

---

You are advised to read and understand the contents of this Rights Circular. If you are in any doubt about the actions to be taken, you should consult your Stockbroker, Accountant, Banker, Solicitor, or any other professional adviser for guidance immediately. Investors are advised to note that liability for false or misleading statements or acts made in connection with the Rights Circular is provided in sections 85 and 86 of the Investments and Securities Act No 29, 2007 (the "Act")

---

For information concerning certain risk factors which should be considered by prospective investors, see Risk Factors on pages 29 to 31.



UAC of Nigeria PLC

RC341

## RIGHTS ISSUE

OF

# 960,432,193

ORDINARY SHARES OF 50 KOBO EACH AT

**₦16.00 PER SHARE**

**ON THE BASIS OF 1 NEW ORDINARY SHARE FOR EVERY 2 ORDINARY SHARES  
HELD AS AT THE CLOSE OF BUSINESS ON 19 October 2017**

**PAYABLE IN FULL ON ACCEPTANCE**

**ACCEPTANCE LIST OPENS: WEDNESDAY, 15 NOVEMBER 2017**

**ACCEPTANCE LIST CLOSES: FRIDAY, 22 DECEMBER 2017**

THE RIGHTS BEING OFFERED ARE TRADEABLE ON THE FLOOR OF THE NIGERIAN STOCK EXCHANGE FOR THE DURATION OF THE RIGHTS ISSUE

**LEAD ISSUING HOUSE**



RC 261 272

**JOINT ISSUING HOUSES**



RC 264 978



RC 199 528



LeadCapital Plc

RC 116 443



Stanbic IBTC  
Capital

RC 103 1358

---

This Rights Circular and the securities which it offers have been cleared and registered by the Securities & Exchange Commission. It is a civil wrong and a criminal offence under the Investments and Securities Act No 29, 2007 ("the Act") to issue a rights circular which contains false or misleading information. Clearance and registration of this Rights Circular and the securities which it offers do not relieve the parties from any liability arising under the Act for false and misleading statements contained therein or for any omission of a material fact.

---

**THIS RIGHTS CIRCULAR IS DATED 3 NOVEMBER 2017**

## TABLE OF CONTENTS

---

<b>DEFINITION OF TERMS</b> .....	<b>4</b>
<b>CORPORATE DIRECTORY</b> .....	<b>6</b>
<b>ABRIDGED TIMETABLE</b> .....	<b>7</b>
<b>SUMMARY OF THE RIGHTS ISSUE</b> .....	<b>8</b>
<b>THE RIGHTS ISSUE</b> .....	<b>12</b>
<b>DIRECTORS AND OTHER PARTIES TO THE RIGHTS ISSUE</b> .....	<b>13</b>
<b>CHAIRMAN’S LETTER</b> .....	<b>16</b>
HISTORY OF UACN .....	18
BUSINESS OVERVIEW AND PRODUCTS.....	19
GROUP STRUCTURE.....	20
SUBSIDIARIES AND ASSOCIATED COMPANIES.....	20
BOARD OF DIRECTORS AND MANAGEMENT TEAM .....	25
FUTURE PLANS.....	29
RISKS .....	29
<b>BOARD RESOLUTION AUTHORIZING THE ISSUE</b> .....	<b>32</b>
<b>SWORN LETTER OF DECLARATION OF FULL DISCLOSURE BY UACN</b> .....	<b>33</b>
<b>LETTER FROM THE DIRECTORS ON GOING CONCERN STATUS</b> .....	<b>34</b>
<b>LETTER FROM THE AUDITORS ON GOING CONCERN STATUS</b> .....	<b>36</b>
<b>CONSOLIDATED FINANCIAL AND OTHER INFORMATION</b> .....	<b>38</b>
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME .....	38
CONSOLIDATED STATEMENT OF FINANCIAL POSITION .....	39
CONSOLIDATED STATEMENT OF CASHFLOWS .....	40
<b>STATUTORY AND GENERAL INFORMATION</b> .....	<b>41</b>
INCORPORATION AND SHARE CAPITAL HISTORY .....	41
SHAREHOLDING STRUCTURE .....	41
DIRECTORS’ BENEFICIAL INTEREST .....	42
STATEMENT OF INDEBTEDNESS.....	42
OFF BALANCE SHEET ITEMS.....	42
CLAIMS AND LITIGATION .....	42
UNCLAIMED DIVIDENDS .....	43
PURPOSE OF THE RIGHTS ISSUE.....	43

## TABLE OF CONTENTS

---

RELATED PARTY TRANSACTIONS .....	45
COSTS AND EXPENSES.....	45
MATERIAL CONTRACTS.....	45
RELATIONSHIP BETWEEN THE COMPANY AND ITS ADVISERS.....	46
CONSENTS .....	46
MERGERS AND ACQUISITIONS .....	47
DECLARATIONS.....	47
OVERVIEW OF CORPORATE GOVERNANCE .....	47
RESEARCH AND DEVELOPMENT .....	49
DOCUMENTS AVAILABLE FOR INSPECTION.....	49
<b>PROVISIONAL ALLOTMENT LETTER .....</b>	<b>50</b>
<b>ACCEPTANCE/RENUNCIATION FORM .....</b>	<b>54</b>

## DEFINITION OF TERMS

The following definitions apply through this document except where otherwise stated:

ABBREVIATION	NAME/DESCRIPTION
"AGM"	Annual General Meeting
"ASI"	All Share Index of The Nigerian Stock Exchange
"Brokerage Commission"	Fees payable to Receiving Agents in respect of returns bearing their stamps and duly allotted
"CAC"	Corporate Affairs Commission
"CAMA"	Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004
"Council"	Council of The Nigerian Stock Exchange
"CSCS"	Central Securities Clearing System PLC
"Daily Official List"	Daily Official List of The Nigerian Stock Exchange
"Directors"	The members of the Board of Directors of UACN who at the date of this document are those persons whose names are set out on page 25-29 of this Rights Circular
"FGN" or "Government"	Federal Government of Nigeria
"FMCG"	Fast Moving Consumer Goods
the "Group"	The Company and its subsidiaries
"GDP"	Gross Domestic Product
"ISA"	Investments and Securities Act No. 29 2007.
"ISO"	International Standard Organization
"Issue" or "Rights Issue"	The Rights Issue by way of provisionally allotted rights of 960,432,193 ordinary shares of 50 Kobo each in the Company, on the basis of one (1) for every two (2) shares held by shareholders whose names appear on the Register of Members of the Company on the Qualification Date
"Issuing Houses"	Afrinvest (West Africa) Limited, FBN Merchant Bank Limited, FSDH Merchant Bank Limited, LeadCapital PLC and Stanbic IBTC Capital Limited
"Issuing Price"	The price at which the shares under the Rights Issue will be issued to existing Shareholders
"LFN"	Laws of the Federation of Nigeria 2004
"Management"	Management of UACN
"Naira" or "₦"	The Nigerian Naira, the official currency of Nigeria

## DEFINITION OF TERMS

“Nigeria”	The Federal Republic of Nigeria
“NSE” or “Exchange”	The Nigerian Stock Exchange
“Ordinary Shares”	The Ordinary Shares held by the ordinary shareholders of the Company
“Pari Passu”	Equally
“Professional Parties to the Issue”	The Issuing Houses, the Auditors, the Solicitors to the Issue, the Joint Stockbrokers, the Registrars and the Receiving Bank
“QSR”	Quick Service Restaurants
“Qualification Date”	19 October 2017
“Receiving Agents”	Any of the institutions listed on page 53 of this Rights Circular to whom Shareholders listed on the share register of the Company as at the Qualification Date may return their duly completed Acceptance/Renunciation Forms together with payment/evidence of payment
“Receiving Bank”	Stanbic IBTC Bank PLC
“Register of Members”	The register that records the names and addresses of the ordinary shareholders of the Company
“Registrar”	Africa Prudential PLC
“Rights Circular”	This document, which is issued in accordance with the Rules and Regulations of the Commission in respect of this Rights Issue exercise
“SEC” or “the Commission”	Securities & Exchange Commission
“Shareholders”	Existing shareholders of UACN as at the Qualification Date (as defined in the Rights Circular)
“UACN” or the “Company”	UAC of Nigeria PLC
“UUBO”	Udo Udoma & Belo-Osagie
“USD”	United States Dollar
“Working Day” or “Business Day”	Any day other than a Saturday, Sunday or official public holiday declared by the Federal Government of Nigeria from time to time

## CORPORATE DIRECTORY

---

### I. HEAD OFFICE ADDRESS OF UACN

UAC House  
1-5 Odunlami Street  
P.O. Box 9  
Lagos, Nigeria

Tel: +234 (01) 270 1879  
Website: [www.uacnplc.com](http://www.uacnplc.com)  
Email: [info@uacnplc.com](mailto:info@uacnplc.com)

### II. BUSINESS LOCATIONS OF SUBSIDIARIES

ENTITY	OFFICE ADDRESS	CONTACT
CHEMICAL & ALLIED PRODUCTS PLC ("CAP PLC")	2 Adeniyi Jones Avenue, Ikeja, Lagos P.M.B 21072	<i>www.capplc.com</i> Tel- +234 815 949 3070
GRAND CEREALS LIMITED	KM 17 Zawan Roundabout, Bukuru, Jos, Plateau State	<i>www.grandcereals.com</i> Tel- +234 700 000 0999
LIVESTOCK FEEDS PLC	1 Henry Carr Street, Ikeja, Lagos	<i>www.livestockfeedsplc.com</i> Tel- +234 807 728 1600
MDS LOGISTICS LIMITED	Plot 32, Kudirat Abiola Way, Oregun, Lagos	<i>www.mdslogistics.net</i> Tel- +234 803 402 1257
PORTLAND PAINTS & PRODUCTS NIGERIA PLC	Sandtex House, 105, Adeniyi Jones, Avenue, Ikeja, P.M.B. 21782	<i>www.portlandpaintsng.com</i> Tel- +234 817 729 0233
UAC FOODS LIMITED	KM 16 Ikorodu Road, Ojota, Lagos	<i>www.uacfoodsng.com</i> Tel- +234 803 123 0015
UAC RESTAURANTS LIMITED	Plot 32, Kudirat Abiola Way, Oregun, Lagos	<i>www.uacrestaurants.com</i> Tel-+234 805 460 1625
UACN PROPERTY DEVELOPMENT COMPANY PLC	UAC HOUSE 1-5 Odunlami Street, P. O. Box 156, Lagos	<i>www.updcplc.com</i> Tel- +234 1 738 8206 +234 1 453 9201
UNICO PENSIONS CPFA LIMITED	KM 16 Ikorodu Road, Ojota, Lagos	<i>www.unicocpfa.com</i> Tel- +234 815 899 17544
WARM SPRING WATERS NIGERIA LIMITED	Plot 89, Kudirat Abiola Way, (PERA-BEAM Building), Oregun, Ikeja, Lagos	<i>www.warmspringwaters.com</i> Tel- +234 704 539 2158

## ABRIDGED TIMETABLE

---

The dates indicated in the table below, which reflect principal events, are subject to change without notice:

DATE	ACTIVITY	RESPONSIBILITY
15 November 2017	Issue opens/Trading in Rights begins	Issuing Houses
22 December 2017	Issue closes/Trading in Rights closes	Issuing Houses
04 January 2018	Receiving Agents make returns	Registrars / Issuing Houses
17 January 2018	Forward allotment proposal and draft newspaper advertisement to SEC	Issuing Houses
24 January 2018	Receive SEC clearance of allotment proposal	Issuing Houses
25 January 2018	Disburse net proceeds of the Rights Issue to UACN	Receiving Bank/Issuing Houses
26 January 2018	Publish Allotment Results in two national daily newspapers	Issuing Houses
26 January 2018	Return rejected/excess application monies	Issuing Houses/ Registrars/ Receiving
01 February 2018	Credit CSCS accounts/Dispatch share certificates	Registrars
02 February 2018	Forward Declaration of Compliance to the NSE	Stockbrokers
02 February 2018	Listing of Shares on the NSE/trading commences	Issuing Houses/Stockbrokers
05 February 2018	Forward post completion report to the SEC	Issuing Houses

## SUMMARY OF THE RIGHTS ISSUE

This summary draws attention to information contained elsewhere in this Rights Circular; it does not contain all of the information you should consider before making an investment decision. You should therefore read this summary together with the more detailed information, including the financial statements elsewhere in this Rights Circular.

<b>ISSUER</b>	UAC of Nigeria PLC.			
<b>THE ISSUE</b>	960,432,193 ordinary shares of 50 Kobo each on the basis of one (1) new Ordinary Share for every existing two (2) shares held at ₦16.00 per share.			
<b>LEAD ISSUING HOUSE</b>	Afrinvest (West Africa) Limited.			
<b>JOINT ISSUING HOUSES</b>	FBN Merchant Bank Limited, FSDH Merchant Bank Limited, LeadCapital PLC, Stanbic IBTC Capital Limited.			
<b>AUTHORIZED SHARE CAPITAL</b>	₦1,500,000,000 divided into 3,000,000,000 Ordinary Shares of 50 Kobo each and ₦200,000,000 divided into 400,000,000 preference shares of 50 Kobo each.			
<b>ISSUED AND FULLY PAID</b>	₦960,432,193 comprising 1,920,864,386 Ordinary Shares of 50 Kobo each.			
<b>BEING ISSUED</b>	960,432,193 ordinary shares of 50 Kobo each at ₦16.00 per share.			
<b>METHOD OF OFFER</b>	By way of a Rights Issue to Shareholders.			
<b>GROSS ISSUE PROCEEDS</b>	₦15,366,915,088.00			
<b>PURPOSE</b>	The proceeds of the Rights Issue will be used to bolster the Group's capital position to enable it to recapitalize its subsidiaries, provide working capital support in a timely manner, and exploit potential opportunities.			
<b>USE OF PROCEEDS</b>	After the deduction of estimated issue costs and expenses of ₦333,913,286 (representing 2.2% of the gross issue proceeds), the net issue proceeds of ₦15,033,001,802 will be applied as follows:			
	<b>UTILIZATION</b>	<b>CAPITAL TO BE RAISED (₦' 000)</b>	<b>(%)</b>	<b>EXPECTED COMPLETION DATE</b>
	Equity Injection into Grand Cereals Limited	5,000,000	33	November, 2018
	Shareholder Loan to Grand Cereals Limited	3,519,682	23	November, 2018
	Working Capital Support for Grand Cereals Limited & Livestock Feeds PLC	4,013,320	27	November, 2018
	New Business Development	2,500,000	17	June 2019
<b>Total</b>	<b>15,033,002</b>	<b>100</b>		
A more detailed description on the use of proceeds is provided on pages 43-45.				



