website which includes a definition of the Company's governance structure and the responsibilities of the Board of Directors, its committees and the Senior Executive management. It is used as a reference by the Company's related parties such as (investors, shareholders and stakeholders) to understand the mechanism of the implementation of the company's governance processes.
- Dlala Holding has improved policies related to the implementation of the Governance Code as follows:
 

✓ Related Parties Transaction Policies.	Disclosure Policies.
✓ Insider trading Policies.	Dividend policy.
✓ Policy for ongoing guidance and training of the Board's members.	
✓ Policy for assessment of the performance of the Board of Directors and Executive Management.	
✓ Remuneration Policy.	Nomination Policy.
✓ Code of Conduct Policy.	Stakeholder Policy.
✓ Policy for reporting violations.	External Audit Policy
✓ Corporate Communication Policy.	Anti-Fraud Policy.



- ✓ Real Estate policy. Risk Management Policy.

- Furthermore, several policies were added and amended in the meeting of the Board of Directors No. (11) on 26/12/2023 as follows:
  - ✓ Investment Committee Charter.
  - ✓ Investment Policy.
  - ✓ Financial and Administrative Competency Matrix.
- In addition, the Internal Audit Plan for 2023 was approved in meeting No. (1) of the Audit Committee of 2023 on 17/01/2023.
- As a part of the Company's methodology to fulfill the Governance Standards, the Board of Directors approved a three-year strategic plan for the Company that started in 2022 and ends at the end of 2024.
- Finally, Dlala Holding represented by the Board of Directors and the Senior Executive Management periodically emphasizes enhancing the practices of governance for companies by developing the principles of transparency, accountability, justice and equality according to the Regulation issued by the Qatar Financial Markets Authority. As stated in this report, Dlala Holding undertakes to continue developing procedures that enhance the Governance Code and to continue updating internal policies and procedures to ensure its compliance with the implementation of governance requirements in business activities.
- Dlala Holding also confirms its keenness to maintain the company's stability and growth in addition to gaining the trust of its shareholders and other stakeholders.

## **Assessment of the Company's Compliance with the Governance Code issued by the Qatar Financial Markets Authority**

- Dlala Brokerage and Investment Holding Company (Q.S.P.C.), hereinafter referred to as "Dlala" conducted an assessment of its compliance with the Articles of Association and the provisions of the relevant laws and legislation issued by the Qatar Financial Markets Authority hereinafter referred to as (the Authority), including the provisions of the Governance Code for Companies and Legal Entities Listed on the Main Market, hereinafter referred to as "The Code", which was published on May 15, 2017. The assessment showed the Company's compliance with these regulations and laws, except for the items described below.
  1. Article (8), no periodical reports on compliance with the policies, procedures, laws and regulations were submitted because there is no employee or administrative unit entrusted with this competency at Dlala Holding.
  2. Article (20), policies and procedures of technological security were not periodically updated based on the results of the technical risk assessment.
- In addition, the Company's non-compliance with legislation, circulars and decisions issued by the QFMA was assessed including:
  1. Policies related to investment have not been updated since 2015.
  2. Financial policies and procedures have not been updated since 2014.



## **Board of Directors:**

- The Board of Directors is considered the basis for the Company to achieve the public interest of both shareholders and the Company. In order to ensure that Dlala Holding implements the Governance Code effectively, all its members are carefully selected to achieve the desired goals by this Board. This part of the report will focus on everything related to the Board of Directors, its members, and the most important actions and events that occurred in 2023.

### **The Board formation:**

- According to the Company's Articles of Association, a Board of Directors formed of (9) members who are elected by the General Assembly of Shareholders every three years shall manage the Company divided as shown below:

- ✓ (3) members representing the Company's Founding Entities.
- ✓ (6) members elected from the nominated shareholders.

- Provided that at least one-third of the Board shall be independent members, and the majority of the Board's members shall be non-executive members. It is permitted to allocate one or more seats of the Board to represent the minority and another seat to represent the Company's personnel.

- In the new session of the Board of Directors 2023-2025, the company's Founding Entities apologized for nominating their representatives, and accordingly, their seats were made available for elections.

- **On 04/04/2023, during the General Assembly, (9) members were elected, as follows:**

- 1- Dr./ Thani Abdul Rahman Al-Kuwari.
- 2- Mr. Naseer Hamad AL-Sulaiti.
- 3- HE Sheikh/ Khalid Saud Khalid AL- Thani.
- 4- Dr. / Abdulaziz Ali AL-Hammadi.
- 5- Mr. / Farhoud Hadi Al Hajri.
- 6- Mr./ Ali Hussain Ibrahim.
- 7- Mr. / Sultan Ibrahim AL-Kuwari.
- 8- Dr./ Hashim Abdul Rahim Al Sayed.
- 9- Mr./ Abdullah Ahmed Al Nasr.

- **In Meeting No. (5) of the Board of Directors corresponding to 18/04/2023, the following were elected:**

- ✓ Mr./ Thani Abdul Rahman Al Kuwari to become the Chairman of the Board of Directors by acclamation.
- ✓ Mr./ Naseer Hamad AL-Sulaiti to become the Vice Chairman of the Board and Managing Director.

- **On 04/05/2023, the resignation of**

Dr./ Hashim Abdul Rahim Al Sayed was accepted.

- **On 04/06/2023, the resignation of**

Mr./ Abdullah Ahmed Al Nasr was accepted.

- In light of that, in meeting No. (8) of 2023, a decision was made by the Board of Directors to continue with (7) members.

The table below shows the membership status and ownership percentage in the Company of the Board's members:

No.	Name	Status of Membership	Personal Ownership Percentage	Percentage of Shares Owned by Represented Entity
1	Mr./ Thani Abdul Rahmn Al Kuwari	- Chairman of the Board - Nonindependent member - representative of Al Tameer Real Estate Project Company	—	%0,37
2	Mr. / Sultan Ibrahim AL-Kuwari	- Member of the Board - Nonindependent member - Representative of Armed Forces Investment Portfolio	—	%5
3	Mr./ Ali Hussain Abdullah	- Member of the Board - Nonindependent member - Representative of Ariane Real Estate Company		%0,19

## CVs of Members of the Board of Directors

### 1. Mr. /Thani Abdul Rahman Al Kuwari (Chairman of the Board of Directors)

- He obtained a Bachelor's Degree in Architecture, from the University of Miami, USA (1998).
- He obtained a master's degree in International Sports Law, from the University of Lleida, Spain (2021) and graduated from the French University of Lille with a master's degree in Project and Business Management and a doctorate in the same specialty (20072010-).
- Mr. Thani Al Kuwari holds several positions, as follows: Second Vice President of the Qatar Olympic Committee (2017-present) / Vice President (West Asia) Olympic Council of Asia (2019-present) / President of the Qatar Athletics Federation (2017-present) / Chairman of the Board of Directors of Dlala Holding Company, member of the Executive Committee and Representative of Al Tameer Real Estate Project Company.

### 2. Mr. Naseer Hamad AL-Sulaiti is a Vice Chairman of the Board and Managing Director.

- He holds a Bachelor's degree in Accounting, from the College of Business and Economics at Qatar University (1998)
- He holds an Executive Master's Degree in Business Administration from, the University of Plymouth, England (2017)
- Mr. Hamad Al-Sulaiti holds several positions, as follows: Assistant Director of the Office of the Secretary-General at the Qatar Olympic Committee (2022-present), member of the Tenders Committee of the Qatar Olympic Committee since (2021-present), member of the Grievances Committee of the Qatar Olympic Committee since (2017 -present) / Vice Chairman of the Board of Directors of Dlala Holding Company, Managing Director and Chairman of the Nominations and Remuneration Committee



### **3. Mr. / Farhoud Hadi Al Hajri (member of the Board).**

- He holds a Bachelor>s degree in Science from Qatar University in 2000 and a master's degree in Business Administration from Jadara University in Jordan in 2019.
- Livestock Advisor at the Office of the Assistant Undersecretary of Agricultural Affairs and Fisheries at the Ministry of Municipality (2019- present)
- Head of the Friends of the Environment Center- Ministry of Culture and Sports.
- Member of the Board of Directors and a member of the Audit Committee of Widam Company
- Member of the Technical Team for Scientific Research in the Agricultural Sector in the Ministry of Municipality and Environment.
- The Head of the Audit Committee in Dlala Holding (2020-present), and he assumed the position of Vice Chairman of the Company's Board of Directors from 272022/10/ until the reconstitution of the Board in the new session 20232025-.

