

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

**Interim Condensed Consolidated Financial Information
And Review Report
For the three - month period ended 31 March 2016
(Unaudited)**

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

**Interim Condensed Consolidated Financial Information
And Review Report
For the three - month period ended 31 March 2016
(Unaudited)**

INDEX	Page
Review Report on Interim Condensed Consolidated Financial Information	
Interim Condensed Consolidated Statement of Financial Position (Unaudited)	1
Interim Condensed Consolidated Statement of Income (Unaudited)	2
Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)	3
Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)	4
Interim Condensed Consolidated Statement of Cash Flows (Unaudited)	5
Notes to the Interim Condensed Consolidated Financial Information (Unaudited)	6 – 10

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

www.deloitte.com

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 2016, 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 basis of preparation as disclosed in (Note 2). 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 basis of preparation as disclosed in (Note 2).

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. 1 of 2016, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended during the three-month period ended 31 March 2016 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 2016, 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.

Kuwait, 5 June 2016

Strategia Investment Company - KSCP
And its subsidiaries
State of Kuwait

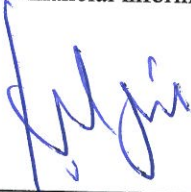
Interim Condensed Consolidated Statement of Financial Position as of 31 March 2016
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Note	31 March 2016	31 December 2015 (Audited)	31 March 2015
Assets				
Cash and cash equivalents	4	6,990,084	654,328	8,208,031
Time deposits		-	6,500,000	-
Investments available for sale		3,639,208	3,796,975	3,612,064
Receivables and other debit balances		205,316	142,350	123,351
Investment in an associate and joint venture	5	19,681,796	19,627,895	20,025,434
Investment properties		1,581,687	1,595,027	1,605,233
Finance receivable		1,122,093	1,088,936	-
Other assets		16,196	12,972	19,003
Total assets		33,236,380	33,418,483	33,593,116
Liabilities and equity				
Liabilities				
Payables and other credit balances		412,287	518,183	376,793
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	264,500
Voluntary reserve		26,449	26,449	26,449
Foreign currency translation reserve		14,270	12,483	14,475
Change in fair value reserve		196,614	286,791	104,273
Treasury shares		(14,774)	-	-
Group's share of an associate's reserves		(220,324)	(145,744)	513,487
Retained earnings		1,860,123	1,758,586	1,595,904
Total equity		32,824,093	32,900,300	33,216,323
Total liabilities and equity		33,236,380	33,418,483	33,593,116

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 2016
(Unaudited)**

(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 31 March	
		2016	2015
Revenues			
Management fees		71,557	85,447
Investments income / (loss)	6	55,249	(41,793)
Share of results from an associate		104,973	(476,862)
Interest income		45,604	13,463
Rental income		17,943	17,230
Other income		24,166	23,996
		<u>319,492</u>	<u>(378,519)</u>
Expenses			
Staff costs		127,392	140,067
General and administrative expenses		80,567	93,752
Depreciation		9,996	10,021
		<u>217,955</u>	<u>243,840</u>
Net Profit / (loss) for the period		<u>101,537</u>	<u>(622,359)</u>
Earnings / (loss) per share (fils)	7	<u>0.34</u>	<u>(2.07)</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 2016
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Three months ended 31 March	
	2016	2015
Net profit / (loss) for the period	101,537	(622,359)
Other comprehensive (loss) / income items:		
<i>Items that may be reclassified subsequently to statement of income</i>		
Change in fair value of investments available for sale	(82,263)	(171,591)
Transferred to consolidated statement of income from sale of investments available for sale	(7,914)	(4,184)
Impairment of investments available for sale	-	116,976
Foreign currency translation differences	1,787	(6,712)
Group's share of an associate's reserves	(74,580)	58,810
Total other comprehensive loss items	<u>(162,970)</u>	<u>(6,701)</u>
Total comprehensive loss for the period	<u>(61,433)</u>	<u>(629,060)</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 Changes in Equity for the three - month period ended 31 March 2016
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Share capital	Share premium	Statutory reserve	Voluntary reserve	Foreign currency translation reserve	Change in fair value reserve	Treasury shares	Group's share of an associate reserves	Retained earnings	Total
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
Balance as of 1 January 2016	30,000,000	697,235	264,500	26,449	12,483	286,791	-	(145,744)	1,758,586	32,900,300
Net profit for the period	-	-	-	-	-	-	-	-	101,537	101,537
Other comprehensive income / (loss) items	-	-	-	-	1,787	(90,177)	-	(74,580)	-	(162,970)
Purchase of treasury shares	-	-	-	-	-	-	(14,774)	-	-	(14,774)
Balance as of 31 March 2016	30,000,000	697,235	264,500	26,449	14,270	196,614	(14,774)	(220,324)	1,860,123	32,824,093

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 2016
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 31 March	
		2016	2015
Cash flows from Operating activities			
Net profit / (loss) for the period		101,537	(622,359)
<i>Adjustments:</i>			
Depreciation		9,996	10,021
Investments (income) / loss	6	(55,249)	41,793
Share of results from an associate		(104,973)	476,862
Interest income		(45,604)	(13,463)
Operating losses before changes in working capital		(94,293)	(107,146)
Receivables and other debit balances		(21,386)	(3,488)
Finance receivable		(33,157)	-
Payables and other credit balances		(98,120)	(102,398)
Net cash used in operating activities		(246,956)	(213,032)
Cash flows from investing activities			
Time deposits		6,500,000	-
Paid for purchase of investments available for sale		(16,302)	(97,647)
Proceeds from sale of investments available for sale		99,654	285,225
Paid for purchase of additional shares in an associate		(23,508)	(35,403)
Paid for purchase of investment properties		-	(494,222)
Purchase of treasury shares		(14,774)	-
Paid for purchase of property and equipment		(5,870)	(766)
Dividends received		10,388	49,497
Interest income received		33,124	9,122
Net cash generated from / (used in) investing activities		6,582,712	(284,194)
Increase / (decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		6,335,756	(497,226)
Cash and cash equivalents at the end of the period	4	6,990,084	8,705,257

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 2016
(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. On 8 July 2015 based on the shareholders extraordinary General Assembly meeting, the Company has voluntarily elected to delist from Kuwait stock exchange effective from 1 March 2016. The Company has obtained the approval from CMA to delist on 31 August 2015.

