

TransCentury Rights Issue

TransCentury is set to undertake a rights issue on the basis of five (5) new ordinary share for everyone (1) existing share. The 1,876,013,830 new ordinary shares will be on offer at a discounted price of Kshs1.10 per share. Currently the company has 375,202,766 shares. With the rights, the number of shares is set to multiply five folds to 1,876,013,830 shares.

According to the management, the funds raised will go towards supporting the last phase of a turnaround plan, recapitalizing the business, reducing debt, unlocking working capital for underlying businesses to drive revenues and margin growth and increase shareholder value.

Of the loans committed to be paid from the rights earnings include KES 3.02Bn on behalf of Equity Bank Kenya Limited.

Kuramo Africa Opportunity Kenyan Vehicle Ltd is the largest shareholder with 93.78Mn shares or 25.0% shareholding of TransCentury.

The Information Memorandum containing the rights offer and additional information about the company on December 23rd, 2022, with the rights commencing to trade on December 29th, 2022. The rights will be closed on January 23rd, 2023.

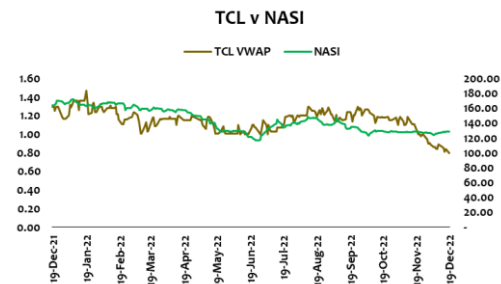
The changes in the shares will be as follows

Item	Total Shares
Current No of Shares	375,202,766
Current Share Value KES	0.80
Total Value	300,162,212.80
Current Holding	100.0%
New Shares on Rights	1,876,013,830
Rights Price KES	1.10
Rights Value	2,063,615,213.00
Rights Holding	100.0%
Total Shares Ex-Right	2,251,216,596
Total Value Ex-Right	2,363,777,425.80
Ex Right Value Per Share	1.05
Final Holding	100%

Kingdome Securities will assist clients to facilitates the acquisition and share of the rights for current shareholders and others who would want to acquire the rights.

Price Movement		
Period	TCL	NASI
19-Dec-22	0.80	128.63
3-Months	-35.5%	-3.3%
6-Months	-20.0%	5.6%
Y-T-D	-33.3%	-23.0%
Y-Y	-38.5%	-21.4%

TCL Price		
Period	Price	Price to Average
19-Dec-22	0.80	-
3-Months Avg	1.09	-26.7%
6-Months Avg	1.12	-28.9%
12-Months Avg	1.15	-30.4%
52 Weeks Max - Min	1.47 - 0.80	



Willis Nalwenge, CFA
Lead Analyst
 +254 711 049 183
[wnalwenge@co-opbank.co.ke](mailto:wналwenge@co-opbank.co.ke)

What Are Your Options as a Shareholder

Take the Rights

A shareholder can opt to take the rights. If a client holds 1,000 shares, they will pay KES 5,500 to acquire the rights for an additional 5,000 shares for a total holding of 6,000 valued at KES 6,340.00. This will ensure your holding in the company remains the same with no dilution.

Item	Total Shares	Client Holding
Current No of Shares	375,202,766	1,000,000
Current Share Value KES	0.80	0.80
Total Value	300,162,212.80	800,000.00
Current Holding	100.0%	0.3%
New Shares on Rights	1,876,013,830	5,000,000
Rights Price KES	1.10	1.10
Rights Value	2,063,615,213.00	5,500,000.00
Rights Holding	100.0%	0.3%
Total Shares Ex-Right	2,251,216,596	6,000,000
Total Value Ex-Right	2,363,777,425.80	6,300,000.00
Ex Right Value Per Share	1.05	1.05
Final Holding	100%	0.3%

Ignore the Rights

A shareholder can opt to let the rights expire. But this is not normally recommended. If you choose to do nothing, your shareholding will be diluted due to the extra shares issued by the company.

Item	Total Shares	Client Holding
Current No of Shares	375,202,766	1,000,000
Current Share Value KES	0.80	0.80
Total Value	300,162,212.80	800,000.00
Current Holding	100.0%	0.3%
New Shares on Rights	1,876,013,830	0
Rights Price KES	1.1	1.1
Rights Value	2,063,615,213.00	0.00
Rights Holding	100.0%	0.0%
Total Shares Ex-Right	2,251,216,596	1,000,000
Total Value Ex-Right	2,363,777,425.80	800,000.00
Ex Right Value Per Share	1.05	0.80
Final Holding	100%	0.04%

Sell the Rights to Other Investors

Rights traded are called renounceable rights. After traded, they are known as nil-paid rights. To estimate the value gained on selling the rights, one estimates the value of the nil-paid rights ahead of time. The adjusted ex-rights price is key to determine capital gains or losses. It is advisable for one to sell at an ex-right price higher than the rights issue price.

At the adjusted ex-rights price of KES 1.13 based on 6-months average, the nil-paid rights are worth KES 0.03 per share. Selling these rights will create a capital gain of 2.7%.

Rights	Ex-Right Price Based on 1-months Average Share Price	Ex-Right Price Based on the Right Valuation Price	Ex-Right Price Based on the 6-months Average Share Price
Current Share Price	0.80	0.80	0.80
Rights Price	1.10	1.10	1.10
Ex-Right Price of the Share	0.91	1.10	1.12
Capital Gain (Loss) on the Rights	-17.3%	0.0%	1.8%
Potential Upside on the Current Price	13.8%	37.5%	40.0%

TIMETABLE OF PRINCIPLE EVENTS		
EVENT	TIME	DATE
Record Date (Register closure date)	3.00 PM	Tuesday, December 13, 2022
Distribution of Information Memorandum and PALs to TransCentury shareholders		Friday, December 23, 2022
Upload of Rights Entitlement to CDSC		Wednesday, December 28, 2022
Offer opens and commencement of trading in Rights at the NSE	9.00 AM	Thursday, December 29, 2022
Last date for immobilisation of Provisional Rights	3.00 PM	Monday, January 9, 2023
Last date for renunciation (by way of private transfer)	3.00 PM	Monday, January 9, 2023
Last date for trading in Rights	3.00 PM	Friday, January 13, 2023
Offer closes and the last date and time for acceptance and payment for the New Shares	3.00 PM	Monday, January 23, 2023
Announcement of Rights Issue results		Thursday, February 9, 2023
Dispatch of statement from the registrar for share allocation		Wednesday, February 22, 2023
Dispatch of refund cheques via agents (applicable if applications are received in excess of the number of Untaken Rights)		Wednesday, February 22, 2023
Date of listing and commencement of trading of New Shares at the NSE	9.00 AM	Tuesday, February 28, 2023

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Co-operative Bank House- 5th Floor, P.O Box 48231 - 00100 Nairobi, Kenya

Office: 0711049540/0711049956

Email: info@kingdomsecurities.co.ke

Research Department

Willis Nalwenge, CFA	+254 711 049 283
Shadrack Manyinsa	+254 711 049 956

Sales Team

Edgar Martim	+254 711 049 534
Wycliffe Wesonga	+254 711 049 715
Asena Moffat	+254 711 049 663
Ashley Odundo	+254 711 049 195

Client Service and Operations

Joab Kiprono	+254 711 049 888
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