### **4. Mr. / Abdulaziz Ali AL-Hammadi (Member of the Board).**

- He holds a Bachelor>s Degree in Accounting from the College of Business and Economics –Qatar University (1994).
- Master>s Degree in Marketing and Public Relations, Britain (2010).
- Doctorate in Business Administration (Islamic Finance) Lebanon (2015).
- He occupied several positions including the Chief Executive Officer of the Omulah for Real Estate Brokerage Company, the Chief Executive Officer of Dlala Holding from 2016 -2021, Director of Marketing and Sales of Aqar Real Estate Development and Investment Company, and Deputy Chairman of the Hajj Affairs Committee. In addition, he is a certified trainer at the Ministry of Administrative Development and Qatar University. Currently, he is a member of the Board of Directors of Dlala Holding Company and a member of the Audit Committee. 5. HE Sheikh/ Khalid Saud Al-Thani
- Holds a Bachelor>s degree in Business Administration in Public Administration, from Carnegie Mellon University (2016).
- Sheikh/Khaled Al Thani has worked in the Qatar Investment Authority as a participant in the Department of Financial Institutions from 2021 until then. He was also a former trainee and financial analyst in the Qatar Investment Authority.

### **6. Mr. / Sultan Ibrahim AL-Kuwari.**

- He holds a Bachelor>s degree in Accounting and Finance, from the University of Leeds, Britain 2010
- He holds a master's degree in Public Policy from Hamad Bin Khalifa University (2015), and a master's degree in Defense and Security Studies from Sheikh Joaan bin Jassim Joint Command and Staff College.
- Mr. Sultan Al-Kuwari holds the position of project manager at Barzan Holdings. Formerly, he occupied several positions, including Director of the Consultancy Services at Qatar Development Bank and Senior Analyst at Contract Services at the Business Operations Group in Rasgas Company.

### **7. Mr./ Ali Hussain Ibrahim.**

- Holds a Bachelor>s degree in the Department of Trade and International Transportation Logistics Management from the Arab Academy for Science, Technology and Maritime Transport Egypt (2017).
- Mr. Ali Ibrahim holds the position of Director of Trade Relations at Ariane Real Estate Company



## Board of Directors Term:

- The membership of the Board of Directors lasts for 3 years for each session. The current Board of directors shall end at the end of the financial year 2025.

## Board of Directors Meetings:

- According to Commercial Companies Law No. (11) of 2015, and Qatar Financial Markets Authority Law No. (5) of 2016, and the Company's Articles of Association, the Chairman of the Board of Directors or in the event of his absence, the Vice Chairman shall invite the Board to a meeting. If at least two members of the Board ask for a meeting, the Chairman of the Board shall hold a meeting. The number of meetings shall not be less than six during each financial year. Meetings shall not fulfill conditions unless half the members of the board attend them in addition to the Chairman or the Vice Chairman of the Board. It is not allowed to pass three months without holding any meetings of the Board. Meetings may be held inside or outside the Company's headquarters.
- The absent member may assign one of the members in writing to represent him in attendance and voting. In this case, the member shall have two votes. Each member of the Board may represent only one member.
- An invitation shall be sent and all the members shall be notified at least one week before the date of the meeting. The agenda of the meeting and issues to be discussed shall be attached to the invitation. Noting that each member of the Board has the right to add items to be discussed if he desires. In addition, the Senior Executive Management shall attend the meetings of the Board as required to submit periodical reports regarding its responsibilities and discuss issues that require approval of the Board of Directors.

\_ Attached below is the Board of Directors' Attendance Book for the Financial Year 2023, as (11) meetings were held during the year.:

No.	Name of the Member	Meeting (1)	Meeting (2)	Meeting (3)	Meeting (4)	Meeting (5)	Meeting (6)	Meeting (7)	Meeting (8)	Meeting (9)	Meeting (10)	Meeting (11)
1	Mr. /Yousef Abdul Rahman Al Khulaifi (former Chairman of the Board)	✓	✓	✓	✓							
2	Mr./ Farhoud Hadi Al Hajri	✓	✓	✓	✓	✓						
3	(Former- Vice Chirman of the Board)	✓	✓	✓	✓	✓						
4	Mr./ Ali Hussain Al Sada	✓	X	✓	✓							
5	Mr./ Mohammed Sami Abu Shikha	✓	✓	✓	✓	✓						
6	Mr./ Faisal Ahmed al Sada	✓	✓	✓	✓	✓						



No.	Name of the Member	Meeting (1)	Meeting (2)	Meeting (3)	Meeting (4)	Meeting (5)	Meeting (6)	Meeting (7)	Meeting (8)	Meeting (9)	Meeting (10)	Meeting (11)
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\_ The Meeting of the General Assembly was held on 02 / 04 / 2023. The members of the Board were elected for the new session 2023 - 2025. All the members were replaced except for Mr./ Farhoud Hadi Al Hajri

1	Dr./Thani Abdul Rahman Al Kuwari Chairman of the Board - Representative of Al Tameer Real Estate Project Company W.L.L	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Mr./ Naseer Hamad al Sulaiti Vice Chairman of the Board – Managing Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	HE Sheikh/ Khalid bin Saud Al Thani	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Dr./ Abdulaziz Ali Al Hammadi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Mr./ Farhoud Hadi Al Hajri	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Mr./ Ali Hussain Abdullah	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Mr. / Sultan Ibrahim Al Kuwari	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Dr./ Hashim Abdul Rahim Al Sayed	✓	✓									He resigned on 04/05/2023
9	Mr./ Abdullah Ahmed Al Nasr	✓	✓									He resigned on 04/06/2023

Legend: (✓) Present, (X) Absent.

### Assessments of the Board of Directors:

- Dlala Holding is keen on activating and developing the participation of the Board of Directors and its scope of effectiveness all over the year by conducting an annual self-assessment as a basic item of Governance that provides the members of the Board with an opportunity to participate actively. Therefore, the Nomination and Remuneration Committee is responsible for coordinating and conducting this assessment aimed at assisting the members of the Board to review their performance comprehensively and work to improve it annually. Moreover, this assessment enables the Group to measure the diverse composition of the Board of Directors in terms of participation, the effectiveness of performance, career background, and the extent of their ability to achieve the Company's strategic objectives.

### Prohibition of Combining Positions:

- After electing the Board of Directors and selecting its members, the new Board holds a meeting and selects the Chairman and Vice Chairman of the Board for one year. According to the requirements of Article (7) of the Governance Code for Companies of the Qatar Financial Markets Authority which stipulates that « It is prohibited for anyone, whether in person or in capacity, neither to be a Board Chairman or a vice-chairman for more than two Companies whose Headquarters are located in the State, nor to be a Board member for more



- than three companies whose headquarters are located
- in the State, nor to be a Managing Director in more than one Company
- whose headquarters are located in the State, nor to combine two
- memberships of two Companies exercising a homogenous activity.
- It is also prohibited to combine the position of the Chairman with any other executive position in the Company. The Chairman shall not be
- a member of any of the Board committees set out in this Code.
- For the financial year 2023, the Chairman and members of the Board submitted acknowledgments not to combine any of the positions that are prohibited to be combined according to the Law and provisions of this Code. Considering that the Company obtains those acknowledgments annually. The Secretary of the Board keeps them in special files.

### **Remunerations of the Board of Directors:**

- In 2019, Dlala Holding developed remuneration policies that were approved by the Board. These policies in brief are to identify and allocate the remunerations of the Board in accordance with applicable laws and regulations, such as the Commercial Companies Law and requirements of the Qatar Financial Markets Authority. The Company developed a policy for the Boards' remunerations according to the previously mentioned regulations. Refer to the financial statements concerning allowances granted to the members of the Board during 2023.

### **Responsibilities of the Chairman of the Board of Directors:**

- The Chairman of the Board is considered the representative of the Company before third parties and the Judiciary. He is primarily responsible for good, effective and productive management to achieve the interests of the Company, partners, shareholders and all stakeholders. The duties and responsibilities of the Chairman include the following:

1. Ensuring that the Board discusses all main issues effectively and in a timely manner.
2. Approving the agenda of the meetings, taking into account issues offered by any member of the Board.
3. Encouraging the members of the Board to work cooperatively and effectively in managing the Board's affairs, to ensure that the Board carries out its responsibilities to achieve the best interest of the Company.
4. Provide the members of the Board with all data, information, documents and records of the Company, the Board and its committees.
5. Creating effective communication channels with shareholders and making their opinions heard by the Board.
6. Allowing effective participation of the Non-Executive Board Members in particular and promoting constructive relations between Executive and Non-Executive Board Members.
7. Keep the members constantly informed about the implementation of the provisions of this Code. The Chairman may authorize the Audit Committee or other committees in this mission.

### **Responsibilities of the members of the Board of Directors:**

- The Board of Directors prepared the Charter of the Board that summarizes its responsibilities, duties and tasks. The Charter also includes the responsibilities of the Chairman of the Board and any other related items required by the Qatar Financial Markets Authority that are published on the Company's



website. The Charter aims to develop a corporate governance code for the company that is more transparent, understandable, and accessible to shareholders.

