



INTERIM REPORT

**(SIX MONTHS)
30 JUNE 2016**



INTERIM REPORT TO OUR SHAREHOLDERS

The Directors are pleased to present the unaudited results of the Group for the six months ended June 30, 2016. The Group achieved revenue for the period of J\$44.1 billion, representing an increase of 12.3% or J\$4.8 billion over the corresponding period of 2015. Net profit attributable to the stockholders of the Company for the period was 90.1% or J\$1.2 billion higher than that of the corresponding period of 2015. As reported in the first quarter, a non-recurring gain was realised on the dissolution of some non-operating subsidiaries. Without this gain net profit attributable to the stockholders of the Company would have increased by 57.3% or J\$740.7 million reflecting strong operating performance in our Food Trading, Money Services and Insurance segments. Year to date profit from continuing operations increased by J\$1.3 billion or 89.8% compared with the corresponding period of 2015, moving from J\$1.4 billion to J\$2.7 billion. The earnings per stock unit from continuing operations as at June 30, 2016 was J\$7.45 (Q2 2015: J\$3.75). Shareholders' equity increased by J\$2.7 billion over the six month period to J\$40.8 billion, which resulted in a book value per stock unit of J\$123.49. The stock price has increased by approximately 51% since the start of the year following the Group's first quarter results that showed strong profit growth over prior year.

The Food Trading segment showed an increase in revenue and profitability due to the strong performance of our domestic food companies and improvements in our international food distribution businesses.

GraceKennedy Foods (USA) LLC, our distribution company in the United States, continues to make significant strides in the integration of the acquired business showing growth in revenue over prior year. The company will continue to optimize the cost profile of the business, while re-investing in its brands and focusing on channel expansion to support the growth objectives of the Caribbean and Hispanic customer segments.

Grace Foods UK continues to grow profit and was awarded three significant awards from the Hertfordshire Chamber of Commerce (part of the UK Chamber of Commerce). The company received the Overall Business of the Year Award and awards for Excellence in People Development and Medium to Large Business of the Year.

In Jamaica, the second phase of the consumer campaign "Live the Dream" was launched as we continue to reenergize the "Grace" brand and engage and reward our loyal customers. Given the impact of the depreciation of the Jamaican dollar the company is focusing on improving efficiency through focused margin management and the implementation of cost saving initiatives.

Our Hi-Lo supermarket chain in Jamaica opened its newest location in Liguanea, St. Andrew on June 24, 2016. The feedback from customers has been overwhelmingly positive. The integrated retail approach that is being implemented at this location by having First Global Bank (FGB), GraceKennedy Money Services and Hi-Lo in this one stop center will make shopping for goods and services more convenient for our customers and will increase the opportunity for us to cross sell our products to different segments of the market.

Dairy Industries Jamaica Limited, our Jamaican Manufacturing Company that produces the popular "Tastee" cheese and "This Is Really Great Yogurt" experienced increased sales volumes in both the Jamaican and export markets. This, coupled with lower raw material prices, resulted in the company showing a significant increase in profit over prior year.

During the quarter FGB enhanced its online platform to allow customers to initiate the account opening process online making the process easier and quicker. The FGB banking app that was launched late last year has received good response from our customers. GK Capital Management served as lead negotiator on behalf of the purchaser of Petroleum Company of Jamaica Limited (Petcom) in a transaction valued at J\$2.3 billion.

The Insurance segment reported higher revenue and profits for the quarter. The improved performance of the segment was mainly attributable to the growth in general commission income at Allied Insurance Brokers.

GraceKennedy Money Services' pilot for the new Mobile Money product has progressed well and the Company is awaiting regulatory approval to officially launch the product. In June, GraceKennedy engaged the Caribbean Diaspora in Atlanta, London and Birmingham through the staging of the fifth annual GraceKennedy Money Services/Western Union Town Hall Meetings. The keynote speakers for this year's meetings were former Prime Ministers of Jamaica the Honourable Bruce Golding and the Most Honourable P.J. Patterson. At these meetings we engage with our customers and encourage discussions about issues that are critical to their home countries.

In keeping with our commitment to nation building, GraceKennedy launched its third Annual GraceKennedy Heather Little-White Household Worker Awards on May 6, 2016. The role of household workers and their contribution to national development was celebrated at an annual ceremony held on June 30 at the Terra Nova All-Suite Hotel.

