

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

**Interim Condensed Consolidated Financial Information
And Review Report
For the three - month period ended 31 March 2015
(Unaudited)**

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

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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 Parent Company" and its subsidiaries (together referred to as "the Group") as of 31 March 2015, 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 Parent 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.

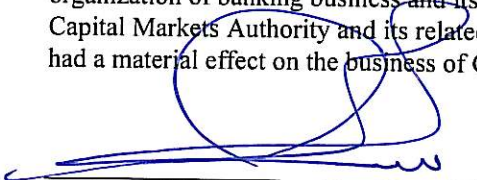
Conclusion

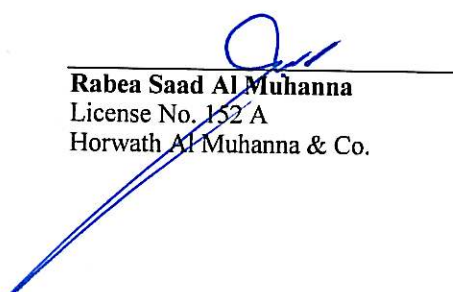
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. (34) "Interim Financial Reporting".

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 Parent 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, and its executive regulations or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended during the three-month period ended 31 March 2015 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 2015, that might had a material effect on the business of Group or its consolidated financial position.


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


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

Kuwait, 17 May 2015

Strategia Investment Company - KSCP
And its subsidiaries
State of Kuwait

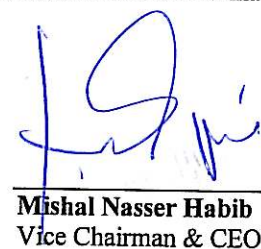
Interim Condensed Consolidated Statement of Financial Position as of 31 March 2015
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Note	31 March 2015	31 December 2014 (Audited)	31 March 2014
Assets				
Cash and cash equivalents	4	8,208,031	8,705,257	7,946,133
Investments available for sale		3,612,064	3,949,731	6,382,606
Receivables and other debit balances		123,351	115,522	112,515
Investment in an associate	5	20,025,434	20,408,083	19,746,033
Investment properties		1,605,233	1,095,451	1,065,920
Other assets		19,003	20,943	17,374
Total assets		33,593,116	34,294,987	35,270,581
Liabilities and equity				
Liabilities				
Bank facilities		-	-	2,250,000
Payables and other credit balances		376,793	449,604	251,281
		376,793	449,604	2,501,281
Equity				
Share capital		30,000,000	30,000,000	30,000,000
Share premium		697,235	697,235	697,235
Statutory reserve		264,500	264,500	151,086
Voluntary reserve		26,449	26,449	15,108
Foreign currency translation reserve		14,475	21,187	43,133
Change in fair value reserve		104,273	163,072	97,549
Group's share of an associate's reserves		513,487	454,677	198,440
Retained earnings		1,595,904	2,218,263	1,566,749
Total equity		33,216,323	33,845,383	32,769,300
Total liabilities and equity		33,593,116	34,294,987	35,270,581

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


Soud Abdulaziz Al Mansour
Chairman


Mishal Nasser Habib
Vice Chairman & CEO

**Strategia Investment Company - KSCP
And its subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Statement of Income for the three - month period ended 31 March 2015
(Unaudited)**

(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 31 March	
		2015	2014
Revenues			
Management fees		85,447	62,037
Investments (loss) / income	6	(41,793)	122,103
Share of results from an associate		(476,862)	112,260
Interest income		13,463	19,143
Rental income		17,230	-
Provision no longer required		-	235,885
Other income		23,996	8,509
		<u>(378,519)</u>	<u>559,937</u>
Expenses			
Staff costs		140,067	96,702
General and administrative expenses		93,752	93,602
Depreciation		10,021	3,359
Finance costs		-	15,455
		<u>243,840</u>	<u>209,118</u>
(Loss) / profit before deductions		(622,359)	350,819
Kuwait Foundations for advancement of Science		-	(3,157)
Net (loss) / profit for the period		<u>(622,359)</u>	<u>347,662</u>
(Losses) / earnings per share (fils)	7	<u>(2.07)</u>	<u>1.16</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 2015
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Three months ended 31 March	
	2015	2014
Net (loss) / profit for the period	(622,359)	347,662
Other comprehensive income items:		
<i>Items that may be reclassified subsequently to statement of income</i>		
Change in fair value of investments available for sale	(171,591)	235,260
Transferred to consolidated statement of income from sale of investments available for sale	(4,184)	72,020
Impairment of investments available for sale	116,976	-
Foreign currency translation differences	(6,712)	(419)
Group's share of an associate's reserves	58,810	198,440
Total other comprehensive (loss) / income items	(6,701)	505,301
Total comprehensive (loss) / income for the period	(629,060)	852,963