**As stated in the charter, the responsibilities of the members of the Board include the following :**

1. Develop a strategy for the Company (including goals, vision, mission, strategic objectives and strategic plans) and monitor the implementation of this strategy by the Management.
2. Appoint and dismiss the Chief Executive Officer of the Company, determine his term of service, salary and remunerations and monitor his performance compared to the stated goals.
3. Approve the appointment and dismissal of the Secretary of the Board and Senior Executive Members (as required).
4. Ensure that the Board is constituted according to the provisions of the internal regulations of the Company and in accordance with the requirements of the other relevant legislation including the Governance Code for Companies issued by the Qatar Financial Markets Authority. (These requirements include but are not limited to the following: The Board shall have independent non-executive members, and at least one-third of the Board shall be composed of independent members, provided that the majority of the Board members shall be made up of non-executive members. Nomination processes for Board membership shall be carried out in accordance with the guiding principles of financial solvency and solvency contained in the Corporate Governance System issued by Qatar Financial Markets Authority, in addition to including terms and conditions that ensure that shareholders will obtain information before the voting process regarding candidates to be board members, the voting process for board member elections and procedures for dismissing board members, including cases of failure to attend board meetings. When the Board deems it necessary to submit a proposal to the extraordinary General Assembly of shareholders to amend the Company's AOA.
5. Determine the independence of non-executive members on a regular basis and according to the requirements of the Governance Code for Companies issued by the Qatar Financial Markets Authority.
6. Identify the powers, duties and responsibilities assigned to the members of the Board including the Chairman of the Board, the Vice chairman and the Chief Executive Officer.
7. Develop the policy for remunerations and terms of nominations for the members of the Board.
8. Prepare a training program for the new members of the Board to ensure that if they are elected they shall be fully aware of their responsibilities and they understand the appropriate way of managing the Company.
9. Develop a governance code for the Company that complies with the provisions of this code, supervise it, monitor the extent of its effectiveness, and amend it as needed.
10. Keep the members informed about the latest developments with regard to the aspects of Companies, Governance, and the best practices in the Company's area.
11. Appoint committees that the Board deems fit to assist them perform their tasks and responsibilities, in addition to identifying the responsibilities of those committees.
12. Approve the policy related to changing a current policy and practice submitted by committees or the Management.
13. Monitor the Financial performance of the Company.
14. Monitor financial results and integrity of reports, especially approving annual budgets, including large capital expenditures, business plans, and long-term strategies.
15. Ensure the integrity of the Company's financial reports and other reports through approval and oversight.
16. Monitor the Company's performance and compare it to budgets and plans.



17. Set certain limits to the powers of Senior Executive Management based on the decision of the Board of Directors.
18. Develop a written policy that regulates the relationship between stakeholders in order to protect them and preserve their rights.
19. Manage risks and supervise internal controls. Ensure effective audit, risk management and compliance systems are implemented to protect the Company's assets and eliminate the possibility of operating the Company in any way that violates legal requirements or acceptable risk standards. Review the application and effectiveness of risk management and internal control system.
20. Fundamental changes in accounting procedures and policies, and risk management.
21. Matters that will have a material impact on the company's financial position, liabilities, future strategy, or reputation.
22. Monitor compliance with contracts, laws, legislation, legislative obligations and ethical standards.
23. Establish standards for professional conduct and ensure compliance with them.
24. Propose changes to the Company's Articles of Association and internal legislation.
25. Conduct a review on a regular basis of the Senior Management succession and development plan.
26. Ensure the availability of appropriate resources in the Company in order to implement the Company's strategy and daily processes successfully and effectively.
27. Ensure that the Company has sufficient insurance coverage for products, general liabilities and liabilities of the members and employees in the event of any claims against the Company.
28. Company's policies concerning employment and remunerations.
29. Manage administrative problems and reputation.
30. Invite all shareholders to attend the meeting of the General Assembly through methods defined by the law. The invitation and announcement shall include an executive summary of the agenda of the General Assembly including the item of discussing and approving the Governance Report.
31. Submit recommendations to the External Auditor and appoint a new external auditor when needed provided that any recommendation submitted to the Board by shareholders in the annual meeting of the General Assembly shall be approved.
32. Comply with the legislation concerning external auditors' turnover.
33. Appoint the internal auditor and guarantee his independence, provided that this independence is supported by the Board of Directors determining the salaries and remunerations of internal audit.
34. Follow up with Senior Executive Management for the purpose of implementing any tasks specified by the external or internal auditor.
35. Coordinate between the external auditor, the internal auditor and the Audit Committee.
36. Ensure that the members of the Audit Committee and the Nominations and Numerations Committee and the external auditor attend the meeting of the General Assembly.
37. Ensure that the Company complies with the relevant laws and legislation in addition to the Articles of Association and internal regulations. The Board is also responsible for protecting the Company against illegal, disturbing, or inappropriate actions and practices. The Board shall revise, update and continually review governance policies. The Board shall regularly review and update the Code of Business Conduct regarding the Company's values, and policies, work on other internal procedures and ensure that all Board members and Company employees, as well as Company advisors, comply with them.



38. Regularly review the principles of business conduct to ensure that they show the best practices and that they meet the Company's needs.
39. Approve nominations concerning appointments in the jobs of Senior Executive Management and the succession plan to manage it.
40. The Board has the right to full and immediate access to information, documents and records of the Company. The Company's Senior Management shall provide the Board and its committees with all documents and information that they request.
41. Develop a clear policy for contracting with concerned parties and submit it to the General Assembly to be approved.
42. The Board of Directors shall periodically develop awareness programs to spread the culture of self-control and compliance with relevant laws, legislation and regulations that organize the Company's work.

#### **Spokesman :**

- Based on the requirements of the Qatar Financial Markets Authority, the Company appointed a person as the Company's Spokesman:
- Mr. / Mohamed El- Sadi- Director of Operations

#### **Secretary of the Board of Directors:**

- The Board of Directors appointed Mr./ Islam Saber Yaseen as the Secretary of the Board. Mr. Islam Yaseen holds a Bachelor>s degree in Law from Alexandria University (Arab Republic of Egypt) in 2006. Currently, he is the Assistant Director of the Legal Department at Dlala Brokerage and Investment Holding. He started to work in the Company in 2010 and he has 13 years of experience in a shareholding company.

**The Board's Secretary helps the Chairman and all the members of the Board in their tasks and is committed to conducting all the functioning of the Board including:**

- ✓ Editing the minutes of Board meetings recording the names of present and absent members, stating what took place at the meeting, and recording the members' objections to any decision issued by the Board.
- ✓ Registering decisions of the Board in the record prepared for this purpose according to their date of issuance.
- ✓ Registering the meetings held by the Board in the record prepared for this purpose, sequenced and arranged according to the date of their holding, indicating the present and absent members, the decisions made by the Board at the meetings, and objections, if any.
- ✓ Keeping the minutes of the Board meetings, decisions, reports, and all records, correspondence, and communications of the Board in paper and electronic records.
- ✓ Sending invitations to the members of the Board and participants –if any- attached with the agenda at least two weeks before the specified date to hold the meeting and receiving the requests of the members to add one or more items to the agenda and record their submission date.
- ✓ Making full coordination between the Chairman and members of the Board, among members themselves, as well as between the Board and the Related Parties and Stakeholders in the company including shareholders, Management and employees.
- ✓ Enabling the Chairman and the members to have timely access to all documents as well as information and data of the Company.
- ✓ Safekeeping the Board members' acknowledgments of not combining prohibited positions pursuant to the Law and the provisions of this Code.



## Board Committees

- The Board may delegate its Committees to practice some of its competencies and It has the right to constitute one or more special committees to carry out specified tasks provided that the decision of their constitution shall stipulate the nature of those tasks.

The committees constituted by the Board are shown below as follows:

### **Firstly: Audit Committee**

### **secondly: Nominations and Remuneration Committee**

### **Third: Executive Committee**

- Although the Board of Directors authorized the above-mentioned committees to perform some of its competencies, the Board shall bear the final responsibility of the Company even if it constitutes committees or authorizes entities or other persons to carry out some of its work. The Board shall avoid giving general or unlimited authorizations, considering that the responsibilities of each committee are defined and documented in the Board Charter that is approved by the Board. In addition, the Board regularly conducts a performance assessment for the achievements of the committees to ensure that their members have clear roles that are understood by each member. Each committee shall submit its annual report to the Board of Directors including its work and recommendations pursuant to Article No. (19) of the Governance Code for Companies of the Qatar Financial Markets Authority.

### **Firstly: Audit Committee**

- The Audit Committee is the committee that assists the board in fulfilling its liabilities regarding:
  - Preparing and submitting to the Board a proposed Internal Control system for the Company upon the constitution of the Committee, and conducting periodic audits whenever necessary.
  - Reporting to the Board on the matters related to the Committee as outlined in the Governance Code for Companies of QFMA.
  - Considering other issues as determined by the Board.
  - Monitoring risk factors related to Dlala and recommending to the Board for mitigating the risk factors.
  - Auditing the Financial and Internal Control and risk management systems.
  - Discussing the Internal Control systems with the Management to ensure Management's performance of its duties towards the development of efficient Internal Control systems.
  - Considering the findings of principal investigations in Internal Control matters requested by the Board or carried out by the Committee on its initiative with the Boards' approval.
  - Reviewing Dlala's financial and accounting policies and procedures.
  - Considering any issues raised by the External Auditors.
  - Ensuring the timely reply by the Board to the queries and matters contained in the External Auditors' letters or reports.
  - Ensuring that the External Auditor attends the General Assembly and delivers the annual report and answers any queries in this respect.
  - Overseeing Dlala's adherence to professional conduct rules.
  - Ensuring that all laws and instructions regarding Dlala's activities are duly adhered to.
  - Ensuring that the rules of procedure related to the powers assigned to the Board are properly applied.
  - Attending the General Assembly.



