

INTERIM STATEMENT TO SHAREHOLDERS GROUP UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

Consolidated Statement of Profit or Loss for the six months ended 30 June 2017

	30-Jun-17 KShs'000	30-Jun-16 KShs'000
Turnover	2,993,560	4,139,670
Loss from operations	(594,958)	(241,727)
Net other income	18,019	2,000,094
Depreciation and amortisation	(330,215)	(365,209)
Net finance costs	(368,331)	(202,106)
(Loss)/profit before income tax	(1,275,485)	1,191,052
Income tax credit	235,153	122,798
(Loss)/profit for the period	(1,040,332)	1,313,850
(Loss)/profit from operations attributable to:		
Equity holders of parent company	(944,762)	1,394,132
Non-controlling interest	(95,570)	(80,282)
(Loss)/profit for the period	(1,040,332)	1,313,850
Basic and diluted earnings per share	(2.88)	4.97

Consolidated Statement of Cash flows for the six months ended 30 June 2017

	30-Jun-17 KShs'000	31-Dec-16 KShs'000
Cash (used in) / generated from operations	(85,955)	820,923
Income taxes paid	(9,871)	(153,872)
Cash (used in) / generated from operating activities	(95,826)	667,051
Cash used in investing activities	(15,463)	(491,428)
Cash generated from financing activities	29,998	30,973
(Decrease)/increase in cash and cash equivalents	(81,291)	206,596
Cash and cash equivalent at 1 January	(196,115)	(402,711)
Cash and cash equivalents at	(277,406)	(196,115)

Consolidated Statement of Financial Position as at 30 June 2017

	30-Jun-17 KShs'000	31-Dec-16 KShs'000
Assets		
Non-current assets	12,998,259	13,189,323
Current assets	5,178,233	5,722,229
Total assets	18,176,492	18,911,552
Equity and liabilities		
Share capital	187,601	140,713
Reserves	969,598	885,783
Non-controlling interest	1,253,021	1,472,284
Convertible loan	-	1,331,086
Non-current liabilities	3,409,343	3,719,601
Current liabilities	12,356,929	11,362,085
Total equity and liabilities	18,176,492	18,911,552

Consolidated Statement of Changes in Equity for the six months ended 30 June 2017

	30-Jun-17 KShs'000	31-Dec-16 KShs'000
Share capital	187,601	140,713
Share premium	1,873,089	621,177
Revenue reserves	(2,694,137)	(1,499,203)
Translation reserve	(50,504)	(77,341)
Available for sale reserve	142,303	142,303
Revaluation reserve	1,698,847	1,698,847
Total equity attributable to equity holders of company	1,157,199	1,026,496
Non-controlling interest	1,253,021	1,472,284
Convertible loan	-	1,331,086
Total equity	2,410,220	3,829,866

RESULTS

TransCentury Limited ("TCL" or the "Group") announces its financial results for the six months period ended 30 June 2017. The Group recorded a decline in revenue by 28% compared to the same period last year and a loss after tax of KShs 1.04 billion. The Group's performance in H1 of the year was affected by the lingering effects of constrained access to credit lines in 2016 which slowed our project acquisition for most of 2016 that would have come into execution in H1. This led to comparably lower volumes as execution of projects won in Q4 of 2016 would start in H2 of 2017.

KEY DEVELOPMENT

During the period, the Group made significant strides in implementing a 'best-in-class' corporate governance structure creating a sustainable base for growth.

DIVIDEND

The Board of Directors does not recommend payment of an interim dividend.

OUTLOOK

The Group remains strongly anchored on its competitive advantage that includes; unrivaled capacity in the Power Division and a strong pipeline of projects in the Engineering Division. Demand from our markets remains strong and we are keenly focused on growing our order book as well as ongoing work on restructuring to further adjust our cost structure. To mitigate the funding challenge outlined, the Group's Power division continued to focus on self-funding lines of the business currently with an order book in excess of KShs 4 billion diversified across East Africa and whose execution is ongoing. On the other hand, the Engineering Division ramped up execution on its existing order book whose revenues are projected to start coming through in the 3rd and 4th quarter of 2017 into 2018.

An area of priority for the Group remains restructuring of the balance sheet to improve the capital structure and towards this end, the Board has initiated a review of various funding alternatives to support business funding requirements and maximize shareholder value.

By Order of the Board
Virginia Ndunge, Company Secretary
Nairobi
30 August 2017