## SUMMARY OF THE RIGHTS ISSUE

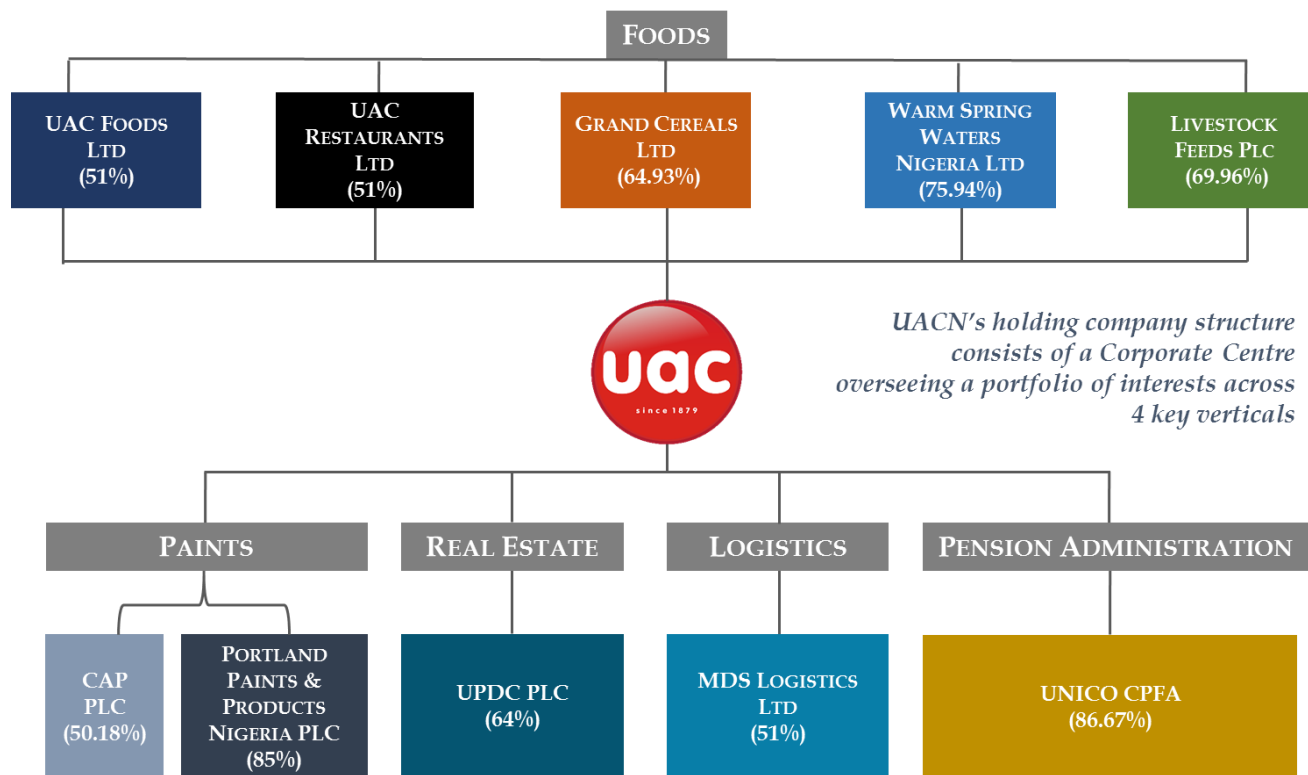
<b>PROVISIONAL ALLOTMENT</b>	One (1) new Ordinary Share for every two (2) Ordinary Shares of 50 kobo each held as at the close of business on 19 October 2017 for those shareholders whose names appear on the Register of Members and transfer books of the Company.						
<b>ISSUE PRICE</b>	₦16.00 per share						
<b>PAYMENT</b>	In full on acceptance.						
<b>STATUS</b>	All the shares to be issued shall rank pari-passu in all respects with the issued Ordinary Shares of the Company.						
<b>MARKET CAPITALIZATION AT RIGHTS ISSUE PRICE (PRE-ISSUE)</b>	₦30,733,830,176.						
<b>MARKET CAPITALIZATION AT RIGHTS ISSUE PRICE (POST-ISSUE)</b>	₦46,100,745,264 (assuming all provisionally allotted ordinary shares are fully taken up on completion of the Rights Issue).						
<b>OPENING DATE</b>	15 November, 2017						
<b>CLOSING DATE</b>	22 December, 2017						
<b>QUALIFICATION DATE</b>	19 October, 2017						
<b>APPLICATION FOR ADDITIONAL SHARES</b>	Shares that are not taken up by 22 December 2017 will be allotted on a pro-rata (equal) basis to Shareholders who applied and paid for additional shares over and above their provisional allotment. Accordingly, the shareholders who do not accept their allotment in full may have their shareholding in the Company diluted.						
<b>UNDERWRITING</b>	At the instance of the Issuer, the Issue is not underwritten.						
<b>FINANCIAL SUMMARY (GROUP)</b>	<b>Financial Summary (Group)</b>	<b>H1 2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
		<b>N'm</b>	<b>N'm</b>	<b>N'm</b>	<b>N'm</b>	<b>N'm</b>	<b>N'm</b>
	Turnover	48,448	84,607	73,771	85,654	78,714	69,632
	Profit before taxation	1,635	7,775	7,733	14,097	13,935	10,745
	Profit after taxation	1,195	5,667	5,163	10,945	9,873	7,103
	Share Capital	960	960	960	960	960	800
	Net Assets	74,090	76,466	74,142	75,078	72,237	60,601
	Total Assets	137,643	138,23	128,655	130,361	125,015	122,97
Earnings per share (kobo)	52	195	155	329	293	257	
<b>QUOTATION</b>	UACN's entire issued and paid-up share capital is listed on the NSE. An application was made to the Council of the Exchange on						

## SUMMARY OF THE RIGHTS ISSUE

	19 October 2017, for the admission of the Shares to its Daily Official List.
<b>STATUS</b>	The shares being issued will rank pari passu in all respects with the existing issued Ordinary Shares of the Company.
<b>DIVIDEND QUALIFICATION</b>	The shares being issued shall qualify for any dividend (or any other distribution) declared for the financial year ending 2017, as long as the qualification date for the dividend (or any other distribution) declared is after the allotment of the ordinary shares now being issued.
<b>INDEBTEDNESS</b>	As at the date of this document, the Company has no debentures, mortgages, loans, charges, material contingent liabilities or other similar indebtedness, other than in the ordinary course of business.
<b>CLAIMS AND LITIGATION:</b>	<p>The Company, in the ordinary course of its business, is presently involved in 15 cases and is a claimant in 3 of these cases. The Company is a defendant in 9 of the cases and is an appellant in 3 of the cases. The total value of the Company's claim in these cases is <del>₦</del>4,490,374,865 while the total value of the claims against the Company is <del>₦</del>230,000,000 and USD136,805.</p> <p>The Solicitors to the Issue are of the opinion that none of the cases would have an adverse material effect on the proposed rights issue.</p>
<b>SETTLEMENT:</b>	The CSCS accounts of Shareholders will be credited not later than 15 working days from the date of allotment. Shareholders are hereby advised to state the names of their respective stockbrokers and their Clearing House Numbers in the relevant spaces on the Acceptance/Renunciation Form. Certificates of Shareholders that do not provide their CSCS account details will be dispatched by registered post not later than 15 working days from the date the allotment proposal is cleared.
<b>TRADING IN RIGHTS:</b>	The Rights are tradable on the Exchange between 15 November 2017 and 22 December 2017.

# SUMMARY OF THE RIGHTS ISSUE

## GROUP STRUCTURE:



# THE RIGHTS ISSUE

Copies of this Rights Circular and the documents specified herein have been delivered to the Securities and Exchange Commission for clearance and registration.

This Rights Circular is being issued in compliance with the provisions of the Investments and Securities Act No. 29 2007 and the Rules and Regulations of the Commission and the Listing Requirements of the NSE and contains particulars in compliance with the requirements of the Commission and the Exchange, for the purpose of giving information to shareholders and the public with regards to the Rights Issue of 960,432,193 Ordinary Shares of 50 kobo each in UAC of Nigeria PLC by the Issuing Houses. An application has been made to the Council of The NSE for the admission to its Daily Official Lists of the 960,432,193 Ordinary Shares of 50 kobo each being issued via the Rights Issue.

The Directors of UAC of Nigeria PLC individually and collectively accept full responsibility for the accuracy of the information contained in this Rights Circular. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge, information and belief, there are no material facts, the omission of which would make any statement herein misleading or untrue.

The shares to be issued by the Company pursuant to the Rights Issue will rank pari passu in all respects with the existing issued Ordinary Shares of the Company.



on behalf of



are authorized to receive acceptances for the

**RIGHTS ISSUE OF  
960,432,193 ORDINARY SHARES OF 50 KOBO EACH  
AT ₦16 PER SHARE**

on the basis of one (1) ordinary share for every two (2) ordinary shares held as at the close of business on 19 October 2017 for those shareholders whose names appear on the Register of Members and transfer books of the Company

Payable in full on Acceptance


The Acceptance List for the Ordinary Shares now being offered will open on 15 November 2017 and close on 22 December 2017

Share capital and Reserves of the Company as at 30 <sup>th</sup> June, 2017 (Extracts from the 30 <sup>th</sup> June, 2017 Management Accounts)	<b>₦'000</b>
Authorized Share Capital: 3,000,000,000 Ordinary Shares of 50 kobo each	<b>1,500,000</b>
400,000,000 Preference Shares of 50 kobo each	<b>200,000</b>
Issued and fully Paid: 1,920,864,386 Ordinary Shares of 50 kobo each	<b>960,432</b>
<b>EQUITY AND RESERVES</b>	
Ordinary Share Capital	960,432
Share Premium	3,934,536
Contingency reserve	28,575
Available-for-sale reserve	(5,561)
Retained earnings	40,578,889
<b>TOTAL EQUITY (ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY)</b>	<b>45,496,872</b>

## DIRECTORS & OTHER PARTIES TO THE RIGHTS ISSUE

DIRECTORS & COMPANY SECRETARY	
<b>Mr. Daniel Owor Agbor</b> <i>Non-Executive Chairman</i>	<b>UAC House</b> 1-5 Odunlami Street Marina Lagos
<b>Mr. Larry Ephraim Ettah</b> <i>Group Managing Director / CEO</i>	<b>UAC House</b> 1-5 Odunlami Street Marina Lagos
<b>Mr. Abdul Akhor Bello</b> <i>Executive Director / Chief Financial Officer</i>	<b>UAC House</b> 1-5 Odunlami Street Marina Lagos
<b>Mr. Joseph Ibrahim Dada</b> <i>Executive Director, Corporate Services</i>	<b>UAC House</b> 1-5 Odunlami Street Marina Lagos
<b>Mrs. Awuneba Sotonye Ajumogobia</b> <i>Independent Non-Executive Director</i>	<b>UAC House</b> 1-5 Odunlami Street Marina Lagos
<b>Dr. Umaru Alka</b> <i>Non-Executive Director</i>	<b>UAC House</b> 1-5 Odunlami Street Marina Lagos
<b>Mr. Babatunde Oladele Kasali</b> <i>Non-Executive Director</i>	<b>UAC House</b> 1-5 Odunlami Street Marina Lagos
<b>Dr. Okechukwu John Mbonu</b> <i>Non-Executive Director</i>	<b>UAC House</b> 1-5 Odunlami Street Marina Lagos
<b>Mr. Godwin Abimbola Samuel</b> <i>Company Secretary</i>	<b>UAC House</b> 1-5 Odunlami Street Marina Lagos

## DIRECTORS & OTHER PARTIES TO THE RIGHTS ISSUE

PROFESSIONAL PARTIES TO THE RIGHTS ISSUE	
LEAD ISSUING HOUSE	<b>Afrinvest (West Africa) Limited</b> 27, Gerrard Road, Ikoyi, Lagos 
JOINT ISSUING HOUSES	<b>FBN Merchant Bank Limited</b> 10, Keffi Street, off Awolowo Road, Ikoyi, Lagos  <b>FSDH Merchant Bank Limited</b> UAC House (5th – 8th Floor), 1- 5, Odunlami Street, Lagos  <b>LeadCapital PLC</b> Plot 281, Ajose Adeogun Street, Victoria Island, Lagos  <b>Stanbic IBTC Capital Limited</b> I.B.T.C. Place, Walter Carrington Crescent, Victoria Island, Lagos
REGISTRARS	<b>Africa Prudential PLC</b> 220B Ikorodu Road, Palmgrove, Lagos
AUDITORS	<b>Ernst &amp; Young</b> 10th and 13th Floors, UBA House, 57 Marina, Lagos
SOLICITORS	<b>Udo Udoma &amp; Belo-Osagie</b> St. Nicholas House, (10th & 13th Floors), Catholic Mission Street, Lagos

## DIRECTORS & OTHER PARTIES TO THE RIGHTS ISSUE

---

<b>JOINT STOCKBROKERS</b>	<b>Afrinvest Securities Limited</b> 27, Gerrard Road Ikoyi, Lagos  <b>Stanbic IBTC Stockbrokers Limited</b> I.B.T.C. Place, Walter Carrington Crescent, Victoria Island, Lagos
<b>RECEIVING BANK</b>	<b>Stanbic IBTC Bank PLC</b> I.B.T.C. Place, Walter Carrington Crescent, Victoria Island, Lagos

## CHAIRMAN'S LETTER

---

The following is the text of a letter received by the Issuing Houses from Mr. Daniel Owor Agbor, Chairman, Board of Directors of UAC of Nigeria PLC.