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 2015
(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	Retained earnings	Total
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 (loss)/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
Balance as of 1 January 2015	30,000,000	697,235	264,500	26,449	21,187	163,072	454,677	2,218,263	33,845,383
Net loss for the period	-	-	-	-	-	-	-	(622,359)	(622,359)
Other comprehensive (loss)/income items	-	-	-	-	(6,712)	(58,799)	58,810	-	(6,701)
Balance as of 31 March 2015	30,000,000	697,235	264,500	26,449	14,475	104,273	513,487	1,595,904	33,216,323

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 2015
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Note	Three months ended	
		31 March	
		2015	2014
Cash flows from Operating activities			
Net (loss) / profit for the period		(622,359)	347,662
<i>Adjustments:</i>			
Depreciation		10,021	3,359
Finance costs		-	15,455
Investments loss / (income)	6	41,793	(122,103)
Share of results from an associate		476,862	(112,260)
Interest income		(13,463)	(19,143)
Provision no longer required		-	(235,885)
Operating losses before changes in working capital		(107,146)	(122,915)
Receivables and other debit balances		(3,488)	298,954
Payables and other credit balances		(102,398)	(189,732)
Net cash used in operating activities		(213,032)	(13,693)
Cash flows from investing activities			
Paid for purchase of investments available for sale		(97,647)	(350,496)
Proceeds from sale of investments available for sale		285,225	969,014
Paid for purchase of additional shares in an associate		(35,403)	(28,477)
Paid for purchase of investment properties		(494,222)	(1,065,920)
Paid for purchase of property and equipment		(766)	(5,300)
Dividends received		49,497	115,111
Interest income received		9,122	13,078
Net cash used in investing activities		(284,194)	(352,990)
Cash flows from financing activities			
Net movement in bank facilities		-	(750,000)
Finance costs paid		-	(12,000)
Net cash used in financing activities		-	(762,000)
Decrease in cash and cash equivalents			
		(497,226)	(1,128,683)
Cash and cash equivalents at the beginning of the period		8,705,257	9,074,816
Cash and cash equivalents at the end of the period		8,208,031	7,946,133

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

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 2015

(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 Parent Company was listed in the Kuwait Stock Exchange on 3 December 2008.

The objectives of the Parent Company are:

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

The Parent 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 Parent Company and its subsidiaries, which are fully owned and mentioned below together referred to as "the Group".

<u>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	Investment	100

The General Assembly for the shareholders of the Parent Company has not been held to approve the consolidated financial statements for the year ended 31 December 2014, 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 2015 was authorized for issuance by the Parent Company Board of Directors on 17 May 2015.

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 2015 are not necessarily indicative of the results that may be expected for the year ending 31 December 2015. For further information, it is possible to refer to the consolidated financial statements and notes thereto for the year ended 31 December 2014.

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 2014.

New and revised IFRSs issued and effective

In the current period, the Group has applied a number of new and revised IFRSs that are issued and effective.

The directors of the Parent Company do not anticipate that the application of these standards and amendments will have a material impact on the Group's interim condensed consolidated financial information.

Notes to the Interim Condensed Consolidated Financial Information for the three-month period ended
31 March 2015

(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

New and revised IFRSs in issue but not yet effective

For annual periods beginning on or after 1 January 2016

- Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations
- Amendments to IAS 16 & IAS 38 Clarification of Acceptable Methods of Depreciation & Amortization
- Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The directors of the Parent Company do not anticipate that the application of these amendments will have a material impact on the Group's interim condensed consolidated financial information.

