

**Strategia Investment Company – KPSC
And its subsidiaries**

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**Interim Condensed Consolidated Financial Information
And Review Report
For the nine - month period ended 30 September 2013
(Unaudited)**

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**Strategia Investment Company – KPSC
And its subsidiaries**

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(Unaudited)**

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**Strategia Investment Company – KPSC
State of Kuwait**

Report on Review of Interim Condensed Consolidated Financial Information to the Board of Directors

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Strategia Investment Company - KPSC "the Company" and its subsidiaries (together referred to as "the Group") as of 30 September 2013, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine-month period then ended. The Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard No. (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information 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 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.

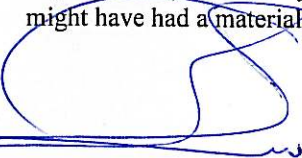
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. (34) "Interim Financial Reporting".


Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Company. To the extent of information made available to us, we have not become aware of any violations of the Companies Law No. 25 of 2012, as amended, or of the Company's Articles of Association during the nine-month period ended 30 September 2013 that might have had a material effect on the business of the Company or on its financial position.

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of Law No. 32 of 1968 as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business and its related regulations or of the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations during the nine months period ended 30 September 2013, that might have had a material effect on the business of the Company or on its financial position.


Bader A. Al-Wazzan
Licence No. 62A
Deloitte & Touche
Al-Wazzan & Co.

Kuwait, 11 November 2013


Rabea Saad Al Muhanna
License No. 152 A
Horwath Al Muhanna & Co.
Kuwait

Strategia Investment Company - KPSC
And its subsidiaries

Interim Condensed Consolidated Statement of Financial Position as of 30 September 2013
(Unaudited)
(All amounts are in Kuwaiti Dinars)

	Note	30 September 2013	31 December 2012 (Audited)	30 September 2012
Assets				
Cash and cash equivalents	3	8,462,584	1,333,510	3,043,828
Investments at fair value through profit or loss		813	1,616	1,616
Investments available for sale	4	21,670,826	10,120,877	10,046,909
Receivables and other debit balances	5	382,254	2,074,947	124,967
Property and equipment		18,664	27,220	30,977
Total assets		30,535,141	13,558,170	13,248,297
Liabilities and equity				
Liabilities				
Payables and other credit balances		210,211	201,334	281,825
Equity				
Share capital	6	30,000,000	15,000,000	15,000,000
Share premium		697,235	460,935	460,935
Foreign currency translation reserve		44,916	44,403	44,354
Change in fair value reserve		1,214,263	(170,934)	(150,942)
Accumulated losses		(1,631,484)	(1,977,568)	(2,387,875)
Total equity		30,324,930	13,356,836	12,966,472
Total liabilities and equity		30,535,141	13,558,170	13,248,297

The accompanying notes form an integral part of this interim condensed consolidated financial information.


Mishal Nasser Habib
 Chairman & Managing Director

Strategia Investment Company - KPSC
And its subsidiaries

Interim Condensed Consolidated Statement of Income for the nine - month period ended 30 September 2013
(Unaudited)
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 30 September		Nine months ended 30 September	
		2013	2012	2013	2012
Revenues					
Management fees		76,105	53,645	173,086	152,725
Investments income /(loss)	7	2,785	(366,876)	597,065	(54,151)
Interest income		12,411	2,161	33,824	10,323
Other (losses) / income		(5,287)	(2,323)	19,821	10,099
		<u>86,014</u>	<u>(313,393)</u>	<u>823,796</u>	<u>118,996</u>
Expenses					
Staff costs		(74,398)	(101,108)	(274,562)	(357,845)
Administrative expenses		(59,867)	(45,481)	(181,252)	(147,412)
Depreciation		(4,205)	(4,410)	(12,436)	(13,532)
Finance cost		-	-	(9,462)	-
		<u>(138,470)</u>	<u>(150,999)</u>	<u>(477,712)</u>	<u>(518,789)</u>
(Loss) / profit for the period		<u>(52,456)</u>	<u>(464,392)</u>	<u>346,084</u>	<u>(399,793)</u>
(Losses) / earnings per share (fils)	8	<u>(0.17)</u>	<u>(3.10)</u>	<u>1.53</u>	<u>(2.67)</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Strategia Investment Company - KPSC
And its subsidiaries

