

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

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**30 JUNE 2021**

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

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## INDEPENDENT AUDITOR'S REVIEW REPORT

**TO THE BOARD OF DIRECTORS  
DLALA BROKERAGE AND INVESTMENT HOLDING (Q.P.S.C.)**

**DOHA – QATAR**

### **Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of **Dlala Brokerage and Investment Holding Q.P.S.C** (the "Company" or "Parent") and its subsidiaries (together referred to as the "Group") for the six month period ended June 30, 2021 comprising of interim consolidated statement of financial position as at June 30, 2021 and the related interim consolidated statements of income, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six-month period then ended and the related explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 – Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Emphasis of Matter**

We draw attention to note no. (7) to the interim condensed consolidated financial statements, which described the procedures made by the management for the disposal a land under Trading Property during the six- month period ended June 30, 2021.

Our conclusion is not modified in respect of this matter.

### **Other Matter**

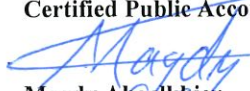
The interim condensed consolidated financial statements for the six-month period ended June 30, 2020, and the annual consolidated financial statements for the year ended December 31, 2020, were reviewed and audited by another auditor, whose review report dated August 11, 2020, and audit report dated March 8, 2021, expressed an un qualified conclusion and an un qualified audit opinion respectively.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements for the six-month period ended June 30, 2021, are not prepared, in all material respects, in accordance with International Accounting Standard No. (34), "Interim Financial Reporting".

**Rödl & Partner – Qatar branch  
Certified Public Accountants**

**Doha –Qatar,  
August 9, 2021**

  
**Magdy Aboelkhier**  
Member of Qatar Association of  
Certified Public Accountant  
(License No. 321)  
QFMA Registration Auditor's No. 120151



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

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

		30 June 2021 QR'000 (Reviewed)	31 December 2020 QR'000 (Audited)
	Notes		
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	4	103,656	94,665
Bank balances – customer funds	5	424,274	546,848
Due from customers		147	213
Due from Qatar Central Securities Depository (QCSD)		14,252	-
Investment securities	6	73,401	60,653
Other assets		1,703	1,729
Trading properties	7	17,924	28,801
		<u>635,357</u>	<u>732,909</u>
<b>Non-current assets</b>			
Investment securities	6	8,177	12,614
Intangible assets	8	1,898	2,250
Property and equipment	9	37,740	38,378
		<u>47,815</u>	<u>53,242</u>
<b>TOTAL ASSETS</b>		<u><b>683,172</b></u>	<u><b>786,151</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Due to customers		429,668	503,947
Due to Qatar Central Securities Depository (QCSD)		-	42,881
Other liabilities		26,937	24,487
		<u>456,605</u>	<u>571,315</u>
<b>Non-current liability</b>			
Employees' end of service benefits		4,859	4,527
<b>Total liabilities</b>		<u><b>461,464</b></u>	<u><b>575,842</b></u>
<b>Equity</b>			
Share capital	10	284,160	284,160
Legal reserve		28,514	28,514
Fair value reserve		(443)	(1,460)
Accumulated losses		(89,703)	(100,281)
<b>Equity attributable to shareholders of the parent</b>		<u><b>222,528</b></u>	<u><b>210,933</b></u>
Non-controlling interests		(820)	(624)
<b>Total equity</b>		<u><b>221,708</b></u>	<u><b>210,309</b></u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>683,172</b></u>	<u><b>786,151</b></u>

Yousef Abdulrahman Al-Khulaifi  
Vice Chairman

Farhoud Hadi Al Hajri  
Managing Director

The accompanying notes 1 to 16 form an integral part of these consolidated financial statements





