

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

**Interim Condensed Consolidated Financial Information
And Review Report
For the three - month period ended 31 March 2014
(Unaudited)**

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**Strategia Investment Company – KSCP
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 - KSCP "the Company" and its subsidiaries (together referred to as "the Group") as of 31 March 2014, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-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.

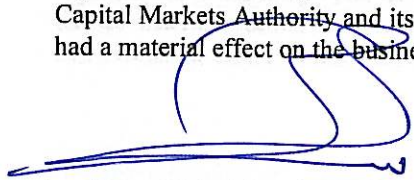
Conclusion

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".

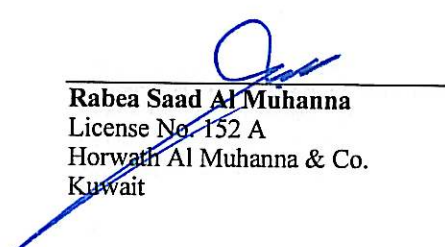
Report on Other Legal and Regulatory Requirements

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 Memorandum of Incorporation and Articles of Association during the three-month period ended 31 March 2014 that might have had a material effect on the business of the Group or on its consolidated 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 three-month period ended 31 March 2014, that might have had a material effect on the business of Company or its consolidated financial position.


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

Kuwait, 18 May 2014


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

Strategia Investment Company - KSCP
And its subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Financial Position as of 31 March 2014
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Note	31 March 2014	31 December 2013 (Audited)	31 March 2013
Assets				
Cash and cash equivalents	4	7,946,133	9,074,816	9,751,554
Investments available for sale		6,382,606	6,686,851	16,158,791
Receivables and other debit balances		112,515	175,584	502,430
Investment in an associate	5	19,746,033	19,406,856	-
Investment properties	6	1,065,920	-	-
Other assets		17,374	16,876	24,913
Total assets		35,270,581	35,360,983	26,437,688
Liabilities and equity				
Liabilities				
Bank facilities	7	2,250,000	3,000,000	3,500,000
Payables and other credit balances		251,281	444,646	224,052
Amounts collected for capital increase		-	-	8,370,136
		2,501,281	3,444,646	12,094,188
Equity				
Share capital		30,000,000	30,000,000	15,000,000
Share premium		697,235	697,235	460,935
Statutory reserve		151,086	151,086	-
Voluntary reserve		15,108	15,108	-
Foreign currency translation reserve		43,133	43,552	45,584
Change in fair value reserve		97,549	(209,731)	530,261
Group's share of an associate's reserves		198,440	-	-
Retained earnings / (accumulated losses)		1,566,749	1,219,087	(1,693,280)
Total equity		32,769,300	31,916,337	14,343,500
Total liabilities and equity		35,270,581	35,360,983	26,437,688

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

Mishal Nasser Habib
Chairman & Managing Director

Strategia Investment Company - KSCP
 And its subsidiaries
 State of Kuwait

Interim Condensed Consolidated Statement of Income for the three - month period ended 31 March 2014
 (Unaudited)

(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 31 March	
		2014	2013
Revenues			
Management fees		62,037	52,900
Investments income	8	122,103	386,063
Share of result from an associate		112,260	-
Interest income		19,143	8,122
Provision no longer required		235,885	-
Other income		8,509	18,587
		<u>559,937</u>	<u>465,672</u>
Expenses			
Staff costs		96,702	113,867
Other expenses		93,602	62,666
Depreciation		3,359	4,091
Finance costs		15,455	760
		<u>209,118</u>	<u>181,384</u>
Profit before deductions		350,819	284,288
Kuwait Foundations for advancement of Science		(3,157)	-
Net profit for the period		<u>347,662</u>	<u>284,288</u>
Earnings per share (fils)	9	<u>1.16</u>	<u>1.90</u>

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

Strategia Investment Company - KSCP
 And its subsidiaries
 State of Kuwait

Interim Condensed Consolidated Statement of Comprehensive Income for the three - month period ended
 31 March 2014
 (Unaudited)

(All amounts are in Kuwaiti Dinars)

	Three months ended	
	2014	2013
Net profit for the period	347,662	284,288
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	235,260	701,195
Transferred to consolidated statement of income on sale of investments available for sale	72,020	-
Foreign currency translation differences	(419)	1,181
Group's share of an associate's reserves	198,440	-
Total other comprehensive income	505,301	702,376
Total comprehensive income for the period	852,963	986,664

