

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 KShs'000	2014 KShs'000
Revenue	11,790,227	10,249,593
Cost of sales	(9,259,631)	(7,668,666)
<b>Gross profit</b>	<b>2,530,596</b>	<b>2,580,927</b>
Net other income	94,903	285,276
Operating expenses	(2,499,253)	(2,582,795)
Loss on sale of investment	-	(1,035,015)
<b>Profit/(Loss) before depreciation and finance costs</b>	<b>126,246</b>	<b>(751,607)</b>
Impairment (losses)/recoveries	(371,576)	26,375
Depreciation and amortisation	(802,019)	(679,365)
<b>Results from operating activities</b>	<b>(1,047,349)</b>	<b>(1,404,597)</b>
Forex losses	(1,117,495)	(184,351)
Finance income	-	47,503
Finance costs	(791,229)	(572,757)
<b>Net finance costs</b>	<b>(1,908,724)</b>	<b>(709,605)</b>
<b>Loss before income tax</b>	<b>(2,956,073)</b>	<b>(2,114,202)</b>
Income tax credit/(expense)	533,499	(163,727)
<b>Loss for the year</b>	<b>(2,422,574)</b>	<b>(2,277,929)</b>
<b>Other comprehensive income</b>		
Revaluation of property, plant and equipment	705,240	77,140
Revaluation of prepaid operating lease rentals	829,370	-
Deferred tax on revaluations	(460,384)	17,715
Net change in fair value of available-for-sale financial assets	(16,746)	90,626
Exchange differences on translation of foreign subsidiaries	(1,143,833)	109,875
<b>Other comprehensive income net of income tax</b>	<b>(86,353)</b>	<b>295,356</b>
<b>Total comprehensive income for the year</b>	<b>(2,508,927)</b>	<b>(1,982,573)</b>
<b>Loss after tax is attributable to:</b>		
Equity holders of the company	(1,988,223)	(2,362,677)
Non-controlling interest	(434,351)	84,748
<b>Loss for the year</b>	<b>(2,422,574)</b>	<b>(2,277,929)</b>
<b>Total comprehensive income for the year attributable to:</b>		
Equity holders of the company	(2,094,429)	(2,069,737)
Non-controlling interest	(414,498)	87,164
<b>Total comprehensive income for the year</b>	<b>(2,508,927)</b>	<b>(1,982,573)</b>
<b>Basic earnings per share - KShs</b>	<b>(7.09)</b>	<b>(8.53)</b>
<b>Diluted earnings per share - KShs</b>	<b>(7.09)</b>	<b>(8.53)</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2015**

	2015 KShs'000	2014 KShs'000
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	7,836,618	7,363,528
Investment property	362,252	348,298
Prepaid operating lease rentals	1,409,032	432,406
Intangible assets	2,851,345	2,539,117
Quoted investments	239	301
Unquoted investments	536,203	539,353
Deferred tax asset	108,738	5,992
	<b>13,104,427</b>	<b>11,228,995</b>
<b>Current assets</b>		
Inventory	1,899,763	1,860,008
Trade and other receivables	6,391,777	5,886,588
Tax receivable	186,651	194,804
Cash and cash equivalents	235,363	293,263
	<b>8,713,554</b>	<b>8,234,663</b>
<b>TOTAL ASSETS</b>	<b>21,817,981</b>	<b>19,463,658</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	140,142	140,142
Share premium	565,101	565,101
Revenue reserves	(303,510)	1,278,346
Translation reserve	(789,901)	249,935
Available-for-sale reserve	314,067	330,813
Revaluation reserve	1,538,394	994,385
Proposed dividends	-	-
<b>Total equity attributable to equity holders of the company</b>	<b>1,464,293</b>	<b>3,558,722</b>
Non-controlling interest	2,081,477	2,536,003
Convertible bond	-	5,386,973
<b>Total equity</b>	<b>3,545,770</b>	<b>11,481,698</b>
<b>LIABILITIES</b>		
<b>Non current liabilities</b>		
Deferred tax liability	879,473	962,155
Provision for staff gratuity	45,707	59,148
Long term loan – non-current portion	3,511,955	1,797,704
	<b>4,437,135</b>	<b>2,819,007</b>
<b>Current liabilities</b>		
Bank overdraft	638,074	748,023
Long term loan – current portion	2,827,692	1,725,750
Trade and other payables	4,273,688	2,669,275
Convertible bond	6,083,468	-
Tax payable	11,910	19,661
Unclaimed dividends	244	244
	<b>13,835,076</b>	<b>5,162,953</b>
<b>Total liabilities</b>	<b>18,272,211</b>	<b>7,981,960</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>21,817,981</b>	<b>19,463,658</b>

**CONSOLIDATED STATEMENT OF CASHFLOWS  
AS AT 31 DECEMBER 2015**

	2015 KShs'000	2014 KShs'000
<b>Cash used in operations</b>	<b>(679,278)</b>	<b>(158,567)</b>
Income tax paid	(87,838)	(212,853)
Dividends paid to shareholders of the company	-	(109,580)
Dividend paid to non-controlling interest	(40,028)	(88,059)
<b>Net cash flows used in operating activities</b>	<b>(807,144)</b>	<b>(569,059)</b>
Net cash flows (used in)/generated from investing activities	(1,608,109)	2,447,243
Net cash flows generated from/(used in) financing activities	2,467,302	(2,202,791)
<b>Net Increases/(decrease) in cash and cash equivalents</b>	<b>52,049</b>	<b>(324,607)</b>
Cash and cash equivalents at the beginning of the year	(454,760)	(130,153)
<b>Cash and cash equivalents at the end of the year</b>	<b>(402,711)</b>	<b>(454,760)</b>

# TransCentury

Investing in Africa

## OVERVIEW OF 2015 PERFORMANCE

### Overview

TransCentury Limited (“TCL” or “the Group”) announces its financial results for the year ended 31 December 2015. The Group revenues grew by 15% compared to last year. We experienced strong performance in our Engineering Division which reported a 97% growth in revenue as a result of execution of some of the major projects that had delayed in 2014 and new projects won and commenced during the year. Conversely, our overall Power Division’s revenues declined by 30%. This was attributable to a 20% decline in the London metal exchange prices for copper which affected our pricing and volume decline due to interruptions in our production processes as we concluded capacity increase and efficiency upgrades in our newly refurbished copper factory. On the positive side, we benefited from improved local utility order book coming towards the end of the year which is a bright spot in our continuing effort to get more government business to go to local manufacturers.

