

**FOCOL HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF JANUARY 31, 2016**

|   | 31-Jan-16          | 31-Jan-15          | 31-Jul-15          |
|---|--------------------|--------------------|--------------------|
| <b>ASSETS</b>                               |                    |                    |                    |
| <b>CURRENT ASSETS:</b>                      |                    |                    |                    |
| Cash and cash equivalents                   | 32,144,174         | 18,463,350         | 19,391,474         |
| Accounts receivable, net                    | 29,842,258         | 37,414,472         | 22,280,997         |
| Inventories                                 | 21,920,457         | 25,442,943         | 17,048,224         |
| Investments                                 | 310,500            | 255,000            | 262,500            |
| Prepaid expenses and sundry assets          | 490,177            | 1,884,556          | 3,693,767          |
| Total current assets                        | 84,707,566         | 83,460,321         | 62,676,962         |
| <b>NON-CURRENT ASSETS:</b>                  |                    |                    |                    |
| Property, plant and equipment, net          | 82,056,432         | 80,274,412         | 80,913,559         |
| Goodwill and intangible assets              | 14,355,711         | 14,938,568         | 14,355,711         |
| Investment in associate                     | 11,776,479         | 10,435,328         | 11,028,807         |
| Due from associate                          | 79,013             | 94,809             | 55,070             |
| Total non-current assets                    | 108,267,635        | 105,743,117        | 106,353,147        |
| <b>TOTAL ASSETS</b>                         | <b>192,975,201</b> | <b>189,203,438</b> | <b>169,030,109</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |                    |                    |                    |
| <b>CURRENT LIABILITIES:</b>                 |                    |                    |                    |
| Bank overdraft                              | -                  | 6,715,888          | 5,700              |
| Accounts payable and accrued liabilities    | 37,044,183         | 40,891,510         | 20,369,373         |
| Dividends payable                           | 1,694,658          | 1,701,444          | 1,699,689          |
| Current portion of long-term debt           | 2,587,263          | 391,669            | 1,665,338          |
| Total current liabilities                   | 41,326,104         | 49,700,511         | 23,740,100         |
| <b>NON-CURRENT LIABILITIES:</b>             |                    |                    |                    |
| Due to associate                            | -                  | -                  | 285,340            |
| Long term debt                              | 13,573,703         | 11,628,299         | 11,996,707         |
| Total non-current liabilities               | 13,573,703         | 11,628,299         | 12,282,047         |
| <b>SHAREHOLDERS' EQUITY:</b>                |                    |                    |                    |
| Share capital                               | 84,733             | 85,072             | 84,943             |
| Preference shares                           | 500,000            | 500,000            | 500,000            |
| Contributed capital                         | 53,913,353         | 54,729,450         | 54,444,542         |
| Revaluation surplus                         | 1,168,339          | 1,194,689          | 1,168,339          |
| Retained earnings                           | 82,408,969         | 71,365,417         | 76,810,138         |
| Total equity                                | 138,075,394        | 127,874,628        | 133,007,962        |
| <b>TOTAL LIABILITIES AND EQUITY</b>         | <b>192,975,201</b> | <b>189,203,438</b> | <b>169,030,109</b> |

**FOCOL HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**SIX MONTHS ENDED JANUARY 31, 2016**

|  | 31-Jan-16         | 31-Jan-15        | 31-Jul-15         |
|--|-------------------|------------------|-------------------|
| REVENUES                                       | 137,589,271       | 181,864,385      | 344,841,231       |
| COST OF SALES                                  | (99,466,546)      | (148,238,411)    | (273,450,560)     |
| Gross profit                                   | 38,122,725        | 33,625,974       | 71,390,671        |
| Equity income                                  | 747,672           | 567,697          | 1,209,377         |
| Other income                                   | 9,335             | 9,716            | 20,827            |
| Marketing, administrative and general expenses | (23,058,175)      | (22,295,061)     | (46,166,590)      |
| Depreciation and amortization                  | (2,491,053)       | (2,236,852)      | (5,060,279)       |
| Finance costs                                  | (426,558)         | (386,185)        | (844,182)         |
| Unrealized gain (loss) on investments          | 48,000            | -                | 7,500             |
| <b>NET AND COMPREHENSIVE INCOME</b>            | <b>12,951,946</b> | <b>9,285,289</b> | <b>20,557,324</b> |
| Earnings per share                             | 0.33              | 0.22             | 0.51              |

