



دلالة القابضة
DLALA HOLDING



دلالة سمارت
DLALA SMART



دلالة تقنية المعلومات
DLALA INFORMATION
TECHNOLOGY



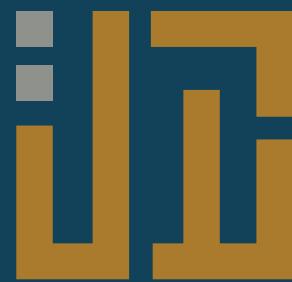
دلالة العقارية
DLALA REAL ESTATE



دلالة للوساطة
DLALA BROKERAGE

His Highness
Sheikh Tamim Bin Hamad Al-Thani
Emir of the state of Qatar





دلالا القابضة
DLALA HOLDING

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CEO MESSAGE



We, in Dlala holding company work day by day through our subsidiaries to provide the most high quality investment services needed by our clients, we also seek to provide to these clients all means of comfort and security in order to complete their transactions in a framework of confidentiality, organization and speed.

Dlala holding has since, its establishment in 2005, owned the confidence of many clients in and outside Qatar, due to the services that are being provided by a very experienced and qualified work team that enjoys a high efficiency to provide a higher quality of service in all the transactions it undertakes.

In Dlala, we endeavor to maintain the satisfaction of our clients and easily provide the services they demand and that is by developing our programs continuously in order to make it compatible with the ongoing changes that have been witnessed by the investment and real estates markets all over the world.

We also plan to provide additional services which are needed by the public clients in line with the rapid development witnessed by the State of Qatar that makes it a very prominent center to attract investment capital from all over the world.

We seek to innovate new solutions as well, to provide excellent services for the clients to be consistent with their perspective to us as a leading company in the investment and financial intermediary.

We aim to establish a comprehensive investment corporation , which can redesign the financial and real-states investments in the local and regional spheres, and to help our clients to take the appropriate decisions by the provision of all methods of comfort and security in our services.



Dr. Abdul Aziz Al Hammadi
Chief Executive Officer



MISSION, VISION, AND PROFILE



Group dynamics

Dlala Holding (Q.P.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 _nancial 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.

BORD OF DIRECTORS



H.E. Sheikh Suhaim Bin Khaled Al-Thani

Chairman



Mr. Yousef Al-Khulaifi

Vice Chairman



Mr. Ali Bin Hussain Al-Sada
Board Member



Mrs. Moza Bint Mohammed Al Sulaiti
Board Member



Mr. Tamim Hamad Al Kawari
Board Member



Mr. Ahmad Bin Mohamed Al-Asmakh
Board Member



Mr. Khaled Alsoubaiee
Board Member



H. E. Sheikh Abdulrahman Bin Hamad Al-Thani
Board Member



Board of Directors Report
for the Fiscal Year ended 31/12/2019



In the Name of Allah, the Most Gracious, the Most Compassionate..

Dear Shareholders, May the peace, mercy and blessings of Allah be upon you,

I, on behalf of the Board of Directors of Dlala Brokerage and Investment Holding and myself, have pleasure in presenting the Annual Report of the Company's activities and business results for the fiscal year ended 31 December 2019.

In 2019, Dlala faced some challenges related to operational activities of its affiliates, particularly with regard to trading in securities and low trading volumes. However, the company was able to carry out a number of internal development processes. Thus significantly reducing risks to the company arising out of the global and regional economic circumstances.

Low trading volumes in Qatar Stock Exchange in the last year had a significant impact on brokerage revenues of our subsidiary Dlala Brokerage Company. However, the company was able to achieve good operating profits through Dlala Real Estate Company, a real estate investment arm of the Dlala Holding Company, through marketing projects previously announced by the company in Lusail City.

Financial Results

Company's financial results for this year had been significantly and negatively affected by certain provisions that were allocated because of the fines imposed by the regulatory authorities which were subsequently appealed. This is in addition to other provisions arising out of the reduced value of some real estate. This makes a total net loss for the company in 2019 of QR 15.37 million compared with a net loss of QR 21.5 million for the same period in the previous year. The loss per share has amounted to QR 0.052 for the financial period ended 31/12/2019 compared to the loss per share of QR 0.075 for the same period of the last year.

Social Responsibility:

Convinced of its responsibility towards society and State of Qatar and committed to achieving QNV 2030, the company has sponsored several community events, including Corporate Social Responsibility Report and Exhibition organized by Qatar University. In this event, the company was honored with Responsible Leadership Award in recognition of its pioneering role in this field. Additionally, the company has sponsored Investor Relations Confer-

ence organized by QSE. It also participated in a variety of events that serve the interests of the State of Qatar.

Future Plans:

Dlala Holding will continue to improve its control and regulatory procedures during 2020 and complete the development of its organizational structure and strategic plan. In order to maximize its shareholders' returns, the company strives to diversify its investments.



Corporate Governance Report:

The company has developed a detailed corporate governance report covering the fiscal year from January 1 to December 31, 2019 in accordance with the requirements of the QFMA Governance Code for Companies & Legal Entities Listed on the Main Market. The report was printed for shareholders' access. Additionally, it has been posted on the company's website. Finally, I would like to seize the opportunity to extend the deepest gratitude, on behalf of all of you and all the employees and directors of Dlala Holding, to H.H Emir Sheikh/ Tamim bin Hamad bin Khalifa Al Thani, the Emir of the State (May Allah protect and preserve him), for his insightful vision and far-seeing policy that he adopts to develop the economy of the State of Qatar and strengthen the state in all spheres.

I would also like to express, on behalf of the Board of Directors, our sincere gratitude and appreciation to the esteemed shareholders and valued clients for their confidence and support. We hope to be worthy of this trust. We also hope to see you always at the best, with more success and goals achieved by the company.

The Board would also like to thank all the staff of "Dlala" for their sincere efforts, dedication and keenness to meet the objectives of the company and fulfill the interests of its clients.

Sincerely,

Suhaim Bin Khalid Al- Thani
Chairman of the Board of Directors



SERVICE CHANNELS





دلالا للوساطة
DLALA BROKERAGE

DLALA BROKERAGE COMPANY (W.L.L)

Mission

Dlala Brokerage Company (W.L.L.) is determined to be recognised 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

DLALA REAL ESTATE COMPANY (W.L.L)

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.

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.

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.

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).

Notify me

communicate electronically real time with our customers to notifying them with listed properties.

Certified Real Estate Evaluator

Dlala policies and procedures are designed to produce a trusted evaluation documentation presenting properties market price.



BOARD COMMITTEES



Executive Committee

The Executive Committee comprises three members of the Board of Directors and is chaired by the Chairman of the Board. The membership of the Committee is in accordance with the terms of office of the Governing Council.

The members of the Executive Committee are:

- H. E. Sheikh Suhaim Bin Khaled Al-Thani – Chairman
- MS. Moza Mohammed Al sulaiti- Member
- Mr. Ali Bin Hussain Al-Sada – Member

The responsibilities of the Committee:

1. Develop the company strategy and approve the internal policies and procedures.
2. Review and approve the Organizational structure.
3. Supervise and monitor the financial performance of the company.
4. Review the annual budget before submitting it to the board Directors for approval.
5. Develop general guidelines and policies for investments and present them to the Board of Directors.
6. Develop the portfolio investment policy.
7. Approve all the investment projects.
8. Review and approve on sale of fixed assets.
9. Approve all agreed upon agreements and obligations that are beyond the authority of the CEO.

10. Approve the request of borrowing from financial institutions
11. Develop business plans and strategies of the company before presenting it to the Board of Directors.
12. Review and approve the proposals for change in paid up capital or company restructure.
13. Review and approve the proposals for issuing bonds and investments securities.
14. Appoint and terminate CEO and his deputy, and determine his salary.

Audit Committee

chaired by an Independent Board Member and a membership of at least two. When selecting the Committee members, the Board shall take into account that: the majority of them shall be Independent Board Members; any person who has previously conducted audit for the Company within the previous two Years shall not be a candidate, directly or indirectly, for the Committee membership; and they shall have the experience necessary for exercising the committee's duties.

The Committee meets at least six meetings annually..

The members of the Audit Committee are:

- Mr. Tamim Hamad Al kawari – Chairman
- Ms. Moza Al Sulaiti - Member
- Mr. Khalid Yousef Al-Subeai - Member

The responsibilities of the Committee:

Report to the Board any matters that, in the opinion of the Committee, necessitate action and recommend follow-up action.

Report to the Board on the matters related to the Committee as outlined in QFMA CGC.

15. Consider other issues as determined by the Board.

16. Monitor risk factors related to Dlala and recommend to the Board for mitigating the risk factors.

17. Review the Financial and Internal Control and risk management systems.

18. Discuss the Internal Control systems with the management to ensure management's performance of its duties towards the development of efficient Internal Control systems.

19. Consider the findings of principal investigations in Internal Control matters requested by the Board or carried out by the Committee on its own initiative with the Boards' approval.

20. Review Dlala's financial and accounting policies and procedures.

21. Monitor accuracy and validity of the financial statements and the yearly, half-yearly and quarterly reports, and to review 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 listing rules in Qatar Exchange; and
- Compliance with disclosure rules and any other requirements relating to the preparation of financial reports

22. Consider any significant and unusual matters contained or to be contained in Dlala's financial reports and accounts.

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

24. Ensure 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 accurately represent the financial position and performance of Dlala in all material respects.

25. Meet with the External Auditors at least once a year.

26. Consider any issues raised by the External Auditors.

27. Ensure the timely reply by the Board to the queries and matters contained in the External Auditors' letters or reports.
28. Ensure that External Auditor attends the General Assembly and delivers the annual report and answers any queries in this respect.
29. Recommend to the Board regarding appointment of External Auditors, by following the following guidelines:
- External auditors should be independent and not have non-audit interests in Dlala and its Board Members. External Auditor shall not have any conflicts of interests in his relation to Dlala.
 - External auditors should be an audit professional with relevant experience in auditing financial statements of listed companies based on International Standards on Auditing and International Financial Reporting Standards.
 - Follow the applicable rules and regulations regarding auditor rotation.
30. Review the letter of appointment of the External Auditor, his business plan and any significant clarifications he requests from senior management as regards the accounting records, the financial accounts or control systems as well as the Senior Executive management's reply.
31. Evaluate the performance of External Auditor.
32. Oversee the functioning of Internal Audit and in particular to ensure that the following Internal Audit functions are performed:
- Audit the Internal Control Systems and oversee their implementation.
 - Internal Audit to be carried out by operationally independent, appropriately trained and competent staff.
 - Internal Audit will submit the report to the Board through the Committee.
 - Internal Audit has access to all Dlala activities.
 - Internal Audit to be independent from day-to-day functioning of Dlala. Independence to be reinforced by the compensation of Internal Audit being determined by the Board based on the recommendation of the Committee.
 - Internal Auditor will attend the General Assembly.
33. Ensure that the Internal Audit function includes at least one internal auditor appointed by the Board.
34. Recommend to the Board for approval of the scope of Internal Audit and to particularly include the following:
- a. Control and oversight procedures of financial affairs, investments, and risk management.
 - b. Comparative evaluation of the development of risk factors and the systems in place to respond to drastic or unexpected market changes.
 - c. 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

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the Board.

- d.** Internal Control failure, weaknesses or contingencies that have affected or may affect the 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).

e. Dlala's compliance with applicable market listing and disclosure rules and requirements.

f. Dlala's compliance with Internal Control systems in determining and managing risk.

g. All relevant information describing Dlala's risk management operations.

35. Ensure that the Internal Audit Report is prepared every three months and submitted to the Committee and Board.

36. Supervise and monitor the financial, administrative and technical activities of Internal Audit.

37. Evaluate the performance of Internal Auditor.

38. Ensure that External and Internal Auditors are separate legal entities and ensure that all other requirements of appointing External Auditor are applied to the appointment of Internal Auditor including auditor rotation (incases when the Board decides to outsource Internal Audit function to an external consultant)

39. Coordinate with the Board, Senior Executive Management & Dlala's Chief Financial Officer or the person undertaking the latter's responsibilities.

Auditor, the availability of necessary resources, and the effectiveness of the Internal Controls.

41. Review remarks raised on any of the reports submitted to the Committee and forward them to the concerned departments for follow-up and timely action.

42. Develop rules, through which employees of Dlala can confidentially report any concerns about matters in the financial reports or Internal Controls or any other matters that raise suspicions, where such matter is unethical, illegal or detrimental to Dlala. Ensure that proper arrangements are available to allow independent and fair investigation of such matters whilst ensuring that the aforementioned employee is afforded confidentiality and protected from reprisal.

43. Consider issues raised by the Dlala's Chief Financial Officer or the person undertaking the latter's responsibilities, or Compliance Officer or Internal Auditors or External Auditors.

44. Oversee Dlala's adherence to professional conduct rules.

45. Ensure all laws and instructions regarding Dlala's activities are duly adhered to.

46. Ensure that the rules of procedure related to the powers assigned to the Board are properly applied;

47. Attend the General Assembly.

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

49. Recommend and follow-up all activities related to train-

- ing, promotion and development of human resources.
- 50.** Delegate responsibilities to a sub-committee comprising one or more of its members or to Dlala's CEO.

Nomination, Remuneration and Governance Committee

Nomination, Remuneration and Governance Committee comprises of four members of the Board. The membership of the Committee will correspond to the tenure of Board membership.

The members of the Committee are:

- Mr. Yousef Abdulrahman Al Khailifi – Chairman
- Mr. Ahmed Mohamed Al Asmakh- Member
- H. E. Sheikh Abdulrahman Bin Hamad Al-Thani – Member

The responsibilities of the Committee:

- 1.** Developing general principles and criteria used by the General Assembly members to elect the fittest among the candidates for Board membership.
- 2.** Nominating whom it deems fit for the Board membership when any seat is vacant.
- 3.** Developing draft of succession plan for managing the Company to ensure the speed of a suitable alternative to fill the vacant jobs in the Company.
- 4.** Nominating whom it deems fit to fill any job 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 to identify the strengths, weaknesses, and proposals in this regard.
- 8.** Setting the Company's remuneration policy yearly including the way of identifying remuneration of the Chairman and all Board Members. The Board members' yearly remuneration shall not exceed 5% of the Company's net profit after deduction of reserves, legal deductions, and distribution of the dividends (in cash and in kind) to shareholders.
- 9.** Setting the foundations of granting allowances and incentives in the Company, including issuance of incentive shares for its employees.