03 October 2017

### **UAC OF NIGERIA PLC**

UAC House  
1-5 Odunlami Street  
Marina,  
Lagos

**TO: ALL SHAREHOLDERS OF UAC OF NIGERIA PLC**

Dear Sir/Madam,

### **RIGHTS ISSUE OF 960,432,193 ORDINARY SHARES OF ₦0.50 KOBO EACH AT ₦16 PER SHARE IN UAC OF NIGERIA PLC**

You will recall that at the 2017 Annual General Meeting, which took place on 14 June 2017, I reminded you that the Board had decided to discontinue the Rights Issue that was approved at the 2015 Annual General Meeting, due to the adverse market conditions which prevailed at that time. I also reminded you of the Board's decision, which was first communicated to shareholders at the 2016 Annual General Meeting, that the Board and Management would undertake the required investment in, and financial restructuring of, your Company's subsidiaries using internally generated funds. That process is ongoing, and key investment opportunities currently being explored include meeting the working capital and long-term financing needs of Grand Cereals Limited and Livestock Feeds PLC. We believe that the time is right for us to take advantage of development prospects in these segments.

### **Economic and Business Environment**

In many ways, 2016 was a very challenging year for the Nigerian economy. Nigeria's Real GDP growth rate contracted by 2.0% in the second quarter of 2016, thus confirming, after two consecutive quarters of decline, that the economy had entered a recession. Accompanying this contraction in the economy was a sharp increase in price levels and the Central Bank of Nigeria's devaluation of the Naira's official rate from ₦199.0/USD 1.00 to ₦305.0/1.00 USD – all of which contributed to a rise in the inflation rate from 9.6% at the start of 2016 to 18.6% in December 2016.



## CHAIRMAN'S LETTER

---

Macroeconomic fundamentals have however shown some improvements in the first half of 2017. The country's external reserves recovered in 2017, mainly due to the improvements seen in domestic crude oil production and a partial recovery in global oil prices as well as non-core FX cash inflows from swap transactions. Reserves rose from USD26.1bn at the start of the year to USD30.3bn as at H1:2017. In the first half of 2017, also, the CBN resorted to the creation of FX windows to serve different classes of demand, and this has gradually led to improved stability in the foreign exchange market. All of these have had a positive effect, and the Q2:2017 GDP report indicates the economy is now out of recession with a GDP growth of 0.6% against the earlier contraction of 0.9% in Q1:2017. The rate of inflation has also begun to moderate; since peaking at 18.7% in January 2017, it dropped to 16.0% in September 2017. I remain optimistic that these signs of recovery will be sustained through to the end of 2017.

### Rights Issue

At the 2017 Annual General Meeting, the Board of Directors informed you of your Company's intention to raise additional capital of up to ₦15.4 billion by way of a Rights Issue. Following your approval at the Annual General Meeting, I am pleased to inform you that your Company will issue 960,432,193 ordinary shares of ₦0.50 each at ₦16.00 per share, on the basis of one (1) new ordinary share for every two (2) ordinary shares already held as at the close of business on 19<sup>th</sup> October 2017. The new shares will rank pari-passu in all respects, with the existing Ordinary shares of the Company and shall qualify for dividends (or any other distribution) declared for the financial year ending 31<sup>st</sup> December 2017, as long as the qualification date for the dividend (or any other distribution) is after the allotment of the shares being issued.

As we look ahead, the Board and Management of UACN have full confidence that the rights issue, which is intended to provide funding for some of the identified growth opportunities and facilitate an improvement in the performance of our subsidiaries, will result in stronger earnings and cash flows and ultimately improve investment returns. It is my privilege, and the privilege of your Board of Directors, to serve with a view to building shareholder value over the long term, and I encourage all shareholders to participate fully in this rights issue.

Yours faithfully,



Mr. Dan Agbor

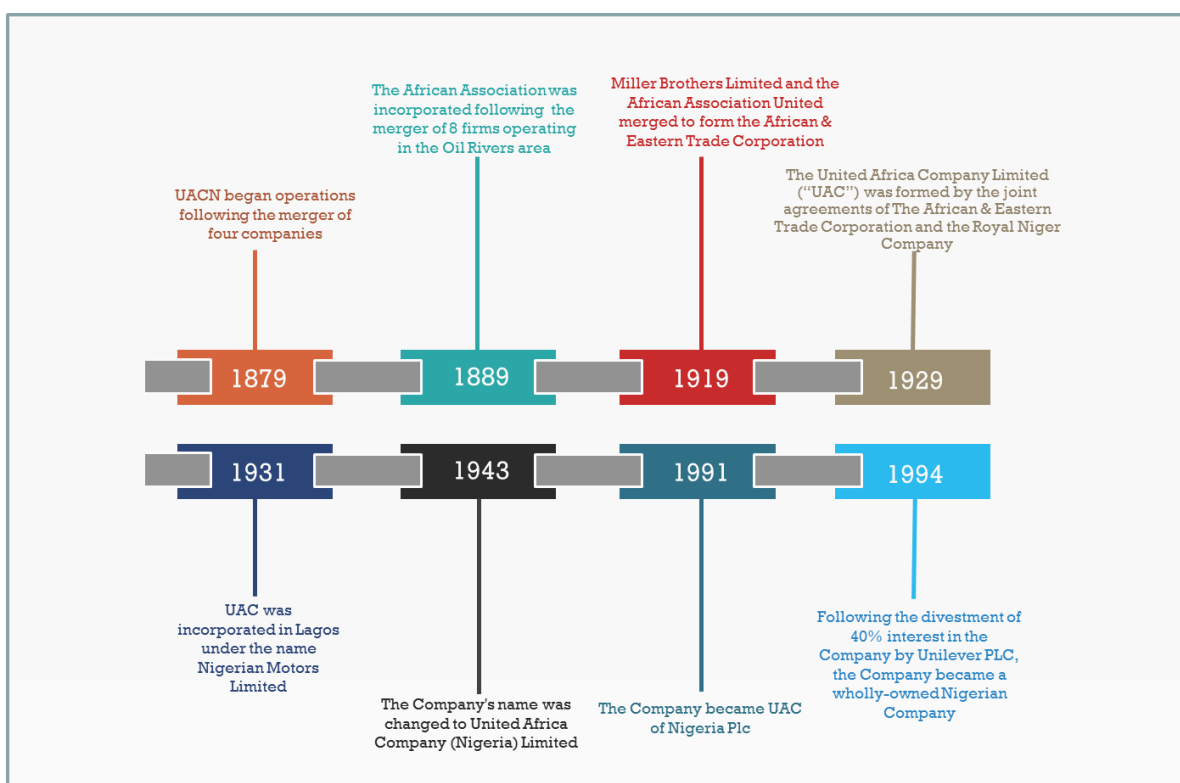
**Chairman, Board of Directors  
UAC of Nigeria PLC**

## CHAIRMAN'S LETTER

### HISTORY OF UACN

UAC of Nigeria is a leading diversified conglomerate, operating in the food and beverage, real estate, paints and logistics sectors of the economy, through its subsidiaries. UACN has remained a foremost and active participant in Nigeria's economic landscape since 1879, following the merger of four trading companies namely, Alexander Miller Brother & Company, Central African Trading Company Limited, West African Company Limited and James Pinnock.

The Company has evolved through a series of mergers and acquisitions and restructurings as the various entrepreneurs sought to entrench profitable and enduring enterprises. In 1889, The African Association was incorporated following the merger of eight firms that were operating in the Oil Rivers area. In 1892, The Royal Niger Company sent Captain Lugard (later to be known as Lord Lugard) to help protect its interest in Nigeria. In 1919, The Royal Niger Company Limited was bought by Lever Brothers Limited. That same year, the Miller Brothers Limited and the African Association United merged to form the African & Eastern Trade Corporation. The United Africa Company Limited ("UAC") was formed by the joint agreements of The African & Eastern Trade Corporation and the Royal Niger Company.



On March 3, 1929, The United Africa Company Limited ("UAC") was formed by the joint agreements of The African & Eastern Trade Corporation and the Royal Niger Company (Owned by Lever Brothers Limited). UAC was incorporated in Lagos, Nigeria under the name Nigerian Motors Limited on April 22, 1931 as a wholly-owned subsidiary of the United Africa Company

## **CHAIRMAN'S LETTER**

---

Limited (a subsidiary of Unilever), which later became UAC International. The Company's name was changed to United Africa Company (Nigeria) Limited on July 23, 1943, and became UAC of Nigeria PLC in 1991.

In 1994, following the divestment of 40% interest in the Company by Unilever PLC, the Company became a wholly-owned Nigerian Company. The transformation of UAC from a trading behemoth into a leading manufacturing concern, even though it took root in the 1980s, was given serious impetus in the 1990s, following the exit of the company from its trading businesses.

In early 2000, UACN further embarked on a series of business restructuring with a thorough portfolio review and switch of focus to value-adding operations. This has led to an era of focused growth on the foods, real estate, logistics and paints sectors.

### **BUSINESS OVERVIEW AND PRODUCTS**

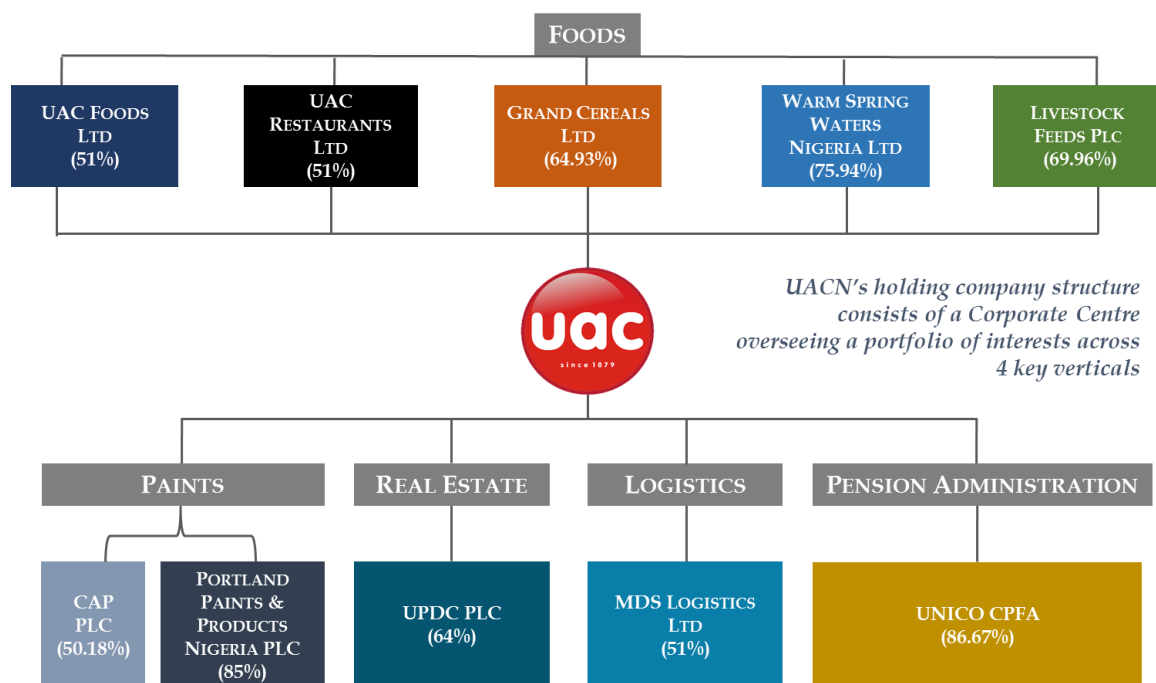
UACN has a diverse product portfolio with leading brands such as Gala Sausage Roll, Mr. Bigg's, Funtime Coconut Chips, Supreme Ice Cream, Swan Natural Spring Water, Gossy Warm Spring Water, Dulux, Grand Soya Oil, Grand Corn Flakes, Vital Feeds, Livestock Feeds and Sandtex.

The Company has evolved into a holding company with strong regional and international partnerships in a bid to enhance sustainable growth. UACN blazed the trail by fully franchising its Quick Service Restaurants operations, a strategy that is serving as a model for the sector, and has been replicated by competitors. Gala Sausage Roll and Mr Bigg's, the leading QSR brands in Nigeria, have for many years remained dominant household brands.

# CHAIRMAN'S LETTER


## GROUP STRUCTURE

The chart below illustrates UACN's shareholding in its various subsidiaries.