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

Interim Condensed Consolidated Statement of Changes in Equity for the three - month period ended 31 March 2014
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Share capital	Share premium	Statutory reserve	Voluntary reserve	Foreign currency translation reserve	Change in fair value reserve	Share of an associate reserves	(Accumulated losses) / retained earnings	Total
Balance as of 1 January 2013	15,000,000	460,935	-	-	44,403	(170,934)	-	(1,977,568)	13,356,836
Net profit for the period	-	-	-	-	-	-	-	284,288	284,288
Other comprehensive income items	-	-	-	-	1,181	701,195	-	-	702,376
Balance as of 31 March 2013	15,000,000	460,935	-	-	45,584	530,261	-	(1,693,280)	14,343,500
Balance as of 1 January 2014	30,000,000	697,235	151,086	15,108	43,552	(209,731)	-	1,219,087	31,916,337
Net profit for the period	-	-	-	-	-	-	-	347,662	347,662
Other comprehensive income items	-	-	-	-	(419)	307,280	198,440	-	505,301
Balance as of 31 March 2014	30,000,000	697,235	151,086	15,108	43,133	97,549	198,440	1,566,749	32,769,300

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

Strategia Investment Company - KSCP
And its subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Cash Flows for the three - month period ended 31 March 2014
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 31 March	
		2014	2013
Cash flows from Operating activities			
Net profit for the period		347,662	284,288
<i>Adjustments:</i>			
Depreciation		3,359	4,091
Finance costs		15,455	760
Investments income	8	(122,103)	(386,063)
Share of result from an associate		(112,260)	-
Interest income		(19,143)	(8,122)
Provision no longer required		(235,885)	-
Operating losses before changes in working capital		(122,915)	(105,046)
Receivables and other debit balances		298,954	1,574,132
Payables and other credit balances		(189,732)	20,187
Net cash (used in) / generated from operating activities		(13,693)	1,489,273
Cash flows from investing activities			
Paid for purchase of investments available for sale		(350,496)	(5,333,984)
Proceeds from sale of investments available for sale		969,014	-
Paid for purchase of additional shares in an associate		(28,477)	-
Paid for purchase of investment properties		(1,065,920)	-
Paid for purchase of property and equipment		(5,300)	(1,566)
Dividends received		115,111	386,063
Interest income received		13,078	8,122
Net cash used in investing activities		(352,990)	(4,941,365)
Cash flows from financing activities			
Net movement in bank facilities		(750,000)	3,500,000
Amounts received for capital increase		-	8,370,136
Finance costs paid		(12,000)	-
Net cash (used in) / generated from financing activities		(762,000)	11,870,136
Decrease / (increase) in cash and cash equivalents		(1,128,683)	8,418,044
Cash and cash equivalents at the beginning of the period		9,074,816	1,333,510
Cash and cash equivalents at the end of the period		7,946,133	9,751,554

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

Notes to the Interim Condensed Consolidated Financial Information for the three-month period ended
31 March 2014
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

1. Incorporation and activities

Strategia Investment Company KSCP is a Kuwaiti shareholding Company Public incorporated in Kuwait in 1998 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 objectives of the company are:

Financial Investment operations in all economic sectors by all legal means deemed appropriate by the Company to achieve its objectives inside and outside Kuwait for its benefit or others, including:

- Sale and purchase of financial securities for the Company and others with no violation to provisions of law.
- Lending or borrowing and issuing bonds as per Law and financing the foreign trade operations.
- Carrying out financial brokerage operations and managing investments for others.
- Providing and preparing studies and technical, economic and revaluation consultancies, as well as studying the related investment projects and preparing the necessary studies for those institutions and companies (provided the necessary conditions should be met).
- Establishing or participating in the establishing of companies of all types, objectives and nationalities and deal in selling and purchasing of shares, bonds and financial rights of those companies.
- Managing financial and real estate portfolios for the company and for others and investing and developing its customers' funds through placing them in all aspects of local and global investment.
- Investing in real estate, industrial, agricultural and other economic sectors either directly or by contributing in the establishment of specialized companies or purchasing shares or bonds of those companies in different sectors.
- Establishing, managing and marketing investment funds of all types as per Law.
- Carrying out the function of bonds issuing manager, which are issued by companies and authorities, and investment custodian's functions.
- Dealing and trading in the foreign exchange market and precious metals market inside and outside Kuwait for the company's benefit only.
- Providing all services that assist developing and supporting the ability of the financial and monetary market in Kuwait within limits of Law and as per CBK's instructions and procedures through offering new trading financial instruments or providing consulting services to Kuwait Stock Exchange's management and other services.

The company may have an interest or participate in any way in any entity that conducts similar business or which may assist it to achieve its objectives inside and outside Kuwait and it may also purchase such entities or affiliate thereof to it.

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, which are fully owned and mentioned below together referred to as "the Group".

Name	Country of incorporation	Principal activity	Equity interest (%)
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	Investment	100

Notes to the Interim Condensed Consolidated Financial Information for the three-month period ended
31 March 2014
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

The General Assembly for the shareholders of the Company has not been held to approve the consolidated financial statements for the year ended 31 December 2013, until the issuance date of this interim condensed consolidated financial information. Accordingly the opening balances for the financial information is subject to the approval of shareholders.

The interim condensed consolidated financial information for the three-month period ended 31 March 2014 was authorized for issuance by the Board of Directors on 18 May 2014.