CONSOLIDATED FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

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 accompanying consolidated financial statements of Dlala Brokerage and Investment Holding Company Q.P.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 2019, 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 Code of Ethics for Professional Accountants (including International Independence Standards)(IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 Matters

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. These matters 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 separate opinion on these matters. For the matter below our description of how our audit addressed the matter is provided in that context.

INDEPENDENT AUDITOR'S REPORT

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

| Key audit matter | How our audit address the key audit matter |
|---|--|
| <p><i>Bank balances-customer funds and due to customers</i></p> <p>The Group reported bank balances- customer funds amounting to QR 234.68 million and due to customers amounting to QR 270.55 million which represents 47% of consolidated total assets and 89% of consolidated total liabilities respectively.</p> <p>Bank balances –customer funds disclosed in note 5 to the consolidated financial statements relates to the deposits made by customers and collections made on behalf of customers on share transactions. All such balances are recorded as due to customers. These balances are to be settled or withdrawn by customers and hence, recorded as a liability.</p> <p>Due to the magnitude of the account balances, nature and high volume of transactions, we determined the completeness of bank balances –customer funds and due to customers as key audit matters.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Obtained direct bank confirmations for all bank accounts and verified with the general ledger.• Examined bank reconciliation statements to ascertain the accuracy of reconciliations between balances as per bank statement and records of the Group. We also verified the reconciling items where necessary.• In relation with due to customers, examined the subsequent settlement of these balances for subsequently settled accounts and a sample of share transactions for the year ended 31 December 2019. In addition, we performed analytical procedures on these balances.• Examined the reconciliation between due to customers and bank balances customer funds. |

Other information

The other information comprises the information included in the Company's annual report (the "Annual Report") other than the financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information. The Company's 2019 Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion

INDEPENDENT AUDITOR'S REPORT

thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and the Board of Directors for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management 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, management 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

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 skepticism throughout the audit. We also:

- 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,

INDEPENDENT AUDITOR'S REPORT

or the override of internal control.

- 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, 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 Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in ex-

INDEPENDENT AUDITOR'S REPORT

treme rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequence of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on legal and other regulatory requirements

Furthermore, in our opinion, proper books of accounts have been kept by the Group and the consolidated financial statements comply with the Qatar Commercial Companies' Law No. 11 of 2015 and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year, which might have had a material adverse effect on the Group's consolidated financial position or performance.

Ziad Nader

**of Ernst & Young
Auditor's Registration No. 258**

Date: 9 March 2020

Doha

DLALA HOLDING.. ANNUAL REPORT 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2019

| | | 2019 | 2018 |
|---|-------|----------------|---------------|
| | Notes | QR'000 | QR'000 |
| ASSETS | | | |
| Current assets | | | |
| Cash and bank balances | 4 | 94,539 | 77,680 |
| Bank balances – customer funds | 5 | 234,683 | 415,166 |
| Due from customers | 6 | 971 | 42 |
| (Due from Qatar Central Securities Depository (QCSD | | 35,782 | 4,104 |
| Other assets | 7 | 13,149 | 36,519 |
| Trading property | | 12,548 | - |
| Total current assets | | 391,672 | 533,511 |
| Non-current assets | | | |
| Investment securities | 8 | 67,006 | 84,215 |
| Intangible asset | 9 | 2,956 | 1,002 |
| Property and equipment | 10 | 39,918 | 41,201 |
| Total non-current assets | | 109,880 | 126,418 |
| TOTAL ASSETS | | 501,552 | 659,929 |
| LIABILITIES AND EQUITY | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Due to customers | | 270,548 | 419,233 |
| Other liabilities | 11 | 28,900 | 25,431 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2019

| | | | |
|--|----|----------------|----------|
| | | 299,448 | 444,664 |
| Non-current liability | | | |
| Employees' end of service benefits | 12 | 4,568 | 4,705 |
| Total liabilities | | 304,016 | 449,369 |
| Equity | | | |
| Share capital | 13 | 284,160 | 284,160 |
| Legal reserve | 14 | 27,821 | 27,821 |
| Fair value reserve | | (45,192) | (47,451) |
| Accumulated losses | | (68,993) | (54,351) |
| Equity attributable to shareholders of the parent | | 197,796 | 210,179 |
| Non-controlling interests | | (260) | 381 |
| Total equity | | 197,536 | 210,560 |
| TOTAL LIABILITIES AND EQUITY | | 501,552 | 659,929 |

H.E Sheikh Suhaim Bin Khalid Al-Thani

Chairman

Dr. Abdulaziz A. Al-Hammadi

Chief Executive Officer

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CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2019

| | | 2019 | 2018 |
|--|--------------|-----------------|---------------|
| | <i>Notes</i> | QR'000 | QR'000 |
| Brokerage commission income | | 20,046 | 29,487 |
| Brokerage commission expense and other direct costs | 15 | (6,935) | (10,053) |
| Net brokerage commission income | | 13,111 | 19,434 |
| Dividend income | | 3,278 | 3,597 |
| Real estate income | 16 | 3,880 | 925 |
| Income from IT services | | 117 | 201 |
| Interest income | | 1,922 | 1,843 |
| Net operating income | | 22,308 | 26,000 |
| Other income | | 158 | 368 |
| General and administrative expenses | 17 | (29,863) | (32,107) |
| Impairment of real estate advances | | (5,982) | - |
| Depreciation and amortization | 9 and 10 | (1,991) | (1,881) |
| Allowance for expected credit loss of due from customers | 6 | - | (13,909) |
| LOSS FOR THE YEAR | | (15,370) | (21,529) |
| Attributable to: | | | |
| Shareholders of the Parent | | (14,729) | (21,308) |
| Non-controlling interests | | (641) | (221) |
| | | (15,370) | (21,529) |
| BASIC AND DILUTED EARNINGS PER SHARE (QR) | | | |
| (Attributable to shareholders of the Parent) | 18 | (0.052) | (0.075) |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

| | <i>Note</i> | 2019 QR'000 | 2018 QR'000 |
|--|-------------|------------------------------|------------------------------|
| Loss for the year | | (15,370) | (21,529) |
| <i>Items not to be reclassified to profit or loss in subsequent periods:</i> | | | |
| Net fair value income (loss) on investment securities | 8 | 2,346 | (659) |
| Total other comprehensive income (loss) for the year | | 2,346 | (659) |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | | (13,024) | (22,188) |
| Attributable to: | | | |
| Shareholders of the Parent | | (12,383) | (21,967) |
| Non-controlling interests | | (641) | (221) |
| | | (13,024) | (22,188) |

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

| | <i>Notes</i> | 2019 QR'000 | 2018 QR'000 |
|---|--------------|------------------------------|------------------------------|
| OPERATING ACTIVITIES | | | |
| Loss for the year | | (15,370) | (21,529) |
| <i>Adjustments for:</i> | | | |
| Depreciation and amortization | 9 and 10 | 1,991 | 1,881 |
| Impairment of real estate advances | | 5,982 | - |
| Provision for employees' end of service benefits | 12 | 492 | 306 |
| Reversal of (allowance for) expected credit losses | 6 | (114) | 13,909 |
| Interest income | | (1,922) | (1,843) |
| Dividend income | | (3,278) | (3,597) |
| | | (12,219) | (10,873) |
| <i>Working capital changes:</i> | | | |
| Customers funds | | 180,483 | (59,225) |
| Due from customers | | (815) | 19,324 |
| Due from QCSD | | (31,678) | 17,710 |
| Other assets | | 4,980 | 3,776 |
| Due to customers | | (148,685) | 8,258 |
| Other liabilities | | 3,469 | 800 |
| Net cash flows used in operations | | (4,465) | (20,230) |
| Employees' end of service benefits paid | 12 | (629) | (493) |
| Contribution paid to social and sports development fund | | - | (416) |

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

| | | | |
|--|----|----------------|----------|
| Net cash flows used in operating activities | | (5,094) | (21,139) |
| INVESTING ACTIVITIES | | | |
| Proceeds from disposal of investment securities | 8 | 19,555 | 34,010 |
| Purchase of property and equipment | 10 | (1,461) | (2,686) |
| Purchase of an intangible asset | 9 | (1,201) | (383) |
| Interest received | | 1,782 | 1,504 |
| Dividend received | | 3,278 | 3,597 |
| Movement in the bank deposits maturing after 90 days | | - | 10,000 |
| Net cash flows from investing activities | | 21,953 | 46,042 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | | |
| | | 16,859 | 24,903 |
| CASH AND CASH EQUIVALENTS AT 1 JANUARY | | | |
| | | 77,680 | 52,777 |
| CASH AND CASH EQUIVALENTS AT 31 DECEMBER | 4 | 94,539 | 77,680 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

| | <i>Attributable to owners of the parent</i> | | | | | | |
|--|---|----------------------|-----------------------|---------------------------|----------------|----------------------------------|---------------------|
| | <i>Share capital</i> | <i>Legal reserve</i> | <i>FVTOCI reserve</i> | <i>Accumulated losses</i> | <i>Total</i> | <i>Non-controlling interests</i> | <i>Total equity</i> |
| | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> |
| Balance at 1 January 2018 | 284,160 | 27,821 | (46,519) | (33,316) | 232,146 | 602 | 232,748 |
| Loss for the year | - | - | - | (21,308) | (21,308) | (221) | (21,529) |
| Other comprehensive loss for the year | - | - | (659) | - | (659) | - | (659) |
| Total comprehensive loss for the year | - | - | (659) | (21,308) | (21,967) | (221) | (22,188) |
| Profit on sale of investment securities | - | - | (273) | 273 | - | - | - |
| Balance at 31 December 2018 | 284,160 | 27,821 | (47,451) | (54,351) | 210,179 | 381 | 210,560 |
| Balance at 1 January 2019 | 284,160 | 27,821 | (47,451) | (54,351) | 210,179 | 381 | 210,560 |
| Loss for the year | - | - | - | (14,729) | (14,729) | (641) | (15,370) |
| Other comprehensive income for the year | - | - | 2,346 | - | 2,346 | - | 2,346 |
| Total comprehensive income (loss) for the year | - | - | 2,346 | (14,729) | (12,383) | (641) | (13,024) |
| Profit on sale of investment securities | - | - | (87) | 87 | - | - | - |
| Balance at 31 December 2019 | 284,160 | 27,821 | (45,192) | (68,993) | 197,796 | (260) | 197,536 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Dlala Brokerage and Investment Holding Company Q.P.S.C. (the “Company”) is a Qatari Public Shareholding Company incorporated in the State of Qatar on 24 May 2005 under Commercial Registration No. 30670. The Company is listed in the Qatar Exchange and is governed by the provisions of the Qatar Commercial Companies Law No. 11 of 2015, and the regulations of Qatar Financial Markets Authority and Qatar Exchange. The Company’s registered office is at P.O. Box 24571, Doha, State of Qatar.

The Company together with its subsidiaries (together referred to as the “Group”) is engaged in brokerage activities at the Qatar Exchange, design & programming special programs, IT consultation services, real estate and other investment activities.

The consolidated financial statements of the Group for the year ended 31 December 2019 were authorised for issue by the Board of Directors on 9 March 2020.

2. BASIS OF PREPARATION AND CONSOLIDATION

Basis of preparation

The consolidated financial statements for the year ended 31 December 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) and applicable requirements of Qatar Commercial Companies’ Law No. 11 of 2015.

The consolidated financial statements are prepared in Qatar Riyals, which is the Group’s functional and presentation currency, and all values are rounded to the nearest thousands (QR’000) except when otherwise indicated.

The consolidated financial statements are prepared under the historical cost basis, except for investment securities that have been measured at fair value.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 De-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

ember 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and consolidated statement of other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Non-controlling interest in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interest consists of the amount of those interest at the date of the original business combination and the non-controlling interest share of changes in equity since the date of the combination. Losses applicable to the non-controlling interest have an obligation and are able to make an additional investment to cover the losses. Non-controlling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from the equity attributable to the owners of the Parent.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and con-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

tinues to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies. All material intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance. Any change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the assets (including any goodwill) and liabilities of the subsidiary, the carrying amount of any non-controlling interest and any cumulative translation differences recorded in equity, and recognises the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in the consolidated statements of income. It will also reclassify the parent's share of components previously recognised in other comprehensive income to the profit or loss or retained earnings, as appropriate.

The consolidated financial statements comprise the financial statements of Dlala Brokerage and Investment Holding Company Q.P.S.C (the "Company") and its subsidiaries (together referred to as the "Group"). The subsidiaries of the Group are as follows:

| <i>Entity</i> | <i>Country of incorporation</i> | <i>Relationship</i> | <i>Ownership interest 2019</i> | <i>Ownership interest 2018</i> |
|---|--|----------------------------|---------------------------------------|---------------------------------------|
| Dlala Brokerage Company W.L.L. | Qatar | Subsidiary | 99.98% | 99.98% |
| Dlala Islamic Brokerage Company W.L.L. | Qatar | Subsidiary | 99.98% | 99.98% |
| Dlala Real Estate W.L.L. | Qatar | Subsidiary | 100% | 100% |
| Dlala Information Technology W.L.L. | Qatar | Subsidiary | 100% | 100% |
| Dlala Smart Information Technology W.L.L. | Qatar | Subsidiary | 60% | 60% |

On 19 October 2016, the Board of Directors of the Group approved to cease and transfer the operations of Dlala Islamic Brokerage Company W.L.L. to Dlala Brokerage Company W.L.L. Accordingly, the customers will either opt to transfer their balances to the related party or to cash out and receive settlement. Dlala Islamic Brokerage Company W.L.L. ceased operations with effect from 6 September 2018 as instructed by the QFMA and, QSE publicly announced that the last business day of the Company as 6 September 2018. The Group is still in process completing regulatory requirements to complete the transfer of operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended standards and interpretations issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) effective as of 1 January 2019 as noted below:

| <i>Standards and interpretations</i> | <i>Effective date</i> |
|--|-----------------------|
| IFRS 16 Leases | 1 January 2019 |
| Amendments to IFRS 9: Prepayment Features with Negative Compensation | 1 January 2019 |
| Amendments to IAS 19: Plan Amendment, Curtailment or Settlement | 1 January 2019 |
| Amendments to IAS 28: Long-term interests in associates and joint ventures | 1 January 2019 |
| Annual Improvements 2015-2017 Cycle | |
| • IFRS 3 Business Combinations | 1 January 2019 |
| • IFRS 11 Joint Arrangements | 1 January 2019 |
| • IAS 23 Borrowing Costs | 1 January 2019 |

The adoption of new and amended standards and interpretations do not have a material impact on the financial statements of the Group. The nature and effect of the changes as a result of adoption of IFRS 16 Leases are described below. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 16 Leases

In the current year, the Group, for the first time, has applied IFRS 16 Leases (as issued by the IASB in January 2016). IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

changes to the lessee accounting by removing the distinction between operating and finance lease requires and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged.