## SUBSIDIARIES AND ASSOCIATED COMPANIES




UACN, through its subsidiaries, is active in the following principal sectors: Foods, Real Estate, Logistics and Paints. Details of its subsidiaries are as follows:

SUBSIDIARY	DETAILS
	<p><b>CHEMICAL AND ALLIED PRODUCTS PLC ("CAP PLC")</b> is the producer of Dulux paints, which is a technological licensee of AkzoNobel, the world's leading paints and coatings manufacturer.</p> <p>CAP PLC commenced business in 1957 as ICI Exports Limited, a subsidiary of Imperial Chemical Industries Plc, which was acquired in 2008 by AkzoNobel.</p> <p>CAP PLC continues to maintain its position as the leader in the decorative coatings market with its flagship brand, Dulux, which provides an exceptional combination of durability and</p>


## CHAIRMAN'S LETTER

SUBSIDIARY	DETAILS
	<p>beauty while the standard brand, Caplux is offered to drive overall volume share.</p> <p>In 2005, in response to increasing customer discernment and a need to consolidate on its premium positioning, CAP PLC introduced the Dulux Colour Centre concept, a pioneering move that revolutionized the landscape of the Nigerian paints market. The Dulux Colour Centres are the primary channel for the strategic distribution of Dulux.</p> <p>CAP PLC, an ISO certified company since 1999, is fully committed to eco-friendly initiatives, formulating paints that combine sustainability and excellent performance.</p>
	<p><b>GRAND CEREALS LIMITED</b> is engaged in the production and marketing of leading brands including Grand Pure Soya Oil, Grand Cornflakes, Richfil Cereal Meal, Binggo Dog Food, Vital Feed range of feeds, and concentrates.</p> <p>The company has over the years carved a niche as a strong player in the agro-based industry, employing the best technology and processes in the conversion of locally-sourced raw materials into acclaimed brands of superior value.</p>
	<p><b>LIVESTOCK FEEDS PLC</b> was established in 1963 by Pfizer as a subsidiary to the pharmaceutical business which had been introduced to Nigeria a few years earlier.</p> <p>UACN acquired a majority stake in Livestock Feeds in 2013. The company is engaged in the manufacturing and marketing of animal feeds and concentrates.</p>




## CHAIRMAN'S LETTER

SUBSIDIARY	DETAILS
	<p><b>MDS LOGISTICS PLC (“MDS LOGISTICS”)</b> is Nigeria’s leading provider of integrated supply chain solutions, with over four decades of operations. The company provides the most unique bouquet of supply chain services available in Nigeria.</p> <p>MDS Logistics is a strategic partnership between UACN and Imperial Logistics of South Africa. The Company is a supply chain giant providing premium standalone services in three primary segments - Warehousing, Haulage and Distribution - to blue chip and multinational companies and agencies.</p> <p>MDS Logistics’ impressive and strong customer base includes top rated companies in the Food, Beverages, Telecommunications, Pharmaceuticals and Chemical industries. The company also provides a number of niche market offerings in Telecoms-Logistics, Pharma-Logistics (Pharmaceutical Distribution Management), Offsite Warehouse Management, Value Added Services and Project Management.</p>
	<p><b>PORTLAND PAINTS &amp; PRODUCTS NIGERIA PLC (“PORTLAND PAINTS”)</b> commenced business in 1972 as a division of Lafarge WAPCO. The Company manufactures decorative and protective coatings under the Sandtex brand and represents Hempel (<a href="http://www.hempel.com">www.hempel.com</a>) in industrial, marine and protective coatings. In 2013, UACN acquired a majority stake in Portland Paints.</p>
	<p><b>UAC FOODS LIMITED (“UAC FOODS”)</b> is a strategic partnership between UACN and Tiger Brands Limited (“Tiger Brands”). UACN and Tiger Brands hold 51% and 49% equity stake respectively.</p> <p>UAC Foods continues to be the proud owner of some of the leading household names in FMCG business in Nigeria with products such as Gala Sausage Roll, Funtime Cake, Funtime Coconut Chips, Supreme Ice Cream and Swan Water.</p>

## CHAIRMAN'S LETTER

SUBSIDIARY	DETAILS
	<p>In addition, UAC Foods is poised to endear itself to the hearts of Nigerian consumers by offering more innovative options in the snacks and beverage categories at affordable prices. Brand building for greater bonding with its consumers is a major strategic thrust for the business.</p>
	<p><b>UAC RESTAURANTS LIMITED ("UAC RESTAURANTS")</b> is a strategic partnership between UACN and Famous Brands of South Africa.</p> <p>UAC Restaurants operates a portfolio of brands which now include Debonairs Pizza, Mug &amp; Bean, Steers, catering to various consumer needs and tastes.</p> <p>UAC Restaurants has continued to innovatively improve its offerings to meet the demands of its consumers. UAC Restaurants, through its portfolio of brands with Mr Bigg's as the flagship, is committed to retaining its position as the market leader through consistent delivery of high quality meals and snacks to its consumers in the most conducive atmosphere.</p>

## CHAIRMAN'S LETTER

SUBSIDIARY	DETAILS
	<p><b>UACN Property Development Company (“UPDC”)</b> operated first as a Department, then as a Division of UACN until 1997, when the business was incorporated as a public limited liability company and listed on The Nigerian Stock Exchange.</p> <p>UPDC’s strategic thrust is the development and management of luxury, premium and classic apartments in selected cities in Nigeria. The company approaches property planning from the customers’ perspective to create comfortable living/working environments.</p> <p>UPDC’s current portfolio includes residential and commercial properties in Lagos, Abuja and Port Harcourt, amongst other cities.</p> <p>The company places a high premium on environmental responsibilities and adopts a business model premised on project development and delivery through direct investment and joint ventures.</p>
	<p><b>UNICO CPFA LIMITED</b> is a closed pension fund administrator, managing the retirement benefits of employees of UACN, its subsidiary companies and previously affiliated companies.</p>
	<p><b>WARM SPRING WATERS NIGERIA LIMITED</b> is a joint venture company of UACN, Ekiti State Government, Ikogosi-Ekiti Community and some investors of Ekiti State origin. The company has been engaged in the bottling and distribution of GOSSY Natural Spring Water since 2003.</p> <p>GOSSY Natural Spring Water is sourced from the only Warm Spring in Nigeria - the rocks of Ikogosi, Ekiti State, and passes through layers of rocks which naturally filter the water, preserving its naturalness.</p>



## CHAIRMAN'S LETTER

---

### BOARD OF DIRECTORS AND MANAGEMENT TEAM

#### I. MR. DANIEL O. AGBOR, CHAIRMAN

Mr. Agbor is the Managing Partner of the law firm of Udo Udoma & Belo-Osagie with responsibility for managing the law firm, and with continuing responsibility for leading the firm's mergers and acquisitions and private equity practices. He brings to the Board a wealth of experience from his distinguished careers in banking and legal practice.

He holds a B.Sc. degree in Political Science and an M.PA (Masters in Public Administration), both from the University of Calabar in 1980 and 1982 respectively. He also holds a Bachelor of Laws (LL.B) degree of the University of Benin (1985) and was called to the Bar in 1986 after passing the Bar Examinations of the Nigerian Law School. He is a member of both the Nigerian Bar Association and the International Bar Association. Prior to joining Udo Udoma & Belo-Osagie in 1990, he held various positions in Nigeria International Bank Limited (now Citibank Nigeria Limited), where he worked in the Corporate Finance Unit and in Gulf Bank of Nigeria Limited, where he was Company Secretary/ Legal Adviser. He is on the Board of Directors of several companies including being the Non-Executive Chairman of FSDH Securities Limited, a Non-Executive Director of FSDH Merchant Bank Limited, Pensions Alliance Limited and Swift Network Services Limited respectively, and an alternate director of Nigerite Limited.

He has attended several training programmes within and outside Nigeria including Euromoney Training Programme on effective Risk Management Oversight for Board Members & Executives, a Jeff & O'Brien facilitated Training Programme on Enterprise Wide Risk Management for Board of Directors, IFRS Partner Training on "IFRS Readiness for Boards and Audit Committees", a Business Education Examinations Council Programme for Board Chairmen, Chief Executives, Directors and Board Secretaries Programme, Euromoney Training Programme on Private Equity & Venture Capital and Arthur Andersen & Co Basic Accounting Course.

Mr. Agbor joined the Board of UAC of Nigeria PLC in November 2015. He is the Non-Executive Chairman of the Board.

#### II. MR. LARRY E. ETTAH, GROUP MANAGING DIRECTOR

Mr. Ettah is the Group Managing Director/Chief Executive Officer of the Company. He started his career as a Management Trainee in UAC of Nigeria PLC in 1988. He has held several Senior Management positions in UAC of Nigeria PLC and was appointed an Executive Director of UAC of Nigeria PLC in 2004. He became the Group Managing

## CHAIRMAN'S LETTER

---

Director/Chief Executive Officer of UAC of Nigeria PLC on 1st January 2007. He holds a B.Sc. degree in Industrial Chemistry (1985) and an MBA (1988) both from University of Benin. A graduate of the renowned Executive Programme of Ross School of Business, University of Michigan, he has also attended Executive Education Programmes of Graduate School of Business, Stanford University, Harvard Business School, USA, SAID Business School, Oxford University UK, and IMD Lausanne, Switzerland. He is the President of Nigeria Employers' Consultative Association (NECA). He was appointed to the Board of UACN in 2004, and has notified the Board of his intention to retire from his role on 1st January 2018.

### III. MR. ABDUL A. BELLO, CHIEF FINANCIAL OFFICER

Mr. Bello holds a Higher National Diploma (HND) in Accounting from the Yaba College of Technology (1983). Mr. Bello is a Fellow of the Institute of Chartered Accountants of Nigeria. He has attended leadership programmes at the Wharton School of the University of Pennsylvania, Harvard Business School and IMD Global Board Centre, Switzerland. He is an alumnus of Oxford University's Advanced Management and Leadership Programme. Mr. Bello has worked variously as Chief Accountant, Inlaks PLC, Chief Accountant and Financial Controller, Grand Cereals Limited, Senior Group Accountant, UAC of Nigeria PLC, Finance Director and Company Secretary and later Managing Director of CAP PLC. He was the Managing Director of UPDC PLC from November 2007 until his elevation to the Board of UAC as Chief Financial Officer in January 2010. He was recently elected Group Managing Director / Chief Executive Officer designate by the Board, with an effective start date of 1st January 2018.

### IV. MR. JOSEPH I. DADA, EXECUTIVE DIRECTOR

Mr. Dada graduated from Ahmadu Bello University, Zaria with a B.Sc. (Hons) in Economics (1982). He holds a Master of Science Degree in Marketing Management from the University of Lagos. He is a Member of the Advertising Practitioners Council of Nigeria (APCON) and a Fellow of the National Institute of Marketing of Nigeria (NIMN). He is an alumnus of the famous Kellogg School of Management, North Western University, Illinois, USA. He joined UAC of Nigeria PLC as a Management Trainee in September 1983. He worked with the then A.J Seward division of UAC, in UAC Export and subsequently UAC Foods where he was Divisional Ice Cream Director and Divisional Frozen Foods Director respectively. In December 1999, Mr. Dada was appointed as the Managing Director of Grand Cereals Limited, a subsidiary of UACN, a position he held until his elevation to the Board in January 2010 as Executive Director, Corporate Services with responsibility for Human Resources, Marketing and Strategy.

## CHAIRMAN'S LETTER

---

### V. **MRS. AWUNEBBA S. AJUMOGOBIA, INDEPENDENT NON-EXECUTIVE DIRECTOR**

Mrs. Ajumogobia is a Fellow of the Institute of Chartered Accountants of Nigeria. She graduated from University of Ibadan with a B.Sc. (Hons) degree in Economics (1982) and acquired broad professional experience across several industries in finance, accounting, external auditing, taxation and marketing, and advising on measures for improving business performance and increasing Return On Investment (ROI) at the audit firms of Peat Marwick and Deloitte and later Andersen Consulting (rebranded Accenture) where she worked for thirteen (13) years.

Mrs. Ajumogobia currently serves as Executive Director of Multistream Energy Limited. She is on the board of the University of Ibadan Research Foundation, Musical Society of Nigeria (MUSON) Finance Committee, chairs the Governing Council of Grange School, Lagos where she also sits on the Board of Directors and is an associate of WIMBIZ (Women in Management, Business and Public Service).

Mrs. Ajumogobia who joined UAC of Nigeria PLC Board in July 2009 is the Chairman of the Risk Management Committee, as well as a member of the Statutory Audit Committee of the Company.

Mrs. Ajumogobia remains committed to personal professional development in Private Equity, Finance, Risk Management, Financial Journalism, the Education Sector and Leadership at local and global programmes including Harvard Business School, London Business School, IMD, Bloomberg Media Initiative and Lagos Business School.

### VI. **DR. OKECHUKWU J. MBONU, NON-EXECUTIVE DIRECTOR**

Dr. Mbonu is a Partner of Execution Edge Limited. He holds a first-class honors (B.Sc.) and Ph.D. degrees in Mechanical Engineering from the University of Manchester, UK (1977). He is a COREN registered Engineer, a Fellow of the Nigerian Society of Engineers (FNSE), a Fellow of the Nigerian Institution of Mechanical Engineers (FNIMEchE) and a Fellow of the Sierra Leone Institute of Engineers (FSLIE). He started his career as an Engineer with Nigerian Breweries PLC in 1982 and after holding several engineering positions, was appointed the Engineering Manager of the company in 1990. The first Nigerian to be so appointed. In 1996, he was seconded by Nigerian Breweries PLC to Shell Petroleum Development Company of Nigeria (SPDC) on contract. After the contract with SPDC, he returned to Nigerian Breweries PLC and was elevated to the Board of Nigerian Breweries PLC as the company's Human Resource Director (HRD) in November 1999. He was later appointed the Customer Service Director (CSD) in November 2001. In March 2005, he was

## CHAIRMAN'S LETTER

---

posted to Heineken International and then to Sierra Leone Brewery Limited, Freetown as the Managing Director/Chief Executive Officer of the company.