The GraceKennedy Education Run was held on July 10, 2016. Over 3,000 persons registered for the event allowing Grace & Staff Foundation to raise J\$5 million to support their various educational initiatives.

On July 11, 2016, stockholders of GraceKennedy Ltd. approved a three for one stock split effective August 11, 2016 at an extraordinary general meeting. The splitting of the stock will make it more accessible to investors, resulting in increased liquidity in trading which should allow the stock price to move closer to its fair value.

On behalf of the board we would like to thank all of our employees for their continued effort as we transform GraceKennedy into a Global Consumer Group. Finally, let us express our thanks to our stockholders for their continued confidence in our Company. The board and management of GraceKennedy are optimistic that we will execute on the company's strategic plan for 2016 and beyond. We remain committed to our core values of Honesty, Integrity and Trust.



Gordon V. Shirley
Chairman
July 29, 2016



Donald G. Wehby
Group Chief Executive Officer

GraceKennedy Limited

CONSOLIDATED INCOME STATEMENT

SIX MONTHS ENDED 30 JUNE 2016

(Unaudited)

	3 months to 6/30/2016 \$'000	6 months to 6/30/2016 \$'000	3 months to 6/30/2015 \$'000	6 months to 6/30/2015 \$'000
Continuing operations:				
Revenue	21,989,334	44,119,705	19,911,907	39,273,167
Expenses	(21,012,601)	(42,137,571)	(19,258,381)	(38,111,992)
	976,733	1,982,134	653,526	1,161,175
Other income (Note 4)	544,127	1,535,729	396,811	712,526
Profit from Operations	1,520,860	3,517,863	1,050,337	1,873,701
Interest income – non-financial services	92,445	182,212	86,220	169,131
Interest expense – non-financial services	(168,478)	(350,604)	(158,584)	(334,148)
Share of results of associated companies	49,789	300,862	10,017	176,132
Profit before Taxation	1,494,616	3,650,333	987,990	1,884,816
Taxation	(388,601)	(949,087)	(202,079)	(461,780)
Net Profit for the period from continuing operations	1,106,015	2,701,246	785,911	1,423,036
Discontinued operations:				
Profit for the period from discontinued operations	-	-	25,458	90,914
Net Profit for the period	1,106,015	2,701,246	811,369	1,513,950
Profit attributable to:				
Owners of GraceKennedy Limited	965,146	2,456,169	702,778	1,291,963
Non-controlling interests	140,869	245,077	108,591	221,987
	1,106,015	2,701,246	811,369	1,513,950

Earnings per Stock Unit from continuing and discontinued operations attributable to the owners of the company during the period (expressed in \$ per stock unit)

Basic:

From continuing operations	\$2.93	\$7.45	\$2.09	\$3.75
From discontinued operations	\$0.00	\$0.00	\$0.04	\$0.16
From profit for the period	\$2.93	\$7.45	\$2.13	\$3.91

Diluted:

From continuing operations	\$2.92	\$7.42	\$2.08	\$3.74
From discontinued operations	\$0.00	\$0.00	\$0.04	\$0.16
From profit for the period	\$2.92	\$7.42	\$2.12	\$3.90

GraceKennedy Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SIX MONTHS ENDED 30 JUNE 2016

(Unaudited)

	3 months to 6/30/2016 \$'000	6 months to 6/30/2016 \$'000	3 months to 6/30/2015 \$'000	6 months to 6/30/2015 \$'000
Profit for the period	1,106,015	2,701,246	811,369	1,513,950
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss:</i>				
Losses on revaluation of land and buildings	-	-	-	(17,887)
Remeasurements of post-employment benefit obligations	638,086	603,864	179,853	(485,394)
	638,086	603,864	179,853	(503,281)
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Foreign currency translation adjustments	191,315	(282,122)	225,427	129,284
Fair value gains	195,842	258,229	26,921	140,764
Share of other comprehensive income of associated companies	30,832	69,656	44,976	33,486
	417,989	45,763	297,324	303,534
Other comprehensive income for the period, net of tax	1,056,075	649,627	477,177	(199,747)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,162,090	3,350,873	1,288,546	1,314,203
Total comprehensive income attributable to:				
Owners of GraceKennedy Limited	2,006,640	3,090,290	1,173,005	1,087,199
Non-controlling interests	155,450	260,583	115,541	227,004
	2,162,090	3,350,873	1,288,546	1,314,203
Total comprehensive income attributable to owners of GraceKennedy Limited arises from:				
Continuing operations	2,006,640	3,090,290	1,158,214	1,038,924
Discontinued operations	-	-	14,791	48,275
	2,006,640	3,090,290	1,173,005	1,087,199