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

## INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six months period ended 30 June 2021

	<i>Notes</i>	<i>30 June 2021 QR'000 (Reviewed)</i>	<i>30 June 2020 QR'000 (Reviewed)</i>
Brokerage commission income		16,191	12,865
Brokerage commission expense		(5,967)	(5,067)
<b>Net brokerage commission income</b>		<b>10,224</b>	<b>7,798</b>
Dividend income		2,214	1,791
Net fair value gain on investment securities at FVTPL		3,273	574
Profit on sale of investment securities at FVTPL		1,715	-
Real estate income		2,625	290
Income from IT services		18	100
Interest income		378	611
<b>Net operating income</b>		<b>20,447</b>	<b>11,164</b>
Other income		8,198	-
Penalty reversals (charges)		(5,000)	4,800
General and administrative expenses		(12,299)	(12,499)
Depreciation and amortization		(1,452)	(1,410)
<b>PROFIT FOR THE PERIOD</b>		<b>9,894</b>	<b>2,055</b>
Attributable to:			
Equity holders of the parent company		10,090	2,292
Non-controlling interests		(196)	(237)
		<b>9,894</b>	<b>2,055</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (QR)</b> (Attributable to the shareholders of the parent company)	11	<b>0.036</b>	<b>0.008</b>

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

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months period ended 30 June 2021

	30 June 2021 <u>QR'000</u> (Reviewed)	30 June 2020 <u>QR'000</u> (Reviewed)
<b>Profit for the period</b>	<u>9,894</u>	<u>2,055</u>
<i>Other comprehensive income that will not be reclassified to consolidated statement of income in subsequent periods:</i>		
Net fair value gain (loss) on investment securities at FVTOCI	<u>1,505</u>	<u>(78)</u>
<b>Total other comprehensive income (loss) for the period</b>	<u>1,505</u>	<u>(78)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>11,399</u>	<u>1,977</u>
Attributable to:		
Equity holders of the parent company	11,595	2,214
Non-controlling interests	<u>(196)</u>	<u>(237)</u>
	<u>11,399</u>	<u>1,977</u>

The accompanying notes 1 to 16 form an integral part of these interim condensed consolidated financial statements

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

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2021

	<i>30 June 2021 QR'000 (Reviewed)</i>	<i>30 June 2020 QR'000 (Reviewed)</i>
<i>Notes</i>		
<b>OPERATING ACTIVITIES</b>		
Profit for the period	9,894	2,055
Adjustments for:		
Depreciation and amortization	1,452	1,410
Provision for employees' end of service benefits	332	209
Profit on sale of investment securities at FVTPL	(1,715)	-
Net fair value gain on investment securities at FVTPL	(3,273)	(574)
Interest income	(378)	(611)
Dividend income	(2,214)	(1,791)
	<u>4,098</u>	<u>698</u>
<i>Working capital changes:</i>		
Bank balances – customer funds	122,574	(215,408)
Due from customers	66	842
Due from Qatar Central Securities Depository (QCSD)	(14,252)	38,855
Other assets	(618)	(7,624)
Due to customers	(74,279)	177,620
Due to Qatar Central Securities Depository (QCSD)	(42,881)	-
Other liabilities	2,450	(5,355)
	<u>(2,842)</u>	<u>(10,372)</u>
Employees' end of service benefits paid	-	(417)
	<u>(2,842)</u>	<u>(10,789)</u>
Net cash used in operating activities	<u>(2,842)</u>	<u>(10,789)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of investment securities	(46,679)	(16,424)
Proceeds from disposal of investment securities	44,373	21,355
Trading properties	12,548	-
Purchase of property and equipment	(886)	(48)
Interest received	263	611
Dividend received	2,214	1,791
	<u>11,833</u>	<u>7,285</u>
Net cash from investing activities	<u>11,833</u>	<u>7,285</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>8,991</u>	<u>(3,504)</u>
Cash and cash equivalents at 1 January	<u>94,665</u>	<u>94,539</u>
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<u>4</u> <u>103,656</u>	<u>91,035</u>

The accompanying notes 1 to 16 form an integral part of these interim condensed consolidated financial statements