Upon retirement from the services of Heineken International/Nigerian Breweries in August 2009, he joined the services of PricewaterhouseCoopers (PwC), Nigeria Limited as a Director in their Advisory Line of Service. He joined Execution Edge Limited in July 2014 as one of the founding Partners.

He was appointed the Non-Executive Chairman of Cutix PLC, Nigeria in October 21st, 2016. He joined the Board of UACN in November 2015 as a Non-Executive Director.

### **VII. MR. BABATUNDE. O. KASALI, NON-EXECUTIVE DIRECTOR**

Mr. Kasali graduated with B.Sc. (Hons) Economics Degree from Manchester Metropolitan University, United Kingdom (1977). He is a Fellow of the Institute of Chartered Accountants of Nigeria. His work experience includes Audit Senior, Ernst & Young (Chartered Accountants) United Kingdom, Assistant Internal Auditor, Amex Bank PLC, United Kingdom, Principal Manager, Ernst & Young (Chartered Accountants) Nigeria. He was also Chief Inspector, Regional Director, Divisional Director and Regional Bank Head, Consumer and Commercial Banking Group, United Bank for Africa PLC respectively. He is the Non-Executive Chairman of the Board of Directors of Wema Bank PLC. He was a Non-Executive Director of UACN Property Development Company PLC from where he was appointed to the UACN Board in March 2013.

### **VIII. DR. UMARU ALKA, NON-EXECUTIVE DIRECTOR**

Dr. Alka, an expert in environmental pollution and conservation had his secondary education at the prestigious King's College, Lagos. He thereafter attended Ahmadu Bello University, Zaria from where he earned a B.Sc. (Hons) degree in Chemical Engineering (1976) and M.Eng. in Water Resources and Environmental Engineering. He obtained a Ph.D. in Environmental Control Engineering from the University of Newcastle Upon-Tyne, United Kingdom. He has acquired deep experience in his specialty from working with the Bauchi State Water Board from 1976 to 1985 and the Abubakar Tafawa Balewa University (formerly Abubakar Tafawa Balewa College of Ahmadu Bello University, Zaria) from 1985 to 1987. From 1987 to date he has run his own environmental and water resources engineering outfit, Alka- Chem Limited. He had also at various times served on the Boards of the Federal Housing Authority, Bauchi State Water Board, Lake Chad Research institute and as an Adviser to the Bauchi State Government on Environmental, Industrialization and Water Resources Development. He is a member of the Nigerian Society of Engineers, Nigerian Society of Chemical Engineers, Institution of Water Pollution Control (UK) and the Institute

## CHAIRMAN'S LETTER

---

of Public Health Engineering (UK). He was a Non-Executive Director of Chemical & Allied Products PLC from where he was appointed to the UAC of Nigeria PLC Board in March 2013.

### IX. MR. GODWIN SAMUEL, COMPANY SECRETARY

Mr. Samuel holds an LL.B Degree from Lagos State University (1990), was called to the Nigerian Bar in 1991. He also holds an LL.M Degree from the University of Lagos (1994). He has attended several Legal Secretarial and Management courses locally and internationally, among which are Developing General Management Potential Course of Cranfield School of Management, UK (2005) and Haggai Institute of Advanced Leadership Seminar Singapore (2005). He is a member of the Nigerian Bar Association, the International Bar Association, Chartered Institute of Taxation of Nigeria (CITN) and the Nigerian Institute of Management.

Mr. Samuel worked variously as a Senior Counsel/Senior Deputy Editor at Deji Sasegbon & Co., and was a Lecturer in Law at the Lagos State University between 1992 and 1997 before joining UACN in 1997 as Deputy Manager. He was National Customer Service Manager UAC Foods Snacks Category before being appointed the Company Secretary/Legal Adviser of UACN PLC in 2006. He was a non-Executive Director of the defunct UAC Registrars Limited and is presently a Non-Executive Director of Livestock Feeds PLC. He had functioned as Company Secretary of several UACN subsidiaries such as GM Nigeria Limited, UPDC PLC, CAP PLC, UAC Foods Limited, Warm Spring Nigeria Limited and UNICO CPFA Limited.

### FUTURE PLANS

The operating environment has changed and continues to change rapidly with implications for growth and risk management.

In line with the Company's vision to be No. 1 in its chosen markets, UACN is undertaking a review of its portfolio and strengthening its position in critical markets. The Company will explore growth opportunities to create sustainable value for its shareholders.

### RISKS

As part of the process for creating medium to long term expansion strategies, UACN has conducted a thorough risk analysis of its business environment. This risk assessment process was aimed at identifying and evaluating potential risks that might affect the business, and conceiving plans for mitigating the impact of those risks in the event that they materialize. Stated below are the identified risks associated with UACN (Group):

## CHAIRMAN'S LETTER

---

### *I. MACRO-ECONOMIC RISK*

This risk is associated with changes in economic factors such as interest rates, inflation rates, foreign exchange rates and commodity prices. Potential foreign exchange risks arise from various currency exposures; including price volatility in assets and liabilities denominated in foreign currencies and fluctuations in the Naira value of imported key raw materials. However, the Company's level of exposure to assets, liabilities and net investments in foreign operations is limited.

UACN through its agro processing and foods business, is exposed to volatility in commodity prices of grains (maize, soya beans and wheat) due to seasonal trends and the availability of harvest produce.

### *II. LIQUIDITY RISK*

This risk arises from an inability to meet financial cash flow obligations in a timely and cost-effective manner. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group Finance function. The Group Finance function also monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

The major loans, which are contracted with various financial institutions, are disclosed in the annual financial statements.

### *III. INVESTMENT & PORTFOLIO MANAGEMENT RISK*

This risk arises from the inability to manage, monitor and achieve desired return on the Group's varied investments. UACN runs the risk that it may be unable to diligently and extensively assess its investments prior to commitment, or it may invest in companies with over-valued assets.

### *IV. REGULATORY RISK*

This risk arises from changes in legislation, fiscal and regulatory policies that can threaten the Group's competitive position and capacity to efficiently conduct its business. It is also the risk of financial and/or reputational loss occurring from violations or non-compliance with laws, standards and codes of conduct applicable to the Group's activities.

### *V. LEGAL RISK*

This risk arises from inadequate legal and contractual management process or our inability to predict with certainty, the outcome of litigation matters, government proceedings and other contingencies and uncertainties.

## CHAIRMAN'S LETTER

---

### VI. *INFORMATION TECHNOLOGY AND INFORMATION SECURITY RISK*

This risk arises from poor data and information availability, integrity and security. Inadequate and unreliable connectivity, inadequate access controls, inadequate response to change in technology and external attacks such as virus attacks and hacking activities can impact the operations of the group. More specifically, cybersecurity threats and incidents can range from uncoordinated individual attempts to gain unauthorized access to information technology systems, to sophisticated and targeted measures known as advanced persistent threats, directed at the Group.

### VII. *POLITICAL RISK*

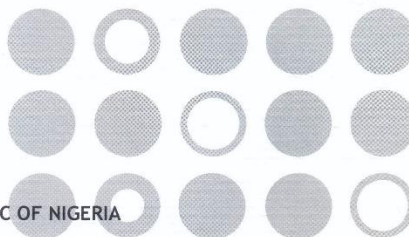
This risk is associated with the political climate in the country. Nigeria's diverse political, religious and ethnic landscape has led to struggles for power between rival groups.

Despite the reduction in militant activities and terrorist attacks, this risk still exists to an extent. Continued criminal activity, unrest and political and religious conflicts in the country may lead to lower oil production, deter investments in the country and lead to increased political instability that could have a material adverse effect on Nigeria's economy and therefore, the operations of the Group.

### *GENERAL RISK DISCLOSURE*

Shareholders should consult their advisers if in any doubt as to the nature of this investment and its suitability in the light of their particular circumstances. The value of any securities traded (whether listed or not) are subject to investment risks, can and do fluctuate, and any individual security may experience upward or downward movements. There is an inherent risk that losses may be incurred rather than a profit made as a result of buying and selling securities. Past performance is not a guide to future performance. Certain types of investments may not be suitable for all investors.

# BOARD RESOLUTION AUTHORIZING THE ISSUE



THE FEDERAL REPUBLIC OF NIGERIA

THE COMPANIES AND ALLIED MATTERS ACT, CAP C20

LAWS OF THE FEDERATION OF NIGERIA, 2004

PUBLIC COMPANY LIMITED BY SHARES

BOARD RESOLUTION  
OF  
UAC OF NIGERIA PLC RC 341


AN EXTRACT OF RESOLUTIONS OF THE DIRECTORS OF UAC OF NIGERIA PLC DATED 26<sup>TH</sup> JULY 2017

60/2017

1. Pursuant to the shareholders special resolution passed at the Annual General Meeting of the Company held on Wednesday 14<sup>th</sup> of June 2017 authorising the Board of Directors of the Company (The "Board") to raise up to ₦15.4 Billion (fifteen billion, four hundred million naira) by way of rights issue through the issuance of ordinary shares at such price, time and or on such terms and conditions as the Directors may deem fit or determine, **IT WAS RESOLVED THAT** a Rights Issue of 960,432,193 (Nine Hundred and Sixty million, Four Hundred and Thirty Two thousand and One Hundred and Ninety Three) ordinary shares of 50kobo each, at the price of ₦16.00 Naira units to shareholders whose names appear on the Register of Members of the Company at the close of business of the qualification date (being the date on the application for approval of the Rights Issue is submitted to the Nigerian Stock Exchange), on the basis of 1 Ordinary share for every 2 shares held by them as at the said date, be and is hereby approved.
2. **IT WAS ALSO RESOLVED THAT** the following be and are hereby approved as Professional Advisers/Parties to the Rights Issue:
  - **Joint Issuing Houses:** Afrinvest, FBN MB, FSDH, LeadCapital, Stanbic IBTC Capital
  - **Solicitors to the Issue:** Udo Udoma & Belo-Osagie
  - **Auditors to the Issuer:** Ernst & Young
  - **Registrars:** Africa Prudential PLC
  - **Receiving Bank:** StanbicBTC Bank
  - **Stockbrokers:** StanbicBTC Stockbrokers Limited & Afrinvest Securities Limited

Dated this 26<sup>th</sup> day of July 2017

  
LARRY E. ETTAH  
GMD/CEO

  
GODWIN ABIMBOLA SAMUEL  
COMPANY SECRETARY

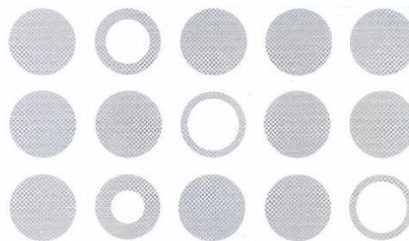
uac of nigeria plc RC 341

uac house, 1 - 5 odunlami street, p.o. box 9, lagos nigeria. telephone: 01- 2701879, 7359971, fax: 01 - 2805594, www.uacnplc.com

Directors: D. O. Agbor (Chairman); L. E. Ettah (GMD/CEO); A. A. Bello; J. I. D Dada; A. Ajumogobia (Mrs.); Engr. (Dr.) O. J. Mbonu; B. O. Kasali; Dr. U. Alka.



# SWORN LETTER OF DECLARATION OF FULL DISCLOSURE BY UACN



26 September, 2017

The Director General  
Securities and Exchange Commission  
SEC Tower  
Plot 272 Samuel Adesujo Ademulegun Street  
Central Business District  
Abuja

Dear Sir,

## PROPOSED RIGHTS ISSUE BY UAC OF NIGERIA PLC: SWORN DECLARATION ON FULL DISCLOSURE OF ALL MATERIAL FACTS IN THE RIGHTS CIRCULAR

In accordance with Rule 280 (3) of the Rules and Regulations of the Securities and Exchange Commission 2013 (as amended), UAC of Nigeria PLC hereby makes a sworn declaration that it has fully disclosed all material facts in the Rights Circular in connection with the Rights Issue.

Yours faithfully,

MR. LARRY EPHRAIM ETTAH  
Group Managing Director

MR. GODWIN ABIMBOLA SAMUEL  
Company Secretary



MR. ABDUL AKHOR BELLO

Executive Director/Chief Finance Officer

**IDOWU OGinni**

Legal Practitioner and  
Notary Public For Nigeria.  
9, Oladosu St. off Toyin St.  
Ikeja, Lagos, Nigeria.  
08023529110, 07060535884



uac of nigeria plc RC341

uac house, 1 - 5 odunlami street, p.o. box 9, lagos nigeria. telephone: 01- 2701879, 7359971, fax: 01 - 2805594, www.uacnplc.com

Directors: D. O. Agbor (Chairman); L. E. Ettah (GMD/CEO); A. A. Bello; J. I. D Dada; A. Ajumogobia (Mrs.); Engr. (Dr.) O. J. Mbonu; B. O. Kasali; Dr. U. Alka.



## LETTER FROM THE DIRECTORS ON GOING CONCERN STATUS

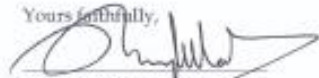
---

The Board is also responsible for selecting suitable accounting policies and applying the policies on a consistent basis, making judgements and estimates that are prudent and reasonable.

The applicable International Financial Reporting Standards have been followed and the Company's financial statements are prepared using accounting policies, which comply with generally accepted accounting standards in Nigeria, including the Companies and Allied Matters Act, 2004, and the Financial Reporting Council of Nigeria Act 2011. The Board, therefore, deems it appropriate to adopt the going concern basis in preparing the financial statements.

The Board, after making appropriate enquiries, reviewing budgets, projecting cash flows and other relevant information, considers that adequate resources will exist for the business to continue in operational existence for the foreseeable future.

