

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

**Interim Condensed Consolidated Financial Information
And Review Report
For the six - month period ended 30 June 2015
(Unaudited)**

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

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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**

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 30 June 2015, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-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).

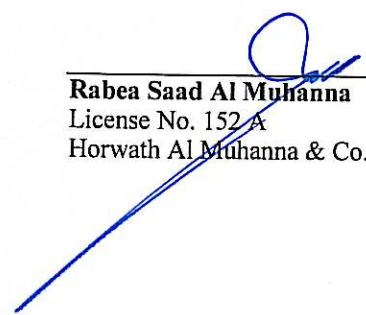
Report on Other Legal and Regulatory Requirements

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. 25 of 2012, as amended and of its executive regulations, or of the Parent Company's Memorandum of Incorporation and Articles of Association during the six-month period ended 30 June 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 six-month period ended 30 June 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.

Kuwait, 10 August 2015


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

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

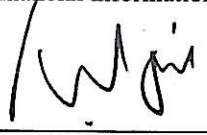
**Interim Condensed Consolidated Statement of Financial Position as of 30 June 2015
(Unaudited)**

(All amounts are in Kuwaiti Dinars)

	Note	30 June 2015	31 December 2014 (Audited)	30 June 2014
Assets				
Cash and cash equivalents	4	7,503,840	8,705,257	6,772,834
Investments available for sale		3,467,986	3,949,731	6,117,698
Receivables and other debit balances		124,477	115,522	161,245
Investment in an associate and joint venture	5	20,063,528	20,408,083	19,265,895
Investment properties		1,606,787	1,095,451	1,072,645
Finance receivables	5	1,101,535	-	-
Other assets		17,964	20,943	25,139
Total assets		33,886,117	34,294,987	33,415,456
Liabilities and equity				
Liabilities				
Payables and other credit balances		356,692	449,604	274,057
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		13,942	21,187	43,296
Change in fair value reserve		5,427	163,072	(167,634)
Group's share of an associate's reserves		657,295	454,677	227,938
Retained earnings		1,864,577	2,218,263	2,174,370
Total equity		33,529,425	33,845,383	33,141,399
Total liabilities and equity		33,886,117	34,294,987	33,415,456

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 six- month period ended 30 June 2015
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 30 June		Six months ended 30 June	
		2015	2014	2015	2014
Revenues					
Management fees		67,094	65,663	152,541	127,700
Investments (Loss)/ Income	6	(13,688)	169,823	(55,481)	291,926
Share of result from an associate	5	349,805	572,268	(127,057)	684,528
Interest income		37,412	21,253	50,875	40,396
Rent income		17,812	16,163	35,042	16,163
Provision no longer required		-	-	-	235,885
Other income/ (expenses)		58,966	(12,705)	82,962	(4,196)
		<u>517,401</u>	<u>832,465</u>	<u>138,882</u>	<u>1,392,402</u>
Expenses					
Staff costs		146,312	111,010	286,379	207,712
General and Administrative expenses		95,126	98,514	188,878	192,116
Depreciation		7,290	4,482	17,311	7,841
Finance cost		-	5,319	-	20,774
		<u>248,728</u>	<u>219,325</u>	<u>492,568</u>	<u>428,443</u>
Profit/(Loss) before deductions		268,673	613,140	(353,686)	963,959
Kuwait Foundation for advancement of Science		-	(5,519)	-	(8,676)
Net profit/(loss) for the period		<u>268,673</u>	<u>607,621</u>	<u>(353,686)</u>	<u>955,283</u>
Earnings/ (losses) per share (fils)	7	<u>0.89</u>	<u>2.03</u>	<u>(1.18)</u>	<u>3.18</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 six-month period ended
30 June 2015
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014
Net profit/(loss) for the period	268,673	607,621	(353,686)	955,283
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	(221,206)	(265,183)	(392,797)	(29,923)
Transferred to the statement of income from sale of investments available for sale	-	-	(4,184)	72,020
Impairment of investments available for sale	122,360	-	239,336	-
Foreign currency translation differences	(533)	163	(7,245)	(256)
Group's share of an associate's reserves	143,808	29,498	202,618	227,938
Total other comprehensive income/(loss) items	44,429	(235,522)	37,728	269,779
Total comprehensive income/(loss) for the period	313,102	372,099	(315,958)	1,225,062

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 six - month period ended 30 June 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	Group's share of an associate's 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	-	-	-	-	-	-	-	955,283	955,283
Other comprehensive (loss)/ income items	-	-	-	-	(256)	42,097	227,938	-	269,779
Balance as of 30 June 2014	30,000,000	697,235	151,086	15,108	43,296	(167,634)	227,938	2,174,370	33,141,399
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	-	-	-	-	-	-	-	(353,686)	(353,686)
Other comprehensive (loss)/ income items	-	-	-	-	(7,245)	(157,645)	202,618	-	37,728
Balance as of 30 June 2015	30,000,000	697,235	264,500	26,449	13,942	5,427	657,295	1,864,577	33,529,425

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 six - month period ended 30 June 2015
(Unaudited)**

(All amounts are in Kuwaiti Dinars)