The company has only one lease agreement relating to staff accommodation rental amounting to QR 120 thousand (2018: QR 169 thousand) which is considered short term. Therefore, the Company did not have an impact on the adoption of IFRS 16, leases.

Standards and amendments to the standards issued but not yet effective

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

| <i>Topics</i> | Effective date |
|-----------------------------|-----------------------|
| IFRS 17 Insurance Contracts | January 2021 1 |

Summary of significant accounting policies

Investments and other financial assets

A) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (through other comprehensive income (FVOCI), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

Business model: the business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at fair value through profit or loss ('FVTPL'). Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at Fair value through profit or loss (FVTPL).

B) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Equity instruments

The Group subsequently measured all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investment continue to be recognized in the consolidated statement of income as other income when the Group's right to receive payments is established.

No impairment loss is recognised for investments in equity instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories in to which the Group classifies its debt instruments:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principle and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial asset is included in the consolidated statement of income using the effective interest rate method.

Fair value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flow and for selling the financial assets, where the assets cash flows represent solely payments of principle and interests, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the consolidated statement of income within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in the interest income.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the ‘other gains and losses’ line item;
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the FVTOCI reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) on financial assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for amounts due from customers. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to twelve months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, twelve months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within twelve months after the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

For amounts due from customers, the Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for those receivables. At reporting date the Group's due from customers consist of the amounts receivable on share trading transactions which are settled within 3 days from the date of transaction.

The Group also has receivable from Qatar Central Securities Depository (QCSD) on share trading transactions which is settled on due dates. The Group applies simplified approach in assessing the expected credit losses from QCSD and based on past payment history, the management believes that these receivables has no risk of default.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- A. significant financial difficulty of the debtor;
- B. a breach of contract, such as a default or past due event;
- C. it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- D. the disappearance of an active market for that financial asset because of financial difficulties.
- E. Significant changes in the expected performance and behavior of the customer including changes in the payment status of the customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

- F. Actual or expected significant adverse changes in the business, financial or economic conditions that are expected to cause a significant changes to the customer's ability to meet his obligations.
- G. credit rating of the customer

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 30 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets with the resulting loss being recognized in the consolidated statement of income.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 30 days past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the consolidated statement of income.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to rec-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

ognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In contrast, on de-recognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss (FVTPL). However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

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 consolidated statement of income.

Revenue

□ ***Net Brokerage commission income***

The Group's contract with clients for provision of share brokerage services include only one performance obligation. The commission income is recognized when a sale or purchase of equity transaction is completed net of the amounts paid to Qatar exchange on each trade and other directly attributable costs.

□ ***Volume rebates***

Some contracts for the brokerage service includes volume rebates. As the Group provides volume rebates on trading transactions to its client, revenue and costs are recognised at a point in time.

Dividend income is recognized when the right to receive the dividend is established.

Interest income is recognised on time proportionate basis using the effective interest rate method.

□ ***Income from IT services***

Income from IT services is recognized when the services are delivered and right to receive income is established.

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.

□ ***Disaggregated revenue information***

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

The Group presented disaggregation of revenue in the consolidated statement of income and further disaggregation is not required based on the revenue streams of the Group.

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and/or impairment losses, if any. Costs include expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchase software that is integral to the functionality of the related equipment is capitalized as part of related equipment.

Land is not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

| | |
|---------------------------------|--------------|
| Building | 20 years |
| Leasehold improvements | 5 years |
| Furniture and fixtures | 10 years |
| Computer equipment and software | 3 to 5 years |
| Office equipment | 5 years |
| Motor vehicles | 5 years |

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capi-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

talized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognized in the consolidated statement of income as the expense is incurred. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the consolidated statement of income in the year the asset is derecognized.

Capital- work- in progress

Capital- work- in progress comprises costs incurred towards a trading platform software installation. These costs are transferred to intangible assets upon commencement of commercial activities of the relevant asset.

Trading property

Trading property comprises a property that is held for sale in the ordinary course of business. Principally, this is a land that the Group acquired and intends to sell.

Intangible asset

Intangible asset represents the computer software application and acquired website. Intangible asset acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of income in the expense category consistent with the nature of the

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intangible asset.

The following are the useful life and method of amortization of Group's intangible asset.

| | <i>Website</i> | <i>Computer software application and website costs</i> |
|------------------------|------------------|--|
| Useful life | 5 years (finite) | 3 to 5 years (finite) |
| Method of amortization | Straight line | Straight line |

Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, balances with banks and short term deposits with an original maturity of less than three months.

Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. All differences are taken to the consolidated statement of income.

Fair value measurement

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 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair value of financial investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets at the close of business on the reporting date.

For financial instruments where there is no active market, the fair value is determined by using discounted cash flow analysis

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or reference to broker or dealer price quotations. For discounted cash flow analysis, estimated future cash flows are based on management's best estimates and the discount rate used is a market related rate for a similar instrument.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised 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

Current versus non-current classification

The Group presents assets and liabilities in consolidated statement of financial position based on current/non-current classification. An asset is classified as current when it is:

1. Expected to be realised or intended to sold or consumed in normal operating cycle,
2. Held primarily for the purpose of trading,
3. Expected to be realised within twelve months after the reporting period, or
4. 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.

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A liability is classified as 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 period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Contingent liabilities and contingent assets

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

Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements are disclosed in Note 24.

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For the year ended 31 December 2019

4. CASH AND CASH EQUIVALENTS

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

| | 2019 | 2018 |
|----------------------------|---------------|---------------|
| | QR'000 | QR'000 |
| Cash in hand | 26 | 17 |
| Bank balances | 94,513 | 77,663 |
| Cash and bank balances | 94,539 | 77,680 |

Bank balances include short term deposits made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates. The Group's exposure to credit risk arises from the default of the counterparty with a maximum exposure equal to the carrying amount of these assets as at 31 December 2019. Exposures are considered of good credit standing and management believes there is minimal risk of default, thus, expected credit loss is insignificant but being monitored for significant changes in credit risk.

5. BANK BALANCES – CUSTOMER FUNDS

Bank balances-customer funds represent bank balances for customers, which the Group holds in trust until the customers commit those funds to purchase of shares. At the settlement date of these transactions, the Group transfers due amounts from these customer funds to the settlement authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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6. DUE FROM CUSTOMERS

| | <i>2019</i> | <i>2018</i> |
|--------------------------------------|----------------------|----------------------|
| | <i>QR'000</i> | <i>QR'000</i> |
| Amounts due from customers | 14,885 | 14,179 |
| Allowance for expected credit losses | (13,914) | (14,137) |
| | 971 | 42 |

At 31 December 2019, the allowance for expected credit loss of due from customers is QR 13,914 thousand (2018: QR 14,137 thousand). The movements in the allowance for expected credit loss of due from customers is as follows.

| | <i>2019</i> | <i>2018</i> |
|---|----------------------|----------------------|
| | <i>QR'000</i> | <i>QR'000</i> |
| Balance at 1 January | 14,137 | 235 |
| Reversal) Allowance made during the year) | (114) | 13,909 |
| Written off during the year | (109) | (7) |
| Balance at 31 December | 13,914 | 14,137 |

At 31 December, the ageing of unimpaired amounts due from customers is as follows:

| | <i>Total</i> | <i>Not Due</i> | <i>< 30 days</i> | <i>31 – 90 days</i> | <i>>91 days</i> |
|-----------------------------|----------------------|-----------------------|----------------------------|----------------------------|---------------------------|
| | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> |
| 2019 | 14,885 | 971 | - | - | 13,914 |
| Loss rate | 93.5% | 0% | 0% | 100% | 100% |
| Expected credit loss | (13,914) | - | - | - | (13,914) |
| Net | 971 | 971 | - | - | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

| | Total | Not Due | < 30 days | 31 – 90 days | >91 days |
|----------------------|---------------|----------------|---------------------|---------------------|--------------------|
| | QR'000 | QR'000 | QR'000 | QR'000 | QR'000 |
| 2018 | 14,179 | 42 | - | 8 | 14,129 |
| Loss rate | 99.7% | - | - | 100% | 100% |
| Expected credit loss | (14,137) | - | - | (8) | (14,129) |
| Net | 42 | 42 | - | - | - |

Unimpaired amounts of due from customer balances are expected to be fully recoverable. It is not the practice of the Company to obtain collateral over receivables.

7. OTHER ASSETS

| | 2019 | 2018 |
|--|----------------|---------------|
| | QR'000 | QR'000 |
| Real estate advances | 17,548 | 34,818 |
| Less: impairment of real estate advances | (5,982) | - |
| | 11,566 | 34,818 |
| Prepayments and advances for suppliers | 1,311 | 1,296 |
| Other receivables | 272 | 405 |
| | 13,149 | 36,519 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

8. INVESTMENT SECURITIES

| | 2019 | | | 2018 | | |
|---------------|---------------|-----------------|---------------|---------------|-----------------|---------------|
| | <i>Listed</i> | <i>Unlisted</i> | <i>Total</i> | <i>Listed</i> | <i>Unlisted</i> | <i>Total</i> |
| | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> |
| Shares | 65,095 | 1,911 | 67,006 | 82,638 | 1,577 | 84,215 |

Notes:

- i. Investment securities represent investments in quoted and unquoted shares carried at fair value through other comprehensive income (FVTOCI).
- ii. The movements in these investment securities during the year are as follow:

| | 2019 | 2018 |
|---------------------------------------|---------------|---------------|
| | <i>QR'000</i> | <i>QR'000</i> |
| Balance at the beginning of the year | 84,215 | 118,884 |
| Disposals during the year | (19,555) | (34,010) |
| Changes in fair value during the year | 2,346 | (659) |
| | | |
| Balance at the end of the year | 67,006 | 84,215 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

9. INTANGIBLE ASSET

| | 2019 <i>QR'000</i> | 2018 <i>QR'000</i> |
|--|------------------------------|------------------------------|
| <i>Cost:</i> | | |
| At 1 January | 1,592 | 1,209 |
| Additions during the year | 1,201 | 383 |
| Transfer from property and equipment (Note 10) | 1,109 | - |
| At 31 December | 3,902 | 1,592 |
| Amortization: | | |
| At 1 January | 590 | 367 |
| Amortization for the year | 356 | 223 |
| At 31 December | 946 | 590 |
| At 31 December | 2,956 | 1,002 |

The value of intangible assets represents the cost of trading and accounting applications and the cost of the website purchased for a subsidiary company, Dlala Smart Information Technology W.L.L.

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

During the year capital work in progress amounting to QR 1,109 thousand were transferred to intangible assets relating to trading platform installation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

10. PROPERTY AND EQUIPMENT

| | <i>Land</i> | <i>Building</i> | <i>Leasehold improvements</i> | <i>Furniture and fixtures</i> | <i>Computer equipment and software</i> | <i>Office equipment</i> | <i>Motor vehicles</i> | <i>Capital work in progress</i> | <i>Total</i> |
|-------------------------------|---------------|-----------------|-------------------------------|-------------------------------|--|-------------------------|-----------------------|---------------------------------|---------------|
| | QR'000 | QR'000 | QR'000 | QR'000 | QR'000 | QR'000 | QR'000 | QR'000 | QR'000 |
| <i>Cost:</i> | | | | | | | | | |
| As at 1 January 2019 | 29,097 | 13,886 | 98 | 1,575 | 40,129 | 3,219 | 751 | 2,647 | 91,402 |
| Additions | - | - | - | - | - | - | - | 1,461 | 1,461 |
| Transfers (Note 9) | - | - | - | - | 1,894 | 82 | - | (3,085) | (1,109) |
| As at 31 December 2019 | 29,097 | 13,886 | 98 | 1,575 | 42,023 | 3,301 | 751 | 1,023 | 91,754 |
| <i>Depreciation:</i> | | | | | | | | | |
| As at 1 January 2019 | - | 5,846 | 98 | 1,306 | 39,003 | 3,206 | 742 | - | 50,201 |
| Charge for the year | - | 700 | - | 175 | 740 | 11 | 9 | - | 1,635 |
| As at 31 December 2019 | - | 6,546 | 98 | 1,481 | 39,743 | 3,217 | 751 | - | 51,836 |
| <i>Net book value:</i> | | | | | | | | | |
| As at 31 December 2019 | 29,097 | 7,340 | - | 94 | 2,280 | 84 | - | 1,023 | 39,918 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

| | <i>Land</i> | <i>Build-ing</i> | <i>Lease-hold im-prove-ments</i> | <i>Furni-ture and fixtures</i> | <i>Computer equip-ment and software</i> | <i>Office equipment</i> | <i>Motor vehicles</i> | <i>Capital work in pro-gress</i> | <i>Total</i> |
|-------------------------|---------------|------------------|----------------------------------|--------------------------------|---|-------------------------|-----------------------|----------------------------------|---------------|
| | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> |
| <i>Cost:</i> | | | | | | | | | |
| As at 1 January 2018 | 29,097 | 13,886 | 98 | 1,572 | 40,123 | 3,189 | 751 | - | 88,716 |
| Additions | - | - | - | 3 | 6 | 30 | - | 2,647 | 2,686 |
| As at 31 Decem-ber 2018 | 29,097 | 13,886 | 98 | 1,575 | 40,129 | 3,219 | 751 | 2,647 | 91,402 |
| <i>Depreciation:</i> | | | | | | | | | |
| As at 1 January 2018 | - | 5,131 | 98 | 1,179 | 38,276 | 3,149 | 710 | - | 48,543 |
| Charge for the year | - | 715 | - | 127 | 727 | 57 | 32 | - | 1,658 |
| As at 31 December 2018 | - | 5,846 | 98 | 1,306 | 39,003 | 3,206 | 742 | - | 50,201 |
| <i>Net book value:</i> | | | | | | | | | |
| As at 31 December 2018 | 29,097 | 8,040 | - | 269 | 1,126 | 13 | 9 | 2,647 | 41,201 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

11. OTHER LIABILITIES

| | 2019 QR'000 | 2018 QR'000 |
|---|------------------------------|------------------------------|
| Dividends payable | 15,805 | 15,847 |
| Provisions (<i>Note i and ii</i>) | 6,150 | 1,050 |
| Advances received from customers for a real estate projects | 3,866 | 3,975 |
| Accrued expenses | 2,072 | 4,059 |
| Commission payable | 80 | 83 |
| Other payables | 927 | 417 |
| | <hr/> 28,900 | <hr/> 25,431 |

Note i

The Accountability Committee of QFMA imposed penalties amounted to QR 5,200,000 in relation to two regulatory violations relating to a Subsidiary and the Subsidiary received two financial penalty notifications from QFMA on 29 April 2019 amounting to QR 5,000,000 and QR 200,000. The Group made a provision for the full amount of QR 5,200,000 during the year. However, the subsidiary appealed to reduce the penalties to the QFMA Grievance Committee as at 31 December 2019. Subsequent to the reporting date, on 5 February 2020, the Grievance Committee issued a judgement to reduce the financial penalties to QR 400,000. However, management did not reverse the provision made in the books since either party can appeal against the judgement within 30 days from the date of judgement. Management is of the view that keeping the QR 5,200,000 provision is a prudent approach.