Interim Condensed Consolidated Statement of Comprehensive Income for the nine - month period ended
30 September 2013
(Unaudited)
(All amounts are in Kuwaiti Dinars)

	Three months ended 30 September		Nine months ended 30 September	
	2013	2012	2013	2012
(Loss) / profit for the period	(52,456)	(464,392)	346,084	(399,793)
Other comprehensive income items:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Change in fair value of investments available for sale	121,690	37,747	1,281,581	(100,811)
Impairment of investments available for sale	-	5,500	-	79,037
Transferred to the statement of income on sale of investments available for sale	-	96,482	103,616	129,722
Foreign currency translation differences	(873)	329	513	754
Total other comprehensive income	<u>120,817</u>	<u>140,058</u>	<u>1,385,710</u>	<u>108,702</u>
Total comprehensive income /(loss) for the period	<u>68,361</u>	<u>(324,334)</u>	<u>1,731,794</u>	<u>(291,091)</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Strategia Investment Company - KPSC
And its subsidiaries

Interim Condensed Consolidated Statement of Changes in Equity for the nine - month period ended 30 September 2013
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Share capital	Share premium	Foreign currency translation reserve	Change in fair value reserve	Accumulated losses	Total
Balance as of 1 January 2012	15,000,000	460,935	43,600	(258,890)	(1,988,082)	13,257,563
Loss for the period	-	-	-	-	(399,793)	(399,793)
Other comprehensive income items:						
Change in fair value of investments available for sale	-	-	-	(100,811)	-	(100,811)
Impairment of investments available for sale	-	-	-	79,037	-	79,037
Transferred to statement of income on sale of investments available for sale	-	-	-	129,722	-	129,722
Foreign currency translation differences	-	-	754	-	-	754
Total other comprehensive income for the period	-	-	754	107,948	-	108,702
Balance as of 30 September 2012	15,000,000	460,935	44,354	(150,942)	(2,387,875)	12,966,472
Balance as of 1 January 2013	15,000,000	460,935	44,403	(170,934)	(1,977,568)	13,356,836
Capital increase	15,000,000	-	-	-	-	15,000,000
Share premium	-	300,000	-	-	-	300,000
Share premium cost	-	(63,700)	-	-	-	(63,700)
Profit for the period	-	-	-	-	346,084	346,084
Other comprehensive income items:						
Change in fair value of investments available for sale	-	-	-	1,281,581	-	1,281,581
Transferred to statement of income on sale of investments available for sale	-	-	-	103,616	-	103,616
Foreign currency translation differences	-	-	513	-	-	513
Total other comprehensive income for the period	-	-	513	1,385,197	-	1,385,710
Balance as of 30 September 2013	30,000,000	697,235	44,916	1,214,263	(1,631,484)	30,324,930

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Strategia Investment Company - KPSC
And its subsidiaries

Interim Condensed Consolidated Statement of Cash Flows for the nine - month period ended 30 September
2013

(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Note	Nine months ended 30 September	
		2013	2012
Cash flows from Operating activities			
Net profit / (loss) for the period		346,084	(399,793)
<i>Adjustments:</i>			
Depreciation		12,436	13,532
Finance cost		9,462	-
Interest income		(33,824)	(10,323)
Investments (income) / loss	7	(597,065)	54,151
Operating losses before changes in working capital		(262,907)	(342,433)
Investments at fair value through profit or loss		803	-
Receivables and other debit balances		1,692,693	9,686
Payables and other credit balances		8,002	31,891
Net cash generated from / (used in) operating activities		1,438,591	(300,856)
Cash flows from investing activities			
Paid for purchase of investments available for sale		(13,426,811)	(4,546,484)
Proceeds from sale of investments available for sale		3,270,737	4,408,050
Purchase of property and equipment		(3,691)	(13,661)
Dividends received		589,586	354,446
Interest income received		33,824	10,323
Net cash (used in) / generated from investing activities		(9,536,355)	212,674
Cash flows from financing activities			
Amounts received from capital increase - net		15,236,300	-
Finance cost paid		(9,462)	-
Net cash generated from financing activities		15,226,838	-
Increase / (decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		1,333,510	3,132,010
Cash and cash equivalents at the end of the period	3	8,462,584	3,043,828