Yours faithfully,



MR. LARRY EPHRAIM ETTI  
Group Managing Director



MR. GODWIN ARIMBOLA SAMUEL  
Company Secretary

# LETTER FROM THE AUDITORS ON GOING CONCERN STATUS

---



Ernst & Young  
10th Floor  
UBA House  
57, Marina  
P. O. Box 2442, Marina  
Lagos.

Tel: +234 (01) 631 4500  
Fax: +234 (01) 463 0481  
Email: [Services@ing.ey.com](mailto:Services@ing.ey.com)  
[www.ey.com](http://www.ey.com)

8 August 2017

The Directors  
UAC of Nigeria Plc  
UAC House  
1-5 Odunlami Street  
Lagos

and

The Directors  
Afrinvest West Africa Limited  
27, Gerrard Road  
Ikoyi  
Lagos

and

The Directors  
Stanbic IBTC Capital Limited  
I.B.T.C. Place  
Walter Carrington Crescent  
Victoria Island  
Lagos

and

The Directors  
FBN Merchant Bank Limited  
10 Keffi Street  
Off Awolowo Road  
Ikoyi  
Lagos

and

The Directors  
FSDH Merchant Bank Limited  
UAC House (5<sup>th</sup> - 8<sup>th</sup> Floors)  
1-5 Odunlami Street  
Lagos

and

The Directors  
Lead Capital Plc  
Plot 281 Ajose Adeogun Street  
Victoria Island  
Lagos

# LETTER FROM THE AUDITORS ON GOING CONCERN STATUS



Dear Sirs

## UAC OF NIGERIA PLC - CONFIRMATION OF GOING CONCERN STATUS

We have audited the Consolidated and separate financial statements of UAC of Nigeria Plc ("the Company") and its subsidiaries (together "the Group") for the year ended 31 December 2016 which were prepared in accordance with International Financial Reporting standards, Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

Based on our audit of the consolidated and separate financial statements of the Group for the year ended 31 December 2016 on which we expressed our opinion on 31 March 2017 and the representation received from the Directors of the Group, nothing has come to our notice that makes us believe that the UAC of Nigeria Plc will not continue in operation as a going concern.

Yours faithfully

Yusuf Aliu, FCA  
FRC/2012/ICAN/00000000138  
For: Ernst & Young  
Chartered Accountants  
Lagos, Nigeria



**OLAYINKA A. DOHERTY ESQ**  
**OLAYINKA A. DOHERTY & CO**  
Solicitors, Solicitors And  
Notaries Public  
1, Tinubuoh Street, Lagos



# CONSOLIDATED FINANCIAL AND OTHER INFORMATION

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

UAC of Nigeria Plc							
	The Group				The Company		
	HI 2017	2016	2015	2014	2016	2015	2014
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Revenue	48,447,911	84,606,570	73,771,244	85,654,346	912,307	820,655	928,853
Cost of sales	(40,793,680)	(67,250,807)	(56,962,613)	(66,471,835)	-	-	-
<b>Gross profit</b>	<b>7,654,231</b>	<b>17,355,763</b>	<b>16,808,631</b>	<b>19,182,511</b>	<b>912,307</b>	<b>820,655</b>	<b>928,853</b>
Dividends Income	-	-	-	-	1,728,393	3,216,353	3,534,170
Other operating income	1,354,754	3,882,573	1,968,741	3,463,931	260,314	343,324	1,028,207
Selling and distribution expenses	(1,725,885)	(3,390,329)	(3,463,423)	(3,628,749)	-	-	-
Administrative expenses	(3,470,201)	(7,331,716)	(7,202,592)	(6,550,832)	(1,387,597)	(1,717,984)	(1,479,006)
Other operating losses	(112,210)	(2,443,937)	(716,268)	(73,112)	-	(181,249)	(71,124)
<b>Operating profit</b>	<b>3,700,689</b>	<b>8,072,354</b>	<b>7,395,089</b>	<b>12,393,749</b>	<b>1,513,418</b>	<b>2,481,099</b>	<b>3,941,101</b>
Finance income	1,012,343	1,561,700	1,568,103	1,745,060	1,500,755	1,478,066	1,400,306
Finance cost	(3,507,870)	(2,948,920)	(3,017,576)	(3,020,835)	-	-	-
Net finance (cost) / income	(2,495,527)	(1,387,220)	(1,449,473)	(1,275,775)	1,500,755	1,478,066	1,400,306
Share of profit/loss of associates and joint venture using the equity method	429,678	1,089,747	1,787,461	2,978,959	-	-	-
<b>Profit before tax</b>	<b>1,634,840</b>	<b>7,774,880</b>	<b>7,733,077</b>	<b>14,096,932</b>	<b>3,014,173</b>	<b>3,959,165</b>	<b>5,341,406</b>
Income Tax Expense	(440,093)	(2,108,343)	(2,570,339)	(3,366,172)	(386,885)	(455,804)	(1,028,043)
Profit after tax for the period from continuing operations	1,194,747	5,666,537	5,162,738	10,730,760	2,627,289	3,503,361	4,313,363
<b>Discontinued operations</b>							
Profit after tax for the period from discontinued operations	-	-	-	214,034	-	-	-
<b>Profit for the year</b>	<b>1,194,747</b>	<b>5,666,537</b>	<b>5,162,738</b>	<b>10,944,795</b>	<b>2,627,289</b>	<b>3,503,361</b>	<b>4,313,363</b>
<b>Other comprehensive income:</b>							
<i>Items that may be subsequently reclassified to profit or loss</i>							
Net changes in fair value of available-for-sale financial assets	-	(112)	(3,004)	(6,652)	-	-	-
Tax on other comprehensive income	-	-	-	-	-	-	-
<b>Other comprehensive income for the period net of tax</b>	<b>-</b>	<b>(112)</b>	<b>(3,004)</b>	<b>(6,652)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period net of tax</b>	<b>1,194,747</b>	<b>5,666,426</b>	<b>5,159,734</b>	<b>10,938,143</b>	<b>2,627,289</b>	<b>3,503,361</b>	<b>4,313,363</b>
<b>Profit attributable to:</b>							
Equity holders of the parent	999,450	3,750,748	2,983,494	6,536,269	2,627,290	3,503,362	4,313,364
Non controlling interests	195,298	1,915,790	2,179,245	4,408,526	-	-	-
	1,194,748	5,666,538	5,162,738	10,944,795	2,627,290	3,503,362	4,313,364
<b>Total comprehensive income attributable to:</b>							
Equity holders of the parent	999,450	3,750,691	2,981,781	6,529,617	2,627,290	3,503,362	4,313,364
Non controlling interests	195,298	1,915,735	2,177,953	4,408,526	-	-	-
	<b>1,194,748</b>	<b>5,666,426</b>	<b>5,159,734</b>	<b>10,938,143</b>	<b>2,627,290</b>	<b>3,503,362</b>	<b>4,313,364</b>

# CONSOLIDATED FINANCIAL AND OTHER INFORMATION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

UAC of Nigeria Plc							
Consolidated and Separate Statement of Financial Position as at 31st Decemeber							
	The Group				The Company		
	H1 2017	2016	2015	2014	2016	2015	2014
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	34,498,159	35,270,673	36,100,036	37,288,383	746,578	858,249	851,680
Intangible assets and goodwill	1,676,833	1,675,935	1,862,646	1,842,452	49,168	78,982	108,595
Investment property	18,995,814	19,870,234	20,035,327	19,924,421	3,032,200	2,984,600	3,198,600
Investments in associates and joint ventures	19,483,099	19,696,279	21,197,867	19,090,575	-	-	-
Available-for-sale financial assets	19,197	19,197	19,308	22,312	1,001	1,001	1,001
Investments in subsidiaries	-	-	-	-	11,759,874	11,641,051	11,641,051
Prepayment	16,647	13,402	10,789	25,032	-	-	-
Deferred tax asset	145,977	145,977	231,652	202,610	-	-	-
	<b>74,835,726</b>	<b>76,691,696</b>	<b>79,457,625</b>	<b>78,395,786</b>	<b>15,588,821</b>	<b>15,563,883</b>	<b>15,800,927</b>
<b>Current assets</b>							
Inventories	31,561,723	36,805,193	25,328,868	27,855,738	2,664	4,668	3,423
Trade and other receivables	23,191,246	15,187,085	14,656,437	16,001,084	9,639,859	8,572,367	7,814,857
Cash and Cash equivalents (excluding bank overdrafts)	8,054,645	9,545,585	9,212,399	8,108,053	4,250,546	3,431,237	2,855,113
	<b>62,807,614</b>	<b>61,537,863</b>	<b>49,197,703</b>	<b>51,964,875</b>	<b>13,893,068</b>	<b>12,008,273</b>	<b>10,673,393</b>
<b>Total assets</b>	<b>137,643,340</b>	<b>138,229,559</b>	<b>128,655,328</b>	<b>130,360,660</b>	<b>29,481,889</b>	<b>27,572,156</b>	<b>26,474,320</b>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
Borrowings	4,072,766	5,275,238	8,093,404	7,680,773	-	-	-
Deferred tax liabilities	4,927,709	4,791,901	5,048,083	5,568,609	198,965	212,433	-
Deferred revenue	4,245	4,600	15,751	214,085	-	-	-
Provisions	22,123	22,123	23,578	24,118	-	-	39,967
Government Grants	9,226	9,214	32,240	56,633	-	-	-
	<b>9,036,069</b>	<b>10,103,075</b>	<b>13,213,055</b>	<b>13,544,219</b>	<b>198,965</b>	<b>212,433</b>	<b>39,967</b>
<b>Current liabilities</b>							
Trade and other payables	20,342,505	17,919,261	15,850,886	14,566,679	815,791	629,248	908,270
Current income tax liabilities	3,736,128	4,885,789	4,749,821	4,481,335	2,355,689	2,277,742	2,057,834
Bank overdrafts and current portion of borrowings	25,467,050	24,521,196	17,294,027	20,476,607	-	-	-
Dividend payable	4,341,938	3,682,512	2,759,611	1,932,251	3,682,512	2,759,611	1,932,251
Deferred revenue	308,686	300,778	307,361	92,759	-	-	92,759
Provisions	124,757	124,757	110,023	107,947	80,642	65,991	-
Government Grant	196,013	226,652	228,521	81,132	56,777	42,043	-
	<b>54,517,077</b>	<b>51,660,944</b>	<b>41,300,250</b>	<b>41,738,711</b>	<b>6,991,411</b>	<b>5,774,634</b>	<b>4,991,114</b>
<b>Liabilities of disposal group classified as held for sale</b>							-
<b>Total liabilities</b>	<b>63,553,146</b>	<b>61,764,019</b>	<b>54,513,304</b>	<b>55,282,929</b>	<b>7,190,376</b>	<b>5,987,067</b>	<b>5,031,081</b>
<b>Equity</b>							
Ordinary share capital	960,432	960,432	960,432	960,432	960,432	960,432	960,432
Share premium	3,934,536	3,934,536	3,934,536	3,934,536	3,934,536	3,934,536	3,934,536
Contingency reserve	28,575	28,575	28,575	28,575	-	-	-
Available-for-sale reserve	-5,561	5,561	5,504	3,792	-	-	-
Retained earnings	40,578,889	41,500,304	39,670,420	40,048,438	17,396,547	16,690,122	16,548,272
<b>Equity attributable to equity holders of the Company</b>	<b>45,496,871</b>	<b>46,418,286</b>	<b>44,588,460</b>	<b>44,968,190</b>	<b>22,291,514</b>	<b>21,585,089</b>	<b>21,443,239</b>
<b>Non controlling interests</b>	<b>28,593,323</b>	<b>30,047,253</b>	<b>29,553,564</b>	<b>30,109,541</b>			-
<b>Total equity</b>	<b>74,090,194</b>	<b>76,465,540</b>	<b>74,142,024</b>	<b>75,077,731</b>	<b>22,291,514</b>	<b>21,585,089</b>	<b>21,443,239</b>
<b>Total equity and liabilities</b>	<b>137,643,340</b>	<b>138,229,559</b>	<b>128,655,328</b>	<b>130,360,660</b>	<b>29,481,890</b>	<b>27,572,156</b>	<b>26,474,320</b>