Note ii

The Group made a provision of QR 950,000 during the prior years in relation to potential penalties from QFMA relating to regulatory violations pertaining to share transactions.

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For the year ended 31 December 2019

12. EMPLOYEES' END OF SERVICE BENEFITS

The movements in the provision recognised in the consolidated statement of financial position are as follows:

| | 2019 <i>QR'000</i> | 2018 <i>QR'000</i> |
|-----------------------------|------------------------------|------------------------------|
| Provision as at 1 January | 4,705 | 4,892 |
| Provided during the year | 492 | 306 |
| End of service benefit paid | (629) | (493) |
| | | |
| Provision as at 31 December | 4,568 | 4,705 |

13. SHARE CAPITAL

| | 2019 <i>QR'000</i> | 2018 <i>QR'000</i> |
|---|------------------------------|------------------------------|
| <i>Authorised, issued and fully paid:</i> | | |
| 284,160,000 shares of QR 1 each (2018: 28,416,000 shares of QR 10 each) | 284,160 | 284,160 |

(i) Stock Split

The Board of Directors of QFMA issued its resolution at its 4th meeting for the year 2018 held on 16 December 2018, to reduce the nominal value of shares of listed companies in Qatar to be (1) one Qatari Riyal. Accordingly, each existing share has been split into 10 shares.

On 10 June 2019 Qatar Stock Exchange announced that the stock split of the Company has been executed. Accordingly, the number of shares as of that date increased to 284,160,000 shares, which has been used for the purpose of calculating

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the earning per share (Note 18) as per the requirement of IAS 33.

14. LEGAL RESERVE

In accordance with the Qatar Commercial Companies' Law No. 11 of 2015 and the Company's Articles of Association, 10% of the profit for the year is required to be transferred to the legal reserve. The transfers are made based on the profits earned by each subsidiary of the Group. The Group may resolve to discontinue such annual transfers, when the reserve equals 50% of the issued capital. This reserve is not available for distribution, except in the circumstances stipulated by the above law.

15. BROKERAGE COMMISSION EXPENSE AND OTHER DIRECT COSTS

| | 2019 QR'000 | 2018 QR'000 |
|-----------------------------------|--------------------|---------------------|
| Commission paid to Qatar Exchange | 6,284 | 9,424 |
| Other brokerage expenses | 651 | 629 |
| | <hr/> 6,935 | <hr/> 10,053 |

16. REAL ESTATE INCOME

| | 2019 QR'000 | 2018 QR'000 |
|--|--------------------|------------------|
| Real estate brokerage fee income | 3,288 | 620 |
| Income from other real estate services | 592 | 305 |
| | <hr/> 3,880 | <hr/> 925 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

17. GENERAL AND ADMINISTRATIVE EXPENSES

| | 2019 QR'000 | 2018 QR'000 |
|----------------------------------|----------------|----------------|
| Staff costs | 15,194 | 16,856 |
| Penalties and claims | 5,200 | 850 |
| Consulting and professional fees | 2,779 | 2,390 |
| IT and communication costs | 2,282 | 3,882 |
| Marketing | 1,163 | 3,400 |
| Bank guarantee fees | 988 | 1,093 |
| Government and regulatory fees | 953 | 1,627 |
| Miscellaneous | 1,304 | 2,009 |
| | <hr/> 29,863 | <hr/> 32,107 |

18. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Parent by the weighted average number of ordinary shares outstanding during the year.

| | 2019 | 2018 |
|---|----------|----------|
| Loss attributable to shareholders of the parent (QR'000) | (14,729) | (21,308) |
| Weighted average number of shares outstanding during the year (in thousands) (Note 13) | 284,160 | 284,160 |
| Basic and diluted earnings per share (QR) | (0.052) | (0.075) |

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

19. RELATED PARTY DISCLOSURES

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these related party transactions are approved by the Group's management.

Related party transactions

Transactions with related parties are as follows:

| | 2019 QR'000 | 2018 QR'000 |
|---|----------------|----------------|
| <hr/> | | |
| <i>Key management and their close family members;</i> | | |
| <hr/> | | |
| Net brokerage commission income | 40 | 261 |
| <i>Other related parties:</i> | | |
| Net brokerage commission income | - | 130 |

Related party balances

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

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For the year ended 31 December 2019

| | <i>Payables</i> | |
|---|-----------------|---------------|
| | 2019 | 2018 |
| | <i>QR'000</i> | <i>QR'000</i> |
| Key management and their close family members | - | 7 |
| | - | 7 |

The above payable balances due to related parties are included under due to customers.

Compensation of key management personnel

Key management personnel of the Group consist of Board of Directors, Chief Executive Officer and General Managers. The remuneration of key management personnel during the year was as follows:

| | 2019 | 2018 |
|----------------------------------|---------------|---------------|
| | <i>QR'000</i> | <i>QR'000</i> |
| Salaries and short-term benefits | 2,061 | 2,502 |
| Retirement benefits | 116 | 142 |
| | 2,177 | 2,644 |

20. COMMITMENTS AND CONTINGENT LIABILITIES

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

| | 2019 | 2018 |
|----------------------|----------------|---------------|
| | <i>QR'000</i> | <i>QR'000</i> |
| Letters of guarantee | 150,000 | 150,000 |

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

Capital commitments

| | 2019 | 2018 |
|------------------------|---------------|---------------|
| | QR'000 | QR'000 |
| Balance at 31 December | - | 1,601 |

Regulatory claims

As at the reporting date, the Group is being investigated by QFMA on certain other violations which are currently in process of being evaluated. Management believes that the provisions made are adequate and represent the best estimate of potential future penalties.

21. SEGMENT INFORMATION

For management purposes, the Group is organised into four (4)business units based on their nature of activities and has four reportable segments and other activities. The three reportable segments are as follows:

- Stock Broking – this segment includes financial services provided to customers as a stock broker in the Qatar Stock Exchange;
- 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 special programs.
- Others – represents the Holding Company, which provide corporate services to subsidiaries in the Group and engages in investing activities.

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Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the operating profit or loss. Transfer pricing between operating segments are on arm's length basis in a manner similar to transactions with third parties.

The following table presents the revenue, profit, assets and liabilities information regarding the Group's operating segments for the year ended 31 December 2019 and 2018, respectively.

| <i>December 2019 31</i> | <i>Stock brokering</i> | <i>Real estate</i> | <i>Information technology</i> | <i>Others</i> | <i>Elimina- tion</i> | <i>Total</i> |
|-----------------------------------|----------------------------|------------------------|-----------------------------------|---------------|--------------------------|---------------|
| | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> |
| (Brokerage commission income (net | 13,111 | - | - | - | - | 13,111 |
| Income from IT services | - | - | 117 | - | - | 117 |
| (*) Other revenues | 4,344 | 7,613 | 7 | 1,893 | (4,777) | 9,080 |
| Segment revenue | 17,455 | 7,613 | 124 | 1,893 | (4,777) | 22,308 |
| Segment (loss)/profit | (10,498) | (2,854) | (1,596) | (422) | - | (15,370) |
| Depreciation and amortization | 157 | 746 | 170 | 918 | - | 1,991 |
| Segment assets | 404,759 | 73,445 | 16,389 | 286,635 | (279,676) | 501,552 |
| Segment liabilities | 309,275 | 4,163 | 1,789 | 34,359 | (45,570) | 304,016 |

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| <i>December 2018 31</i> | <i>Stock brokering</i> | <i>Real estate</i> | <i>Information technology</i> | <i>Others</i> | <i>Elimina- tion</i> | <i>Total</i> |
|-----------------------------------|----------------------------|------------------------|-----------------------------------|---------------|--------------------------|---------------|
| | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> |
| Brokerage commission income (net) | 19,434 | - | - | - | - | 19,434 |
| Income from IT services | - | - | 201 | - | - | 201 |
| Other revenues (*) | 4,794 | 4,510 | 4 | 1,909 | (4,852) | 6,365 |
| Segment revenue | 24,228 | 4,510 | 205 | 1,909 | (4,852) | 26,000 |
| Segment (loss)/profit | (18,678) | (1,829) | (906) | (116) | - | (21,529) |
| Depreciation and amortization | 52 | 749 | 183 | 897 | - | 1,881 |
| Segment assets | 579,908 | 76,328 | 16,639 | 318,941 | (331,887) | 659,929 |
| Segment liabilities | 477,465 | 4,192 | 436 | 65,061 | (97,785) | 449,369 |

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

*.Other revenues include net investment and real estate income**

22. FINANCIAL RISK MANAGEMENT

Objective and policies

The Group's principal financial liabilities comprise of amounts due to customers, accrued expense, due to related parties and certain other liabilities. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as amounts due from customers, due from QCSD, investment securities, bank balances - cus-

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Customer funds and cash and bank balances, which arise directly from its operations.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The management reviews and agrees policies for managing each of these risks, which are summarized below.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity prices will affect the Group's income or value of its holding of financial instruments. The objective of market risk management is to manage and control the market risk exposure within acceptable parameters, while optimizing return.

Interest rate risk

The Group is exposed to interest rate risk on its floating rate interest bearing financial instruments. The following table demonstrates the sensitivity of the consolidated statement of income to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the consolidated statement of income is the effect of the assumed changes in interest rates on the Group's profit for the year, based on the floating rate financial instruments held at 31 December 2019. The effect of decreases in interest rates is expected to be equal and opposite to the effect of the increases shown.

| | <i>Increase in basis points</i> | <i>Effect on profit</i> |
|-------------|---------------------------------|-------------------------|
| | | <i>QR'000</i> |
| 2019 | +25 b.p | 236 |
| 2018 | +25 b.p | 193 |

There is no impact on the Group's equity.

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Equity price risk

The following table demonstrates the sensitivity of the effect of cumulative changes in fair values recognised in the listed equity to reasonably possible changes in equity prices, with all other variables held constant. The effect of decreases in listed equity prices is expected to be equal and opposite to the effect of the increases shown.

| | <i>Changes in equity prices</i> | <i>Effect on equity</i> | |
|--|---------------------------------|-------------------------|---------------|
| | | | <i>QR'000</i> |
| 2019 | | | |
| Investment securities - Qatar Exchange | +5% | 3,255 | |
| 2018 | | | |
| Investment securities – Qatar Exchange | +5% | 4,131 | |

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. As the Qatari Riyal is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk. The Group is not exposed to significant currency risk, in light of minimal balances in foreign currencies other than US Dollars.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk on its due from customers, bank balances and bank balances – customer funds and certain other assets, as reflected in the consolidated statement of financial position.

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting credit limits and monitoring outstanding receivables.

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With respect to credit risk arising from the financial assets of the Group, including receivables and bank balances, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets in the consolidated statement of financial position.

The table below shows the maximum exposure to credit risk for the components of the consolidated statement of financial position. The maximum exposure is shown gross.

| | 2019 <i>QR'000</i> | 2018 <i>QR'000</i> |
|--------------------------------|------------------------------|------------------------------|
| Bank balances (excluding cash) | 94,513 | 77,663 |
| Bank balances - customer funds | 234,683 | 415,166 |
| Due from QCSD | 35,782 | 4,104 |
| Due from customers | 971 | 42 |
| | 365,949 | 496,975 |

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group considers financial assets in a default when contractual payments are 90 days over due.

The Group evaluates the concentration of risk with respect to amounts due from customers as low, as the unimpaired balances is minimal at the reporting date.

At reporting date expected credit loss from due from customers amounted to QR 13,914 thousand (2018: 14,137 thousand). The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the company considers historical loss rates for each category of debtor, and adjusts for forward

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looking macroeconomic data.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the its reputation.

The Group limits its liquidity risk by ensuring adequate bank facilities are available. The Group's terms of trade require amounts to be settled within its specified terms in invoices. Due to customers are normally settled within the terms of trade.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

| <i>At 31 December 2019</i> | <i>On demand</i> <i>QR'000</i> | <i>Less than 1 year</i> <i>QR'000</i> | <i>Total</i> <i>QR'000</i> |
|----------------------------|-----------------------------------|--|-------------------------------|
| Due to customers | 270,548 | - | 270,548 |
| Dividend payable | 15,805 | - | 15,805 |
| Other liabilities | - | 3,074 | 3,074 |
| Total | 286,353 | 3,074 | 289,427 |
| <hr/> | | | |
| <i>At 31 December 2018</i> | <i>On demand</i> <i>QR'000</i> | <i>Less than 1 year</i> <i>QR'000</i> | <i>Total</i> <i>QR'000</i> |
| Due to customers | 419,233 | - | 419,233 |
| Dividend payable | 15,847 | - | 15,847 |
| Other liabilities | - | 4,559 | 4,559 |
| Total | 435,080 | 4,559 | 439,639 |

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Capital management

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2019 and 31 December 2018. Capital comprises share capital and accumulated losses, and is measured at QR 215,167 thousand at 31 December 2019 (2018: QR 229,809 thousand).

23. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

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

The fair values of financial instruments are not materially different from their carrying values.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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As at 31 December 2019, the following table shows an analysis of financial instruments recorded at fair value by level of fair value hierarchy:

| | <i>Total</i> <i>QR'000</i> | <i>Level 1</i> <i>QR'000</i> | <i>Level 2</i> <i>QR'000</i> | <i>Level 3</i> <i>QR'000</i> |
|-----------------------------------|-------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <i>At 31 December 2019</i> | | | | |
| Investment securities | 67,006 | 65,095 | 1,911 | - |
| <i>At 31 December 2018</i> | | | | |
| Investment securities | 84,215 | 82,638 | 1,577 | - |

During the year ended 31 December 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

24. SIGNIFICANT ASSUMPTIONS, ESTIMATES AND JUDGMENTS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and certain disclosures at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. In the process of applying the Group's accounting policies, management has made the following judgments, estimates and assumptions, which have the most significant effect on the amounts recognised in the consolidated financial statements:

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The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future.