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Strategia Investment Company - KPSC
And its subsidiaries

Notes to the Interim Condensed Consolidated Financial Information for the nine - month period ended 30 September 2013
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

1. Incorporation and activities

Strategia Investment Company K.P.S.C. is a Kuwaiti Shareholding Company incorporated in Kuwait in 1998 and is engaged in carrying out investments for its own account and for clients, as well as investments in portfolio and fund management activities and is regulated by the Central Bank of Kuwait and Capital Markets Authority. The Company was listed in the Kuwait Stock Exchange on 3 December 2008.

The Company's registered office is at Al Nassar Tower, Fahed Al Salem Street, P.O. Box 1346, Kuwait.

The interim condensed consolidated financial information includes the financial information of the Company and its subsidiaries "the Group".

<u>Company Name</u>	<u>Country of incorporation</u>	<u>Principal activity</u>	<u>Equity interest (%)</u>
Strategia Investors Inc.	United States	Investment manager and advisor	100
Marquee Fund Manager Limited	United Kingdom	Investment manager and advisory services	100
Strategia Investors Service Limited	Antigua and Burmuda	Investment manager and advisor to real estate funds	100
Strategia Private Equity Limited	Cayman Islands	Investments	100

The Companies Law issued on 26 November 2012 by Decree Law no 25 of 2012 (the "Companies Law"), which was published in the Official Gazette on 29 November 2012, cancelled the Commercial Companies Law No 15 of 1960. The Companies Law was subsequently amended on 27 March 2013 by Decree Law no 97 of 2013 (the Decree). According to article 2 and 3 of the Decree, Executive Regulations, which were issued by the Minister of Industry and Commerce and published in the official gazette on 6th October 2013 determine the basis and rules which the Company shall adopt to regularise its affairs with the Companies Law as amended within one year from the publishing date.

The interim condensed consolidated financial information for the nine-month period ended 30 September 2013 was authorized for issuance by the Board of Directors on 11 November 2013.

2. Basis of preparation for financial information

The interim condensed consolidated financial information has been prepared in accordance with the International Accounting Standard No. 34 "Interim Financial Reporting".

The interim condensed consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards.

In the opinion of management, all adjustments considered necessary and the regular accruals for a fair presentation have been included. The operating results for the nine-months period ended 30 September 2013 are not necessarily indicative of the results that may be expected for the year ending 31 December 2013. For further information, it is possible to refer to the consolidated financial statements and notes thereto for the year ended 31 December 2012.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2012 except for the adoption of the new and amended IFRS that have become effective from 1 January 2013.

**Strategia Investment Company - KPSC
And its subsidiaries**

**Notes to the Interim Condensed Consolidated Financial Information for the nine - month period ended
30 September 2013
(Unaudited)**

(All amounts are in Kuwaiti Dinars unless otherwise stated)

IFRS 7 Financial Instruments: Disclosures - Transfers of Financial Assets

The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Company's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about the entity's continuing involvement in derecognised assets to enable the users to evaluate the nature of, and risks associated with, such involvement. The Group does not have any assets with these Amendments and the standard has no effect on this interim condensed consolidated financial information.

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and of SIC-12 Consolidation – Special Purpose Entities.

Under IFRS 10, there is only one basis for consolidation, that is, control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. The adoption of this standard has not resulted in any significant impact on the financial position or performance of the Group.