# CONSOLIDATED FINANCIAL AND OTHER INFORMATION

## CONSOLIDATED STATEMENT OF CASHFLOWS

UAC of Nigeria Plc							
Consolidated and Separate Statement of Cashflows as at 31st Decemeber							
	The Group				The Company		
	H1 2017	2016	2015	2014	2016	2015	2014
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Cash flows from operating activities</b>							
Cash generated from/ (used in) operations	6,225,165	1,446,821	14,412,801	8,132,233	(396,117)	161,299	(2,932,738)
Corporate tax paid	(886,322)	(1,789,541)	(2,921,034)	(1,831,318)	(24,482)	(1,053,162)	(2,074)
VAT paid	(101,879)	(608,453)	(555,566)	(940,850)	(61,106)	(45,595)	(27,011)
Interest received	1,012,343	1,561,700	1,568,103		1,500,755	1,478,066	-
Interest paid	(3,467,330)	(3,196,057)	(3,224,621)	(3,020,835)	-	-	-
<b>Net cash flow (used in)/generated from operating activities</b>	<b>2,781,977</b>	<b>(2,585,531)</b>	<b>9,279,685</b>	<b>2,339,231</b>	<b>1,019,050</b>	<b>540,608</b>	<b>(2,961,823)</b>
<b>Cash flows from investing activities</b>							
Interest received	-	-	-	1,745,060	-	-	1,400,306
Dividend received	-	-	-	-	1,728,393	3,216,353	3,534,170
Purchase of Intangible assets	(83,980)	(40,673)	(174,077)	(278,487)	(5,853)	(5,354)	(600)
Purchase of property, plant and equipment	(495,994)	(1,839,488)	(1,808,693)	(3,028,604)	(67,592)	(182,022)	(127,043)
Proceeds from sale of property, plant and equipment	63,740	652,219	313,001	145,779	11,627	11,169	3,496
Purchase of investment properties	(126,482)	(19,743)	(54,377)	(78,017)	(4,201)	(784)	(650)
Proceeds from sale of investment properties	1,000,902	2,125,050	276,365	1,589,657	110,000	35,000	399,500
Dividend from UPDC REIT	642,857	1,055,469	1,216,034	929,700	-	-	-
Recovery of previously impaired loan		10,000	130,000	29,831	10,000	130,000	29,831
Guaranty fees received		-	73,225	-	-	73,225	56,184
Payment for shares acquired-Portland Paints Plc				(235,891)			(235,891)
Warranty claim on Investment - PPPNP		-	-	-	-	-	-
Liquidation distribution from GMNL		-	-	315,000	-	-	315,000
<b>Net cash generated from investing activities</b>	<b>1,001,043</b>	<b>1,942,834</b>	<b>(28,523)</b>	<b>1,134,027</b>	<b>1,782,374</b>	<b>3,277,587</b>	<b>5,374,303</b>
<b>Cash flows from financing activities</b>							
Proceeds from sale of shares to NCI	-	-	-	-	-	-	-
Dividends paid to non controlling interests	(1,649,228)	(1,422,046)	(2,733,930)	(3,148,811)	-	-	-
Dividends paid to Company shareholders	(1,791,549)	(1,863,293)	(3,242,072)	(3,361,512)	(1,863,293)	(3,242,072)	(3,361,512)
Proceeds from borrowings	170,179	33,616,190	10,356,759	1,827,727	-	-	-
Repayment of borrowings	(1,379,470)	(32,081,262)	(12,212,669)		-	-	-
Increase/(Decrease) in commercial papers		-	-	3,070,367	-	-	-
Subscription - Rights issue of Portland Paints and Livestock Feeds Plc	(1,400,286)						
Acquisition of additional shares -Portland Paints Plc		(118,824)	-		(118,824)	-	
<b>Net cash flow used in financing activities</b>	<b>(6,050,354)</b>	<b>(1,869,235)</b>	<b>(7,831,911)</b>	<b>(1,612,230)</b>	<b>(1,982,117)</b>	<b>(3,242,072)</b>	<b>(3,361,512)</b>
<b>Net (decrease)/increase in cash &amp; cash equivalents</b>	<b>(2,267,334)</b>	<b>(2,511,932)</b>	<b>1,419,251</b>	<b>1,861,029</b>	<b>819,307</b>	<b>576,123</b>	<b>(949,032)</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>4,895,948</b>	<b>7,403,773</b>	<b>5,983,738</b>	<b>3,970,904</b>	<b>3,431,237</b>	<b>2,855,113</b>	<b>3,804,144</b>
<b>Effects of exchange rate changes on cash and cash equivalents.</b>	<b>-</b>	<b>4,107</b>	<b>783</b>	<b>469</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash &amp; cash equivalents at the end of the period after adjusting for bank overdraft</b>	<b>2,628,359</b>	<b>4,895,948</b>	<b>7,403,773</b>	<b>5,832,402</b>	<b>4,250,545</b>	<b>3,431,236</b>	<b>2,855,112</b>



## STATUTORY AND GENERAL INFORMATION

### INCORPORATION AND SHARE CAPITAL HISTORY

UACN was incorporated in Lagos, Nigeria on April 22, 1931 as a wholly-owned subsidiary of the United Africa Company Limited (a subsidiary of Unilever), which later became UAC International. The Company's name was changed to United Africa Company (Nigeria) Limited on 23rd July 1943, and became UAC of Nigeria PLC in 1991. It was listed on the NSE in 1974.

The Company currently has an authorized share capital of ₦1,700,000,000, divided into 3,000,000,000 Ordinary Shares of 50 Kobo each and 400,000,000 preference shares of 50 Kobo each. The changes in share capital of the Company since its listing on the NSE are summarized below:

Year	Date	Authorised		Issued & Fully Paid up (N)		Consideration
		Increase N' 000	Cumulative N' 000	Increase/ (Decrease) N' 000	Cumulative N' 000	
	before 30/09/1976	26,000	26,000	23,760	23,760	-
	30/09/1976	14,000	40,000	15,840	39,600	Scrip issue (2 for 3)
	23/09/1977	40,000	80,000	39,600	79,200	Scrip issue (1 for 1)
	30/09/1978	20,000	100,000	19,800	99,000	Scrip issue (1 for 4)
	30/09/1990	48,500	148,500	49,500	148,500	Scrip issue (1 for 2)
	11/04/1990	14,850	163,350	14,850	163,350	Scrip issue (1 for 10)
	16/09/1993	40,838	204,188	40,838	204,188	Scrip issue (1 for 4)
	05/04/1994	-	204,188	(42,880)	161,308	Capital Reduction
	15/02/1995	-	204,188	20,419	181,727	Offer for subscription
	03/07/1996	95,812	300,000	45,432	227,159	Scrip issue (1 for 4)
	09/08/2000	200,000	500,000	227,159	454,318	Scrip issue (1 for 1)
	27/10/2004	500,000	1,000,000	185,970	640,288	Scrip issue (1 for 4)
	21/05/2010	-	1,000,000	160,072	800,360	Scrip issue (1 for 4)
	24/05/2013	700,000	1,700,000	160,072	960,432	Scrip issue (1 for 5)

### SHAREHOLDING STRUCTURE

As at 30th September 2017, the Company had approximately 185,000 shareholders with only one shareholder owning more than 5% (as displayed in the table below). All holders of Ordinary Shares have the same voting rights. The Company is not aware of any arrangements that may result in a change of control.

SHAREHOLDER	SHAREHOLDING	%
Stanbic Nominees Nigeria Limited	343,020,404	17.86

## STATUTORY AND GENERAL INFORMATION

### DIRECTORS' BENEFICIAL INTEREST

The interests of the Directors of UACN in the issued share capital of the Company as recorded in the Register of Members and as notified by them for the purpose of Section 275 (1) of the CAMA, as at 30 June 2017 are as follows:

DIRECTORS	DIRECT	INDIRECT	TOTAL	% OF SHARE CAPITAL
Mr. D.O Agbor	328,400	-	328,400	0.0171
Mr. L.E Ettah	2,400,000	-	2,400,000	0.1249
Mr. A.A. Bello	124,388	-	124,388	0.0065
Mr. J.I. Dada	103,124	-	103,124	0.0054
Mrs. A. Ajumogobia	925	-	925	0.0000
Dr. Umaru Alka	4,184	-	4,184	0.0002
Mr. Babatunde Kasali	10,000	-	10,000	0.0005

### STATEMENT OF INDEBTEDNESS

As at 30th June 2017, UAC of Nigeria PLC (the Company) had no debt on its books; its subsidiaries had a total debt amount of approximately ₦30 Billion, broken down as follows:

SUBSIDIARY	LOAN BALANCE (N' 000)
CAP PLC	117,827
UPDC PLC	21,873,320
Livestock Feeds PLC	2,072,950
Portland Paints & Products Nigeria PLC	123,800
Grand Cereals Limited	5,557,157
<b>Total Indebtedness</b>	<b>29,745,054</b>

Apart from the foregoing, UACN has no outstanding debenture, mortgage, charges or other similar indebtedness other than in the ordinary course of business.

### OFF BALANCE SHEET ITEMS

As at 30th June 2017, the Company had no off-balance sheet items on its records.

### CLAIMS AND LITIGATION

The Company in the ordinary course of its business, is presently involved in 15 cases and is a claimant in 3 of these cases. The Company is a defendant in 9 of the cases and is an appellant in 3 of the cases. The total value of the Company's claim in these cases is ₦4,490,374,865.29 while the total value of the claims against the Company is ₦230,000,000 and USD136,805.42. In addition

## STATUTORY AND GENERAL INFORMATION

---

to these claims, the non-monetary claims and reliefs that are being sought against the Company in these cases:

- a) Forfeiture of the lease in respect of the property at No. 269 Murtala Mohammed Way, Benin City, Edo State;
- b) Forfeiture of lease in relation to the property in Ijebu-Ode, Ogun State
- c) Declaration of title of the Silo Complex with UAC Farms in Kidandan in Kaduna State which comprises 8 units of silo of 250 metric tons each and 3 rice silos and other ancillary buildings and their appurtenances; and
- d) Forfeiture of the parcel of land within the Urhobo community in Delta State.

Save for the cases mentioned above, the Solicitors are not aware of any other pending and/or threatened claim or litigation matter against the Company.

The Solicitors to the Issue are of the opinion that none of the cases would have an adverse material effect on the proposed rights issue.

### UNCLAIMED DIVIDENDS

The total amount of unclaimed dividends as at 30th June 2017 is ~~₦~~₦3,147,092,721. In addressing the issue of unclaimed/unpaid dividend, the Company periodically publishes a schedule of unclaimed dividends on its website and inform the shareholders of such in its Annual Report, circulated to all shareholders of the Company. In addition, requests for revalidation of old dividend warrants and/or non-receipt of dividends complaint are continuously forwarded to the Registrar for revalidation or re-issuance as required to enable shareholders receive value for their dividend.

The Company is actively promoting the e-dividend campaigns to facilitate immediate credit of the shareholder's Bank account, once dividend is declared by the Company ensuring subsequent dividends do not become unclaimed. This is achieved by including "e-dividend mandate forms" in the annual reports distributed to shareholders to ensure mandates are updated.

### PURPOSE OF THE RIGHTS ISSUE

UACN plans through the Rights Issue to bolster the Group's capital position to enable it to recapitalize its subsidiaries, provide working capital support in a timely manner, and exploit attractive business opportunities.

After deduction of the estimated issue costs and expenses of ~~₦~~₦333,913,286 (representing 2.2% of the gross issue proceeds), the net issue proceeds of ~~₦~~₦15,033,001,802 will be applied as follows:

## STATUTORY AND GENERAL INFORMATION

---

UTILIZATION	CAPITAL TO BE RAISED (₦ 000)	(%)	EXPECTED COMPLETION DATE
Equity Injection into Grand Cereals Limited	5,000,000	33%	November, 2018
Shareholder Loan to Grand Cereals Limited	3,519,682	23%	November, 2018
Working Capital Support for Grand Cereals Limited & Livestock Feeds PLC	4,013,320	27%	November, 2018
New Business Development	2,500,000	17%	June 2019
<b>Total</b>	<b>15,033,002</b>	<b>100%</b>	

### **Equity Injection into Grand Cereals Limited**

Due to increasing cost of raw materials and the planned investment by UACN's subsidiary (Grand Cereals Limited) into the agricultural value chain, the board has identified the need for equity injection into Grand Cereals.

The planned ₦7 billion Rights Issue of Grand Cereals will be subscribed to by UACN to the extent of its 64.9% holding in addition to any unsubscribed units. The total amount of proceeds to be used for this investment is approximately ₦5 billion.

### **Shareholder Loan to Grand Cereals Limited**

To further support Grand Cereals Limited's expansion plans into the agricultural value chain, the Board has identified the need for a shareholder loan of ₦3.5 billion to Grand Cereals. The planned shareholder loan will be provided on commercial terms to Grand Cereals Limited and upon repayment at a future date will be deployed in the food/agro-processing categories of the Group to enhance shareholder value.

### **Working Capital Support for Grand Cereals Limited and Livestock Feeds PLC**

UACN will part-finance inventory procurement during harvest season of grains and oil seeds. The season starts in the last quarter of every year when the financial institutions typically adopt tight credit policies to achieve their audited Balance Sheet goals. The availability of the required funds in a timely manner at that particular time is a competitive imperative. The raw materials will be utilized in the course of the year by Grand Cereals Limited and Livestock Feeds PLC. The transaction between UACN and the agro-processing subsidiaries will be on commercial terms and at arm's length. The total amount of proceeds to be expended on this is approximately ₦4 billion, being ₦2.8 billion to Grand Cereals Limited and ₦1.2 billion to Livestock Feeds PLC.

## STATUTORY AND GENERAL INFORMATION

---

### New Business Development

The Board is conscious of the fact that the recent economic downturn presents an opportunity for product innovation and growth investment in existing markets and adjacent categories. Management has been mandated to explore such value-optimizing opportunities for investment consideration. The sum of ₦2.5 billion has been ear-marked for this endeavor.

### RELATED PARTY TRANSACTIONS

The amounts outstanding, in respect of related party transactions as at 30th June 2017, to the Group's subsidiaries are set out below:

S/N	PARTY	OUTSTANDING AMOUNT (₦' 000)
<b>Sales of Goods and Services</b>		
1	UACN Property Development Co. PLC	1,491,159
2	Grand Cereals Limited	3,117,536
3	Chemical & Allied Products PLC	(12,131)
4	Warm Spring Waters Nigeria Limited	13,980
5	UAC Foods Limited	43,064
6	UNICO CPFA Limited	2,284
7	MDS Logistics Limited	8,377
8	Portland Paints & Products Nigeria PLC	140,676
9	Livestock Feeds PLC	1,689,791
10	UAC Restaurants Limited	38,665
		<b>6,533,401</b>

### COSTS AND EXPENSES

The costs and expenses of this Issue including fees payable to the SEC, the NSE and professional parties, filing fees, stamp duties, legal fees, brokerage commission, printing and advertising costs and miscellaneous expenses are estimated at ₦331,400,205 representing 2.2% of the gross amount to be raised.