	Note	Six months ended	
		30 June	
		2015	2014
Cash flows from Operating activities			
Net (loss)/ profit for the period		(353,686)	955,283
<i>Adjustments:</i>			
Depreciation		17,311	7,841
Finance cost		-	20,774
Investment loss/ (income)	7	55,481	(291,926)
Group's share of result from an associate		127,057	(684,528)
Interest income		(50,875)	(40,396)
Provision no longer required		-	(235,885)
General provision- finance receivables		15,315	-
Operating losses before changes in working capital		(189,397)	(268,837)
Receivables and other debit balances		(3,426)	303,075
Finance receivables		(1,116,850)	-
Payables and other credit balances		(129,537)	(167,582)
Net cash used in operating activities		(1,439,210)	(133,344)
Cash flows from investing activities			
Paid for purchase of investments available for sale		(174,776)	(451,063)
Proceeds from sale of investments available for sale		285,226	1,072,729
Paid for purchase of additional share in an associate and joint venture		(239,441)	(36,977)
Dividends received from an associate		659,557	1,090,404
Paid for purchase of investment properties		(494,222)	(1,072,645)
Paid for purchase of property and equipment		(2,066)	(19,365)
Dividends received		158,169	239,845
Interest income received		45,346	29,208
Net cash generated from investing activities		237,793	852,136
Cash flows from financing activities			
Settlement of bank facilities		-	(3,000,000)
Finance cost paid		-	(20,774)
Net cash used in financing activities		-	(3,020,774)
Decrease in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		(1,201,417)	(2,301,982)
Cash and cash equivalents at the end of the period		8,705,257	9,074,816
		7,503,840	6,772,834

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 Six-month period ended 30 June 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>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 interim condensed consolidated financial information for the six-month period ended 30 June 2015 was authorized for issuance by the Parent Company Board of Directors on 10 August 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 as adopted in the state of Kuwait on the Financial institution which 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 six-months period ended 30 June 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 except for the adoption of the new and amended IFRS that have become effective from 1 January 2015:

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 Six-month period ended
30 June 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
	30/6/15	31/12/14				
<i>Investments available for sale</i>						
- Quoted Shares	2,321,858	2,540,000	1	Last bid price	N/A	N/A
- Funds	18,192	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
And its subsidiaries
State of Kuwait

Notes to the Interim Condensed Consolidated Financial Information for the six-month period ended 30 June 2015
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

4. Cash and cash equivalents

	30 June 2015	31 December 2014 (Audited)	30 June 2014
Cash on hand and at banks	1,003,403	2,204,834	1,272,834
Time deposits (<i>less than 3 months</i>)	6,500,000	6,500,000	5,500,000
Cash in investment portfolio	437	423	-
	<u>7,503,840</u>	<u>8,705,257</u>	<u>6,772,834</u>

The average interest rate on time deposits as of 30 June 2015 is 1.03% (31 December 2014: 1% and 30 June 2014: 1.25%).

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 23.20% as of 30 June 2015 (31 December 2014: 22.79% and 30 June 2014: 22.68%).

The Group's share of the associate's results and reserves has been computed based on the last reviewed financial information for the period ended 31 March 2015.

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

	30 June 2015	31 December 2014 (Audited)	30 June 2014
Balance as at 1 January	20,408,083	19,406,856	19,406,856
Additions during the period /year	213,656	101,306	36,977
Cash dividends	(659,557)	(1,090,404)	(1,090,404)
Group's share in associate's results	(127,057)	1,535,648	684,528
Group's share in associate's reserves	202,618	454,677	227,938
	<u>20,037,743</u>	<u>20,408,083</u>	<u>19,265,895</u>

5.2 Investment in Joint Venture

During the period, the Group signed a joint venture agreement with one of the third parties to participate equally in one of the real estate companies that owns properties in Germany. The investment amount in this venture is KD 25,785 as of 30 June 2015.

The agreement also included granting a finance to this real estate company amounting to KD 1,116,850 by the Group in order to support the activities and business of this company. This finance is due on 31 March 2019 and general provision has been made for this finance amounting to KD 15,315. (Note 8)

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

6. Investment (loss) / income

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014
Gain on sale of investments available for sale	-	3,426	25,686	10,418
Cash dividends	108,672	166,397	158,169	281,508
Impairment losses	(122,360)	-	(239,336)	-
	<u>(13,688)</u>	<u>169,823</u>	<u>(55,481)</u>	<u>291,926</u>

Strategia Investment Company - KSCP
And its subsidiaries
State of Kuwait

Notes to the Interim Condensed Consolidated Financial Information for the six-month period ended 30 June 2015
(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 as follows:

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014
Net profit/(loss) for the period	268,673	607,621	(353,686)	955,283
Weighted average number of outstanding ordinary shares (share)	300,000,000	300,000,000	300,000,000	300,000,000
Earnings/(Losses) per share (fils)	0.89	2.03	(1.18)	3.18

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 are as follows:

Transactions	Six months ended 30 June		
	2015	2014	2014
Salaries and other benefits	112,279		91,353
End of service indemnity	21,552		13,442
	30 June 2015	31 December 2014 (Audited)	30 June 2014
Balances			
Finance receivables (note 5)	1,101,535	-	-
Payables and other credit balances	203,890	264,071	141,708

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

9. Segment information

In the purpose of management, the group organizes its operations in main two sectors of business. The following are the main activities and services that are underlined in such two sectors.

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 six-month period ended 30 June 2015
(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:

	30 June 2015		
	Investment activities	Asset management and advisory services	Total
Segment revenue	(13,659)	152,541	138,882
Net(loss)/ profit	(506,227)	152,541	(353,686)
Segment assets	33,794,715	91,402	33,886,117
Segment liabilities	317,467	39,225	356,692

	30 June 2014		
	Investment activities	Asset management and advisory services	Total
Segment revenue	1,264,702	127,700	1,392,402
Net profit	827,583	127,700	955,283
Segment assets	31,743,969	1,671,487	33,415,456
Segment liabilities	238,317	35,740	274,057

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 24,517,198 as of 30 June 2015 (31 December 2014: KD 28,143,343 and 30 June 2014: KD 28,175,675).