GraceKennedy Limited

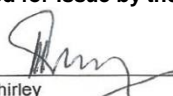
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2016

(Unaudited)

	June 30 2016 \$'000	December 31 2015 \$'000	June 30 2015 \$'000
ASSETS			
Cash and deposits	11,422,324	9,901,417	8,404,300
Investment securities	25,810,528	21,760,103	23,555,449
Pledged assets	10,411,485	11,107,139	6,811,120
Receivables	14,556,504	11,578,568	12,785,816
Inventories	10,180,190	10,041,196	9,050,943
Loans receivable	24,029,434	22,595,591	19,394,984
Taxation recoverable	461,959	579,836	667,798
Investments in associates	1,757,598	1,492,080	1,411,224
Investment properties	572,172	532,000	485,193
Intangible assets	4,039,750	4,176,644	4,155,043
Fixed assets	9,356,618	8,544,393	8,110,644
Deferred tax assets	1,112,271	1,019,904	1,018,660
Pension plan asset	6,023,357	5,364,583	4,834,208
Assets of disposal group classified as held for sale	-	-	3,287,386
Total Assets	119,734,190	108,693,454	103,972,768
LIABILITIES			
Deposits	29,500,858	24,258,437	22,061,626
Securities sold under agreements to repurchase	8,090,580	8,641,978	6,237,118
Bank and other loans	13,321,689	13,936,107	12,445,463
Payables	20,498,222	17,216,263	17,644,860
Taxation	535,289	311,600	257,401
Provisions	-	-	6,221
Deferred tax liabilities	1,389,125	1,107,574	1,094,187
Other post-employment obligations	4,038,121	3,848,433	3,133,090
Liabilities of disposal group classified as held for sale	-	-	1,799,570
Total Liabilities	77,373,884	69,320,392	64,679,536
EQUITY			
Capital & reserves attributable to the company's owners			
Share capital	479,560	567,789	570,613
Capital and fair value reserves	5,461,222	5,132,759	5,218,992
Retained earnings	28,400,844	25,971,707	25,695,599
Banking reserves	2,697,200	2,588,019	2,131,191
Other reserves	3,735,276	3,787,167	3,737,962
	40,774,102	38,047,441	37,354,357
Non-Controlling Interests	1,586,204	1,325,621	1,938,875
Total Equity	42,360,306	39,373,062	39,293,232
Total Equity and Liabilities	119,734,190	108,693,454	103,972,768

Approved for issue by the Board of Directors on 29 July 2016 and signed on its behalf by:


Gordon Shirley

Chairman


Donald Wehby

Group Chief Executive Officer

GraceKennedy Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SIX MONTHS ENDED 30 JUNE 2016

(Unaudited)