**FOCOL HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**SIX MONTHS ENDED JANUARY 31, 2016**

|   | 31-Jan-16         | 31-Jan-15         | 31-Jul-15         |
|---|-------------------|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                    |                   |                   |                   |
| Net income  | 12,951,946        | 9,285,289         | 20,557,324        |
| Adjustments for:  |                   |                   |                   |
| Depreciation  | 2,491,053         | 2,236,852         | 5,060,279         |
| Equity income from associate                                    | (747,672)         | (567,697)         | (1,209,377)       |
| Unrealized (gain) loss on investments                           | (48,000)          | -                 | (7,500)           |
| Loss (gain) on disposals of property, plant and equipment       | -                 | -                 | 134,825           |
| Income from operations before working capital changes           | 14,647,327        | 10,954,444        | 24,535,551        |
| (Increase) Decrease in accounts receivable, net                 | (7,518,770)       | (12,818,986)      | 2,166,461         |
| Decrease (Increase) in prepaid expenses and deposits            | 3,203,590         | 2,049,444         | 173,987           |
| (Increase) Decrease in inventories                              | (4,872,233)       | 11,826,662        | 20,221,381        |
| Increase (Decrease) in accounts payable and accrued expenses    | 16,674,810        | 766,097           | (17,829,707)      |
| Increase (Decrease) in dividends payable                        | (5,031)           | -                 | -                 |
| Net cash from operating activities                              | 22,129,693        | 12,777,661        | 29,267,673        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                    |                   |                   |                   |
| Capital contributed to associate                                | -                 | (2,550,000)       | (2,550,000)       |
| (Increase) Decrease in due from associate                       | (23,943)          | (23,270)          | 16,469            |
| (Increase) Decrease in notes receivable                         | -                 | 23,013            | 23,013            |
| Increase (Decrease) in due to associate                         | (285,340)         | -                 | 285,340           |
| Purchase of property, plant and equipment                       | (3,633,926)       | (4,540,335)       | (10,048,015)      |
| Net cash used in investing activities                           | (3,943,209)       | (7,090,592)       | (12,273,193)      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                    |                   |                   |                   |
| Repurchase of ordinary shares                                   | (531,400)         | -                 | (285,037)         |
| Common share dividends paid                                     | (5,770,605)       | (4,083,465)       | (7,484,604)       |
| Repayment of long-term debt                                     | (501,079)         | (186,391)         | (2,544,314)       |
| Increase in long-term debt                                      | 3,000,000         | 8,000,000         | 12,000,000        |
| Preference dividends  | (1,625,000)       | (1,625,000)       | (3,250,000)       |
| Net cash used in financing activities                           | (5,428,084)       | 2,105,144         | (1,563,955)       |
| <b>NET DECREASE IN CASH</b>                                     | <b>12,758,400</b> | <b>7,792,213</b>  | <b>15,430,525</b> |
| <b>CASH, BEGINNING OF YEAR</b>                                  | <b>19,385,774</b> | <b>3,955,249</b>  | <b>3,955,249</b>  |
| <b>CASH, END OF YEAR</b>  | <b>32,144,174</b> | <b>11,747,462</b> | <b>19,385,774</b> |
| <b>CASH AND CASH EQUIVALENTS IS COMPRISED OF THE FOLLOWING:</b> |                   |                   |                   |
| Cash and bank balances  | 32,144,174        | 18,463,350        | 19,391,474        |
| Bank overdraft  | -                 | (6,715,888)       | (5,700)           |
|   | <b>32,144,174</b> | <b>11,747,462</b> | <b>19,385,774</b> |
| <b>SUPPLEMENTAL INFORMATION :</b>                               |                   |                   |                   |
| Interest paid on bank overdraft and loans                       | 426,558           | 388,185           | 844,182           |
| Interest received   | 3,335             | 3,716             | 20,827            |
| Dividends received  | 6,000             | 6,000             | -                 |