Provision for expected credit loss of due from customers

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected credit loss provision for these receivables.

At the reporting date the gross amounts due from customers was QR 14,885 thousand (2018: QR 14,179 thousand) and allowance for expected credit loss was QR 13,914 thousand (2018: QR 14,137 thousand). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated statement of income.

The Group uses a provision matrix to calculate ECLs for due from customers. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Useful lives of property and equipment intangible asset

The Group's management determines the estimated useful lives of its property and equipment and intangible assets for calculating depreciation/amortization. This estimate is determined after considering the expected usage of the asset and physical

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wear and tear. Management reviews the residual value and useful lives annually and future depreciation/amortization 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 are reviewed at each reporting date to determine whether there is any indication of impairment. The determination of what can be considered impaired requires judgement. As at the reporting date, management did not identify any evidence from internal reporting indicating impairment of an asset or class of assets and there were no significant adverse changes in the market that could have an adverse effect on its assets. If such indication exists, then an impairment test is performed by the management. The determination of recoverable amounts require management to make significant judgments, estimations and assumptions.

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives.

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.



Corporate Governance 2019



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Introduction

Dlala Brokerage & Investment Holding (hereinafter referred to as “Dlala Holding”, the “Company”) is committed to applying the Governance Code for Companies & Legal Entities Listed on the Main Market (the “Code”) issued by the Qatar Financial Market Authority (“QFMA”). The development of corporate governance standards to achieve best practices of good governance is one of the priorities of the Board of Directors and Senior Executive Management of Dlala Holding. The Company continuously enhance and improve its governance principles and framework for the benefit of its current and potential shareholders and stakeholders. The current Corporate Governance framework of the Company involves maintaining a good relationship between the board of directors and Senior Executive Management with the shareholders, stakeholders and the community.

- In order to ensure the continuous enhancement and improvement of the Corporate Governance Framework, the following were ensured to be in place:
 - Equal treatment amongst the shareholders of the Company
 - Enhancing transparency and disclosure over material matters regarding the Company
 - Compliance with the rules of relevant and applicable laws and regulations issued by the authorities
 - Avoiding combination of roles of the Chairman and Executive Management.

This report was prepared in line with the QFMA’s Code and considered Dlala Holding’s efforts to comply with the QFMA’s Code requirements and other relevant authorities.

1. Overview

Dlala Holding has developed a Corporate Governance Charter, which is regularly reviewed to ensure its alignment with the QFMA's Corporate Governance Code, published in the Company's website. This Charter defines the corporate governance structure and responsibilities of the Board members and Senior Executive Management. This is also used by external users such as the shareholders, investors and other stakeholders to understand application of the corporate governance processes.

For the past several years, Dlala Holding has undertaken the following enhancements and improvements in order to ensure its full compliance with the QFMA requirements:

Developed Governance Policy Documents

In 2018, the Company has developed the following governance policies:

1. Related Party transactions policy
2. Disclosure policy
3. Insider's trading policy
4. Dividend distribution policy
5. Board Induction and Training
6. Performance assessment for Board and Executive Management
7. Remuneration Policy
8. Nomination Policy

Engaged with external consultant to ensure effective Internal Control over Financial Reporting

As explained in section 5 (Internal Control System) of this report, the Company has engaged an external consultant to assist on the implementation of internal control over financial reporting. This is in line with the Article 20 of the QFMA's Corporate Governance Code.

Conclusion

Dlala Holding, represented by the Board of Directors and Senior Executive Management, is focused on continuously enhancing its corporate governance practices. The good governance practices is achieved by establishing the principles of transparency, responsibility acknowledgment, and justice and equality as per QFMA's regulation.

As highlighted within this report, the Company has undertaken procedures to strengthen its governance system. The Management of the Company also continues to update its internal policies and procedures to ensure its commitment to apply the requirements of governance in the business activities.

In conclusion, Dlala Holding confirms its commitment to the requirements of the QFMA's Corporate Governance Code, in order to maintain the stability and growth of the company and to gain the confidence and trust of its shareholders and other stakeholders. The Company will also continue to enhance its adherence to the Corporate Governance Code.

2. The Board of Directors

In order to achieve an effective corporate governance, there should be clear understanding on the respective duties and responsibilities of the Board, management and shareholders, and their relationships with each other, and their relationship with other stakeholders. This section focuses on the Board of Directors.

● Board Composition

As per the Articles of Association, there should be nine (9) members of the Board elected for membership of three (3) years. Three (3) of the representatives shall come from the founders and the remaining members elected from the other shareholders. Moreover, one-third (1/3) should be independent members and majority are non-executive member. A seat or more may be allocated to represent the minority and another to represent the company employees.

During the General Assembly on 3 April 2017, nine (9) members were elected which are composed of the following:

- Six (6) representatives from the private sectors
- Three (3) of representatives from the following founders:
 - * One (1) from Pension Fund of the General Retirement & Social Insurance Authority;
 - * Two (2) from Qatar Investment Authority

On 15 Feb 2019, the Board accept the resignation Mr. Jaber Bin Hajjaj Al Shahwani as the Board Chairman, and Sheikh. Suhaim

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Bin Khaled Al-Thani was elected as the Board Chairman and Mr. Yousef Abdulrahman Al Khailifi as Vice Chairman of the Board. Afterwards, on May 2019, Qatar Investment Authority appointed Mr. Tamim Hamad Al-Kawari and Mr. Khalid Yousef Al-Subeai as a replacement for Ms. Ebtesam Saleh Al Mannai and Mr. Fayed Mohamed Al-Boainin.

The following is the summary of the Board replacements in 2019:

| Owner | Board Member | Replaced by |
|----------------------------|------------------------------|-----------------------------|
| Qatar Investment Authority | Ms. Ebtesam Saleh Al Mannai | Mr. Tamim Hamad Al-Kawari |
| Qatar Investment Authority | Mr. Fayed Mohamed Al-Boainin | Mr. Khalid Yousef Al-Subeai |

The table below summarizes the current composition of the Dlala Holding Board of Directors as at 31 December 2019:

| No. | Board Member | Position | Non-Executive | Independent | % of Shares Personally Owned | % of Shares Owned by Company Represented |
|-----|--|---------------|---------------|-------------|------------------------------|--|
| 1 | H. E. Sheikh Abdulrahman Bin Hamad Al-Thani | Chairman | ✓ | ✗ | 4.47% | - |
| 2 | Mr. Yousef Abdulrahman Al Khailifi (<i>representative of Investment Fund of Qatari Armed Forces</i>) | Vice Chairman | ✓ | ✗ | - | 5% |
| 3 | H. E. Sheikh Abdulrahman Bin Hamad Al-Thani | Member | ✓ | ✓ | 0.18% | - |
| 4 | Mr. Ali Bin Hussain Al-Sada | Member | ✓ | ✗ | 5% | - |
| 5 | Mr. Ahmed Bin Mohamed Al Asmakh | Member | ✓ | ✓ | 0.18% | - |
| 6 | Mrs. Moza Bint Mohamed Al Sulaiti (<i>representative of Pension Fund of the General Retirement & Social Insurance Authority</i>) | Member | ✓ | ✓ | - | 4.85% |
| 7 | Mr. Khalid Yousef Al-Subeai (<i>representative of Qatar Investment Authority</i>) | Member | ✓ | ✓ | - | 1.72% |
| 8 | Mr. Tamim Hamad Al-Kawari (<i>representative of Qatar Investment Authority</i>) | Member | ✓ | ✓ | - | 1.72% |

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Below are the profiles of the board members and which Committee they are a member:

H. E. Sheikh Suhaim Bin Khaled Al-Thani

Chairman of the Board

- Has completed a Bachelor of Business Administration from the University of Plymouth, UK.
- Has worked for HSBC and Deutsche Bank.
- He also received a number of courses in banking and finance.
- He is Chairman of the Executive Committee of Dlala Holding.

Mr. Yousef Abdulrahman Al Khailifi

Vice Chairman of the Board

- Has completed Bachelor of Science in Business Administration in Temple University, Philadelphia, USA.
- He held positions such as Portfolio Manager in Barzan Holding, Head of Strategic Investment in the Ministry of Defence, Acting Head of Risk Management in the Qatar Central Bank.
- He is Chairman of the Nomination, Remuneration and Governance Committee of Dlala Holding.

H. E. Sheikh Abdulrahman Bin Hamad Al-Thani

Board Member

- His Excellency Sheikh Abdulrahman bin Hamad Al-Thani served as Vice Chairman of the Board of Directors from 2014 until October 2016.
- He is a member of Nomination, Remuneration & Governance Committee of Dlala Holding.

Mr. Ali Bin Hussain Al-Sada

Board Member

- Has completed Bachelor in Islamic Sciences in Qatar University
- Has extensive experience in the financial sector.
- As a businessman, he is managing diverse investments

- A board member and member of the Executive Committee of Qatar National Bank since 1998. He is a member of the Board of Directors of Qatar Navigation Company (QSC) and a member of the Board of Directors of Halul Marine Services LLC, which is wholly owned by Qatar Navigation, and is a member of the Board of Directors of many companies outside the State of Qatar in the UAE, Bahrain and Syria.
- He is a member of the Executive Committee of Dlala Holding.

Mr. Ahmed Bin Mohamed Al Asmakh

Board Member

- Has completed Bachelor of Arts in History from Qatar University in 2002.
- Has been a second secretary at the Ministry of Foreign Affairs from 2003 to 2015. He has extensive experience in the financial sector and has extensive knowledge in the field of securities investment in local and international financial markets.
- Mr. Ahmed Al-Asmakh served as Managing Director from 2011 until February 2016.
- He is a member of Nomination, Remuneration & Governance Committee of Dlala Holding.

Mrs. Moza Bint Mohamed Al Sulaiti

Board Member

- She holds a Master's degree in Banking and Finance from Salford University in the United Kingdom.
- Has completed Bachelor of Science in Economic and Management (major in Accounting) in Qatar University.
- Mrs. Moza Al-Sulaiti is currently the Director of the Planning and Research Unit / Director of the Fund Accountancy Office at the Public Authority for Pensions and Social Security since 2009. Prior to that, she worked in the Audit Bureau since 1993 and participated in many economic and investment forums and conferences in the State of Qatar.
- She is a member of the Audit Committee and the Nomination, Remuneration and Governance Committee of Dlala Holding.

Mr. Khalid Yousef Al-Subeai

Board Member

- Holds a Bachelor's degree in Finance from the University of Arizona
- Holding various positions in the financial sector in the State of Qatar
- CEO of Barwa Bank since 2014
- Member of the Audit Committee of Dlala Holding Company

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Mr. Tamim Hamad Al-Kawari

Board Member

- He holds an MBA from the American University
- Bachelor degree in Business Administration from George and Washington University
- Worked in the field of banking and business development
- CEO of QInvest Group since 2012
- He is Chairman of the audit committee of Dlala Holding Company.

● Board Term & Renewal

During the General Assembly meeting held on 3 April 2017, nine (9) members were elected, of which three (3) are from the founders. The term of the current Board will expire at the end of fiscal year 2019. Aside from the replacement of the Board members informed by the founders, there were no new appointments made to the Board of Directors in 2019.

The next board of directors will be elected during the regular general assembly meeting scheduled for April 7, 2020

● Board Meetings

In accordance with the provisions of the Companies Law No. (11) for the year 2015, QFMA's Law No. (5) Of 2016, and the Company's Articles of Association, the Board of Directors shall convene upon the invitation of the Chairman, or Vice-Chairman in case of Chairman's absence. The Chairman may call the Board for the meeting upon a request by at least two of its members. The number of meetings should not be less than six meetings during the fiscal year. The meeting of the Board shall not be valid unless attended by half of the members, including the Chairman or the Vice-Chairman, and may not exceed three months without convening the Board meeting. The Board of Directors shall meet in the Company's headquarters and may meet outside its headquarters.

The Board members of Dlala Holding must attend meetings regularly, and any absent member may, by written request, delegate any Board member to represent him in attendance and voting, in which case the representing Board member shall have two votes. A Board member cannot represent more than one member.

The invitation, accompanied with the agenda, shall be sent to each member at least one week prior to the meeting date. Each Board member shall be entitled to add an item or more to the agenda.

During the fiscal year 2019, the Board has met six (6) times in order to ensure that it is adequately fulfilling its roles and responsibilities.

The following summarizes the Board meetings conducted:

| No. | Board Member | Meeting No. 1 | Meeting No. 2 | Meeting No. 3 | Meeting No. 4 | Meeting No. 5 | Meeting No. 6 |
|-----|--|---------------|---------------|---------------|---------------|---------------|---------------|
| 1 | H. E. Sheikh Suhaim Bin Khaled Al-Thani | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2 | Mr. Yousef Abdulrahman Al Khailifi (<i>representative of Investment Fund of Qatari Armed Forces</i>) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3 | H. E. Sheikh Abdulrahman Bin Hamad Al-Thani | ✗ | ✓ | ✗ | ✗ | ✗ | ✗ |
| 4 | Mr. Ali Bin Hussain Al-Sada | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 5 | Mr. Ahmed Bin Mohamed Al Asmakh | ✓ | ✗ | ✗ | ✓ | ✓ | ✓ |
| 6 | Mrs. Moza Bint Mohamed Al Sulaiti (<i>representative of Pension Fund of the General Retirement & Social Insurance Authority</i>) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 7 | Mr. Tamim Hamad Al-Kawari (<i>representative of Qatar Investment Authority</i>) | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ |
| 8 | Mr. Khalid Yousef Al-Subeai (<i>representative of Qatar Investment Authority</i>) | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ |
| 9 | Mr. Fayed Mohamed Al-Boainin (<i>representative of Qatar Investment Authority</i>) | ✓ | ✓ | ✓ | ∅ | ∅ | ∅ |
| 10 | Ms. Ebtesam Saleh Al Mannai (<i>representative of Qatar Investment Authority</i>) | ✓ | ✓ | ✓ | ∅ | ∅ | ∅ |

Legend:

- ✓ Present
- ✗ Absent
- ✗ Not yet a member
- ∅ Replaced, with a request coming from the Authority from which he represents

● Board Remunerations

The Company has developed a Remuneration Policy approved by the Board in 2019, which outlines how the remuneration of the Board members is determined and allocated. In accordance with the applicable laws and regulations such as the Com-

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mmercial Companies Law and QFMA requirement, the Company adopted the remuneration policy of the Board members in line with the said regulations.