	Attributable to owners of the company							Non-controlling interests	Total Equity
	No. of Shares '000	Share Capital \$'000	Capital and Fair Value Reserve \$'000	Retained Earnings \$'000	Banking Reserves \$'000	Other Reserves \$'000	Total \$'000		
Balance at 1 January 2015	330,974	588,533	5,185,628	25,092,735	2,083,726	3,582,479	36,533,101	1,711,871	38,244,972
Profit for the period	-	-	-	1,291,963	-	-	1,291,963	221,987	1,513,950
Other comprehensive income for the period	-	-	125,147	(485,394)	-	155,483	(204,764)	5,017	(199,747)
Total comprehensive income for the period	-	-	125,147	806,569	-	155,483	1,087,199	227,004	1,314,203
Transactions with owners:									
Issue of shares	17	879	-	-	-	-	879	-	879
Repurchase of shares	(295)	(18,799)	-	-	-	-	(18,799)	-	(18,799)
Dividends paid	-	-	-	(248,023)	-	-	(248,023)	-	(248,023)
Total transactions with owners	(278)	(17,920)	-	(248,023)	-	-	(265,943)	-	(265,943)
Transfers between reserves:									
From capital reserves	-	-	(91,783)	91,783	-	-	-	-	-
To banking reserves	-	-	-	(47,465)	47,465	-	-	-	-
Balance at 30 June 2015	330,696	570,613	5,218,992	25,695,599	2,131,191	3,737,962	37,354,357	1,938,875	39,293,232
Balance at 1 January 2016									
Balance at 1 January 2016	330,640	567,789	5,132,759	25,971,707	2,588,019	3,787,167	38,047,441	1,325,621	39,373,062
Profit for the period	-	-	-	2,456,169	-	-	2,456,169	245,077	2,701,246
Other comprehensive income for the period	-	-	258,961	603,864	-	(228,704)	634,121	15,506	649,627
Total comprehensive income for the period	-	-	258,961	3,060,033	-	(228,704)	3,090,290	260,583	3,350,873
Transactions with owners:									
Issue of shares	632	35,059	-	-	-	-	35,059	-	35,059
Purchase of treasury shares	(1,414)	(154,602)	-	-	-	-	(154,602)	-	(154,602)
Employee share option scheme	-	-	-	-	-	13,524	13,524	-	13,524
Transfer of treasury shares to employees	312	31,314	7,663	-	-	(38,977)	-	-	-
Dividends paid	-	-	-	(257,610)	-	-	(257,610)	-	(257,610)
Total transactions with owners	(470)	(88,229)	7,663	(257,610)	-	(25,453)	(363,629)	-	(363,629)
Transfers between reserves:									
To capital reserves	-	-	61,839	(61,839)	-	-	-	-	-
To banking reserves	-	-	-	(109,181)	109,181	-	-	-	-
To other reserves	-	-	-	(202,266)	-	202,266	-	-	-
Balance at 30 June 2016	330,170	479,560	5,461,222	28,400,844	2,697,200	3,735,276	40,774,102	1,586,204	42,360,306

GraceKennedy Limited

CONSOLIDATED STATEMENT OF CASH FLOWS

SIX MONTHS ENDED 30 JUNE 2016

(Unaudited)

	6/30/2016 \$'000	6/30/2015 \$'000
SOURCES/(USES) OF CASH:		
Operating Activities (Note 3)	5,656,499	(1,448,673)
Financing Activities		
Loans received	2,324,471	7,387,202
Loans repaid	(1,687,210)	(5,827,377)
Repurchase of shares	-	(18,799)
Purchase of treasury shares	(154,602)	-
Issue of shares	35,059	879
Interest paid – non financial services	(358,508)	(356,588)
Dividends	(257,610)	(248,023)
	(98,400)	937,294
Investing Activities		
Additions to fixed assets	(1,214,056)	(553,283)
Proceeds from disposal of fixed assets	20,254	69,786
Additions to investment properties	(40,172)	(1,193)
Additions to investments	(2,734,976)	(1,450,517)
Proceeds from sale of investments	1,080,789	1,629,348
Additions to intangibles	(86,886)	(229,832)
Interest received – non financial services	184,217	168,163
	(2,790,830)	(367,528)
Increase/(decrease) in cash and cash equivalents	2,767,269	(878,907)
Cash and cash equivalents at beginning of year	7,074,059	7,909,641
Exchange and translation gains/(losses) on net foreign cash balances	212,244	(32,387)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	10,053,572	6,998,347

GraceKennedy Limited

FINANCIAL INFORMATION BY OPERATING SEGMENT

SIX MONTHS ENDED 30 JUNE 2016

(Unaudited)

6 months to 30 June 2016	Food Trading \$'000	Banking & Investments \$'000	Insurance \$'000	Money Services \$'000	Consolidation Adjustments \$'000	Group \$'000
REVENUE						
External sales	34,621,306	2,762,774	3,059,826	3,675,799	-	44,119,705
Inter-segment sales	141,834	21,120	24,930	-	(187,884)	-
Total Revenue	34,763,140	2,783,894	3,084,756	3,675,799	(187,884)	44,119,705