The Group’s overall performance was also negatively impacted by:

1. Foreign exchange losses due to sharp depreciation of regional currencies against the United States Dollar. (USD)
2. Low sales in our exports markets due to unfavorable political environment prevailing within the region.
3. Impairment of receivables in line with a more conservative financial management policy. Collection efforts are however ongoing with significant progress made post year end.
4. Increased depreciation due to capital expenditure in our Engineering Division and commissioning of refurbished plants in the Power Division.

### Post Balance Sheet Events: Settlement with Bondholders

On 23<sup>rd</sup> March 2016, the Group announced in the local press, the settlement agreement with convertible bondholders, the result of which was to reduce the convertible bond debt included in the financial statements to USD 40M. As part of that reduction, the Group will write back the principal and interest charges amounting to USD 19.4M in 2016.

### Outlook

The outlook is positive for our core businesses. In the Engineering Division, we continue to attract a strong pipeline of specialised projects as we invest in enhancing our capacity to execute. We anticipate sustained growth in investment in infrastructure projects in the region with our businesses well positioned as the local service providers of choice in specialised engineering.

In the Power Division, the units opened the year with a strong order book supported by developments in the energy and construction sectors across the region. Our enhanced capacity and improved efficiency in our production plants therefore puts us in a strong position to meet the increased demand. We see further growth opportunities with better implementation of government policies on increased local content in the energy sector procurement.

Conservative financial stewardship continues to improve our working capital management to support sales growth in line with new capacity increase.

**By Order of the Board**  
**Virginia Ndunge, Company Secretary**  
**29<sup>th</sup> April 2016**

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital KShs '000	Share premium KShs '000	Revaluation reserves KShs '000	Translation reserve KShs '000	Available for sale reserve KShs '000	Revenue reserves KShs '000	Proposed dividends KShs '000	Total KShs '000	Non-controlling interest KShs '000	Total equity KShs '000
<b>Balance at 1 January 2014</b>	<b>136,975</b>	<b>379,717</b>	<b>932,787</b>	<b>112,139</b>	<b>240,187</b>	<b>3,286,015</b>	<b>109,580</b>	<b>5,197,400</b>	<b>2,888,986</b>	<b>8,086,386</b>
<b>Total comprehensive income for the year net of tax</b>										
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)
<b>Transactions with owners of the company</b>										
<b>Contributions and distributions</b>										
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)
<b>Balance at 31 December 2014</b>	<b>140,142</b>	<b>565,101</b>	<b>994,385</b>	<b>249,935</b>	<b>330,813</b>	<b>1,278,346</b>	<b>-</b>	<b>3,558,722</b>	<b>2,536,003</b>	<b>6,094,725</b>
<b>Total comprehensive income for the year net of tax</b>										
Net profit after tax	-	-	-	-	-	(1,988,223)	-	(1,988,223)	(434,351)	(2,422,574)
Other comprehensive income										
Revaluation of property, plant and equipment net of deferred tax	-	-	789,213	-	-	-	-	789,213	745,397	1,534,610
Transfer to deferred asset	-	-	(236,764)	-	-	-	-	(236,764)	(223,620)	(460,384)
<b>Exchange adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,147,338)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,147,338)</b>	<b>3,505</b>	<b>(1,143,833)</b>
Net change in fairvalue of available-for-sale financial assets	-	-	-	-	(16,746)	-	-	(16,746)	-	(16,746)
Transfer from translation reserve	-	-	-	93,749	-	(93,749)	-	-	-	-
Transfer from revaluation reserve	-	-	(8,440)	7,680	-	760	-	-	-	-
Transfer to/ from NCI	-	-	-	6,073	-	499,356	-	505,429	(505,429)	-
Total other comprehensive income	-	-	544,009	(1,039,836)	(16,746)	406,367	-	(106,206)	19,853	(86,353)
Total comprehensive income	-	-	544,009	(1,039,836)	(16,746)	(1,581,856)	-	(2,094,429)	(414,498)	(2,508,927)
<b>Transactions with owners of the company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contributions and distributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Dividend paid/Transferred to divided payable	-	-	-	-	-	-	-	-	(40,028)	(40,028)
Proposed dividends	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of the company	-	-	-	-	-	-	-	-	(40,028)	(40,028)
<b>Balance at 31 December 2015</b>	<b>140,142</b>	<b>565,101</b>	<b>1,538,394</b>	<b>(789,901)</b>	<b>314,067</b>	<b>(303,510)</b>	<b>-</b>	<b>1,464,293</b>	<b>2,081,477</b>	<b>3,545,770</b>

The financial statements were approved by the Board of Directors on 29<sup>th</sup> April 2016 and were signed on its behalf by:  
**Mr. Z.G. Mbugua - Chairman**  
**Mr. P.T. Kanyago - Director**

The above results are extracted from the consolidated accounts of TransCentury Limited for the year ended 31<sup>st</sup> December 2015, as audited by KPMG Kenya Certified Public Accountants and on which an unqualified opinion has been given.