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 three-months period ended 31 March 2014 are not necessarily indicative of the results that may be expected for the year ending 31 December 2014. For further information, it is possible to refer to the consolidated financial statements and notes thereto for the year ended 31 December 2013.

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 2013 except for the adoption of the new and amended IFRS that have become effective from 1 January 2014:

- *IAS 32 Offsetting Financial Assets and Financial Liabilities*
- *IAS 39 Novation of Derivatives and Continuation of Hedge Accounting*
- *Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)*

The adoption of these standards did not have any significant or material impact on the interim condensed consolidated financial information of the Group.

New and revised IFRSs in issue but not yet effective

IFRS 9 Financial Instruments: Classification and Measurement

2.1 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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

(All amounts are in Kuwaiti Dinars unless otherwise stated)

3. 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 an active market for similar instruments. Quoted prices for identical assets or liabilities in market that are not active. Inputs other than quoted prices that are observable for assets and liabilities.
- Level three: Inputs for the asset or liabilities that are not based on observable market data.

The table below gives information about how the fair values of the financial assets are determined:

Fair value of the Group's financial assets that are measured at fair value on a recurring basis:

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and Key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31/3/14	31/12/13				
<i>Investments available for sale</i>						
- Quoted Shares	4,983,473	5,413,596	1	Last bid price	N/A	N/A
- Funds	271,470	271,967	2	Net assets value	N/A	N/A

The fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis approximately equals their carrying values as of interim condensed consolidated financial information date.

4. Cash and cash equivalents

	31 March 2014	31 December 2013 (Audited)	31 March 2013
Cash on hand and at banks	945,726	2,074,409	1,382,142
Time deposits (<i>less than 3 months</i>)	7,000,000	7,000,000	8,369,000
Cash at portfolios	407	407	412
	<u>7,946,133</u>	<u>9,074,816</u>	<u>9,751,554</u>

The average interest rate on time deposits during the period ended 31 March 2014 is 1.19% (31 December 2012: 1% and 31 March 2013: 0.5%).

Time deposits include an amount of KD 6,600,000 pledged against bank facilities note (7).

5. Investment in an associate

This represents the Group's investment in Kuwait Financial Center by 22.68% as of 31 March 2014 (31 December 2013: 22.64% and 31 March 2013: Nil).

The Group's share of the associate's results and reserves has been computed based on the last audited financial statement for the year ended 31 December 2013.

6. Investment properties

During the period ended 31 March 2014, one of the subsidiaries has purchased an investment property represented in commercial building located in Unites States of America with an amount of USD 3,778,000 equivalent to KD 1,065,920.

Notes to the Interim Condensed Consolidated Financial Information for the three-month period ended
31 March 2014
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

7. Due to bank

This amount represents loan granted from one of the local banks at 1% above fixed deposits interest rate. This loan will mature on 28 May 2014 and is secured against fixed deposits by an amount of KD 6,600,000 (note 4).

8. Investment income

	Three months ended 31 March	
	2014	2013
Gain on sale of investments available for sale	6,992	-
Cash dividends	115,111	386,063
	<u>122,103</u>	<u>386,063</u>

9. Earnings per share

Earnings per share are computed by dividing the net 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 31 March	
	2014	2013
Net profit for the period attributable to shareholders of the Company	347,662	284,288
Weighted average number of ordinary shares outstanding during the period	300,000,000	150,000,000
Earnings per share (fils)	<u>1.16</u>	<u>1.90</u>

10. Related party transactions

Related parties are the shareholders of the Company who are represented in Board of Directors as well as major shareholders and the companies in which any of its members is in the same time a board member in the Company's Board of Directors and associated companies. 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 financial information as follows:

Transactions	Three months ended 31 March	
	2014	2013
Salaries and other benefits	42,615	46,228
End of service indemnity	5,493	4,494

Balances	31 March 2014	31 December 2013 (Audited)	31 March 2013
Payables and other credit balances	<u>126,990</u>	<u>162,822</u>	<u>100,520</u>

11. Segment information

The Group practices its main activities through the following segments:

Investment activities : Investing in securities, funds, properties 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 - KSCP
And its subsidiaries
State of Kuwait

Notes to the Interim Condensed Consolidated Financial Information for the three-month period ended 31 March 2014
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

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

	31 March 2014		
	Investment activities	Asset management and advisory services	Total
Segment revenue	497,630	62,307	559,937
Net profit	285,355	62,307	347,662
Segment assets	33,611,859	1,658,722	35,270,581
Segment liabilities	2,463,852	37,429	2,501,281

	31 March 2013		
	Investment activities	Asset management and advisory services	Total
Segment revenue	412,772	52,900	465,672
Net profit	231,388	52,900	284,288
Segment assets	26,180,981	256,707	26,437,688
Segment liabilities	12,056,819	37,369	12,094,188

12. 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 25,577,773 as of 31 March 2014 (KD 28,059,707 as of 31 December 2013, KD 28,247,990 as of 31 March 2013).