RESULT						
Operating results	999,810	170,158	363,713	1,420,757	14,839	2,969,277
Unallocated income	-	-	-	-	548,586	548,586
Profit from operations	-	-	-	-	-	3,517,863
Finance income	985	29,315	8,735	10,172	133,005	182,212
Finance expense	(221,122)	(69,998)	(5,014)	(24,121)	(30,349)	(350,604)
Share of associates	253,777	51,387	(4,302)	-	-	300,862
Profit before Taxation	1,033,450	180,862	363,132	1,406,808	666,081	3,650,333
Taxation						(949,087)
Net Profit for the period from continuing operations						2,701,246

Attributable to:

Owners of GraceKennedy Limited	2,456,169
Non-controlling interests	245,077
From continuing operations	2,701,246

6 months to 30 June 2015	Food Trading \$'000	Banking & Investments \$'000	Insurance \$'000	Money Services \$'000	Consolidation Adjustments \$'000	Group \$'000
REVENUE						
External sales	30,956,403	2,394,598	2,782,495	3,139,671	-	39,273,167
Inter-segment sales	123,145	20,876	27,249	-	(171,270)	-
Total Revenue	31,079,548	2,415,474	2,809,744	3,139,671	(171,270)	39,273,167

RESULT						
Operating results	575,256	220,720	197,857	1,055,009	44,619	2,093,461
Unallocated expense	-	-	-	-	(219,760)	(219,760)
Profit from operations	-	-	-	-	-	1,873,701
Finance income	4,846	27,381	7,054	13,379	116,471	169,131
Finance expense	(212,135)	(72,568)	(4,712)	(123)	(44,610)	(334,148)
Share of associates	145,760	39,277	(8,905)	-	-	176,132
Profit before Taxation	513,727	214,810	191,294	1,068,265	(103,280)	1,884,816
Taxation						(461,780)
Net Profit for the period from continuing operations						1,423,036

Attributable to:

Owners of GraceKennedy Limited	1,239,142
Non-controlling interests	183,894
From continuing operations	1,423,036

GraceKennedy Limited

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2016

Notes

1. Accounting Policies

(a) Basis of preparation

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention, as modified by the revaluation of certain fixed and financial assets, investment properties and financial liabilities.

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2015.

These financial statements are presented in Jamaican dollars unless otherwise indicated.

(b) Fixed Assets

All fixed assets are initially recorded at cost. Freehold land and buildings are subsequently shown at market valuation based on biennial valuations by external independent valuers, less subsequent depreciation of buildings. All other fixed assets are carried at cost less accumulated depreciation.

(c) Intangible Assets

Goodwill is recorded at cost and represents the excess of the value of consideration paid over the fair value of the net assets acquired. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Other intangible assets, which include computer software licences, brands, distribution channel agreements and policy contracts are recorded at cost and amortised over their estimated useful lives.

(d) Investment securities

The Group classifies its investments in debt and equity securities into the available-for-sale category. Available-for-sale investments are subsequently re-measured at fair value. Unrealised gains and losses arising from changes in the fair value of these investments are recorded in the Capital and fair value reserve.

(e) Employee benefits

(i) Pension plan assets

The Group operates a defined benefit plan. The scheme is generally funded through payments to a trustee-administered fund as determined by periodic actuarial calculations.

The asset or liability in respect of defined benefit pension plans is the difference between the present value of the defined benefit obligation at the balance sheet date and the fair value of plan assets, together with adjustments for actuarial gains/losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans are charged or credited to income over the average remaining service lives of the related employees.

(ii) Other post-retirement obligations

Some Group companies provide post-retirement health care benefits, group life, gratuity and supplementary plans to their retirees. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans. These obligations are valued annually by independent qualified actuaries.

(iii) Equity compensation benefits

The Group operates an equity-settled, share-based compensation plan. Share options are granted to management and key employees. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of non-market vesting conditions.

(f) Deferred taxation

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

(g) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(h) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within bank and other loans in liabilities on the balance sheet.

(i) Segment reporting

The principal activities of the company, its subsidiaries and its associated companies (the Group) are as follows:

- *Food Trading* – Merchandising of general goods and food products, both locally and internationally; processing and distribution of food products; and operation of a chain of supermarkets.
- *Banking and Investment* – Commercial banking; stock brokerage; corporate finance; advisory services; lease financing; and property rental.
- *Insurance* – General insurance and insurance brokerage.
- *Money Services* – Operation of money transfer services; cambio operations and bill payment services.

