

CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2014

|   | 2014<br>KShs'000 | 2013<br>KShs'000 |
|---|------------------|------------------|
| Revenue   | 10,249,593       | 11,807,576       |
| Cost of sales   | (7,668,666)      | (8,248,302)      |
| Gross profit  | 2,580,927        | 3,559,274        |
| Net other income  | 285,276          | 1,208,111        |
| Operating expenses  | (2,556,420)      | (2,509,021)      |
| Loss on sale of investment                                      | (1,035,015)      | -                |
| (Loss)/profit before depreciation, impairment and finance cost  | (725,232)        | 2,258,364        |
| Depreciation and amortisation                                   | (679,365)        | (723,315)        |
| Results from operating activities                               | (1,404,597)      | 1,535,049        |
| Finance income  | 47,111           | 59,166           |
| Finance costs   | (756,716)        | (735,625)        |
| Net finance costs   | (709,605)        | (676,459)        |
| (Loss)/profit before income tax                                 | (2,114,202)      | 858,590          |
| Income tax expense  | (163,727)        | (232,158)        |
| (Loss)/profit for the year                                      | (2,277,929)      | 626,432          |
| Other comprehensive income                                      |                  |                  |
| Revaluation of property, plant and equipment                    | 77,140           | -                |
| Revaluation of prepaid operating lease rentals                  | -                | 268,161          |
| Deferred tax on revaluations                                    | 17,715           | (81,716)         |
| Net change in fair value of available-for-sale financial assets | 90,626           | 42,594           |
| Exchange differences on translation of foreign subsidiaries     | 109,875          | (63,058)         |
| Other comprehensive income net of income tax                    | 295,356          | 165,981          |
| Total comprehensive income for the year                         | (1,982,573)      | 792,413          |
| (Loss)/profit after tax is attributable to:                     |                  |                  |
| Equity holders of the company                                   | (2,362,677)      | 291,295          |
| Non-controlling interest  | 84,748           | 335,137          |
| (Loss)/profit for the year                                      | (2,277,929)      | 626,432          |
| Total comprehensive income for the year attributable to:        |                  |                  |
| Equity holders of the company                                   | (2,069,737)      | 404,017          |
| Non-controlling interest  | 87,164           | 388,396          |
| Total comprehensive income for the year                         | (1,982,573)      | 792,413          |
| Basic earnings per share - KShs                                 | (8.53)           | 1.06             |
| Diluted earnings per share - KShs                               | (8.53)           | 1.06             |
| Dividend per share - KShs                                       | -                | 0.40             |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014

|  | 2014<br>KShs'000 | 2013<br>KShs'000 |
|--|------------------|------------------|
| ASSETS   |                  |                  |
| Non current assets   |                  |                  |
| Property, plant and equipment                              | 7,363,528        | 6,630,211        |
| Investment property  | 348,298          | 282,868          |
| Prepaid operating lease rentals                            | 432,406          | 446,703          |
| Intangible assets  | 2,539,117        | 2,457,864        |
| Quoted investments   | 301              | 316              |
| Unquoted investments                                       | 539,353          | 5,237,133        |
| Deferred tax asset   | 5,992            | 944              |
|  | 11,228,995       | 15,056,039       |
| Current assets   |                  |                  |
| Inventory  | 1,860,008        | 1,540,428        |
| Trade and other receivables                                | 5,886,588        | 6,843,673        |
| Tax receivable   | 194,804          | 38,938           |
| Cash and cash equivalents                                  | 293,263          | 361,195          |
|  | 8,234,663        | 8,784,234        |
| TOTAL ASSETS   | 19,463,658       | 23,840,273       |
| EQUITY AND LIABILITIES                                     |                  |                  |
| Capital and reserves                                       |                  |                  |
| Share capital  | 140,142          | 136,975          |
| Share premium  | 565,101          | 379,717          |
| Revenue reserves   | 1,278,346        | 3,286,015        |
| Translation reserve  | 249,935          | 112,139          |
| Available-for-sale reserve                                 | 330,813          | 240,187          |
| Revaluation reserve  | 994,385          | 932,787          |
| Proposed dividends   | -                | 109,580          |
| Total equity attributable to equity holders of the company | 3,558,722        | 5,197,400        |
| Non-controlling interest                                   | 2,536,003        | 2,888,986        |
| Convertible bond   | 5,386,973        | 5,132,002        |
| Total equity   | 11,481,698       | 13,218,388       |
| LIABILITIES  |                  |                  |
| Non current liabilities                                    |                  |                  |
| Deferred tax liability                                     | 962,155          | 884,418          |
| Provision for staff gratuity                               | 59,148           | 43,673           |
| Long term loan - non-current portion                       | 1,797,704        | 3,786,665        |
|  | 2,819,007        | 4,714,756        |
| Current liabilities  |                  |                  |
| Bank overdraft   | 748,023          | 491,348          |
| Long term loan - current portion                           | 1,725,750        | 1,833,357        |
| Trade and other payables                                   | 2,669,275        | 3,562,072        |
| Tax payable  | 19,661           | 20,108           |
| Unclaimed dividends  | 244              | 244              |
|  | 5,162,953        | 5,907,129        |
| Total liabilities  | 7,981,960        | 10,621,885       |
| TOTAL EQUITY AND LIABILITIES                               | 19,463,658       | 23,840,273       |