Refer to the financial statements for the allowances received by the board members during the fiscal year 2019

● Prohibition of Combining Positions

Following the election of the Board of Directors, the Board met and elected from among its members the Chairman and the Vice Chairman for one year. In accordance with the Article 7 of the QFMA's Corporate Governance Code, none of the Board members occupies the position of a Chairman or a Vice Chairman of more than two companies that have their headquarters located in the State of Qatar. In addition, none of the Board members is a member of more than three companies whose main centers are in the State of Qatar, and not a Managing Director in more than one Company located in the State of Qatar; and, none of the members combined two memberships of two companies exercising 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 to be a member of any of the Board committees set out in this Code.

For fiscal year 2019, the Chairman and the members of the Board provided acknowledgment that none of them combined the prohibited positions according to the regulatory requirements, and the Company obtains the acknowledgement annually. The Board Secretary maintains such acknowledgment in the file.

● Duties of the Board Chairman

The Chairman is primarily responsible for ensuring the proper management of the Company in an effective and productive manner and working to achieve the interest of the Company, partners, shareholders, and stakeholders. The following are the duties and responsibilities:

1. Ensuring that the Board discusses all the main issues in an efficient and timely manner;
2. Approving the agenda of the Board meeting taking into consideration any matter proposed by any other Board member;
3. Encouraging all Board members to collectively and effectively participate in dealing with the Board affairs for ensuring that the Board is working with its responsibilities to achieve the best interest of the Company;
4. Making available for the Board Members all data, information, documents and records of the Company, and of the Board and its committees.

5. Creating effective communication channels with shareholders and making their opinions heard to 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; and
7. Keeping the members constantly informed about the implementation of the provisions of the QFMA Corporate Governance Code, the Chairman may authorize Audit Committee or other committee in this mission.

● **Board Members responsibilities**

The Board has prepared a Board Charter that outlines its responsibilities, duties as well as its functions. The Charter also includes the responsibilities of the Chairman of the Board and other relevant items required by the QFMA, published in the website of the Company. The Board Charter aims to make the Company's corporate governance system more transparent, understandable and accessible to all shareholders.

The responsibilities of the Board members as set out in the Charter includes, but not limited, to the following:

1. Develop the company strategy (including objectives, vision, mission, goals, strategies and strategic plans) and monitor the management's implementation of that strategy.
2. Appointing and dismissing the CEO of the company, determining the duration of his service, his salary, his remuneration and the control of his performance compared to the objectives set.
3. Approve the appointment and dismissal of the Board Secretary and the Senior Executive Members (as requested).
4. The Board is responsible for ascertaining the formation of the Board as stipulated in the Company's Bylaws and in accordance with the requirements of other relevant legislations, including the Corporate Governance System issued by Qatar Financial Markets Authority (including the Board of Directors) And that at least one-third of the Board shall be composed of independent members, provided that the majority of the members of the Board are composed of non-executive members. Nominations for membership of the Board shall be carried out in accordance with the guidelines for financial solvency and adequacy contained in the Corporate Governance Regulations The listing of terms and conditions that ensure that shareholders will receive information prior to the voting process in respect of candidates to be members of the Ijara Board, the voting process for board members' election and the procedures for the dismissal of board members, including failure to attend board meetings. The Board believes that it is necessary to submit a proposal to the Extraordinary General Meeting of Shareholders to amend the Company's Articles of Association.
5. Determine the independence of non-executive members on a regular basis and in accordance with the requirements of

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the Corporate Governance System issued by Qatar Financial Markets Authority

- 6.** The powers, duties and responsibilities delegated to the members of the Board of Directors, including the Chairman, Vice President and Chief Executive Officer.
- 7.** Rewards policy and nomination periods for Board members, assisted by Nominations, Remuneration and Governance Committee.
- 8.** Training program for new board members to ensure that when elected, they will be fully aware of their responsibilities and have a proper understanding of the management of the company..
- 9.** Develop a corporate governance system that complies with the provisions of the code, and the general supervision and control of its effectiveness and modification when needed.
- 10.** Inform members of the latest developments in corporate governance and best practices in the company.
- 11.** Appoint committees that the Council deems appropriate to assist them in carrying out their duties, responsibilities and responsibilities.
- 12.** Approve policy on current policy change and current practice presented through committees or management.
- 13.** Control the financial performance of the company
- 14.** Monitoring financial results and integrity of reports, particularly 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 control (with the assistance of the Audit Committee).
- 16.** Monitor the performance of the company and compare it with budgets and plans.
- 17.** Setting certain limits for 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.** Risk management and supervision of internal controls. Ensure effective audit, risk management and compliance systems and apply them to protect the Company's assets and reduce the likelihood of operating the Company in any manner contrary to legal requirements or acceptable risk criteria. Review the application and effectiveness of risk management and

internal control system.

20. Significant 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.
Compliance with contracts, laws, legislations, legislative obligations and ethical standards.
22. Setting standards for professional conduct and ensuring compliance.
23. Develop and ensure standards for professional conduct.
24. Proposing changes to the company's Articles of Association and internal legislation.
25. Conduct regular review on a senior management and development succession plan
26. Ensure that the company has adequate resources to successfully and effectively implement the company's strategies and day-to-day operations.
27. Ensure that the company has adequate insurance cover for the products and general liabilities and responsibilities of members and employees in the event of a claim on the company.
28. Company policies regarding recruitment and rewards.
29. Problem management and management reputation.
30. Providing corporate governance, including periodic reviews of the Company's balance sheet, so as not to distribute responsibilities appropriately to meet the company's needs.
31. Appointing the external auditor based on the recommendation of the Audit Committee. The recommendation submitted to the Board by the shareholders shall be ratified at the Ordinary General Meeting of the Company and compliance with the provisions of the circular of the external auditor.
32. Due diligence on any matters and observations made by external auditors. Ensure timely response by the Board of Directors to any inquiries and matters contained in the correspondence or reports of external auditors.
33. Appointing the internal auditor and ensuring his independence, provided that such independence is supported by the Board of Directors determining the salaries and remuneration of internal audit.
34. Follow-up with the Senior Executive Management for the purpose of carrying out any specific tasks by the external or internal auditor.

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- 35.** Coordination between the External Auditor, the Internal Auditor and the Audit Committee.
- 36.** Ensure that the members of the Audit Committee, Nominating Committee, Remuneration, Governance and External Auditor are present at the AGM.
- 37.** Ensure that the company is committed to the relevant laws and regulations in addition to the statutes and internal regulations. The Board is also responsible for protecting the Company against illegal, disruptive or inappropriate procedures and practices. The Board should review and update the governance policies. The Board shall regularly review and update the Code of Conduct in respect of company values and policies and act on other internal procedures and ensure that all Board members and employees are complied with, as well as Company consultants.
- 38.** The Board should review the principles of professional conduct regularly to ensure that they reflect best practices and that they meet the needs of the company.
- 39.** Approving the nominations for appointment in functions of Senior Executive Management, and the succession planning concerning the management
- 40.** The Board shall have full and immediate access to the Company's information, documents and records. The senior management of the company shall provide the Board and its committees with all the documents and information they request.
- 41.** Developing a clear policy for contracting with the Related Parties and presenting it to the General Assembly for approval

● Board Evaluations

Dlala Holding Company is keen on activating and developing the participation of the Board of Directors and the scope of its effectiveness throughout the year, by conducting an annual self-assessment as an essential tool for governance that provides an effective participation opportunity for members of the Board of Directors. Therefore, the Nomination and Remuneration Committee is responsible for coordinating this evaluation, which aims to assist members of the Board in reviewing their performance comprehensively and working to improve it annually. This evaluation also gives the group the ability to measure the diversity of the composition of the members of the board of directors in terms of participation and effectiveness of performance and their professional background and their ability to achieve the strategic goals of the company.

● Board Secretary

The Board has appointed Mr. Mohammed Elsadi as the Board Secretary. The Board Secretary shall provide assistance to the Chairman and all members in conducting their duties and shall comply to conduct all Board functioning, including:

- Recording the minutes of the Board meetings setting out names of the attending and absent members and the meeting discussions and prove members objections to any decision issued by the Board.
- Recording the Board decisions in the register prepared for this regard as per issuance date.
- Recording the meeting held by the Board in a serial numbered register prepared for this regard arranged as per the holding date setting out names of the attending and absent members, the meeting discussions and the members objections, if any.
- Safekeeping the Board meetings' minutes, decisions, reports, all Board records and correspondence, and its writings in paper and electronic records.
- Sending to the Board members and participants - if any – the meeting invitations accompanied with the agenda at least one week prior to the meeting specified date, and receiving members' requests to add an item or more to the agenda with submission date.
- Making full coordination between the Chairman and the members, 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 Information, documents, and data pertaining to the Company.
- Safekeeping the Board members' acknowledgments of not combining prohibited positions pursuant to the Law and the provisions of this Code.

Mr. Mohammed Elsadi holds Master's in Business Administration (major in Strategic Plan) and Bachelor of Arts (major in Media) which were completed in 2011 and 1998 respectively. He is currently the Marketing and Communications Manager of Dlala Holding and has been in the Company since 2005.

● Official Spokesperson

As part of QFMA requirements, the Company has appointed the following as the official spokesperson:

1. Dr. AbdulAziz Ali Al Hammadi – Chief Executive Officer
2. Mr. Mohammed Elsadi – Marketing and Communications Manager

3. The Board Committees

The Board may delegate to its committees to exercise some of such powers, and may form a special committee or more to carry out specific tasks to be stipulated in the decision of formation the nature of those tasks

The Committees established by the Board are the following:

- Audit Committee
- Nomination, Remuneration & Governance Committee
- Executive Committee

Although the Board has delegated some of its powers to the abovementioned Committees, the ultimate responsibility rests with the Board of Directors and they shall avoid issuing a general or an open-ended delegation.

The responsibilities of each Committees are incorporated and documented in the Board Charter of the Company approved by the Board of Directors. In addition, on a periodic basis, the Board conducts performance evaluation of its Committees' achievements to ensure that the members of the Committees have clear roles and understood by each members. Pursuant to Article 19 of the QFMA's Corporate Governance Code, each Committee shall submit its annual report to the Board including its work and recommendations.

● **Audit Committee**

The responsibilities of the Audit Committee is to assist the Board in fulfilling its responsibilities with respect to, but not limited to the following:

1. Preparing and presenting to the Board a proposed Internal Control system for the Company, and conducting periodic reviews whenever necessary.
2. Report to the Board of Directors on the subjects of the Committee as stipulated in the Corporate Governance code, issued by Qatar Financial Markets Authority.
3. Consideration of any other matters as determined by the Board of Directors.
4. Monitoring the risk factors of Dlala and the recommendation of the Board of Directors to reduce these factors.
5. Auditing the systems of financial and internal control and risk management.

6. Discuss the internal control systems with respective departments to ensure that departments carry out its duties towards the development of efficient internal control systems.
7. Consider the results of the major investigations in internal control matters at the request of the Board of Directors, or the Committee shall do so on its own with the approval of the Board of Directors.
8. Reviewing the financial and accounting policies and procedures of Dlala.
9. Monitor the accuracy and validity of financial statements, and annual, semi-annual and quarterly reports, and review such data and reports, with particular emphasis on the following:
 - Any changes in the accounting policies
 - Issues that are under the discretion of the senior executive management.
 - Major adjustments resulting from the audit.
 - Ability to continue its operations as an entity.
 - Compliance with accounting standards - International Financial Reporting Standards.
 - Adhering to the rules of the Qatar Exchange.
 - Compliance with disclosure rules and any other requirements related to financial reporting.
10. Consider any important and unusual issues that can be found in financial reports and indicative accounts.
11. Oversee and follow up on the independence and objectivity of the external auditor to determine the nature, scope and effectiveness of the external audit in accordance with international auditing standards and in accordance with International Financial Reporting Standards.
12. Ensure that the external auditor conducts annual and semi-annual audits to provide objective assurance to the Board of Directors and shareholders that the financial statements are prepared in accordance with the laws, regulations and international standards for reporting and represent the financial position and performance of Dlala accurately in all material respects.
13. Meet external auditors at least once a year.
14. Taking care of any issues raised by external auditors.

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15. Ensuring that the Board of Directors responds in a timely manner to inquiries and matters included in letters and reports of external auditors.
16. Ensure that the external auditor attends the general assembly and delivers the annual report and respond to any questions or inquiries in this regard
17. Recommendation to the Board of Directors on the appointment of external auditors, following the guiding principles as follows:
 - The external auditors shall be independent and have no other interest in Dlala or the members of the Board of Directors except the audit. There is no need for any conflict of interest in the external auditor's relationship with Dlala.
 - The external auditors shall be professional and have specialized experience in the audit of the financial statements of the listed companies based on the International Standards on Auditing and International Financial Reporting Standards.
 - Follow up of the rules and regulations in force regarding the appointment of the auditor.
18. Review the letter of appointment of the external auditor and his business plan and any important clarifications requested by the auditor from the senior management regarding accounting records, financial accounts or control systems, as well as the response of the senior executive management.
19. Evaluation of External Auditor's Performance.
20. Supervise the internal auditing process, and in particular ensure that the internal audit means the following tasks:
 - Review internal control systems and supervise their implementation.
 - Internal audit work as an independent process, and by a trained and qualified staff.
 - The internal audit will report to the Board through the Committee.
 - Internal audit covers all activities of Dlala.
 - Internal auditing is independent of daily operational functions in Dlala. The independence shall be imposed through compensation paid to the internal auditor determined by the Board of Directors on the recommendation of the Committee.
 - The internal auditor shall attend the General Assembly meeting.