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

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2021

	Attributable to equity holders of the parent						
	Share capital QR '000	Legal reserve QR '000	Fair value reserve QR '000	Accumulated losses QR '000	Total QR '000	Non-controlling interests QR '000	Total equity QR '000
Balance at 1 January 2020 (Audited)	284,160	27,821	(45,192)	(68,993)	197,796	(260)	197,536
Profit for the period	-	-	-	2,292	2,292	(237)	2,055
Other comprehensive loss (income) for the period	-	-	(78)	-	(78)	-	(78)
Total comprehensive income (loss) for the period	-	-	(78)	2,292	2,214	(237)	1,977
Reclassification of net change in fair value of equity securities (FVTOCI) upon derecognition	-	-	17,634	(17,634)	-	-	-
Balance at 30 June 2020 (Reviewed)	284,160	27,821	(27,636)	(84,335)	200,010	(497)	199,513
Balance at 1 January 2021 (Audited)	284,160	28,514	(1,460)	(100,281)	210,933	(624)	210,309
Profit for the period	-	-	-	10,090	10,090	(196)	9,894
Other comprehensive income for the period	-	-	1,505	-	1,505	-	1,505
Total comprehensive income for the period	-	-	1,505	10,090	11,595	(196)	11,399
Reclassification of net change in fair value of equity securities (FVTOCI) upon derecognition	-	-	(488)	488	-	-	-
Balance at 30 June 2021 (Reviewed)	284,160	28,514	(443)	(89,703)	222,528	(820)	221,708

The accompanying notes 1 to 16 form an integral part of these interim condensed consolidated financial statements



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

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2021

### 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 on Qatar Stock Exchange and is governed by the provisions of the Qatar Commercial Companies Law No. 11 of 2015, and the regulations of Qatar Financial Markets Authority and Qatar 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 six months period ended 30 June 2021 were authorised for issue by the Board of Directors on 9 August 2021.

### 2 BASIS OF PREPARATION AND CONSOLIDATION

#### *Basis of preparation*

The consolidated financial statements for the six months period ended 30 June 2021 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 Qatari 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.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2020.

#### *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2021. 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 period are included in the consolidated statement of income and consolidated statement of 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 there in. 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.



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

### NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2021

#### 2 BASIS OF PREPARATION AND CONSOLIDATION (CONTINUED)

##### *Basis of consolidation (continued)*

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continues 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 30 June 2021</i>	<i>Ownership interest 31 Dec 2020</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 Company approved to cease and transfer the operations to a related party, Dlala Brokerage Company W.L.L. The Company ceased operations with effect from 6 September 2018 as instructed by the Qatar Financial Markets Authority ("QFMA") and on the same day the Qatar Stock Exchange ("QSE") publicly announced the last business day of the Company as 6 September 2018. During 2020, the Company obtained approval from QFMA to transfer customer balances to Dlala Brokerage Company W.L.L. The management believes that the remaining administrative procedures can be completed during 2021.

\* The management is in process to comply with the legal requirements related to going concern of the company.

#### 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 2020.

##### **Changes in accounting policies and disclosures**

The following amendments and interpretations apply for the first time with effect from 1 January 2020, but do not have an impact on the consolidated financial statements of the Group.

##### *Content*

Amendments to IFRS 3: Definition of a Business  
Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform  
Amendments to IAS 1 and IAS 8 Definition of Material  
Conceptual Framework for Financial Reporting issued on 29 March 2018  
Amendments to IFRS 16 Covid-19 Related Rent Concessions

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****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 consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards, if applicable, when they become effective.

<i>Topic</i>	<i>Effective date</i>
IFRS 17 Insurance Contracts	1 January 2023
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16: Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to IAS 37: Onerous Contracts – Costs of Fulfilling a Contract	1 January 2022
IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	1 January 2022
IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
IAS 41 Agriculture: Taxation in fair value measurements	1 January 2022

The Group did not early adopt any standards, interpretations or amendments that have been issued but are not yet effective.

**Summary of significant accounting policies****Investments and other financial assets***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),
- those to be measured at fair value through profit or loss, 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.

**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 on an instrument by instrument basis within 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 assessed on an instrument by instrument basis classified and measured at Fair value through profit or loss (FVTPL).

*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.



### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Equity instruments

The Group subsequently measured all equity investments at fair value. Based on the management's intention on managing the financial asset assessed on an instrument by instrument basis, the Group's management has elected to present fair value gains and losses on certain equity investments in other comprehensive income for which there is no subsequent reclassification of fair value gains and losses to consolidated statement of income and certain equity instruments held for trading purposes, the management has elected to present fair value gains in consolidated statement of income. Dividends from such investment continue to be recognized in the consolidated statement of income as dividend income when the Group's right to receive payments is established.

No impairment loss is recognised for investments in equity instruments.

#### 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 into 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 assets 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 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.



### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Impairment of financial assets (continued)**

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.

