

TransCentury

Impacting Africa

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

www.transcentury.co.ke

Travel. |

KQ resumes daily New York flights

Gerald Andae

Kenya Airways (KQ) has resumed direct daily flights to New York as it seeks to cash in on the summer season expected to push up demand for air travel.

The national carrier has been operating five daily flights on the US route since January when the demand for passengers was low as America entered into the winter season.

KQ says the decision to ramp up the frequencies has been informed by high forward booking from passengers seeking summer tickets.

"We have increased our frequencies to daily on the New York route because of high demand from passengers as we approach the summer season," said the airline.

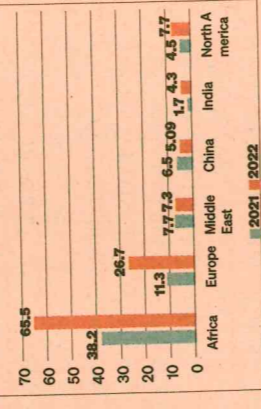
The move comes as a boost to the national carrier, which is fighting to fly out of the loss-making territory.

The daily flights to the US come at a time when Ethiopian Airlines-Africa's largest carrier has expanded its flights to the US by adding another route to Atlanta, and reintroduction of the New York route via Abidjan, heightening competition on the route.

The Ethiopian carrier introduced four weekly flights on the Atlanta route last month, allowing passengers who want to fly directly to the city to avoid connecting through JFK International Airport in New York, where most air-

Kenya Airways revenue by geographic segment (Sh bn)

North America contributed six percent to the airlines revenue last year



SOURCE: KQ

lines that have direct links with the US fly. The carrier first started serving New York from its main hub Addis Ababa via Abidjan in June 2019.

However, the route was suspended in March 2020 due to Covid-19. Later, the flight resumed serving New York via Lomé starting in October 2020.

Atlanta is Ethiopian Airlines' sixth destination in the US besides New York, Newark, Chicago, Washington DC and cargo service to Miami.

KQ has been struggling financially, making it rely on the Treasury for bailouts to remain afloat, with the government announcing recently it would stop funding the carrier.

The plan, if implemented, could save taxpayers billions of shillings spent annually to keep afloat the national carrier that last returned a profit in 2012.

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Manufacturing. |

French company Schneider transfers Kenya operations

Dominic Omondi

French energy firm Schneider Electric Kenya will offload its manufacturing operations in the country, signalling difficulties in local value-addition.

In a statement, Schneider Electric Kenya said it had agreed to transfer its business of manufacturing switchboards to ACTOM Kenya Ltd, another manufacturer.

Schneider, which entered the country in 2015, will continue to run its sales, marketing, projects, services, and logistics operations from Kenya, serving the East African market.

This comes two years after Schneider established an assembly line in Nairobi for the manufacture of industrial switchboards to be sold in

the region. The deal will see ACTOM, a manufacturer of electro-mechanical equipment in Africa, take over the production of Schneider Electric's BlockSeT-type tested switchboards.

"Our agreement with ACTOM undoubtedly strengthens our strategic ambition to prioritise our digital offerings, software, and services to in turn enhance our service offering to our loyal customers," says Carol Koech, country president for East Africa at Schneider Electric.

In 2018, three years after entering Kenya by acquiring Power Technics Limited, Schneider announced a decision to retrench some 50 employees in what it has attributed to a tough business environment.

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