16. Monitoring the accuracy and validity of the financial statements and the yearly, half-yearly and quarterly reports, **and auditing such statements and reports, with special focus on:**

- ✓ Any changes to the accounting policies and practices;
- ✓ Matters subject to the discretion of Senior Executive Management;
- ✓ Major amendments resulting from the audit;
- ✓ Continuation of Dlala as a viable going concern;
- ✓ Compliance with the accounting standards - International Financial Reporting Standards.
- ✓ Compliance with the applicable rules in the Qatar Stock Exchange; and
- ✓ Compliance with disclosure rules and any other requirements relating to the preparation of financial reports.

17. Considering any significant and unusual matters that may be contained in Dlala's financial reports and accounts.

18. Overseeing and following up on the independence and objectivity of the External Auditor for determining the nature, scope and efficiency of the external audit in accordance with International Standards on Auditing and International Financial Reporting Standards.

19. Ensuring that the External Auditor conducts an annual and semi-annual independent audit with the purpose of providing an objective assurance to the Board and shareholders that the financial statements are prepared in accordance with related laws and regulations and International Financial Reporting Standards and that they accurately represent the financial position and performance of Dlala in all material respects.

20. Meeting with the External Auditors at least once a year.

21. Recommend to the Board regarding the appointment of External Auditors, **according to the following guidelines:**

- ✓ External auditors shall be independent and shall not have any interests in Dlala and its Board Members other than auditing. External Auditors shall not have any conflicts of interest in their relation to Dlala.
- ✓ External auditors shall be professionals with relevant experience in auditing the financial statements of listed companies based on International Audit Standards and International Financial Reporting Standards.
- ✓ Follow the applicable rules and regulations regarding auditor rotation.

22. Reviewing the letter of appointment of the External Auditor, his business plan and any significant clarifications he requests from the Senior Management concerning the accounting records, the financial accounts or control systems as well as the Senior Executive Management's reply.

23. Evaluating the performance of External Auditors.

24. Consulting at Dlala's expense any independent expert or consultant with prior approval from the Board.

25. Recommend and follow up on all activities related to training, promotion and development of human resources.

26. Delegate responsibilities to a sub-committee comprising one or more of its members or to Dlala's CEO.

27. Ensuring that the Internal Audit job includes at least one internal auditor appointed by the Board.

28. **Recommend to the Board for approval of the scope of Internal Audit and to particularly include the following:**

- ✓ Control and oversight procedures of financial affairs, investments, and risk management.

- ✓ Comparative evaluation of the development of risk factors and the systems in place to respond to drastic or unexpected market changes.
- ✓ Assessment of the performance of the Board and Senior Management in implementing the Internal Control Systems, including the number of times the Board was notified of control issues (including risk management) and the manner in which such issues were handled by the Board.
- ✓ Internal Control failure, weaknesses or emergencies that have affected or may affect Dlala's financial performance and the procedure followed by Dlala in addressing Internal Control failures (especially such problems as disclosed in Dlala's annual reports and financial statements)
- ✓ Dlala's compliance with applicable market listing and disclosure rules and requirements.
- ✓ Dlala's compliance with Internal Control systems in determining and managing risk.
- ✓ All information that describes Dlala's risk operations. 29. Overseeing the functioning of the Internal Audit and in particular ensuring that the following Internal Audit functions are performed –
- ✓ Audit the Internal Control Systems and oversee their implementation.
- ✓ Internal Audit is to be carried out as an independent operation by an appropriately trained and competent staff.
- ✓ Internal Audit shall submit the report to the Board through the Committee.
- ✓ Internal Audit includes all activities of Dlala Company.
- ✓ Internal Audit shall be independent from the day-to-day functioning of Dlala. Independence shall be imposed by the compensation paid to the Internal Auditor being determined by the Board based on the recommendation of the Committee.
- ✓ The internal Auditor shall attend the General Assembly.

#### The Audit Committee members:

- The Audit Committee consists of three members chaired by an independent member. The majority of its members have extensive experience in Financial Affairs. Below are the members of the Audit Committee on 31 December 2023:

No.	Name of Member	Position
1	Mr. Farhoud Hadi Al Hajri	Chairman
2	Dr./ Abdulaziz Al Hammadi	Member
3	Mr./ Sultan Al Kuwari	Member

During the financial year 2023, the Audit Committee held (8) meetings. The Members' Attendance Record is attached below.

NO.	MEMBER'S NAME	POSITION	Meeting (1)	Meeting (2)	Meeting (3)	Meeting (4)	Meeting (5)	Meeting (6)	Meeting (7)	Meeting (8)
1	Mr. Farhoud Hadi Al Hajri	Committee Chairman Member of the Board	✓	✓	✓	✓	✓	✓	✓	✓
2	Dr. Abdulaziz Al Hammadi	Committee Member						✓	✓	✓
3	Mr. Sultan Al Kuwari	Committee Member						✓	✓	✓

NO.	MEMBER'S NAME	POSITION	Meeting (1)	Meeting (2)	Meeting (3)	Meeting (4)	Meeting (5)	Meeting (6)	Meeting (7)	Meeting (8)
4	Mr./Abdullah Al Nasr	Committee Member				✓	✓			
5	Dr./Hashim Al Sayed	Committee Member				✓	✓			
6	Mr./Mohamed Abu Shikha	Committee member	✓	✓	✓			✓	✓	✓
7	Mr. Faisal Al Sada	Committee Member	✓	✓	✓			✓	✓	✓

### Changes made to the Audit committee in 2023:

- Members of the Audit Committee at the beginning of 2023, Mr./ Farhoud Hadi Al Hajri, Mr./Faisal Al Sada, Mr Mohamed Abu Sheikha.
- On 18/04/2023, the Committee members were reconstituted and the following members were appointed: Dr. Hashim Abdul Rahim Youssef Al Sayed, Mr./ Abdullah Ahmed al Nasr, Mr./ Farhoud Al Hajri. On 15/06/2023, the committee members were reconstituted and the following members were appointed: Mr. Farhoud Hadi Al Hijri, Dr./ Abdulaziz Ali Al Hammadi, Mr./Sultan Ibrahim Al Kuwari- Representative of the Qatari Armed Forces Investment portfolio.

### Decisions and Recommendations of the Audit Committee for the Financial Year 2023:

- ✓ Recommending to choose Mazars Office to provide the audit service on the financial statements for the year ended in 2023.
- ✓ Submitting the comments of the auditor resulting from the assessment of Internal Control Over Financial Reporting (ICOFR)to the CEO to set the corrective measures and target dates to close these comments.
- ✓ Recommending to constitute a committee to assess the Company in respect to the aspects shown below:
- ✓ Administrative Aspect: Knowing the organizational structure, job placement, and procedures, policies and regulations related to the Administrative Aspects and approving that by identifying the salary scale, competencies and responsibilities.
- ✓ Legal Aspect: by studying all the agreements and contracts between all parties whether internal or external.
- ✓ Operational Aspect: knowing and identifying the Company's activity, goals, and practices, and those responsible for them, in addition to determining the activity's procedures, and approving the activity budget to know the cost of the activity and the revenue generated from it to determine the goal of the Company's practice of its work.
- ✓ Financial Aspect: studying and analyzing all the Company's accounts starting from preparing entries then balancing and posting them, preparing the trial balance, preparing the financial statements and knowing their conditions to determine the integrity of the entries and classification, and studying and reviewing the company's financial policy.
- ✓ Restudying the situation of the three Board Committees and identifying the practice of their tasks, scope of work and roles that they shall carry out to serve the Company and enhance its position in the market.

- ✓ Recommending the study of issues of Governance, Compliance and Transparency to promote the company's position, reject and correct any deviations or violations to follow all basic requirements of Governance and Compliance.
- ✓ Constituting a Risk Committee whose members shall be selected by the CEO (the Managing Director), in addition to setting controls and procedures for its work.
- ✓ Reviewing the corrective measures developed by the Director of Information Technology and amending the target dates of closing all high-risk comments.
- ✓ Obtaining a Real Estate Appraisal Certificate from more than one certified real estate appraiser inside the State of Qatar to estimate the market value of the real estate and inspect it on the ground.

## **secondly: Nominations and Remuneration Committee**

• According to the requirements of the Qatar Financial Markets Authority, the Committees of Nomination and Remuneration were merged into one committee as per the Governance Code. The Nomination and Remuneration Committee is initially responsible for ensuring that the nomination and appointment of the Board members are carried out in accordance with official, strict and transparent measures according to the QFMA's requirements, Comercial Companies Law No. (11) of 2015, the Company's Articles of Association and applicable regulations.