21. Ensure that the internal audit function includes at least one internal auditor appointed by the Board of Directors.
22. Recommendation of the Board of Directors regarding the adoption of the scope of the internal audit and include, in particular:
 - Monitor and supervise the financial, investment and risk management procedures;
 - A comparative assessment of the evolution of risk factors and the systems used to respond to drastic or unexpected changes in the market.
 - Evaluation of the performance of the Board of Directors and senior management in the implementation of internal control systems, including the number of times the Board of Directors has been informed of matters related to oversight (including risk management) and the manner in which the Board deals with such matters.
 - The failure of internal controls and their weakness or emergencies that have affected or may affect the financial performance of Dlala and the procedures followed by the company to correct internal control failures (especially the problems included in the annual reports and financial statements).
 - Dlala's commitment to the rules and regulations applicable to market lists and disclosure.
 - Dlala's commitment to internal control systems in identifying and managing risks.
 - All information describing the risk operations of Dlala.
23. Ensure that the internal audit report is prepared every three months and submitted to the Committee and the Board of Directors.
24. Supervising the control of financial, administrative and technical activities of the internal audit and monitoring.
25. Evaluate the performance of the internal auditor.
26. Ensure that external and internal auditors are separate statutory entities and ensure that all other requirements for appointing an external auditor are applied to the appointment of the internal auditor, including the auditor's rotation (when the board decides to assign the task of internal auditor to external consultant).
27. Coordinating with the Board of Directors, the Senior Executive Management and the Financial Manager of Dlala or the person looking for the responsibilities of the Chief Financial Officer.
28. Coordination between the internal auditor and the external auditor and the availability of the necessary resources and the

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- effectiveness of internal controls.
29. Review the observations made by any of the reports submitted to the Committee and refer them to the relevant departments for follow-up action in a timely manner.
 30. Establish rules in which Dlala employees can confidentially disclose any concerns about financial reporting issues, internal controls or any other matters that raise doubts, such matters being considered immoral or irregular and detrimental to Dlala.
 31. Ensure that appropriate arrangements are in place to allow independent and impartial investigations into these matters while ascertaining the above and ensuring the confidentiality of the amount as well as protecting against reprisals.
 32. Consider matters raised by the financial manager of Dlala, the person responsible for the obligation, the internal auditors or the external auditors.
 33. Supervise a commitment to the Code of Professional Conduct.
 34. Ensure that all laws and instructions relating to the activities of Dlala are duly observed.
 35. Ensure that the rules of procedure for the terms of reference of the Board are properly applied;
 36. Attendance of the General Assembly.
 37. Consultation - at the expense of Dlala - with any independent expert or consultant with the prior approval of the Board of Directors.
 38. Recommendation regarding all activities related to training, promotion and development of human resources and follow-up.
 39. Delegation of responsibilities to a subcommittee comprising one or more members of the committee or to the CEO of Dlala.

The Committee is comprised of three members, chaired by an independent member, and majority of the members have extensive knowledge on financial affairs. As of 31 December 2019, the members of the Committee are composed of the following:

| No. | Board Member | Position | Status |
|-----|-----------------------------------|----------|-------------|
| 1 | Mr. Tamim Hamad Al-Kawari | Chairman | Independent |
| 2 | Mrs. Moza Bint Mohamed Al Sulaiti | Member | Independent |
| 3 | Mr. Khalid Yousef Al-Subeai | Member | Independent |

During the fiscal year 2019, following membership's replacements occurred in the Audit Committee:

| No. | Board Member | Q2 2019 |
|-----|---------------------------------|---------|
| 1 | Mr. Fayed Mohamed Al-Boainin | ✗ |
| 2 | Ms. Ebtesam saleh Al Mannai | ✗ |
| 3 | Mr. Ahmed Bin Mohamed Al Asmakh | ✗ |

Legend:

✗ Replaced during the quarter

The Audit Committee held six (6) meetings during the fiscal year 2019 and details of the attendance are outlined below:

| No. | Board Member | Meeting No. 1 | Meeting No. 2 | Meeting No. 3 | Meeting No. 4 | Meeting No. 5 | Meeting No. 6 | Total |
|-----|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|-------|
| 1 | Mrs. Moza Bint Mohamed Al Sulaiti | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ | 3/3 |
| 2 | Mr. Ahmed Bin Mohamed Al Asmakh | ✗ | ✗ | ✗ | ∅ | ∅ | ∅ | 0/3 |
| 3 | Mr. Fayed Mohamed Al-Boainin | ✓ | ✓ | ✓ | ∅ | ∅ | ∅ | 3/3 |
| 4 | Ms. Ebtesam saleh Al Mannai | ✓ | ✓ | ✓ | ∅ | ∅ | ∅ | 3/3 |
| 5 | Mr. Tamim Hamad Al-Kawari | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ | 3/3 |
| 6 | Mr. Khalid Yousef Al-Subeai | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ | 3/3 |

Legend:

✓ Present



Absent

✗ Not yet a member



Replaced, with a request coming from the Authority from which he represents

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In 2019, the Audit Committee submitted two letters to the Board of Directors detailing its recommendations. The content of the letter by the Committee to the Board of Directors were regarding the following:

- Approval of financial statements for submission to the General Assembly
- Appointment of External Auditors, Ernst and Young, for fiscal year 2018
- Appointment of Consultants, KPMG, to provide services relating to Internal Controls over Financial Reporting (ICOFR)
- Recommendation to appoint consultants to implement system of internal control in Dlala Brokerage, a subsidiary of Dlala Holding.

For 2019, instead of submitting letters of recommendations to the Board, the Audit Committee will submit annual report that include its activities and recommendations during the year. In addition, the Audit Committee did not receive any allowances from the Company for attending Committee meetings.

● Nomination, Remuneration & Governance Committee (NRGC)

In line with the requirements of the QFMA, the Nomination and Remuneration Committee have been combined in one Committee, and adding the Governance scope. Nomination, Remuneration & Governance Committee (NRGC) is primarily responsible to ensure that nominations and appointment of the Board members are made according to the formal, rigorous and transparent procedures as per the QFMA requirements, Commercial Companies Law (11) of 2015, Articles of Associations of the Company and other applicable regulations. The responsibilities of NRGC also include the following:

1. Developing general principles and criteria used by the General Assembly members to elect the fittest among the candidates for Board membership.
2. Nominating whom it deems fits for the Board membership when any seat is vacant.
3. Developing draft of succession plan for managing the Company to ensure the speed of a suitable alternative to fill the vacant jobs in the Company.
4. Nominating whom it deems fit to fill the any job of the Senior Executive Management.
5. Receive candidacy requests for board membership.
6. Submitting the list of Board membership candidates to the Board, including its recommendations, and sending a copy to the QFMA.

7. Submitting annual report to the Board including comprehensive analysis of the Board performance to identify the strengths, weaknesses, and proposals.
8. Assist in setting the remuneration policy yearly of the Board members that shall not exceed 5% of the Company's net profit after deduction of reserves, legal deductions, and distribution of the dividends to the shareholders.
9. Assist in setting the foundations of granting allowances and incentives, including the issuance of incentives shares for its employees.
10. Shall propose to the Board of Directors to amend the Articles of Association of the Company and to adopt them at the Extraordinary General Assembly Meeting, in the event that the Committee considers such amendments necessary.

The committee submitted to the Board of Directors a number of recommendations during the year 2019, as follows:

- A. Supervising the self-evaluation processes of the Board of Directors.
- B. Approving the appointment of an Acting Director of the Information Technology Department.
- C. Preparing for the elections of the Board of Directors for the year 2020.

The members of the Committee is composed of the following:

| No. | Board Member | Position |
|-----|---|----------|
| 1 | Mr. Yousef Abdulrahman Al Khailifi | Chairman |
| 2 | Mr. Ahmed Bin Mohamed Al Asmakh | Member |
| 3 | H. E. Sheikh Abdulrahman Bin Hamad Al-Thani | Member |

● Executive Committee

The main responsibilities of the Executive Committee are the following:

1. Developing the general policies of the Company and incorporate over the internal policies and procedures.
2. Reviewing and approving the organizational structure of the company.
3. Monitoring and supervising the financial performance of the company.

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4. Reviewing the Company's annual budget before submitting it to the Board of Directors for approval.
5. Developing the investment policy of the company.
6. Developing investment policy for the company's portfolio of securities and the method of managing them.
7. Approving investment projects, if any.
8. Reviewing and approving the sale of any assets of the company except investment properties and shares.
9. Approving agreements and commitments that exceed the authority of the Chief Executive Office (CEO).
10. Approving the loans required by the company.
11. Approving the business plans of Dlala Holding and its subsidiaries before submitting them to the Board of Directors.
12. Reviewing and approving proposals for capital change and structure of the company.
13. Reviewing and approving proposals for issuing bonds or securities.
14. Appointing and terminating the services of the Chief Executive Officer and Executive Vice President and determination of their salaries

During 2019, the Committee carried out the following activities and recommendations:

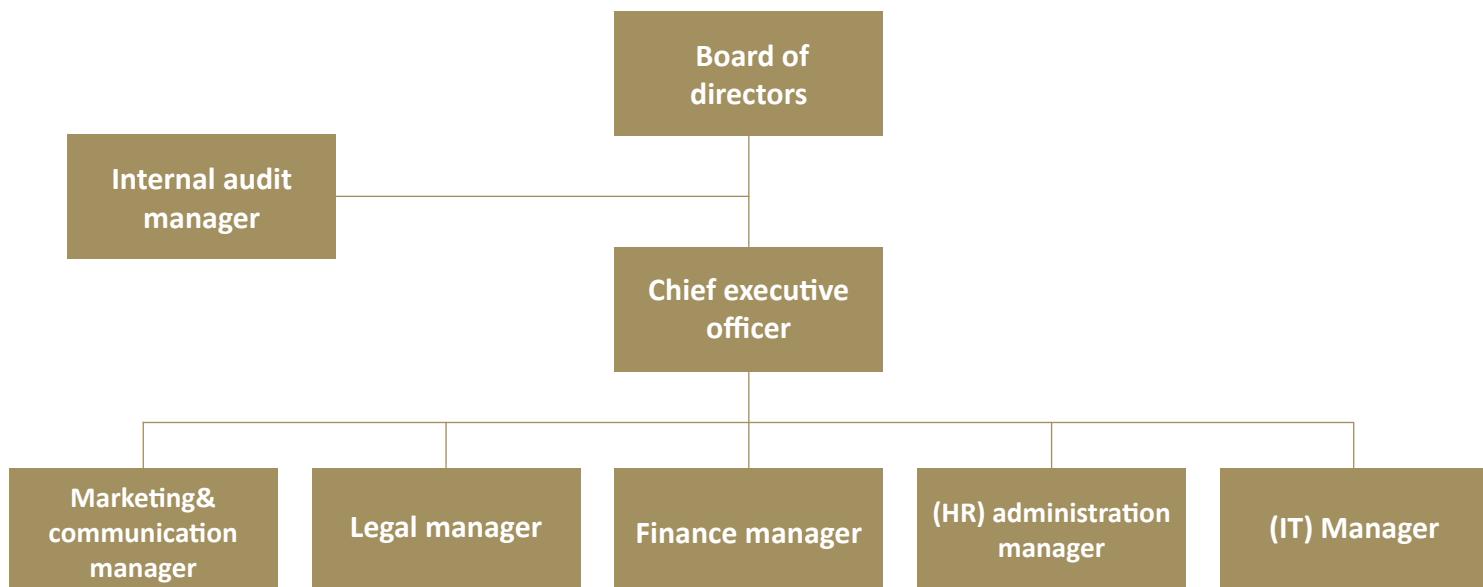
- A. Preparing a proposal for managing the company's investment portfolio.
- B. Preparing policies and procedures for subsidiaries.
- C. Preparing a commission system for sales related to the subsidiary companies and submitting a recommendation to this to the Board of Directors

The Executive Committee is composed of the following:

| No. | Board Member | Position |
|-----|---|----------|
| 1 | H. E. Sheikh Suhaim Bin Khaled Al-Thani | Chairman |
| 2 | Mrs. Moza Bint Mohamed Al Sulaiti | Member |
| 3 | Mr. Ali Bin Hussain Al-Sada | Member |

4. Senior Executive Management

Senior Executive Management is responsible for supporting and assisting the Chief Executive Officer to implement the running of the general operations and financial business of Dlala Holding, in accordance with the delegated authority of the Board. This is comprised of the following:



The profiles of the key personnel of the Senior Executive Management are as follows:

| Position Title | Remarks |
|--------------------------------------|--|
| Chief Executive Officer (CEO) | <ul style="list-style-type: none"> Dr. Abdul Aziz Ali Al Hamadi is the appointed CEO of the Company and he has been in the position since 2016. He completed Bachelor of Science in Business and Economic (major in Accounting) in 1994 at Qatar University He has served senior position in the Ministry of Awqaf and Islamic Affairs General Manager at Aqar Development and Real Estate Investment Financial Auditor at the Racing & Equestrian Club |
| Internal Audit Manager | <ul style="list-style-type: none"> Mr. Hamza Mohamed Shokry is the Internal Audit Manager of Dlala Holding since March 2012 He graduated in 1999 and completed Bachelor of Commerce, Major in Accounting He has served in the audit firm, PWC, before joining Dlala Holding. |

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| Position Title | Remarks |
|--|--|
| Legal Manager | <ul style="list-style-type: none"> Mr. Tarek Awad Al Karim is the Legal Manager of the Company and has been serving Dlala Holding since 2008 Prior to this, he was also a Criminal Investigator in Capital Police of Ministry of Interior He has Bachelor of Laws completed in 1998 in Zagazig University, Egypt) |
| Marketing & communications Manager | <ul style="list-style-type: none"> Mr. Mohammed Elsadi has been a member of the Company since 2005. He holds Master's in Business Administration (major in Strategic Plan) and Bachelor of Science in Art (major in Media) which were completed in 2011 and 1998 respectively Worked as a Senior Translator at Qatar International Trading Company. He worked as a senior journalist at the Middle East News Agency. |
| Acting Finance Manager | <ul style="list-style-type: none"> Mr. Mohammad Sohail is the Acting Finance Manager of the company and has been working for the company since 2008. Holds an MBA in Financial Business Administration from Anamalai University (India) Bachelor of Commerce, University of Mumbai (India). . Has in-depth knowledge of finance and accounts and has more than a decade of experience in accounting in India and Qatar |
| Human Resources (HR) and Administration Manager | <ul style="list-style-type: none"> Mr. Abdullah Mohammed Hamdi AlSowaidi is the HR and Admin Manager of Dlala Holding since 2012. Holds a military diploma from the Kuwaiti Military College. Provides training courses in supervisory skills and business administration. |
| Compliance Manager | <ul style="list-style-type: none"> Mrs. Caroline Shadarevian is the Compliance Manager of the Company since 2013 She graduated in 2007 and completed Bachelor of Science in Business Accounting She has served in the audit firm, PWC (Qatar), before joining Dlala Holding. |
| IT Manager | <ul style="list-style-type: none"> Mr. Mohammad Nour oddin is the IT Manager of the Company since August 2010 and has been working with the Company since 2007. He graduated with a degree in BS Computer Communication in 2003 from Lebanon. |

None of the other key personnel owns shares of the Company.

The NRGC developed a specific policy for remuneration of the Executive Management.

The policy defines a mechanism whereby the remuneration is directly linked to the effort and performance at both department and employee levels, through the achievement of assigned goals and objectives in accordance with the profitability, risk assessment and the overall performance of the Company..

5. Internal Control System

As per the Governance Charter of the Company, the Company shall adopt Internal Control Systems, approved by the Board, to evaluate the methods and procedures for risk management, implementation of the Company's corporate governance code and compliance with related laws and regulations. In addition, the Internal Control Systems shall set clear lines of responsibility and accountability throughout the Company's departments.