IFRS 11 Joint Arrangements

The standard replaces IAS 31 "Interests in Joint Ventures". The standard removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs must be accounted for using the equity method. The standard has no effect on the interim condensed consolidated financial information.

IFRS 12 Disclosure of Involvement with Other Entities

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards. The Group will review before the year end and may disclose any additional disclosure in the annual financial statements of the Group.

As a consequence of the new IFRS 11 and IFRS 12; IAS 28 has been renamed IAS 28 "Investments in Associates and Joint Ventures", and describes the application of the equity method to investments in joint ventures in addition to associates. The adoption of this standard has not resulted in any impact on the financial position or performance of the Group.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The Group expects that the adoption of this new standard will have an impact on the amounts to be reported in the financial statements in addition to further extensive disclosures.

The adoption of this standard has not resulted in any additional disclosure in the interim condensed consolidated financial statements. However additional disclosure may be made in the annual financial statement of the Group.

IAS 1 Presentation of Financial Statement

The amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. The amendment affects presentation only and has no impact on the Group's financial position or performance. The adoption of this standard has not resulted in presentation changes in statement of profit or loss and other comprehensive income.

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Notes to the Interim Condensed Consolidated Financial Information for the nine - month period ended 30 September 2013
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

3. Cash and cash equivalents

	30 September 2013	31 December 2012 (Audited)	30 September 2012
Cash on hand and at banks	2,462,175	1,333,104	3,041,074
Time deposits (matured within 3 months)	6,000,000	-	-
Cash at portfolios	409	406	2,754
	<u>8,462,584</u>	<u>1,333,510</u>	<u>3,043,828</u>

The average interest rate on time deposits is 0.875% as of 30 September 2013.

4. Investments available for sale

	30 September 2013	31 December 2012 (Audited)	30 September 2012
Quoted shares	20,312,690	8,755,633	8,189,492
Unquoted shares	655,062	655,062	655,062
Equity funds	703,074	710,182	1,202,355
	<u>21,670,826</u>	<u>10,120,877</u>	<u>10,046,909</u>

Unquoted shares and equity funds include investments of KD 1,085,308 as of 30 September 2013 (31 December 2012: KD 1,084,107 and 30 September 2012: KD 1,576,639) carried at cost, less impairment, if any, due to unavailability of market values for these investments and lack of other suitable methods to determine reliable fair value for these investments.

5. Receivables and other debit balances

	30 September 2013	31 December 2012 (Audited)	30 September 2012
Management fees - Net	60,341	57,257	57,706
Receivables	439,764	424,038	423,436
Due from sale of investments	239,084	1,953,956	-
Prepaid expenses	32,690	29,321	33,450
	771,879	2,464,572	514,592
Provision for doubtful debts	(389,625)	(389,625)	(389,625)
	<u>382,254</u>	<u>2,074,947</u>	<u>124,967</u>

6. Share capital

In the General Assembly held on 16 May 2012 the shareholders approved capital increase from KD 15 Million to KD 30 Million through issuance of 150 Million shares with par value of 100 fils per share and 2 fils share premium for the current shareholders to be paid at lump sum. On 13 January 2013 the Board of Directors called this increase.

The capital increase has been completed on 16 May 2013 and accordingly the issued and paid up capital as of 30 September 2013 is KD 30 million allocated over 300 million shares with par value of 100 fils per share and all shares are in cash (31 December 2012 and 30 September 2012: KD 15 Million allocated over 150 Million shares).

The above changes in the share capital have been recorded in the commercial register on 3rd September 2012.