CONSOLIDATED STATEMENT OF CASHFLOWS  
AS AT 31 DECEMBER 2014

|  | 2014<br>KShs'000 | 2013<br>KShs'000 |
|--|------------------|------------------|
| Cash (used in)/generated from operations                     | (158,567)        | 548,685          |
| Income tax paid  | (212,853)        | (418,576)        |
| Dividends paid to shareholders of the company                | (109,580)        | (109,580)        |
| Dividend paid to non-controlling interest                    | (88,059)         | (90,488)         |
| Net cash flows used in operating activities                  | (569,059)        | (69,959)         |
| Net cash flows generated from/(used in) investing activities | 2,447,243        | (1,265,633)      |
| Net cash flows (used in)/generated from financing activities | (2,202,791)      | 1,266,428        |
| Net decrease in cash and cash equivalents                    | (324,607)        | (69,164)         |
| Cash and cash equivalents at the beginning of the year       | (130,153)        | (60,989)         |
| Cash and cash equivalents at the end of the year             | (454,760)        | (130,153)        |

# TransCentury

Investing in Africa

REPORT OF THE INDEPENDENT AUDITORS TO  
THE MEMBERS OF TRANSCENTURY LIMITED

We have audited the financial statements of TransCentury Limited which comprise the consolidated and company statements of financial position at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated and company statements of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the financial statements give a true and fair view of consolidated and company financial position of TransCentury Limited at 31 December 2014, and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Kenyan Companies Act.

REPORT ON OTHER LEGAL REQUIREMENTS

As required by the Kenyan Companies Act we report to you, based on our audit, that:

- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books; and
- The statement of financial position of the company is in agreement with the books of account.

*The Engagement Partner responsible for the audit resulting in this independent auditors' report is FCPA Eric Aholi - P/1471.*