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's receivable from Qatar Central Securities Depository (QCSD) on share trading transactions are settled on due dates. The Group applies simplified approach in assessing the expected credit losses for receivables 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.
- 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 meets 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.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **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 recognise 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 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.



### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue (continued)

##### *Real estate income*

Real estate brokerage fee income is recognized when the brokerage service is provided and when the right to receive the income has been established.

Revenue from sale of real estate trading properties is recognized when control is passed to the buyer and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties sold. Income from cancellation of sales contract is recognized based on underlying contractual terms.

##### *Disaggregated revenue information*

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 capitalized 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 website development, security system installation and building construction.. These costs are transferred to the respective asset categories upon commencement of commercial activities of the relevant asset.

#### Trading properties

Property acquired for sale in the ordinary course of business, is held as trading properties and is measured at the lower of cost and net realisable value (NRV). Principally, this includes residential properties and a land that the Group intends to sell. The Group may decide to lease out on a temporary basis to increase the possibility of selling the properties rather than to earn rental income on a continuing basis and the property is not held for capital appreciation. The Group accounts for these properties as trading properties and not investment properties as the properties continue to be held exclusively with the view to subsequent disposal in the ordinary course of business.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Trading properties (continued)

Cost incurred in bringing each property to its present location and condition includes:

- Freehold and leasehold rights for land
- Amounts paid to contractors for development
- Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale. Provision is made if net realizable value is lower than the carrying value.

When a trading property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised.

#### 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 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	3 to 5 years
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 in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a past event that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.



### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **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.

#### **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:

- a. In the principal market for the asset or liability or
- b. 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 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

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is 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.

### 4 CASH AND CASH EQUIVALENTS

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

	30 June 2021 QR'000 (Reviewed)	31 December 2020 QR'000 (Audited)	30 June 2020 QR'000 (Reviewed)
Cash in hand	10	18	24
Bank balances	103,646	94,647	91,011
	<u>103,656</u>	<u>94,665</u>	<u>91,035</u>

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 30 June 2021. 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.



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

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2021

### 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.

### 6 INVESTMENT SECURITIES

	<i>30 June 2021 (Reviewed)</i>			<i>31 December 2020 (Audited)</i>		
	<i>Listed QR'000</i>	<i>Unlisted QR'000</i>	<i>Total QR'000</i>	<i>Listed QR'000</i>	<i>Unlisted QR'000</i>	<i>Total QR'000</i>
Equity shares (FVTOCI)	7,450	727	8,177	11,887	727	12,614
Equity Shares (FVTPL)	73,401	-	73,401	60,653	-	60,653
	<u>80,851</u>	<u>727</u>	<u>81,578</u>	<u>72,540</u>	<u>727</u>	<u>73,267</u>

### 7 TRADING PROPERTIES

	<i>30 June 2021 QR'000 (Reviewed)</i>	<i>31 December 2020 QR'000 (Audited)</i>
At January 1,	28,801	12,548
Transferred	1,671	16,253
sold	(12,548)	--
<b>At December 31,</b>	<b><u>17,924</u></b>	<b><u>28,801</u></b>

During the period, the management has sold a land located in Lusail area for an amount of QR. 12.8 Million including (2.5%) resale fees to Qatari Diar Company, the cost of the land at the acquisition date amounted to QR. 12.548 Million.

In Prior year, the management has appointed an independent valuer to reevaluate this land, and on December 31, 2020, the independent valuer concluded that the fair value of the land amounted to QR. 15.572 Million, and forced sale value of QR. 14.015 Million.

### 8 INTANGIBLE ASSETS

	<i>30 June 2021 QR'000 (Reviewed)</i>	<i>31 December 2020 QR'000 (Audited)</i>
Cost:		
At 1 January	<u>3,902</u>	<u>3,902</u>
At the end of the period/year	<u>3,902</u>	<u>3,902</u>
Amortization:		
At the beginning of the period/year	1,652	946
Amortization for the period/year	<u>352</u>	<u>706</u>
At the end of the period/year	<u>2,004</u>	<u>1,652</u>
<b>Net carrying amount at the end of the period/year</b>	<b><u>1,898</u></b>	<b><u>2,250</u></b>

The value of intangible assets represents the cost of brokerage back office trading system and the cost of the website. Amortization of intangible asset during the period is included under the depreciation and amortization in the consolidated statement of income.