\_ The Nomination and Remuneration Committee comprises of (3) members who were reconstituted on 18/04/2023:

No.	Member's Name	Position
1	Mr. /Naseer Hamad Al Suliti	Chairman of the Committee - Vice Chairman of the Board and Managing Director
2	Mr./Ali Hussain Abdullah	Member of the Committee - Board Member
3	Mr. /Sultan Ibrahim Al kuwari	Member of the Committee - Board Member and Representative of the Armed Forces Investment Portfolio.

## **Responsibilities of the Nomination and Remuneration Committee are summarized as follows:**

1. Developing general principles and standards used by the General Assembly members to elect the fittest among the candidates for Board membership.
2. Nominating members who fulfill the requirements of the Board membership when any seat is vacant.
3. Preparing and submitting a management succession plan, and orientation training plan for the new Board members as well as the training process, work plan of the Board members and the annual corporate governance report to the Board of Directors for approval based on the Governance Code for Companies issued by the Qatar Financial markets Authority.
4. Nominating members in accordance with the job requirements of the Senior Executive Management.
5. Receiving candidacy requests for the Board membership.
6. Submitting the list of Board membership candidates to the Board, including its recommendations in this regard, and sending a copy to the Authority.

7. Submitting an annual report to the Board including a comprehensive analysis of the Board performance identifying the strengths, weaknesses, and proposals in this regard.
8. Setting the Company's general remuneration policy yearly including the way of identifying the remuneration of the Chairman and all Board Members. The Board members' annual remuneration shall not exceed 5% of the Company's net profit after the deduction of reserves, legal deductions, and distribution of cash and in-kind dividends to shareholders.
9. Setting the foundations of granting allowances and incentives in the Company, including the issuance of incentive shares for its employees.
10. Submitting a proposal to the board to amend the Company's Articles of Association and approve it in the Extraordinary General Assembly of Shareholders, if the Committee deems such amendments necessary.

#### **Changes made to the Nomination and Remuneration Committee in 2023:**

– 01/01/2023 to 18/04/2023

No.	Member Name	Job Title
1	Mrs./Dania Hassan Al Khal	Chairperson Representative of Qatar Investment Authority
2	Mr. /Mohamed Sami Abu Sheikha	Committee Member - Board Member
3	Mr./ Faisal Ahmed Al Sada	Committee Member - Board Member

– In the meeting of the Board of Directors No. (5) on 18/04/2023, the Nomination and Remuneration Committee was reconstituted as shown in the table below:

No.	Member Name	Job Title
1	Mr./ Naseer Hamad Al Suliti	Committee Chairman Vice Chairman of the Board – Managing Director
2	Mr./ Ali Hussain Abdullah	Committee Member - Board Member
3	Mr./ Sultan Ibrahim Al Kuwari	Committee Member - Board Member - Representative of the Armed Forces Investment Portfolio

– During the Financial Year 2023, the Nomination, Remuneration and Governance Committee held (5) meetings. The Attendance Book is shown below

NO.	MEMBER'S NAME	Meeting (1)	Meeting (2)	Meeting (3)	Meeting (4)	Meeting (5)
1	Mrs./Dania Hassan Al Khal	✓	✓	✓	✗	✗
2	Mr./ Sami Abu Sheikha	✓	✓	✓	✗	✗
3	Mr. /Faisal Ahmed Al Sada	✓	✓	✓	✗	✗

The Nomination and Remuneration Committee was reconstituted

1	Mr./Naseer Hamad Al Sulaiti				✓	✓
2	Mr. Ali Hussain Abdullah				✓	✓
3	Mr./ Sultan Ibrahim Al Kuwari				✓	✓



Legend: ✓ Present , X Absent, ✕ Membership terminated

### Decisions and Recommendations of the Nomination and Remuneration Committee for the Financial Year 2023:

- ✓ The Nomination and Remuneration Committee approved the list of candidates for the Board of Directors Election 20232025- of Dlala Brokerage and Investment Holding and the list was submitted to the QFMA.
- ✓ The Committee recommended unanimously to approve the amended self-assessment policy for the Board of Directors and the Chief Executive Officer.
- ✓ The Committee recommended submitting the Final Report of the Board and CEO's Performance Analysis for the year 2023 to the Board.
- ✓ The Committee recommended that the Board send a warning letter to the (former) CEO, including the results of the comprehensive performance analysis and the recommendations of the Nominations Committee in this regard.
- ✓ The Committee recommended that the Board suspend the proposal to amend the competency matrix presented by the CEO until the completion of the general budget of 2023, the strategic plan and the organizational structure as well as the implementation of the previous decision of the Board concerning the necessity of placement of leadership positions.
- ✓ The Committee recommended decreasing the administrative expenses of the monthly salaries of Dlala Real Estate Company.
- ✓ The Committee recommended that it was necessary to fill up the leadership positions in the Company's important administrative units.
- ✓ The Committee recommended unanimously the proposed tasks of the Managing Director, as well as submitting the proposal to the Board of Directors.
- ✓ The Committee recommended disbursing the proposed monthly remuneration to the Managing Director.
- ✓ The Committee recommended unanimously implementing the recommendation of the General Manager of Dlala Brokerage Company regarding the objectives of both the Director of the Investment Department and the Financial Analyst.

### Third: Executive Committee:

The Executive Committee shall be formed under the chairmanship of the Chairman of the Board of Directors and the membership of (2) members of the Board at least. The roles and responsibilities of the Executive Committee are provided hereunder:

1. Developing the general policy of the Company and approving internal policies and procedures.
2. Reviewing and approving the organizational structure of the Company.
3. Monitoring and supervising the financial performance of the Company.
4. Review the annual budget of the Company before submitting the same to the Board of Directors for approval.
5. Developing the investment policy of the Company.
6. Developing the investment policy of the Company>s securities portfolio and the method of managing such portfolio.
7. Approving any investment projects.
8. Reviewing and approving the sale of any assets of the Company with the exception of real estate and shares allocated for investment.
9. Approving agreements and obligations that are beyond the CEO' mandates.
10. Approving loans requested by the Company.
11. Approving the business plans of Dlala Holding and its subsidiaries before submitting the same to the Board of Directors.

12. Reviewing and approving proposals of amending the capital and structure of the Company.
13. Reviewing and approving proposals for the issuance of bonds or securities.
14. Appointing and terminating the services of the CEO and the Deputy CEO and determining their salaries.

#### **Executive Committee Members:**

- The Executive Committee shall be formed of (3) members, the Chairman of the Committee and two members.
- \_ The committee was formed several times in the fiscal year 2022 as follows:
- \_ From 01/01/2023 to 18/04/2023

No.	Member Name	Job Title
1	Mr. Yousef Abdulrahman Al-Khulaifi	Chairman of the Committee – Representative of the Armed Forces Investment Portfolio
2	Mr. Mubarak Abdulaziz Al-Khulaifi	Committee Member - Board Member
3	Mr. Ali Hussein Al-Sada	Committee Member - Board Member

\_ At the meeting of the Board of Directors No. (5) on 18/04/2023, the Executive Committee was reconstituted as provided below in Table No. (2).

- \_ From 18/04/2023 to 31/12/2023

No.	Member Name	Job Title
1	Dr. Thani Abdul Rahman Al-Kuwari	Committee Chairman - Board Chairman
2	Mr. Khalid bin Saud Al-Thani	Committee Member - Board Member
3	Dr. Abdulaziz Ali Al Hammadi	Committee Member - Board Member

#### **Executive Committee Meetings:**

\_ The Executive Committee held (5) meetings during the fiscal year 2023 as shown in the following members' attendance table:

NO.	MEMBER'S NAME	Meeting (1)	Meeting (2)	Meeting (3)	Meeting (4)	Meeting (5)
1	Mr. Yousef Abdul Rahman Al-Khulaifi	✓	✓	✗	✗	✗
2	Mr. Mubarak Abdulaziz Al-Khulaifi	✓	✓	✗	✗	✗
3	Mr. Ali Hussein Al-Sada	✓	✓	✗	✗	✗

The Executive Committee is reconstituted

1	Dr. Thani Abdul Rahman Al-Kuwari			✓	✓	✓
2	Mr. Khalid bin Saud Al-Thani			✓	✓	✓
3	Dr. Abdulaziz Ali Al Hammadi			✓	✓	✓

Legend: ✓ Present , X Absent, ✗ Membership expired, ☺ He was replaced by a request from his entity.