KPMG Kenya, Certified Public Accountants  
Date: 23rd April 2015

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

|  | Share capital<br>KShs '000 | Share premium<br>KShs '000 | Revaluation reserves<br>KShs '000 | Translation reserve<br>KShs '000 | Available for sale reserve<br>KShs '000 | Revenue reserves<br>KShs '000 | Proposed dividends<br>KShs'000 | Total<br>KShs'000 | Non-controlling interest<br>KShs '000 | Total equity<br>KShs'000 |
|--|----------------------------|----------------------------|-----------------------------------|----------------------------------|---|-------------------------------|--------------------------------|-------------------|---------------------------------------|--------------------------|
| Balance at 1 January 2013  | 136,975                    | 379,717                    | 793,778                           | 182,489                          | 197,593                                 | 3,102,831                     | 109,580                        | 4,902,963         | 2,591,078                             | 7,494,041                |
| Total comprehensive income for the year net of tax               | -                          | -                          | -                                 | -                                | -                                       | 291,295                       | -                              | 291,295           | 335,137                               | 626,432                  |
| Net profit after tax   | -                          | -                          | -                                 | -                                | -                                       | 291,295                       | -                              | 291,295           | 335,137                               | 626,432                  |
| Other comprehensive income                                       |                            |                            |                                   |                                  |   |                               |                                |                   |                                       |                          |
| Revaluation of property, plant and equipment net of deferred tax | -                          | -                          | 130,512                           | -                                | -                                       | -                             | -                              | 130,512           | 55,933                                | 186,445                  |
| Exchange adjustment  | -                          | -                          | -                                 | (63,176)                         | -                                       | -                             | -                              | (63,176)          | 118                                   | (63,058)                 |
| Net change in fair value of available-for-sale financial assets  | -                          | -                          | -                                 | -                                | 42,594                                  | -                             | -                              | 42,594            | -                                     | 42,594                   |
| Transfer to translation reserve                                  | -                          | -                          | 8,497                             | -                                | -                                       | (8,497)                       | -                              | -                 | -                                     | -                        |
| Transfer from translation reserve                                | -                          | -                          | -                                 | (7,174)                          | -                                       | 9,966                         | -                              | 2,792             | (2,792)                               | -                        |
| Total other comprehensive income                                 | -                          | -                          | 139,009                           | (70,350)                         | 42,594                                  | 1,469                         | -                              | 112,722           | 53,259                                | 165,981                  |
| Total comprehensive income                                       | -                          | -                          | 139,009                           | (70,350)                         | 42,594                                  | 292,764                       | -                              | 404,017           | 388,396                               | 792,413                  |
| Transactions with owners of the company                          |                            |                            |                                   |                                  |   |                               |                                |                   |                                       |                          |
| Contributions and distributions                                  |                            |                            |                                   |                                  |   |                               |                                |                   |                                       |                          |
| Dividend paid  | -                          | -                          | -                                 | -                                | -                                       | -                             | (109,580)                      | (109,580)         | (90,488)                              | (200,068)                |
| Proposed dividends   | -                          | -                          | -                                 | -                                | -                                       | (109,580)                     | 109,580                        | -                 | -                                     | -                        |
| Total transactions with owners of the company                    | -                          | -                          | -                                 | -                                | -                                       | (109,580)                     | -                              | (109,580)         | (90,488)                              | (200,068)                |
| Balance at 31 December 2013                                      | 136,975                    | 379,717                    | 932,787                           | 112,139                          | 240,187                                 | 3,286,015                     | 109,580                        | 5,197,400         | 2,888,986                             | 8,086,386                |
| Total comprehensive income for the year net of tax               | -                          | -                          | -                                 | -                                | -                                       | (2,362,677)                   | -                              | (2,362,677)       | 84,748                                | (2,277,929)              |
| Net profit after tax   | -                          | -                          | -                                 | -                                | -                                       | (2,362,677)                   | -                              | (2,362,677)       | 84,748                                | (2,277,929)              |
| Other comprehensive income                                       |                            |                            |                                   |                                  |   |                               |                                |                   |                                       |                          |
| Revaluation of property, plant and equipment net of deferred tax | -                          | -                          | 77,140                            | -                                | -                                       | -                             | -                              | 77,140            | -                                     | 77,140                   |
| Transfer to deferred tax   | -                          | -                          | 5,920                             | -                                | -                                       | -                             | -                              | 5,920             | 11,795                                | 17,715                   |
| Exchange adjustment  | -                          | -                          | -                                 | 122,394                          | -                                       | -                             | -                              | 122,394           | (12,519)                              | 109,875                  |
| Net change in fair value of available-for-sale financial assets  | -                          | -                          | -                                 | -                                | 90,626                                  | -                             | -                              | 90,626            | -                                     | 90,626                   |
| Transfer from translation reserve                                | -                          | -                          | (58,599)                          | 16,289                           | -                                       | 42,310                        | -                              | -                 | -                                     | -                        |
| Transfer from NCI  | -                          | -                          | 37,137                            | (887)                            | -                                       | 312,698                       | -                              | 348,948           | (348,948)                             | -                        |
| Total other comprehensive income                                 | -                          | -                          | 61,598                            | 137,796                          | 90,626                                  | 355,008                       | -                              | 645,028           | (349,672)                             | 295,356                  |
| Total comprehensive income                                       | -                          | -                          | 61,598                            | 137,796                          | 90,626                                  | (2,007,669)                   | -                              | (1,717,649)       | (264,924)                             | (1,982,573)              |
| Transactions with owners of the company                          |                            |                            |                                   |                                  |   |                               |                                |                   |                                       |                          |
| Contributions and distributions                                  |                            |                            |                                   |                                  |   |                               |                                |                   |                                       |                          |
| Issue of additional shares                                       | 3,167                      | 185,384                    | -                                 | -                                | -                                       | -                             | -                              | 188,551           | -                                     | 188,551                  |
| Dividend paid  | -                          | -                          | -                                 | -                                | -                                       | -                             | (109,580)                      | (109,580)         | (88,059)                              | (197,639)                |
| Proposed dividends   | -                          | -                          | -                                 | -                                | -                                       | -                             | -                              | -                 | -                                     | -                        |
| Total transactions with owners of the company                    | 3,167                      | 185,384                    | -                                 | -                                | -                                       | (109,580)                     | -                              | 78,971            | (88,059)                              | (9,088)                  |
| Balance at 31 December 2014                                      | 140,142                    | 565,101                    | 994,385                           | 249,935                          | 330,813                                 | 1,278,346                     | -                              | 3,558,722         | 2,536,003                             | 6,094,725                |

The financial statements were approved by the Board of Directors on 23rd April 2015 and were signed on its behalf by:

Mr. Z.G. Mbugua - Chairman  
Dr. G. Kiuna - Director

NOTE:

A full copy of the Group Financial Statements including explanatory notes will be available on our website [www.transcentury.co.ke](http://www.transcentury.co.ke) from Thursday, 30th April 2015. For further enquiries, please contact us on: [investor@transcentury.co.ke](mailto:investor@transcentury.co.ke)