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

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2021

### 9 PROPERTY AND EQUIPMENT

	30 June 2021 QR'000 (Reviewed)	31 December 2020 QR'000 (Audited)
<i>Cost:</i>		
At the beginning of the period/year	92,352	91,754
Additions during the period/year	886	598
Transfers during the period/year	(424)	-
At the end of the period/year	92,814	92,352
<i>Accumulated depreciation:</i>		
At the beginning of the period/year	53,974	51,836
Charge for the period/year	1,100	2,138
At the end of the period/year	55,074	53,974
Net carrying amount at the end of the period/year	37,740	38,378

### 10 SHARE CAPITAL

	30 June 2021 QR'000 (Reviewed)	31 December 2020 QR'000 (Audited)
<i>Authorised, issued and fully paid:</i>		
284,160,000 shares of QR 1 each (2020: 284,160,000 shares of QR 1 each)	284,160	284,160

#### *Stock Split*

The Board of Directors of QFMA issued its resolution at its 4<sup>th</sup> 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 the earning per share (Note 10) as per the requirement of IAS 33.

**11 BASIC AND DILUTED EARNINGS PER SHARE**

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

	<i>Six months ended</i>	
	<i>30 June 2021 QR'000 (Reviewed)</i>	<i>30 June 2020 QR'000 (Reviewed)</i>
Profit for the period attributable to Shareholders of the parent (QR'000)	<u>10,090</u>	<u>2,292</u>
Weighted average number of shares outstanding during the period (in thousands)	<u>284,160</u>	<u>284,160</u>
Basic and diluted earnings per share (QR)	<u>0.036</u>	<u>0.008</u>

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

**12 COMMITMENTS AND CONTINGENT LIABILITIES**

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

	<i>30 June 2021 QR'000 (Reviewed)</i>	<i>31 December 2020 QR'000 (Audited)</i>
Letters of guarantee	<u>150,000</u>	<u>150,000</u>

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.

**Regulatory claims***Note (i)*

During March 2021, the Accountability Committee of QFMA imposed penalty amounting to QR 5,000,000 in relation to the regulatory violations, however the Group has decided to consider the excess provision of QR 2,500,000 of previous year to utilize for the current year provision, therefore no additional provision is recorded in half year related to this penalty.

*Note (ii)*

During July 2021, the Accountability Committee of QFMA imposed penalty amounting to QR 10,000,000 in relation to the regulatory violations, however The Group made the provision of QR 5,000,000 in June-21 related to this penalty.

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

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2021

### 13 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 included in the consolidated statement of income are as follows:

	<i>Six months ended</i>	
	<i>30 June 2021 QR'000 (Reviewed)</i>	<i>30 June 2020 QR'000 (Reviewed)</i>
<i>Key management personnel and their close family members:</i>		
Brokerage and commission income	<u>54</u>	<u>-</u>

#### Compensation of key management personnel

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

	<i>Six months ended</i>	
	<i>30 June 2021 QR'000 (Reviewed)</i>	<i>30 June 2020 QR'000 (Reviewed)</i>
Salaries and short-term benefits	1,496	1,055
Pension benefits	<u>48</u>	<u>67</u>
	<u>1,544</u>	<u>1,122</u>

### 14 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 Brokering – 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.

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 period ended 30 June 2021 and 2020, respectively.



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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2021

14 SEGMENT INFORMATION (CONTINUED)

<i>Six months ended 30 June 2021 (Reviewed)</i>	<i>Stock brokering QR'000</i>	<i>Real estate QR'000</i>	<i>Information technology QR'000</i>	<i>Others QR'000</i>	<i>Elimination QR'000</i>	<i>Total QR'000</i>
Brokerage commission income (net)	10,224	-	-	-	-	10,224
Income from IT services	-	-	152	-	-	152
Other revenues (*)	5,039	2,421	-	3,071	(460)	10,071
Segment revenue	15,263	2,421	152	3,071	(460)	20,447
Segment profit (loss)	11,123	574	(1,315)	(292)	-	10,090
Depreciation and amortization	247	406	85	714	-	1,452