## **Decisions and Recommendations of the Executive Committee for the fiscal year 2023:**

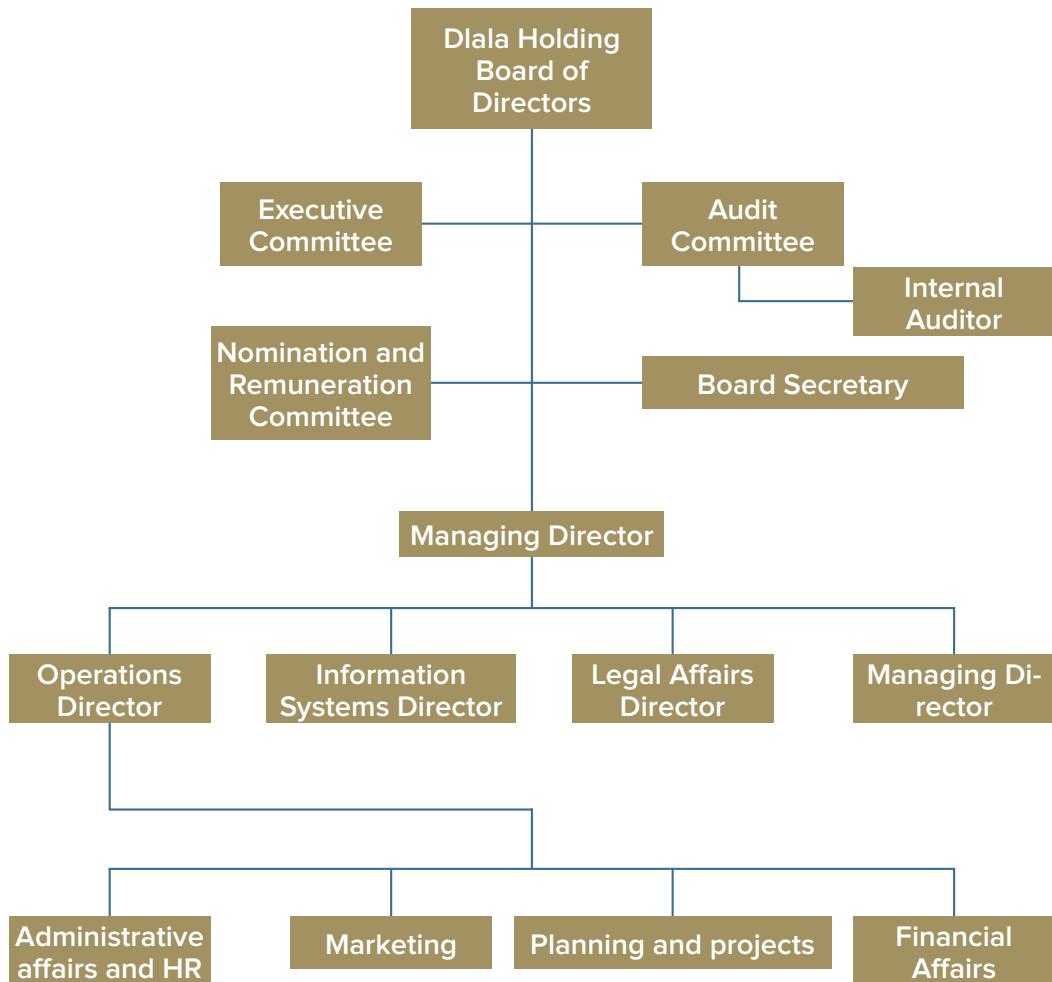
- ✓ The Executive Committee reviewed the proposed budget for the year 2024 for Dlala Holding and recommended submitting the same to the Board of Directors for discussion and approval.
- ✓ The Executive Committee reviewed the authority matrix and submitted its recommendations to the Board of Directors for approval.
- ✓ The Executive Committee reviewed the proposed organizational structure of Dlala Holding and its subsidiaries and submitted its recommendations regarding the same to the Board of Directors for approval.
- ✓ The Executive Committee unanimously adopted the resolution to reconstitute the Tender Committee dated 062023/08/.
- ✓ The Executive Committee reviewed the banks' authorized signatories' matrix, and submitted its recommendations to the Board of Directors for discussion and approval.
- ✓ The Executive Committee unanimously approved the recommendation of the Investment Committee regarding the review of the Qatari stocks' investment portfolio.
- ✓ The Executive Committee unanimously approved the balance sheet of Dlala Information Technology Company, and recommended the completion of the procedures for the liquidation and cancellation of the commercial register held

## **Senior Executive Management :**

- The Senior Executive Management is responsible for supporting and assisting the CEO in conducting the general operations and financial business of Dlala Holding in accordance with the authority delegated to the Board of Directors. It is also worth noting that no senior employee owns any shares in the company, and the Nomination, Remuneration and Governance Committee has developed a specific policy for the remuneration of the executive management, which was approved in February 2019
- This policy sets the mechanism adopted for the provision of rewards that are directly related to the effort and performance at the level of management and employees by achieving the assigned targets and objectives according to profitability, as well as evaluating the risks and the overall performance of the Company.



## The Senior Executive Management is formed as follows:



## Senior Executive Management Key Personnel Profile:

### **Ms. Moza Mohammed Al-Sulaiti - CEO of Dlala (Previously)**

- Ms. Moza has been the CEO of Dlala Holding from 14/08/2022 until 23/07/2023, she holds a bachelor's degree in Economics and Management Sciences (accounting major) from Qatar University, and a master's degree in Banking and Finance from the University of Salford, United Kingdom. She held the position of the Director of the Planning and Quality Department / Acting Director of the Funds Accounts Bureau at the General Retirement and Social Insurance Authority from 2009 to 2022. She also previously worked in the Audit Bureau from 1993 to 2009. She has participated in many economic and investment forums and conferences in the State of Qatar.
- She served as a member of the Executive Committee and Audit Committee of Dlala Brokerage and Investment Holding Company until October 2021.



### **\_ Mr. Nasser Hamad Al-Sulaiti – Managing Director**

- Mr. Hamad holds a Bachelor of Accounting, the College of Management and Economics, Qatar University (1998), Executive Master of Business Administration, University of Plymouth - England (2017)
- Mr. Hamad Al-Sulaiti holds several positions, which are as follows: Assistant Director of the Office of the Secretary -General at the Qatar Olympic Committee (2022- until now), Member of the Tender Committee of the Qatar Olympic Committee since (2021- until now), Member of the Grievance Committee of the Qatar Olympic Committee since (2017- until now) / Vice Chairman of the Board of Directors of Dlala Holding Company, Managing Director and Chairman of the Nomination and Remuneration Committee.

### **\_ Mr. Hamza Al-Kallaft - Director of Internal Audit**

- Mr. Hamza has been the Director of Internal Audit for Dlala Holding since 2012.
- He holds a Bachelor of Commerce (Accounting Division) in 1999, Menofia University, Egypt. He worked in the audit office of PricewaterhouseCoopers before joining Dlala Holding in the position of Senior Auditor.

### **\_ Mr. Mohammed Al-Sadi - Head of Operations**

- Mr. Mohammed has been employed at the company since 2005 and has held several positions. He holds a Bachelor of Arts in Media from Zagazig University in Egypt, and a Master of Business Administration (Strategic Planning) from the American University in Cairo. He also has previous experience in several positions, including senior translator at Qatar International Trading Company and worked as a senior journalist at the Middle East News Agency.

### **\_ Mr. Mohammed Suhail – Director of the Financial Affairs Department**

- Mr. Mohammed holds the position of Acting CFO and has been working for the company since 2008. He holds a Bachelor of Commerce from the University of Mumbai (India), and a Master of Business Administration in Finance from Annamalai University (India). He also has experience in the field of accounts and finance in both India and Qatar.

### **\_ Mr. Tarek Awad Al Karim - Director of Legal Affairs**

- Mr. Tarek holds the position of Director of Legal Affairs at Dlala Holding, and has been employed in the company since 2008. He holds a Bachelor of Law, Zagazig University – Egypt 1989, and an Executive Diploma in Compliance and Financial Crimes from the University of Reading – Britain 2015. He worked as a lawyer in Sudan and Qatar, as an advisor at the Ministry of Justice in Sudan, as a prosecutor at the Public Prosecutor's Office in Sudan, and as a criminal investigator at the Ministry of Interior in Qatar.

### **\_ Mr. Mansour Al Mulla – Acting Director of Administrative Affairs**

- Mr. Mansour has been employed in the company since June 2022 until 1/10/2023. He holds a bachelor's degree in business and finance management from Cairo University, has a diploma in marketing and management, and has experience in banks where he held many positions in Qatar National Bank, Qatar Islamic Bank, Commercial Bank, QAPCO Petrochemical Company, and Qatar Marine Sports Federation.



### **\_ Mr. Firas Ghassan – Director of the Information Systems Department**

- Mr. Firas has held the position of Director of the company's information systems since January 2020 and has been employed at the company since 2005. He holds a bachelor's degree in computer science from the Arab Academy for Science and Technology in Alexandria, and has collected many certificates in the field of information technology.

### **\_ Ms. Riham Essam - Human Resources Officer**

- Ms. Riham has been employed since 2008 in the Human Resources Department, and holds a Diploma in Telecommunications Engineering, Faculty of Engineering Sciences – Sudan 2008. She has been assigned to the Human Resources Department since 3/09/2023.

### **\_ Ms. Noor Al-Basrawi – Administrative Affairs Officer**

- She has been working since 2020 in the Administrative Affairs Department, and holds a Bachelor of Science in Chemistry, Basra University – 2016. She has been assigned to the Administrative Affairs Department since 3/09/2023.

