

FOCOL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF OCTOBER 31, 2013**

| | 31-Oct-13 | 31-Oct-12 | 31-Jul-13 |
|--|---------------------------|---------------------------|---------------------------|
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | 15,160,002 | 23,579,528 | 17,666,637 |
| Accounts receivable, net | 20,230,095 | 21,854,802 | 23,092,939 |
| Note receivable | 120,846 | 35,514 | 150,187 |
| Inventories | 33,187,926 | 29,925,992 | 35,790,884 |
| Investments | 274,000 | 324,500 | 275,000 |
| Prepaid expenses and sundry assets | 2,907,596 | 2,734,083 | 3,210,402 |
| Total current assets | <u>71,880,465</u> | <u>78,454,419</u> | <u>80,186,049</u> |
| NON-CURRENT ASSETS: | | | |
| Property, plant and equipment, net | 84,526,726 | 77,405,691 | 84,450,013 |
| Intangible assets | 15,771,901 | 12,655,020 | 15,771,901 |
| Total non-current assets | <u>100,298,627</u> | <u>90,060,711</u> | <u>100,221,914</u> |
| TOTAL ASSETS | <u><u>172,179,092</u></u> | <u><u>168,515,130</u></u> | <u><u>180,407,963</u></u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| CURRENT LIABILITIES: | | | |
| Accounts payable and accrued liabilities | 30,853,895 | 39,598,387 | 40,750,964 |
| Dividends payable | 2,382,027 | - | 1,701,449 |
| Current portion of long-term debt | 362,760 | - | 357,225 |
| Bank overdraft | 5,758,916 | 4,339,325 | 4,825,829 |
| NON-CURRENT LIABILITIES: | <u>39,357,598</u> | <u>43,937,712</u> | <u>47,635,467</u> |
| Long term debt | <u>4,113,870</u> | <u>-</u> | <u>4,206,355</u> |
| Total liabilities | <u>43,471,468</u> | <u>43,937,712</u> | <u>51,841,822</u> |
| SHAREHOLDERS' EQUITY: | | | |
| Share capital | 85,072 | 85,072 | 85,072 |
| Preference shares | 500,000 | 500,000 | 500,000 |
| Contributed capital | 54,729,450 | 54,729,450 | 54,729,450 |
| Revaluation surplus | 1,221,039 | 1,247,389 | 1,221,039 |
| Retained earnings | 67,707,763 | 62,629,925 | 67,740,186 |
| Equity attributable to shareholders of the company | <u>124,243,324</u> | <u>119,191,836</u> | <u>124,275,747</u> |
| NON-CONTROLLING INTEREST | <u>4,464,300</u> | <u>5,385,582</u> | <u>4,290,394</u> |
| Total equity | <u>128,707,624</u> | <u>124,577,418</u> | <u>128,566,141</u> |
| TOTAL LIABILITIES AND EQUITY | <u><u>172,179,092</u></u> | <u><u>168,515,130</u></u> | <u><u>180,407,963</u></u> |

FOCOL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
THREE MONTHS ENDED OCTOBER 31, 2013**

| | 31-Oct-13 | 31-Oct-12 | 31-Jul-13 |
|--|---------------------|---------------------|----------------------|
| REVENUES | 90,286,816 | 91,007,599 | 379,858,165 |
| COST OF SALES | <u>(77,116,247)</u> | <u>(78,432,265)</u> | <u>(324,204,795)</u> |
| Gross profit | 13,170,569 | 12,575,334 | 55,653,370 |
| Other income | 2,113 | 2,038 | 10,759 |
| Marketing, administrative and general expenses | (9,019,649) | (8,130,393) | (35,039,122) |
| Depreciation and amortization | (996,907) | (974,358) | (3,366,213) |
| Finance costs | (144,135) | (59,979) | (301,231) |
| Unrealized gain (loss) on investments | <u>(1,000)</u> | <u>(36,500)</u> | <u>(86,000)</u> |
| NET AND COMPREHENSIVE INCOME | 3,010,991 | 3,376,142 | 16,871,563 |
| | | | |
| NET INCOME ATTRIBUTABLE TO: | | | |
| Shareholders of the company | 2,837,086 | 3,208,862 | 16,199,536 |
| Non-controlling interest | <u>173,905</u> | <u>167,279</u> | <u>672,027</u> |
| | <u>3,010,991</u> | <u>3,376,141</u> | <u>16,871,563</u> |
| | | | |
| EARNINGS PER SHARE | <u>0.07</u> | <u>0.08</u> | <u>0.38</u> |

FOCOL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
THREE MONTHS ENDED OCTOBER 31, 2013**

| | 31-Oct-13 | 31-Oct-12 | 31-Jul-13 |
|---|-------------------------|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net income | 3,010,991 | 3,376,142 | 16,871,563 |
| Adjustments for: | | | |
| Depreciation | 996,907 | 974,358 | 3,366,213 |
| Unrealized (gain) loss on investments | 1,000 | 36,500 | 86,000 |
| Loss (gain) on disposals of property, plant and equipment | - | - | 46,563 |
| Income from operations before working capital changes | 4,008,898 | 4,387,000 | 20,370,339 |
| (Increase) Decrease in accounts receivable, net | 2,862,857 | 1,948,026 | (1,787,984) |
| Decrease (Increase) in prepaid expenses and deposits | 302,806 | 237,936 | (251,325) |
| (Increase) Decrease in inventories | 2,602,958 | (158,418) | (5,982,377) |
| Increase (Decrease) in accounts payable and accrued expenses | (9,897,069) | (696,703) | 2,896,529 |
| Increase (Decrease) in dividends payable | 680,578 | (1,701,444) | - |
| Net cash from operating activities | <u>561,028</u> | <u>4,016,397</u> | <u>15,245,182</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Net cash inflow on acquisition of subsidiaries | - | - | (1,205,716) |
| (Increase) Decrease in notes receivable | 29,341 | - | (545,148) |
| Purchase of property, plant and equipment | (1,073,620) | (1,970,073) | (8,312,451) |
| Net cash used in investing activities | <u>(1,044,279)</u> | <u>(1,970,073)</u> | <u>(10,063,315)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Common share dividends paid | (2,382,021) | (2,382,021) | (9,086,370) |
| Repayment of long-term debt | (86,950) | - | (68,089) |
| Preference dividends | (487,500) | (487,500) | (3,250,000) |
| Net cash used in financing activities | <u>(2,956,471)</u> | <u>(2,869,521)</u> | <u>(12,404,459)</u> |
| NET DECREASE IN CASH | (3,439,722) | (823,197) | (7,222,592) |
| CASH, BEGINNING OF YEAR | 12,840,808 | 20,063,400 | 20,063,400 |
| CASH, END OF YEAR | <u>9,401,086</u> | <u>19,240,203</u> | <u>12,840,808</u> |
| CASH AND CASH EQUIVALENTS IS COMPRISED OF THE FOLLOWING: | | | |
| Cash and bank balances | 15,160,002 | 23,579,528 | 17,666,637 |
| Bank overdraft | (5,758,916) | (4,339,325) | (4,825,829) |
| | <u>9,401,086</u> | <u>19,240,203</u> | <u>12,840,808</u> |
| SUPPLEMENTAL INFORMATION : | | | |
| Interest paid on bank overdraft and loans | 144,135 | 59,979 | 301,231 |
| Interest received | 2,113 | 2,038 | 10,759 |
| Dividends received | - | - | - |