

COMPANY ANNOUNCEMENT

TransCentury PLC (“TC”) would like to inform shareholders, and the public that the company has obtained an injunction in application number HCCOMM/E276/2023, in regard to the notice dated 16th June 2023 issued by Equity Bank to appoint a receiver of the company.

TC has been in active engagement with the lender as recently as a day before the notice was published in the local dailies without any reference to the company on the same. The discussions included a detailed payment plan that was provided to the bank. The company placed reliance on the progress made in the discussions and understood that an amicable agreement was imminent. Therefore, the appointment of the receiver and consequent publishing of the notice in the dailies was contrary to the spirit of the discussions and our long-standing partnership.

This action had the potential of undermining the significant progress the Group has made, however the resilience of our businesses and the teams across the Group ensures we remain on course in our growth journey.

OVERVIEW

TransCentury Group is an iconic Kenyan infrastructure investment company that has built an unmatched platform. The Group has played a leading role in key sectors of our economy including, energy, transports, manufacturing with the largest cable manufacturing plant in the region, East African Cables PLC among others. While the engineering arm of the business has been involved in the construction of iconic infrastructure across the region. TC Group directly employs over 2000 employees and supports a large ecosystem of traders, technicians, and consultants across its value chain.

RIGHTS ISSUE

TC embarked on a Rights Issue transaction that aimed at raising funds with the objective of reducing debt and unlocking working capital. Despite the prevailing economic challenges the country and the world at large has experienced post the pandemic, the business successfully closed the issue in April 2023. During and upon conclusion of the fundraise, TC engaged the bank continuously on its plans to pay and restructure its debt. It has been clear to all parties that TC’s intention is to settle its obligations, and this remains a priority. The Group has been aggressively working on a turnaround strategy and significant progress has been made on this front. It is therefore quite unfortunate to see the progress the business has made in not only building a solid business but creating employment for thousands of people across the Group, threatened by such actions.

WAY FORWARD

Therefore, kindly note that the injunction puts in abeyance the action and appointment of the receivers. However, the injunction allows for positive engagement between the parties which is beneficial to all stakeholders and averts value destruction.

The Board of TC take this opportunity to thank all our shareholders, staff, and partners for their unwavering support as we steer the business towards growth.

By Order of the TC Board
19th June 2023