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 been held on 30 May 2016 to approve the consolidated financial statements for the year ended 31 December 2015 and also approved not to distribute any dividends for the same year.

The interim condensed consolidated financial information for the three-month period ended 31 March 2016 was authorized for issuance by the Parent Company's Board of Directors on 5 June 2016.

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 as adopted in the state of Kuwait for the Financial institution subject to Central Bank of Kuwait instructions.

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 2016 are not necessarily indicative of the results that may be expected for the year ending 31 December 2016. For further information, it is possible to refer to the consolidated financial statements and notes thereto for the year ended 31 December 2015.

Notes to the Interim Condensed Consolidated Financial Information for the three-month period ended
31 March 2016
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

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 2015, except the adoption of the new and amended IFRS that have become effective and those which are applicable to the Group from 1 January 2016.

For annual periods beginning on or after 1 January 2016

- IFRS 10 and IAS 28 Sale or Contribution of Assets between and an Investor and its Associate or Joint Venture – Amendments
- IFRS 11 Accounting for Acquisitions of Interests in Joint Operations -Amendments
- IAS 1 'Disclosure Initiative – Amendments
- IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments
- IAS 27 Equity Method in Separate Financial Statements – Amendments
- IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception – Amendments
- Annual Improvements to IFRSs 2012–2014 Cycle

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

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
	31/3/16	31/12/15	31/3/15				
<i>Investments available for sale</i>							
- Quoted Shares	2,429,824	2,578,281	2,466,035	1	Last bid price	-	-
- Funds	81,452	90,758	18,093	2	Net assets value	-	-

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
And its subsidiaries
State of Kuwait

Notes to the Interim Condensed Consolidated Financial Information for the three-month period ended
31 March 2016
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

4. Cash and cash equivalents

	31 March 2016	31 December 2015 (Audited)	31 March 2015
Cash on hand and at banks	2,487,498	653,889	1,707,597
Time deposits (<i>less than 3 months</i>)	4,502,150	-	6,500,000
Cash at portfolios	436	439	434
	<u>6,990,084</u>	<u>654,328</u>	<u>8,208,031</u>

The average interest rate on time deposits during the period ended 31 March 2016 is 0.61% (31 December 2015: nil and 31 March 2015: 1.2%).

5. Investment in an associate and joint venture

5.1 Investment in an associate

This represents the Group's investment in Kuwait Financial Center by 23.44% as of 31 March 2016 (31 December 2015: 23.38% and 31 March 2015: 22.86%).

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 2015.

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

	31 March 2016	31 December 2015 (Audited)	31 March 2015
Balance as at 1 January	19,602,110	20,408,083	20,408,083
Additions during the period / year	23,508	301,092	35,403
Cash dividends	-	(659,557)	-
Group's share in associate's results	104,973	152,913	(476,862)
Group's share in associate's reserves	(74,580)	(600,421)	58,810
	<u>19,656,011</u>	<u>19,602,110</u>	<u>20,025,434</u>

5.2 Investment in Joint Venture

This represents investment in a joint venture amounted to KD 25,785 as of 31 March 2016.

A finance amounting to KD 1,137,408 has been granted by the Group to this Company in order to support the activities and business of this Company. This finance will mature on 31 March 2019 and general provision has been made for this finance amounting to KD 15,315 as of 31 March 2016.

The interest rate on this finance is 8.75% per year.

6. Investment income / (loss)

	Three months ended 31 March	
	2016	2015
Gain on sale of investments available for sale	15,762	25,686
Cash dividends	39,487	49,497
Impairment of available for sale investments	-	(116,976)
	<u>55,249</u>	<u>(41,793)</u>

Notes to the Interim Condensed Consolidated Financial Information for the three-month period ended
31 March 2016
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

7. Earnings / (losses) per share

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

	Three months ended 31 March	
	2016	2015
Net profit / (loss) for the period	101,537	(622,359)
Weighted average number of outstanding ordinary shares (share)	299,805,610	300,000,000
Earnings / (losses) per share (fils)	0.34	(2.07)

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	
	2016	2015
Salaries and other benefits	52,833	56,603
End of service indemnity	7,733	13,329
Interest income	28,923	-

Balances	31 March	31 December	31 March
	2016	2015 (Audited)	
Finance receivable	1,122,093	1,088,936	-
Payables and other credit balances	222,073	281,599	192,739

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 2016		
	Investment activities	Asset management and advisory services	Total
Segment revenue	247,935	71,557	319,492
Net profit	29,980	71,557	101,537
Segment assets	33,194,940	41,400	33,236,380
Segment liabilities	354,787	57,500	412,287

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 2016
 (Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

Segment information (continued)

	31 March 2015		
	Investment activities	Asset management and advisory services	Total
Segment (loss) / 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

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 15,758,904 as of 31 March 2016 (KD 28,143,343 as of 31 December 2015, KD 28,128,357 as of 31 March 2015).