### **Internal Control System:**

- Based on the corporate governance system and the necessity of an internal control system for the company, Dlala Holding Company is keen to comply with the laws and act as an internal control unit responsible for developing clear plans for responsibilities and accountabilities in all sections of the company.
- Internal control systems include effective and independent risk assessment procedures and administrative functions, as well as internal, financial, operational and external audit. Internal control systems ensure that all transactions with related parties are handled in accordance with the relevant requirements.
- The Board of Directors is also fully responsible for the Company's internal control system. The Audit Committee assists the Board of Directors in this regard by reviewing the Company's internal control system. The Internal Audit Department submits a quarterly report (every 3 months) to the Audit Committee.
- Moreover, the company evaluates the internal control system for financial reports, and the exceptions are shared in the annual report and the external auditor's report.

### **Internal Auditor :**

- Dlala Holding has an internal audit department headed by the Director of Audit, Mr. Hamza Shoukry, who has joined the Dlala team since March 2012. The audit department is an independent department that provides assurance and advisory services within the company, seeks to improve performance and raise the value of the company's operations, and helps the company achieve its objectives by developing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.



**- The responsibilities of the Internal Audit Department are as follows:**

- ✓ Review internal control systems and monitor its implementation.
- ✓ Submit quarterly reports to the Audit Committee, which include a review and evaluation of the Company's internal control system.
- ✓ Ability to access all the activities of the company.
- ✓ Should act as an independent department, and should be independent from the day-to-day operations of the Company.
- ✓ The work should be carried out through competent, professionally trained and practically independent staff.

**External Auditor:**

• The external auditor is a qualified independent entity, appointed on the recommendations of the Audit Committee of the Board of Directors and by a resolution of the General Assembly of the Company. An independent annual and semi-annual review shall be conducted, with the aim of providing objective guarantees to the Board of Directors and the shareholders, provided that the financial statements are prepared in accordance with the provisions of this Charter and the relevant laws and regulations. International financial reporting standards accurately present the financial position and performance of the company in all material aspects. The external auditor must also be appointed in accordance with the highest professional standards and may not be contracted by the company to provide any advice or services related to the implementation of the audit work of the company. The external auditor must be completely independent of the company and the members of the board of directors, and there must be no conflict of interest in the auditor' relationship with the Company.

- The external auditor of the company shall attend the Ordinary General Assembly of the Company where the auditor should submit its annual report and answer any queries in this regard. The external auditor shall be accountable to the shareholders and debtors of the company for exercising professional due diligence in completing the audit work. The external auditor is also responsible for informing the Authority and any other regulatory body in the event that the Board fails to take appropriate action on suspicions raised or identified by the external auditors.
- As a public shareholding company, Dlala should change the external auditor every three years as a maximum.
- And as part of the external auditors' mission, they are required to inform the Board of Directors in writing of any risks to which the Company is exposed or is expected to be exposed, and of all irregularities as soon as they are identified, in addition to sending a copy of this notification to the Qatar Financial Markets Authority. In this case, the external auditor shall have the right to convene the General Assembly in accordance with the provisions of the law in this regard, provided that the Qatar Financial Markets Authority is informed of this procedure.

**Risks Management Department:**

• The objective of risk management allocation is to identify key risks that could affect the company, assess the company's risk tolerance, develop risk identification mechanisms, and implement awareness programs and provide means to mitigate the same. This process should include the following steps - as a minimum:

- ✓ Identify risks in existing and new activities of the company. Determine the likelihood and impact of each risk according to risk assessment criteria.
- ✓ Assess risk by comparing it to risk appetite to determine whether the risk is acceptable or additional actions are required.

- ✓ Determine how to mitigate or avoid risks (such as reducing risk, sharing with another party, or avoiding risk).
- ✓ Monitor risks and determine if action plans have been properly implemented.
- The Board of Directors is fully responsible for reviewing the Company's risk management systems, in close cooperation with senior executive management.

- The following table presents the role of each of the departments with regard to the risks:

Administration	Responsible for
Internal Audit Department	<ul style="list-style-type: none"> <li>✓ Monitor and report management non-compliance with the company's internal policies and procedures to the Audit Committee.</li> <li>✓ Develop and implement internal audit programs to monitor, evaluate and make recommendations and independently confirm the design and operational effectiveness of controls to mitigate/ address risks such as operational, strategic and financial obligations.</li> </ul>
Compliance Department	<ul style="list-style-type: none"> <li>✓ Manage, monitor and report compliance risks to the CEO and the Board of Directors.</li> <li>✓ Design internal control systems to monitor compliance with laws and regulations.</li> </ul>
Legal Department	<ul style="list-style-type: none"> <li>✓ Manage, monitor and report legal risks to the CEO the Board of Directors.</li> </ul>
Financial Affairs Department	<ul style="list-style-type: none"> <li>✓ Manage, monitor and report financial risks to the CEO and the Board of Directors.</li> <li>✓ Design internal control systems to monitor compliance with IFRS and other relevant standards.</li> </ul>

- At Dlala Holding, the relevant employees are responsible for identifying, aggregating, reporting and communicating risks. In addition, Dlala has an internal audit department that provides the Board of Directors and senior management with independent assurance with regard to the effectiveness of risk management and control. The Internal Audit Department submits periodical reports to the Audit Committee according to the risks that are monitored. .

### Risks Management Committee :

- On Sunday, 22 October 2023, It was decided to form the Risk Management Committee as follows:

No.	Member Name	Job Title
1	Mr. Nasser Hamad Al-Sulaiti	Chief Executive Officer/ Managing Director Chairman of the Committee
2	Mr. Mohammed Al-Sadi	Head of Operations - Deputy Chairman
3	Mr. Tariq Al-Karim	Legal Affairs Director - Committee Member
4	Mr. Firas Ghassan	IT Director - Committee Member
5	Mr. Mohammed Suhail	Financial Affairs Director - Committee Member
6	Mr. Ahmed Taha	Compliance Director - Committee Member
7	Mr. Hamza Shoukry	Internal Audit Director - Committee Member



## Responsibilities and Competencies of the Committee:

1. The Risk Committee should monitor the risk environment of the company, directing activities and advising on the controls necessary to mitigate the effects of risks that may adversely hinder the company's ability to achieve its strategic and operational objectives
2. The Committee shall facilitate and support the continuous improvement of the Company's capabilities with regard to priority risk management and shall support the efforts of the Audit and Risk Committee to monitor and evaluate the policies and procedures for risk management.
3. The Committee should also assign a "risk delegate" for each department, provided that the Committee adheres to the guidelines for nominating the appropriate employee
4. The Committee shall identify and prioritize strategic business risks, as well as review the departmental risk register to understand the current risk environment of the company. This function should include reviewing emerging risks and the interrelationships between the risks and the level of risk identified in the company.
5. The Committee should evaluate the effectiveness of "reducing and minimizing the effects of risks", as well as review risk mitigation strategies to achieve effectiveness and consistency with the company's risk tolerance.
6. The Committee shall effectively address gaps in high-priority risk management, providing guidance for resource allocation and assignment of duties for activities/departments that are affected by risks.
6. Improve ERM infrastructure, provide guidance on ERM infrastructure, including systems, processes and organizational structure.
7. Quarterly review of the departmental risk register, with particular attention to items/risks that have changed since the previous meeting (e.g., risks priorities that have changed new risks, mitigation activities, etc.)
8. The Committee is not responsible for any daily tasks related to risk management or mitigating any risks, however, Committee members may undertake specific tasks as part of their core function in the Risk Department.
9. The above list of activities provides the Committee with the discretion to perform additional functions and adopt additional policies/ procedures in the event of a change in business, legislation, regulations, legal or other conditions.
10. The Committee shall also assume any other responsibilities and duties delegated to it by the Board and the Audit Committee/or the Chief Executive Officer of the Company, all in accordance with the objectives of the Committee provided in this section.
11. Through its Chairman, the Committee shall submit periodic (quarterly) reports to the CEO for approval first and then send the same to the Audit Committee to exercise its functions by supervising the current status of risk management.

## Disclosure and Transparency :

**\_ Diala Holding Company confirms its commitment to all the principles of disclosure and transparency in all matters related to its financial position and financial performance, ownership and governance system, in addition to the diligent submission of all financial statements and audit reports.**



**Dlala Holding Company has more than (8000) shareholders. The main shareholders with the percentage of their equity are provided below.**

NO.	SHAREHOLDER NAME	EQUITY PERCENTAGE
1	Aldawoodia Investments III	8.38%
2	Armed Forces Investment Portfolio	5.00%

- In this report, the scientific and practical experiences of the Board of Directors and the key employees of the Executive Management were disclosed. Dlala also confirms that it has not concluded any transactions with related parties that may conflict with the interest of the company during the year 2023.
- The procedures followed by the company regarding the implementation of the governance system were disclosed, in addition to the procedures for internal and external auditing, risk management, the activities of the committees of the Board of Directors, and the most important recommendations that were made during the fiscal year 2023.
- In compliance with the corporate governance system, Dlala discloses the number of cases filed against third parties or cases filed by others against Dlala or its subsidiaries for the year 2023.

