

TC EGM HELD ON 16TH MARCH 2023

Q&A

QUESTIONS (clustered into thematic areas)	ANSWER
CONVERSION OF SHAREHOLDER LOANS AS A MODE OF PAYMENT FOR RIGHTS	
1	<p>Is the conversion a statement of confidence by the lenders that the prospects of the company are good or is it a balance sheet reorganization to enable the company to acquire more loans?</p>
2	<p>a) Is it possible to convert dividends into shares? If so, kindly guide. b) How do I lend my shares to a company so that I can earn dividends and interest at the same time?</p>
3	<p>What will be the process like, in terms of TAT on conversion</p>
4	<p>Will the conversion price of the loans to shares be at the rights issue price of Kes 1.10 per share?</p>
5	<p>What is the value of the shareholder loans that are the subject on the EGM on 16th March 2023?</p>
6	<p>What does conversion of shareholder loans mean for protection of minority and diluted shareholders?</p>
7	<p>The resolution is open and ideally it should have a number and what is the loan balance?</p>
<p>Objective</p> <p>Conversion of shareholder loans is a vote of confidence by the lenders and will support the business in:</p> <ul style="list-style-type: none"> • Debt reduction at the Group level therefore positioning the business favourably for funding. • Reduced finance costs. • Reduced debt service cash need, utilised in the business. <p>The reduced debt will strengthen balance sheet and support our subsidiaries access the much-needed working capital from the lenders.</p> <ul style="list-style-type: none"> • The 2 forms of payment for the reopened rights are cash and conversion of shareholder loans for the shareholders with existing loans with the company and cash. • For further guidance on how to handle dividends and shares, shareholders are encouraged to get in touch with their broker. <p>Process</p> <ul style="list-style-type: none"> • The Resolution is for the Conversion of Shareholder loans as a Mode of payment for Rights. • On receiving approval from shareholders to allow conversion of shareholder loans as a mode of payment for TC Rights Issue, this will be incorporated in the Rights Issue through the Supplementary Information Memorandum. 	

		<ul style="list-style-type: none"> The Rights Offer will close on 31st March and thereafter an Allocation Board will be held on 6th April and announcement of the Rights Issue results will be made on 7th April 2023 <p>Terms</p> <ul style="list-style-type: none"> Conversion of shareholder loans will be on the Rights Issue terms. The amount of existing shareholder loans to be converted is up to Ksh 500m <p>Shareholders</p> <ul style="list-style-type: none"> TransCentury PLC's Corporate Governance Framework ensures the equitable treatment of all shareholders.
RIGHTS ISSUE		
8	I purchased some shares through rights issue. If I desire to purchase more, what do I do?	<ul style="list-style-type: none"> Shareholders who have already participated in the TC Rights Issue will have an opportunity to also participate in the reopened Rights Offer by taking up additional shares by indicating this in the PAL Form provided. Shareholders who did not participate in the TC Rights Issue that closed on 3rd February 2023 can participate in the reopened Rights Issue that will open on 20th March and close on 31st March 2023. <p>For further guidance shareholders are encouraged to visit their broker. Shareholders may also download a copy of the Provisional Allotment Form (PAL) from TC website www.transcentury.co.ke</p>
9	Are fresh submission of rights which had not been taken accepted at this stage for those who had not taken their provisional allotment?	
10	Following the re-opening of the rights issue, can I pay for part / all my rights entitlement or only the shareholder converting loans to shares is to participate during the extension period?	
COMPANY		
11	How do we increase the value of the company?	<ul style="list-style-type: none"> Participating in the TC Rights Issue will play a significant role in supporting TC business objectives and enhance TC ability to execute on opportunities. This is expected to increase TC value. With increased focus on infrastructure development in the region especially in the Transport, Agriculture and Water sectors,
12	Which plan does the management have to raise value of our shares?	
13	What is being done to mitigate the continuous price erosion of the share?	
14	When will the company publish final year results for 2020 and 2021?	

		<p>TransCentury’s engineering and construction investments are well positioned to leverage on the opportunities and grow value.</p> <ul style="list-style-type: none"> • The full results for FY2020 were released on 5th September 2022. The financial results for the FY2021 are scheduled to be released by 30th April 2023.
MEETINGS & DIVIDENDS		
15	When does the company resume physical General Meetings?	<p><u>Meetings</u></p> <ul style="list-style-type: none"> • For Now, The Board of Directors have not recommended a dividend. To discuss more details at the AGM (Dividend not part of EGM agenda) • Virtual meetings are allowing us to reach more shareholder than before. • They allow shareholders the flexibility to join the meetings from their comfort. • We encourage shareholders to submit all questions in advance. All questions are answered. <p><u>Dividends</u></p> <ul style="list-style-type: none"> • For Now, The Board of Directors have not recommended a dividend. To discuss more details at the AGM (Dividend not part of EGM agenda)
16	Consider the tokens /zawadi you have been giving the shareholders since there is no dividend	