Effective for annual periods beginning on or after 1 January 2017

IFRS 15 Revenue from Contracts with Customers

The directors of the Parent Company anticipate that the application of these IFRS 15 in the future may have a material impact on amounts reported in respect of the Group's interim condensed consolidated financial information. However, it is not practicable to provide a reasonable estimate of the effect until the Group undertakes a detailed review.

Effective for annual periods beginning on or after 1 January 2018

IFRS 9 Financial Instruments

The directors of the Parent Company anticipate that the application of IFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect until the Group undertakes a detailed review.

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
	31/3/15	31/12/14				
<i>Investments available for sale</i>						
- Quoted Shares	2,466,035	2,540,000	1	Last bid price	N/A	N/A
- Funds	18,093	281,794	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.

Strategia Investment Company - KSCP
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State of Kuwait

Notes to the Interim Condensed Consolidated Financial Information for the three-month period ended
31 March 2015
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

4. Cash and cash equivalents

	31 March 2015	31 December 2014 (Audited)	31 March 2014
Cash on hand and at banks	1,707,597	2,204,834	945,726
Time deposits (<i>less than 3 months</i>)	6,500,000	6,500,000	7,000,000
Cash at portfolios	434	423	407
	<u>8,208,031</u>	<u>8,705,257</u>	<u>7,946,133</u>

The average interest rate on time deposits during the period ended 31 March 2015 is 0.61% (31 December 2014: 1% and 31 March 2014: 1.19%).

5. Investment in an associate

This represents the Group's investment in Kuwait Financial Center by 22.86 % as of 31 March 2015 (31 December 2014: 22.79% and 31 March 2014: 22.68%).

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 2014.

Movement on investments balance in the associates during the year are as follows:

	31 March 2015	31 December 2014 (Audited)	31 March 2014
Balance as at 1 January	20,408,083	19,406,856	19,406,856
Additions during the period /year	35,403	101,306	28,477
Cash dividends	-	(1,090,404)	-
Group's share in associate's results	(476,862)	1,535,648	112,260
Group's share in associate's reserves	58,810	454,677	198,440
	<u>20,025,434</u>	<u>20,408,083</u>	<u>19,746,033</u>

6. Investment (loss) / income

	Three months ended 31 March	
	2015	2014
Gain on sale of investments available for sale	25,686	6,992
Cash dividends	49,497	115,111
Impairment of available for sale investments	(116,976)	-
	<u>(41,793)</u>	<u>122,103</u>

7. (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 Parent Company by the weighted average number of ordinary shares outstanding during the period as follows:

	Three months ended 31 March	
	2015	2014
Net (loss) / profit for the period	(622,359)	347,662
Weighted average number of outstanding ordinary shares (share)	300,000,000	300,000,000
(Losses) / earnings per share (fils)	<u>(2.07)</u>	<u>1.16</u>

**Strategia Investment Company - KSCP
And its subsidiaries
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**Notes to the Interim Condensed Consolidated Financial Information for the three-month period ended
31 March 2015
(Unaudited)**

(All amounts are in Kuwaiti Dinars unless otherwise stated)

8. Related party transactions

Related parties are the shareholders of the Parent 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 Parent 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 interim condensed consolidated financial information is as follows:

Transactions	Three months ended 31 March	
	2015	2014
Salaries and other benefits	56,603	42,615
End of service indemnity	13,329	5,493

Balances	31 March	31 December	31 March
	2015	2014 (Audited)	2014
Payables and other credit balances	192,739	264,071	126,990

Related parties transactions are subject to approval of shareholders' general assembly.

9. 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.

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

	31 March 2015		
	Investment activities	Asset management and advisory services	Total
Segment revenue	(463,966)	85,447	(378,519)
Net (loss) / profit	(707,806)	85,447	(622,359)
Segment assets	33,488,906	104,210	33,593,116
Segment liabilities	325,054	51,739	376,793

	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

10. 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 28,128,357 as of 31 March 2015 (KD 28,143,343 as of 31 December 2014, KD 25,577,773 as of 31 March 2014).