NO.	DESCRIPTION	NUMBER OF CASES
1	Cases filed by Dlala and subsidiaries against third parties	11
2	Cases filed against Dlala and subsidiaries by third parties	7
Total		18

**Several verdicts were rendered in several cases during the year 2023, including:**

- ✓ A verdict in favor of Dlala Brokerage Company (LLC), one of the subsidiaries of Dlala Holding Company, was issued in Administrative Appeal No. 26 of 2022 filed by us against the Qatar Financial Markets Authority. The verdict ruled in favor of Dlala Brokerage Company to cancel the appealed Grievance Committee decision and ordered to cancel the Accounting Committee decision no. 10 of 2020 and charge the expenses to the first appellant.
- It should be noted that the canceled decision of the Accounting Committee regarding violation no. (10) of 2020 was issued to impose a financial penalty on Dlala Brokerage Company in the amount of ten million Qatari riyals, and the canceled decision of the Grievance Committee was issued to amend the financial penalty imposed on Dlala Brokerage Company to five hundred thousand Qatari riyals.
- ✓ A verdict in favor of Dlala Real Estate Company, one of the subsidiaries of Dlala h Brokerage and Investment Holding Company, was issued on 122023/09/ in the cassation appeal no. 8332023/ filed against the company. The verdict ruled to deny the appeal, and charged the appellant to pay the expenses, with the confiscation of the guarantee.

## Disclosure and Transparency:

- It should be noted that the verdict rendered on 31/05/2023 was contested under Appeal No. (98) of 2023 which ruled in favor of Dlala Real Estate Company, and charged the appellant to return an amount of (7,750,000) Qatari riyals to the Company.
- ✓ A verdict in favor of Dlala Brokerage Company, one of the subsidiaries of Dalalah Brokerage and Investment Holding Company, was issued on 022023/05/ in the cassation appeal no. 2252023/ filed against the company. The verdict ruled to deny the appeal, and charged the appellant to pay the expenses, with the confiscation of the guarantee.



• It should also be noted that the judgment issued on 31/03/2022 in case No. (5638) of 2018 was appealed, and the appealed verdict was rendered in favor of Dlala Brokerage Company, and charged the defendant to pay an amount of (2,961,611) two million nine hundred and sixty-one thousand six hundred and eleven Qatari riyals to Dlala Brokerage Company, which is the remaining debt in the account of the defendant, in addition to an amount of (300,000) three hundred thousand riyals as compensation for the damage. The verdict also charged the defendant to pay the expenses. Additionally, the execution procedures have been implemented in case No. 148 of 2023 and are still in progress.

✓ A resolution was issued by the Accounting Committee of the Qatar Financial Markets Authority in violation No. (1) of 2023 against Dlala Brokerage and Investment Holding Company imposing a financial penalty of (500,000) five hundred thousand Qatari riyals, and the procedures for appealing the decision were pursued before the Grievance Committee in Grievance No. 182023/ and are still under deliberation.

✓ A resolution was issued by the Accounting Committee of the Qatar Financial Markets Authority in violation No. (5) of 2023 against Dlala Brokerage and Investment Holding Company imposing a financial penalty of (1,000,000) million Qatari riyals, and procedures were pursued to appeal the decision before the Grievance Committee in Grievance No. 012024/ and it is still under deliberation.

### **Shareholders and Stakeholder Equity :**

• Dlala Holding is committed to protecting the rights of both shareholders and stakeholders in order to achieve better performance and results. Dlala Company works to uphold the rights of shareholders and stakeholders in the company through several aspects:

I: Relationship with stakeholders

II: Rights of non-shareholder stakeholders

III: Shareholders> rights and participation in meetings of the Assembly.

IV: Dividends and minority shareholders' equity

#### **I: Relationship with stakeholders:**

• Dlala Holding has adopted a special policy to organize its relationship with stakeholders. This policy regulates the full relationship between the company and stakeholders and compensates them in the event that their rights are violated, as well as the mechanism for addressing complaints and disputes that may arise between the company and stakeholders. The company adopts the detailed policy available through the official website of the company - [www.dlalaholding.com](http://www.dlalaholding.com).

#### **II: Rights of non-shareholder stakeholders**

• The company is committed to preserving and respecting the rights of stakeholders. Each stakeholder in the company is allowed to request information relevant to their interest. The company must provide the required information in a timely manner and to the extent that it does not threaten the interests of others or harm its interests.

#### **III: Shareholders> rights and participation in meetings of the Assembly.**

##### **\_ The Company>s AoA guarantees the rights of its shareholders as described below:**

✓ Shareholders who own 10% of the capital of the Group have the right to request the convening of the General Assembly, and the shareholders who represent at least 25% of the capital of the Company have the right to request the convening of the Extraordinary General Assembly in accordance with the Commercial Companies Law No. 11 of 2015.

✓ Shareholders have the right to request the inclusion of any item on the agenda of the General



Assembly. Article (49) of the Company's AoA stipulates the right of shareholders to discuss agenda items, ask questions, receive answers to the same, and make decisions.

✓ Also, article (45) of the Company's AoA stipulates the conditions for the representation in attendance and vote by proxy in accordance with the law and the relevant regulations

- Dlala Holding also holds its assembly meetings in places in the center of the capital Doha at appropriate times. The company provides shareholders and insiders with all information related to the agenda in sufficient time to enable them to make their decisions. The results of the general assembly are disclosed immediately after its completion to the competent authorities and are published on the company's website. A copy of the minutes of the meeting is deposited with the Authority as soon as it is approved by the competent authority in the Ministry of Economy and Trade.

#### **IV: Dividends and minority shareholders' equity**

- The company's AoA stipulates the percentage of the minimum net profits that must be distributed to the shareholders from the net profits after deducting the legal reserve and the optional reserve. The shareholder is entitled to their share of the profits in accordance with the applicable systems and controls set by the Authority and the financial market in which the shares are listed. The Board of Directors recommends the general assembly of the company to distribute the profits. The percentage of the profits distributed varies from year to year according to the profits achieved by the company. In addition, the company has developed a dividend policy.
- The Company's AOA stipulates that shareholders in general and the minority, in particular, shall enjoy all the rights guaranteed to them under the Commercial Companies Law in force, the Governance Law of Companies and Legal Entities Listed in the Main Market No. (5) of 2016 issued by the Qatar Financial Markets Authority and the AoA.

**It should be noted that the Company's internal policies and procedures include the following:**

- ✓ Respect stakeholders' rights as stakeholders are involved in corporate governance arrangements, and accordingly, they may have access to relevant, adequate and reliable information in a timely and regular manner.
- ✓ The Board of Directors shall ensure that the employees of the Company are dealt with in accordance with the principles of justice and fairness and without any discrimination of any kind on the basis of race, gender, or religion.
- ✓ The Board shall establish the remuneration policy and the categories that provide incentives for employees and the management of the Company to continue to perform in the best interests of the Company. This policy shall consider the long-term performance of the Company.
- ✓ The Board shall adopt a mechanism that enables the Company's employees to report suspicious behavior to the Board, when such behavior is unethical, illegal, or harmful to the Company. The Board shall ensure that the staff member involved in the report are provided with confidentiality and protection from any harm or adverse reaction by other staff members or managers.

#### **Corporate Communications & Investor Relations :**

- The Company maintains close relations with shareholders and investors through its Investor Relations Officers and offers communication through transparent communication channels. The Company also disseminates information to investors and related parties on a regular basis. This is done through the website of the Qatar Stock Exchange and various media platforms, in addition to the company's website, which provides data to shareholders on the company's governance, financial statements and other important information related to the disclosure of financial and other information, through the investor relations portal on the website. This comes in addition to holding periodic teleconferences to provide investors of the company with reports and data regarding its performance after publishing its annual,



semi-annual and quarterly reports.

- The Company adopts detailed corporate communication and investor relations policies available on the Company's official website [www.dlalaholding.com](http://www.dlalaholding.com)

### Sustainability and Corporate Social Responsibility:

• In compliance with its role towards society and towards the State of Qatar and its commitment to achieving Qatar Vision 2030, the Company has supported many social responsibility activities over the past years. On December 18th, 2023 National Day celebrations, the Company participated at the Birds of Peace Initiative held at the Doha Expo in cooperation with the Friends of the Environment Center and Al Rayyan Municipality in aims to contribute to social responsibility. The Company also seeks to promote the reputation of the State of Qatar as a civilized state and support its National Vision 2030. Also, Dlala Holding is keen to contribute to the state's strategy aimed at training young leaders to take responsibility and contribute to building the nation, and training them on the best methods of trading in stocks and real estate. Moreover, Dlala has always contributed to the system of development and progress in the State of Qatar.

### Corporate Social Responsibility Governance :

The Marketing and Public Relations Department is responsible for managing and coordinating the company's social responsibility initiatives and managing all events, including conferences and public events. The Marketing and Public Relations Department also requests the company's social responsibility budget which is allocated by .the Board of Directors as part of the annual periodic plan of the Company's business

**Dr. Thani Abdul Rahman Al-Kuwari**

**Chairman of the Board of Directors**



دلالة القابضة

DLALA HOLDING