<i>Six months ended 30 June 2020 (Reviewed)</i>	<i>Stock Broking QR'000</i>	<i>Real Estate QR'000</i>	<i>Information Technology QR'000</i>	<i>Others QR'000</i>	<i>Elimination QR'000</i>	<i>Total QR'000</i>
Net brokerage commission income	7,798	-	-	-	-	7,798
Other revenues	1,791	1,396	103	449	(947)	2,792
Segment revenue	9,589	1,396	103	449	(947)	10,590
Segment profit (loss)	5,389	(715)	(596)	(2,023)	-	2,055
Depreciation and amortization	251	367	85	707	-	1,410

The following table presents the segment assets and liabilities:

<i>At 30 June 2021 (Reviewed)</i>	<i>Stock Broking QR'000</i>	<i>Real Estate QR'000</i>	<i>Information Technology QR'000</i>	<i>Others QR'000</i>	<i>Elimination QR'000</i>	<i>Total QR'000</i>
Segment assets	613,502	71,224	15,984	280,082	(297,620)	683,172
Segment liabilities	489,424	248	3,832	31,480	(63,520)	461,464
<i>At 31 December 2020 (Audited)</i>	<i>Stock Broking QR'000</i>	<i>Real Estate QR'000</i>	<i>Information Technology QR'000</i>	<i>Others QR'000</i>	<i>Elimination QR'000</i>	<i>Total QR'000</i>
Segment assets	703,813	70,891	16,219	283,544	(288,316)	786,151
Segment liabilities	592,366	489	2,553	33,843	(53,409)	575,842

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

**15 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, due to QCSD 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.

As at 30 June, the following table shows an analysis of financial instruments recorded at fair value by level of fair value hierarchy:

	<i>Total</i> <i>QR'000</i>	<i>Level 1</i> <i>QR'000</i>	<i>Level 2</i> <i>QR'000</i>	<i>Level 3</i> <i>QR'000</i>
<i>At 30 June 2021</i>				
<i>Investment securities</i>				
Investments at FVTOCI	8,177	7,450	727	-
Investments at FVTPL	<u>73,401</u>	<u>73,401</u>		-
	<u>81,578</u>	<u>80,851</u>	<u>727</u>	-
	<i>Total</i> <i>QR'000</i>	<i>Level 1</i> <i>QR'000</i>	<i>Level 2</i> <i>QR'000</i>	<i>Level 3</i> <i>QR'000</i>
<i>At 31 December 2020</i>				
<i>Investment securities</i>				
Investments at FVTOCI	12,614	11,887	727	-
Investments at FVTPL	<u>60,653</u>	<u>60,653</u>	-	-
	<u>73,267</u>	<u>72,540</u>	<u>727</u>	-

During the period ended 30 June 2021, 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.

**16 EFFECT OF COVID 19**

In March 2020, the World Health Organization declared COVID-19 a global pandemic. While COVID-19 is a health crisis, it has caused socioeconomic disruption on a global scale. More countries have imposed travel bans on millions of people, and more people in more locations are placed with quarantine measures. The extent and duration of such impacts remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus, the extent and effectiveness of containment actions taken, including the deployment of COVID-19 vaccines.

The Group is carefully monitoring the evolving situation around the spreading of COVID-19 and the volatility in the oil and gas prices and its impact on the business. The Group has considered the potential impact on the presented financial and non-financial assets due to the current economic volatility. These are considered to represent



**16 EFFECT OF COVID 19 (CONTINUED)**

management best estimates based on the available or observable information. As the crisis evolves and the market conditions are unpredictable, the recorded amounts remain sensitive to the market fluctuations.

The outbreak of COVID-19 has had an impact on the demand for oil and petroleum products. Recent global developments have caused further volatility in commodity markets. The Group has considered the impact of COVID-19 and the volatility in the oil prices and its impact on the business when preparing the consolidated financial statements and related note disclosures.

The impact of COVID-19 on the recoverability of due from customers and bank balances have been considered. The Group has also considered the potential impact on the presented non-financial assets due to the current economic volatility. Further, the management has assessed whether there is an indication that other non-financial assets may be impaired as at 30 June 2021. However, no indications were noted. As the crisis evolves and the market conditions are unpredictable, the recorded amounts remain sensitive to market fluctuations.