The Retail and Trading operations; which merchandises agricultural supplies, home improvement supplies, and hardware and lumber; is a discontinued operation not presented in the segment results and instead shown in Note 2.

2. Disposal Group Held for Sale and Discontinued Operations

On 30 December 2015, the Group disposed of its 58.1% interest in Hardware & Lumber Limited (H&L) which was previously reported under the Retail & Trading operating segment. Prior to the disposal, the assets and liabilities related to H&L were presented as held for sale in the statement of financial position and the results shown as discontinued operations in the income statement.

2. Disposal Group Held for Sale and Discontinued Operations (continued)

The following table summarises the assets and liabilities classified as held for sale:

	30 June 2016 \$'000	30 June 2015 \$'000
Assets of disposal group classified as held for sale		
Cash and deposits	-	163,755
Receivables	-	629,863
Inventories	-	1,683,153
Fixed assets	-	722,633
Other assets	-	87,982
Total assets of the disposal group	-	3,287,386
Liabilities of disposal group classified as held for sale		
Bank and other loans	-	220,000
Payables	-	1,232,767
Other post-employment obligations	-	346,803
Total liabilities of the disposal group	-	1,799,570

Income Statement of discontinued operations is as follows:

	6 months to 6/30/2016 \$'000	6 months to 6/30/2015 \$'000
Revenue	-	3,512,243
Expenses	-	(3,438,638)
Other income	-	15,463
Interest income	-	588
Interest expense	-	(10,492)
Profit before Taxation	-	79,164
Taxation	-	11,750
Net Profit from Discontinued Operations	-	90,914

Cash flows from discontinued operations are as follows:

	6/30/2016 \$'000	6/30/2015 \$'000
Operating cash flows	-	60,140
Investing cash flows	-	(27,856)
Financing cash flows	-	(18,722)

3. Cash Flows from Operating Activities

Reconciliation of net profit to cash generated from operating activities:

	6/30/2016 \$'000	6/30/2015 \$'000
Net profit	2,701,246	1,513,950
Items not affecting cash:		
Depreciation	426,598	392,662
Amortisation	284,516	282,882
Change in value of investments	(2,037)	-
Gain on disposal of fixed assets	(7,671)	(2,447)
Gain on disposal of investments	(606,471)	(14,963)
Share options – value of employee services expensed	13,524	-
Exchange gain on foreign balances	(371,229)	(41,462)
Interest income – non financial services	(182,212)	(169,719)
Interest income – financial services	(2,152,965)	(1,916,034)
Interest expense – non financial services	350,604	344,640
Interest expense – financial services	504,012	408,313
Taxation expense	949,087	450,030
Unremitted equity income in associates	(195,863)	(111,132)
Pension plan surplus	144,138	68,376
Other post-employment obligations	191,928	138,328
	2,047,205	1,343,424
Changes in working capital components:		
Inventories	(138,994)	63,079
Receivables	(2,977,937)	(1,949,537)
Loans receivable, net	(1,423,280)	(1,020,458)
Payables	3,281,961	(175,068)
Deposits	4,495,877	685,638
Securities sold under repurchase agreements	(671,453)	(1,324,501)
	4,613,379	(2,377,423)
Interest received – financial services	2,096,775	1,989,845
Interest paid – financial services	(490,913)	(431,178)
Translation gains	142,458	32,642
Taxation paid	(705,200)	(662,559)
Net cash provided by/(used in) operating activities	5,656,499	(1,448,673)

4. Other Income

Included in other income for 2016 is a gain on the disposal of investments of \$606,471,000. A significant portion of this amount relates to the non-recurring gain realised on the liquidation of certain non-operating subsidiaries.

5. Subsequent Event

On 11 July 2016, at an extraordinary general meeting of the company, the shareholders approved the subdivision of the ordinary shares into three ordinary shares with effect from 11 August 2016. To facilitate this subdivision of shares, the maximum number of shares that the company is authorised to issue was increased from 400,000,000 to 1,200,000,000.