Internal Control Systems shall include effective and independent risk assessment and management functions, as well as financial and operational internal audit functions in addition to the external audit. The Internal Control Systems shall also ensure that all related-party transactions are handled in accordance with the relevant requirements related to QFMA and other authorities.

The Board of Directors undertakes full responsibility over the Company's internal control system. The Audit Committee assists the Board in this aspect by reviewing the Company's system of internal controls. The Internal Audit function submits quarterly report to the Audit Committee on this regard. In addition, the Board has issued a decision in 2018 to appoint an internal auditor to assess the controls over the Company's subsidiaries.

On 10 April 2019, The External Consultant has completed the assessment on the following areas, including its subsidiary (Dlala Brokerage):

- Brokerage – Operations (Front and Back Office)
- Finance
- Human Resources & Administration
- Investment
- IT Environment
- Compliance
- Entity-level Controls

Part of the consultant's scope is to document the key processes, systems and controls of the abovementioned areas. They tested the key controls and report on the design effectiveness. In addition, they developed and submitted recommendations for any weaknesses noted during the review.

At the year end, Management has assessed the appropriateness of internal control over financial reporting as of 31 December

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2019. Upon completion of the engagement, the Internal Audit has evaluated the design effectiveness and implementation of internal control over financial reporting.

Based upon management's assessment, management has concluded that ICOFR is appropriately designed as of December 31, 2019, except some deficiencies that management is currently designing the relevant corrective actions.

6. Risk Management

The purpose of risk management process is to identify major risk that may affect the Company, assess the Company's ability to take risks, develop risks identification mechanisms and implement awareness programs and ways to mitigate them. This process involves at least the following steps:

- Identification of risks with the existing and new activities of the company
- Determine the likelihood and impact of each risk according to the risk assessment criteria
- Evaluation of the risks by comparing to the risk appetite to determine if the risk is acceptable or additional actions are required
- Determine how to mitigate or avoid the risks (e.g., reduce the risk, share with another party, or avoid the risk)
- Monitor the risk and determine whether action plans were properly implemented

The Board of Directors is fully responsible on reviewing the systems of risk management of the Company, in close coordination

| Department | Responsible for |
|----------------|---|
| Internal Audit | <ul style="list-style-type: none">• Monitoring and reporting management's non-compliance over the internal policies and procedures of the Company to the Audit Committee• Prepares and executes internal audit programs to monitor, assess, provide recommendations and independent assurance on the design and operating effectiveness of controls to mitigate/ address the risks such as operational, strategic, financial and compliance. |
| Compliance | <ul style="list-style-type: none">• Management, control and reporting of compliance risk to the Chief Executive Officer and report to the Board• Design internal control systems to monitor compliance with laws and regulations. |
| Legal | <ul style="list-style-type: none">• Management, control and reporting of legal risk to the Chief Executive Officer and report to the Board |
| Finance | <ul style="list-style-type: none">• Management, control and reporting of financial risk to the Chief Executive Officer and report to the Board• Design internal control systems to monitor compliance with IFRS and other relevant standards |

In DLALA Holding, respective personnel/ risk owner is responsible in identifying, compiling, reporting, and communicating risks on their respective function. Furthermore, the Company has an established Internal Audit function that provides independent assurance about effectiveness of risk management and control to the board and senior management. The function directly reports to the Audit Committee, and for major risks identified, these are subsequently delivered to the Board.

In 2019, the Board has requested an External Consultant to perform services in relation to risk management framework in order to develop and implement a fit-for-purpose Enterprise Risk Management framework that is in line with COSO Framework and ISO 31000, and other leading risk management standards.

7. Internal Auditor

The Company has an established Internal Audit Department headed by the Internal Audit Manager, Mr. Hamza Mohamed Shokry, who joined in March 2012. The Internal Audit Department is an independent function and offers assurance and consultancy services within the Company. It intends to add value to the Company's operations, improve their performance, including helping the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

In particular, the Internal Audit function shall:

- Review the Internal Control Systems and oversee their implementation;
- Be carried out by operationally independent, appropriately trained and competent staff; and
- Submit quarterly reports to the Audit Committee which shall include a review and assessment of the internal control system of the Company;
- Has access to all Company's activities; and
- Be independent including being independent from the day-to-day Company functioning. Its independence should be reinforced for example by having the Board determine compensation of its staff.

The appointed Internal Audit Manager directly reports to the Audit Committee and the same determines his remuneration to enhance objectivity and independence.

8. External Auditor

Based on the Commercial Companies Law (11) of 2015, QFMA requirements and Articles of Association of the Company, the Audit Committee of Dlala Holding should submit a recommendation to the Board for appointing an external auditor of the

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Company. Immediately, after the Board's approval of the recommendation, it shall be included in the Company's General Assembly agenda.

During the Ordinary General Assembly of Dlala Holding held on 2 April 2019, based on the recommendations of the Board, Ernst and Young (EY) was selected as the External Auditor for fiscal year 2019. EY was newly appointed and performed its first fiscal year audit of the Company in 2018. In addition, Dlala Holding has not employed any employee of the external audit firm during 2019.

As part of the external auditors' function, they shall inform the Board, in writing, about any risk to which the Company is exposed to or expected to be exposed to, and about all of the violations immediately upon identification, as well as sending a copy of that notice to QFMA. In this case, the External Auditor shall have the right to invite the General Assembly to convene pursuant to the Law provisions in this regard, provided they inform QFMA thereof.

The External Auditor shall also attend the General Assembly meetings to present their report and answer shareholders' questions. The External Auditor plays a fundamental role in the Company and conducts the review and the audit of the financial statements quarterly and annually according to the relevant International Standards on Auditing. The External Auditor shall also present his reports to the Board of Directors and the General Assembly as well as sending a copy to QFMA in line with QFMA requirements.

9. Disclosure and Transparency

Dlala Holding ensures that timely and accurate disclosure are made on all material matters, that is including its financial position, performance, ownership, and governance. It also ensure its compliance to all disclosure requirements and it furnishes all financial information and audit reports.

As of 31 December 2019, Dlala Holding has over nine thousand (9,000) shareholders and the following are the major shareholders with percentage of ownership:

| No. | Shareholder | Ownership |
|-----|--|-----------|
| 1 | Mr. Ali Bin Hussain Al-Sada | 5% |
| 2 | Investment Fund of Qatari Armed Forces | 5% |
| 3 | Shahd Ali Hussain Al-Sada | 5% |
| 4 | Wadi Al Sail Fund | 5% |

Through the Sections 2 and 3 of this report, Dlala Holding has disclosed the Board members and Senior Executive Management key personnel's scientific and practical experiences.

The Company did not enter into any transactions with related party that may conflict with the Company's interest during 2018.

The Company has also developed a policy over insider trading that ensures that Board members, Senior Executive Management, all Insiders, their spouses and minor children must disclose any trading and transaction they carry out involving the Company's shares and any other securities.

During the fiscal year 2019, 7 legal cases occurred with the following details:

| Description | No. of cases |
|--|--------------|
| Cases raised by Dlala & its subsidiaries against other parties | 1 |
| Cases raised against Dlala & its subsidiaries by other parties | 6 |
| Total | 7 |

- Chapter Civil case No. 2132/2018 against Dlala Holding Company was dismissed by dismissing the lawsuit against the company
- Dlala Brokerage Company was sentenced to a fine of 200,000 Qatari Riyals in Case No. 11/2019, as well as a fine of 200,000 Qatari Riyals in Case No. 12/2019 with the Grievance Committee, and cases are being appealed to the Court of Appeal.
- The rest of the cases are still pending before the courts, the criminal court, the civil court, and the accounting committee at the Qatar Financial Market Authority.

Based on Article 4 of QFMA's Corporate Governance Code, Dlala Holding has disclosed the following on the respective sections of this report:

| No. | Disclosure | Section |
|-----|---|--|
| 1 | The procedures followed by the Company in implementing the provisions of this Code. | Section 1. Overview |
| 2 | The disclosure of any violations committed during the Year including violations and sanctions imposed because of non-compliance with implementation of any of principles or provisions of this Code, their reasons, the remedial measures taken and measures to avoid the same in the future. | Section 1. Overview and, Respective sections of the report |
| 3 | The disclosure of the information relating to Board members and its Committees , Senior Executive Management in the Company, their responsibilities, powers and activities during the Year, as well as their remunerations. | Section 2. The Board of Directors Section 3. The Board Committee Section 4. Senior Executive Management |

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| No. | Disclosure | Section |
|-----|---|--|
| 4 | The disclosure of the procedures of risk management and Internal Control of the Company including the supervision of the financial affairs, investments, and any relevant information. | Section 5. Internal Control System Section 6. Risk Management |
| 5 | The committees' works, including number of meetings and their recommendations. | Section 3. The Board Committee |
| 6 | Disclosure of the procedures followed by the Company in determining, evaluating and managing risks, a comparative analysis of the Company's risk factors and discussion of the systems in place to confront drastic or unexpected market changes. | Section 6. Risk Management |
| 7 | Disclosure of the performance assessment of the Board, compliance of its members in achieving the Company's interest, doing the committee's works, and their attending of the Board and Committees. Disclosure of the performance assessment of the Senior Executive Management in implementing the Internal Controls system and risk management including identification of number of appeals, complaints, proposals, notifications and the way used by the Board to handle the regulatory issues. | Section 2. The Board of Directors Section 3. The Board Committee Section 4. Senior Executive Management |
| 8 | Disclosure of the Internal Controls failures, wholly or partly, or weaknesses in its implementation, contingencies that have affected or may affect the Company's financial performance, and the procedures followed by the Company in addressing Internal Controls failures (especially such problems as disclosed in the Company's annual reports and financial statements). | Section 3. The Board Committee (Audit Committee) Section 5. Internal Control System |
| 9 | Disclosure of the Company's compliance with applicable market listing and disclosure rules and requirements. | Section 1. Overview and, Respective sections of the report |
| 10 | Disclosure of any conflict or dispute in which the Company is a party including arbitration and lawsuits. | Section 9. Disclosure and Transparency |
| 11 | Disclosure of operations and transactions entered into by the Company with any "Related Party". | Section 9. Disclosure and Transparency |

10. Shareholders' and Stakeholders' Rights

The Company is committed to protect the rights of its shareholders and stakeholders to achieve better performance. Following approach were adopted by the Company in order to enhance the rights of the Company's shareholders and stakeholders:

● Shareholders' Rights to Assembly meetings and their participation

The Articles of Association of the Company included the following:

- Shareholders who own 10% of the Company's capital shall have the right to request to convene the General Assembly. The shareholders representing at least 25% of the Company's capital shall be entitled to invite Extraordinary General Assembly to convene in accordance with the Commercial Companies Law No. 11 of 2015 and QFMA requirements.
- Right of shareholders to discuss agenda items, raise questions, receive answers and take decisions.
- Right to attend and vote by proxy in accordance with the relevant laws and regulations.

For effective participation of the shareholders, Dlala Holding ensure that it holds its meetings in places in the capital Doha at appropriate time. The Company provides sufficient time for shareholders and stakeholders with all information related to the agenda to enable them to make their decisions. The results of the General Assembly is disclosed immediately to the relevant authorities and published on the website. In addition, a copy of the minutes of the meeting is submitted with the relevant authorities immediately after approval.

● Distribution of profits and minority shareholders' rights

The Articles of Association of the Company stated the minimum percentage of net profits to be distributed to shareholders from net profits after deduction of statutory reserve and voluntary reserve. The shareholder shall be entitled to his share of profits in accordance with the regulations such as the QFMA, Company Commercial Law and Qatar Exchange. Moreover, in line with the regulations, the Company has developed a Dividend Policy.

The Company has a specific mechanism to protect the shareholders' rights in general and the minority in particular, in the event that the company enters into significant transactions that may harm their interests or impair their ownership of the Company's capital as mentioned in the Articles of Association.

● Rights of stakeholders other than shareholders

The Company is committed to preserving and respecting the rights of its stakeholders. Each interested party in the Company may request information relevant to its interest. The Company shall be obliged to provide the required information in a timely manner to the extent that it does not threaten the interests of others, or harm the Company's interests. It should be noted that the Company's internal policies and procedures include the following:

- Respect the rights of stakeholders and enable stakeholders involved in governance to obtain reliable, adequate and rele-

vant information on a timely and regular basis.

- Ensure that employees are treated in accordance with the principles of justice and equality without any discrimination on grounds of race, sex or religion.
- Remuneration policy to grant incentives to employees and management of the company to work always in the interest of the company. This policy should take into account the company's long-term performance.
- A mechanism that allows employees of the company to inform the board of suspicious actions in the company when such actions are not valid or illegal or harmful to the company. Secure the confidentiality and protection from any adverse or negative reaction against the amount of other staff or superiors.

11. Sustainability and Corporate Social Responsibility

● Qatar University honors Dlala with Responsible Leadership Award

For the second year in a row, Qatar University honored the Company for Responsible Leadership for the year in appreciation of its pioneering role in this field in a high-level ceremony hosted by the University.

The award was presented to His Excellency Dr. Hassan Rashid Al-Dirham, President of Qatar University, by Dr. Abdul aziz Al-Hammadi, CEO, who confirmed in a speech in the report, "Dlala Brokerage and Investment Holding Company seeks as a pioneer company not only in the field of financial and investment mediation. Positive in Qatari society contributes to promoting development and achieving the welfare of society.

● Investor Relations Annual Conference

Dlala Brokerage and Investment Holding Company is sponsoring the ninth annual conference of investor relations that is presented to the market for years and decades to support the sustainability of companies that present in the market for the coming years and decades.

● Partnership with Qatar University

Dlala Brokerage and Investment Holding Company signed a memorandum of understanding with Qatar University in many fields. The memorandum receives the cooperation of the two parties in organizing and organizing joint specialized confer-

ences, seminars and workshops, in a manner that achieves the common goals of the two institutions as well as other items.

It provides you with a training opportunity for students of the colorful University of Qatar in trading systems and contribute to conducting scientific research and caring for distinguished and creative students as well as the social responsibility plan adopted by the company to achieve Qatar 2030. The company also looks forward to recruiting distinguished students who are trained in this partnership.

● **Qatar Vision 2030**

Believing in showing the civilized image of the State of Qatar and its national vision 2030, Dlala Holding seeks to contribute to the strategy of the state that aims to train young leaders to take responsibility and contribute to building the country, and trains them on the best methods of trading in stocks and real estate, and worked to be from the development system And progress in Qatar.