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Notes to the Interim Condensed Consolidated Financial Information for the nine - month period ended
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(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

7. Investments income / (loss)

	Three months ended 30 September		Nine months ended 30 September	
	2013	2012	2013	2012
Gain / (loss) on sale of investments available for sale	2,012	(361,376)	7,479	(329,560)
Dividend income	773	-	589,586	354,446
Impairment of available for sale investments	-	(5,500)	-	(79,037)
	<u>2,785</u>	<u>(366,876)</u>	<u>597,065</u>	<u>(54,151)</u>

8. (Losses) / earnings per share

(Losses) / earnings per share are computed by dividing the net (loss) / profit for the period attributable to the shareholders of the Company by the weighted average number of ordinary shares outstanding during the period as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2013	2012	2013	2012
(Loss) / profit for the period	(52,456)	(464,392)	346,084	(399,793)
Weighted average number of ordinary shares outstanding during the period	300,000,000	150,000,000	225,551,47	150,000,000
(Losses) / earnings per share (fils)	<u>(0.17)</u>	<u>(3.10)</u>	<u>1.53</u>	<u>(2.67)</u>

9. Related party transactions

Related parties represent the Company's shareholders who are represented in Board of Directors as well as major shareholders, high management personnel, and the Group's associates'. In the ordinary course of business, the Group has carried out some transactions during the period with related parties. Transactions and balances are included in the interim financial Information as follows:

Transactions	Nine months ended 30 September	
	2013	2012
Salaries and other staff remunerations	127,629	143,093
End of service indemnity	8,486	34,633
	<u>136,115</u>	<u>177,726</u>

Balances	30 September 2013	31 December 2012 (Audited)	30 September 2012
Payables and other credit balances	102,073	98,666	113,385

10. Segment information

For management purposes, the Group is organized into business units based on activities and services and has two reportable operating segments as follows:

Investment activities : Investing in securities, funds, lending to corporate and individual customers and managing the Group's liquidity requirements.

Asset management and advisory services : Discretionary and non-discretionary investment portfolio management, managing of local and international investment funds and providing advisory and structured finance services and other related financial services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the return on investments. The Group does not have any significant inter-segment transactions.

Strategia Investment Company - KPSC
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Notes to the Interim Condensed Consolidated Financial Information for the nine - month period ended 30 September 2013
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

The following table presents segment assets, liabilities, revenues and results information regarding the Group's business segments:

	30 September 2013		
	Investment activities	Asset management and advisory services	Total
Segment revenue	650,710	173,086	823,796
Net profit	172,998	173,086	346,084
Segment assets	29,857,976	677,165	30,535,141
Segment liabilities	181,291	28,920	210,211
	30 September 2012		
Segment revenue	(33,729)	152,725	118,996
Net (loss) / profit	(552,518)	152,725	(399,793)
Segment assets	12,994,818	253,479	13,248,297
Segment liabilities	248,104	33,721	281,825

11. Fiduciary assets

The Group manages portfolios on behalf of customers and maintains cash balances and securities in fiduciary accounts which are not reflected in the Group's interim condensed consolidated financial information.

The aggregate net asset value held in a fiduciary capacity by the Group amounted to KD 27,569,311 as of 30 September 2013 (KD 27,086,524 as of 31 December 2012, KD 25,725,498 as of 30 September 2012).

12. Dividends

On 8 May 2013, the General assembly for shareholders of the Company approved the consolidated financial statements for the year ended 31 December 2012 and also approved the Board of Directors' recommendation for not distributing any cash dividends.

13. Fair value estimation

The fair values of financial assets and financial liabilities are determined as follows:

- Level one: Quoted prices in active markets for identical financial instruments
- Level two: Quoted prices in active market for similar instruments or quoted prices declared by the invested funds' managers or other valuation methods in which all significant inputs are based on observable market data, either directly or indirectly.
- Level three: Inputs for the asset or liabilities that are not based on observable market data.

The table below represents the financial instrument's analysis that recorded at fair value on the levels mentioned above:

	30 September 2013			Total
	Level one	Level two	Level three	
Investments available for sale	20,312,690	272,828	1,085,308	21,670,826
Investments at fair value through profit or loss	-	813	-	813
	31 December 2012			
Investments available for sale	8,755,633	281,137	1,084,107	10,120,877
Investments at fair value through profit or loss	-	1,616	-	1,616
	30 September 2012			
Investments available for sale	8,189,493	280,777	1,576,639	10,046,909
Investments at fair value through profit or loss	-	1,616	-	1,616