### MATERIAL CONTRACTS

A Vending Agreement dated 03 November 2017 under the terms of which the Joint Issuing Houses have agreed, on behalf of the UACN, to offer by way of rights 960,432,193 Ordinary Shares of 50 kobo each at ₦16.00 per share on the basis of one (1) Ordinary Share for every two (2) Ordinary Shares in the Company.

## STATUTORY AND GENERAL INFORMATION

---

Other than as stated above, the Company, as at the date of this Rights Circular, did not have any subsisting material contract (in the context of this Rights Issue) other than those entered into in the ordinary course of its business.

### RELATIONSHIP BETWEEN THE COMPANY AND ITS ADVISERS

The Chairman of UACN's Board of Directors is the Managing Partner in Udo Udoma & Belo-Osagie, the Solicitor to the Issue. He also serves as a Director on the Board of FSDH Merchant Bank Limited, one of the Joint Issuing Houses to the Issue.

With exception to those listed above, no relationship other than the professional ones established pursuant to this Issue exists between the Issuer and any of its advisers, save for in the ordinary course of business.

### CONSENTS

The following have given and have not withdrawn their written consents to the issue of this Rights Circular with their names and reports (where applicable) to be included in the form and context in which they appear:

<b>Directors of UACN:</b>	Mr. Daniel Owor Agbor Mr. Larry Ephraim Ettah Mrs. Awuneba Sotonye Ajumogobia Dr. Umaru Alka Mr. Abdul Akhor Bello Mr. Joseph Ibrahim Dada Dr. Okechukwu John Mbonu Mr. Babatunde Oladele Kasali
<b>Company Secretary of UACN:</b>	Mr. Godwin Abimbola Samuel
<b>Auditors:</b>	Ernst & Young
<b>Lead Issuing House:</b>	Afrinvest (West Africa) Limited
<b>Joint Issuing Houses:</b>	<ul style="list-style-type: none"><li>▪ FBN Merchant Bank Limited</li><li>▪ FSDH Merchant Bank Limited</li><li>▪ LeadCapital PLC</li><li>▪ Stanbic IBTC Capital Limited</li></ul>
<b>Solicitors to the Issue:</b>	Udo Udoma & Belo-Osagie
<b>Joint Stockbrokers to the Issue:</b>	Afrinvest Securities Limited, Stanbic IBTC Stockbrokers Limited

## STATUTORY AND GENERAL INFORMATION

---

Registrars:	Africa Prudential PLC
Receiving Bank:	Stanbic IBTC Bank PLC

### MERGERS AND ACQUISITIONS

As part of its growth strategy, UACN will continue to explore merger and acquisition opportunities relevant to its business. In line with its strategic focus, UACN had acquired Portland Paints and Products Nigeria PLC and Livestock Feeds PLC.

### DECLARATIONS

Except as otherwise disclosed herein:

1. No share of the Company is under option or agreed conditionally or unconditionally to be put under option
2. There are no long-term service agreements between the Company and any of the Directors and employees except pension agreements
3. The Company also hereby declares that none of its directors or management staff is subject to any of the following in Nigeria or elsewhere:
  - a. A petition brought under any bankruptcy or insolvency proceedings either against his/her person or against any partnership or company of which he or she is a partner, director or key personnel;
  - b. A conviction in a criminal proceeding relating to fraud or dishonesty;
  - c. A judgement or a ruling by a regulatory body relating to fraud or dishonesty restraining him/her from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

### OVERVIEW OF CORPORATE GOVERNANCE

UAC of Nigeria Plc is a company of integrity and maintains high ethical standards. Our reputation for honest, open and dependable business conduct, built over the years is an asset just as our people and brands. We conduct our business in full compliance with the laws and regulations of Nigeria and our Code of Business Conduct.

#### Board of Directors

Under the Articles of Association of the Company, the business of the Company shall be controlled and managed by the Directors, who may exercise all such powers of the Company as are not by statute or the Articles to be exercised by the Company in the general meeting. The operations of the Board of Directors of UAC of Nigeria Plc are governed by a charter.

## STATUTORY AND GENERAL INFORMATION

---

The Board is made up of five Non-Executive and three Executive Directors. All the Directors have access to the advice and services of the Company Secretary. With the approval of the Chairman of the Board, they may take advice from third party professionals in areas where such advice will improve the quality of their contribution to Board deliberations.

The position of the Chairman is distinct from that of the Group Managing Director/CEO. The Chairman is Mr. Dan Agbor while the Group Managing Director/Chief Executive Officer is Mr. Larry Ettah.

The process of appointing Directors involves a declaration of a vacancy at a Board meeting; sourcing of the curriculum vitae of suitable candidates depending on the required skills, competence and experience at any particular time; and the reference of the curriculum vitae to the Governance and Remuneration Committee for necessary background checks, informal interviews/interaction and a recommendation for approval to the Board of Directors. A Director appointed by the Board is presented to the next Annual General Meeting of the members of the Company for election in line with statutory requirement.

The Board functions through two Board Committees namely, Risk Management Committee and Governance & Remuneration Committee. Board Committees make recommendations for approval by the full Board.

- a) Risk Management Committee: The Committee is chaired by Mrs. Awuneba Ajumogobia, a Non-Executive Director and is made up of another non-executive director and three Executive Directors. The Committee is charged with the responsibility of understanding the principal risks to achieving the company and the Group's strategy. The committee also oversees the establishment of a management framework that defines the Company's risk policy, risk appetite and risk limits.
- b) Governance and Remuneration Committee: The committee is chaired by Mr. Dan Agbor, a Non-Executive Director and made up of two other non-executive directors. The GMD/CEO attends the meetings of the Committee to present reports and shed light on people management and remuneration proposals. The committee periodically evaluates the skills, knowledge and experience required on the Board and makes recommendations on the composition of the Board.

The Company has an Audit Committee which consists of six members made up of three representatives of shareholders elected at the previous Annual General Meeting for a tenure of one year and three representatives of the Board of Directors appointed by the Board. The committee evaluates annually the independence and performance of external auditors, receives the interim around final audit presentation from the external auditors and also reviews with



## STATUTORY AND GENERAL INFORMATION

---

management and the external auditors the annual audited financial statements before its submission of the Board.

### RESEARCH AND DEVELOPMENT

As at the date of this Rights Circular, UAC of Nigeria Plc (the Company) has not made any investments in Research and Development (R&D). Investments into R&D are carried out at the subsidiary level by the different companies within the Group.

### DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of the Issuing Houses during normal business hours on any weekday (except public holidays):

1. The Certificate of Incorporation of the Company, duly certified by the CAC;
2. The Memorandum and Articles of Association of the Company, duly certified by the CAC;
3. The Board resolution authorizing the Rights Issue, dated 26<sup>th</sup> July 2017 passed at the meeting of the Board of Directors, signed by a Director and the Company Secretary;
4. The resolution of the shareholders passed at the AGM dated 14 June 2017, approving the Capital Raising Exercise, duly certified by the CAC;
5. The Company's Audited Accounts for the financial years ended December 2010, December 2011, December 2012, December 2013, December 2014, December 2015, December 2016, H1 2017 Management Accounts presented in accordance with Nigerian GAAP and International Financial Reporting Standards;
6. The schedule of the Claims and Litigation referred to on pages 42 and 43;
7. Letters of approval from SEC and the NSE
8. The material contract referred to on page 45; and
9. The written consents referred to on page 46.

## PROVISIONAL ALLOTMENT LETTER

---

16 October 2017

Dear Sir/Madam,

### **RIGHTS ISSUE OF 960,432,193 ORDINARY SHARES OF 50 KOBO EACH AT ₦16 PER SHARE IN UACN**

#### **1. Provisional Allotment**

The Chairman's letter dated 03 October 2017 on page 16 of this Rights Circular contains particulars of the Rights Issue now being made. The Directors have provisionally allotted to you the number of Ordinary Shares set out on the first page of the enclosed Acceptance/Renunciation Form, representing **one (1)** new ordinary share for every **two (2)** ordinary shares registered in your name at the close of business on **19 October 2017**. The new Ordinary Shares will rank pari passu in all respects with the existing Ordinary Shares of the Company.

You may accept all or some of the shares offered to you or renounce your Rights to all or some of them. If you are accepting the provisional allotment in full, kindly complete box A of the Acceptance/Renunciation Form, while if renouncing your rights partially or in full, kindly complete box B of the form. You may also apply for additional shares over and above your provisional allotment as described in 2(b) below.

#### **2. Acceptance and Payment**

The receipt of any payment with your Acceptance/Renunciation Form will constitute an acceptance of all or part of this allotment on the terms of this letter, subject to the Memorandum and Articles of Association of the Company and to the clearance of the Securities and Exchange Commission. If payment is not received by 22 December 2017, the provisional allotment will be deemed to have been declined and will be cancelled. You may participate in the Rights Issue through any of the following methods:

##### ***a) Full Acceptance***

If you wish to accept this provisional allotment in full, please complete box A of the Acceptance/Renunciation Form. The completed Acceptance/Renunciation Form together with a cheque or bank draft for the full amount payable must be submitted to any of the Receiving Agents listed on page 53 of this document not later than 22 December 2017. The cheque or draft must be made payable to the Receiving Agent, drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "UACN RIGHTS" with your name, address and daytime telephone number (if any) written on the back of the cheque or draft. All cheques and drafts will be presented for payment upon receipt and all Acceptance/Renunciation Forms in

## **PROVISIONAL ALLOTMENT LETTER**

---

respect of which cheques are returned unpaid for any reason will be rejected and returned through the registered post.

Any payment made electronically or with a value exceeding ₦10 million should be made via SWIFT, RTGS or NEFT into the designated Issue Proceeds Account stated on the Acceptance/Renunciation Form. Such payment must include the following transfer instruction narrative: “[FULL NAME OF SHAREHOLDER]’s PAYMENT FOR UACN RIGHTS”.

### ***b) Applying for Additional Shares***

This may be done by completing item (ii) and (iii) of box A of the Acceptance/Renunciation Form. Payment should be made in accordance with 2(a) above. Shareholders who apply for additional shares using the Acceptance/Renunciation Form will be subject to the allotment process and may therefore be allotted less than the number of additional shares applied for.

### ***c) Partial Acceptance***

To accept your provisional allotment partially, please complete box B of the Acceptance/Renunciation Form and submit the completed Acceptance/Renunciation Form to any of the Receiving Agents listed on Page 53 of this document together along with full amount payable in respect of the number of shares you wish to accept. Payment should be made in accordance with 2(a) above

## **3. Trading in Rights on the NSE**

The approval of The Exchange has been obtained for trading in the Rights of the Company. The Rights will be tradable between 15 November 2017 and 22 December 2017 at the price at which the Rights are quoted on The Exchange. If you wish to renounce your Rights partially or in full, you may trade such renounced Rights on the floor of The Exchange between these dates. Please complete item (iii) of box C of the Acceptance/Renunciation Form and contact your stockbroker for assistance. If you wish to purchase renounced Rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing renounced Rights. Any purchaser of Rights may also trade those Rights between these dates.

Shareholders who trade their Rights partially can also apply for additional shares by completing box A of the Acceptance/Renunciation Form.

## **4. Allotment of Additional Shares**

Ordinary shares which are not taken up by 22 December 2017 will be allotted, on a pro-rata (equal) basis to existing shareholders who applied and paid for additional shares over and above their provisional allotment by completing item (ii) of box A. Shares not taken up by shareholders after allotment will be returned to UACN’s authorized share capital as part of its un-issued shares.

## **5. Subscription Monies**

Acceptance/Renunciation Forms must be accompanied with the full amount due on acceptance in accordance with 2(a) above. All subscription monies will be retained in interest yielding bank accounts by the Receiving Bank.

## PROVISIONAL ALLOTMENT LETTER

---

### 6. Surplus Application Monies

If any application for additional shares is not accepted or accepted for fewer shares than the number of shares applied for; a cheque for the balance of the amount paid together with accrued interest will be returned by registered post within 5 (five) working days of allotment.

Any electronic payment with a value exceeding ₦10 million would be made via RTGS or NEFT into the affected subscriber's bank account details stated on the Acceptance/Renunciation Form.

### 4. Rounding Principle

The allocation of Rights Issue shares will be such that shareholders will not be allocated a fraction of a Rights Issue share and as such any shareholding giving rise to a fraction of less than one of a Rights Issue will be rounded to the nearest whole number.

### 5. Settlement

The CSCS accounts of Shareholders will be credited not later than 15 working days from the date of allotment. Certificates of Shareholders that do not provide their CSCS account details will be dispatched by registered post not later than 15 working days from the date of allotment.

Yours faithfully,

**For: UAC OF NIGERIA PLC**



**MR. GODWIN ABIMBOLA SAMUEL**  
Company Secretary

## RECEIVING AGENTS

A copy of the Rights Circular has been forwarded to each of the shareholders whose names appeared in the Company's Register of Members as at 19 October 2017. The completed Acceptance Forms may be returned to any of the following Receiving Agents to whom brokerage will be paid at the rate of ₦0.60 kobo per ₦100 worth of shares allotted in respect of Acceptance Forms bearing their official stamp.

*The Issuing Houses cannot accept responsibility for the conduct of any of the institutions listed below. Shareholders are therefore advised to conduct their own enquiries before choosing an agent to act on their behalf. Evidence of lodgment of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing Houses cannot give rise to a liability on the part of the Issuing Houses under any circumstances.*

### BANKS

Access Bank Plc Citibank Nigeria Limited Diamond Bank Plc Enterprise Bank Limited Ecobank Nigeria Plc Fidelity Bank Plc	First Bank of Nigeria Plc First City Monument Bank Limited Guaranty Trust Bank Plc Heritage Bank Plc Keystone Bank Limited	Mainstreet Bank Limited Skye Bank Plc Stanbic IBTC Bank Plc Standard Chartered Bank Nigeria Limited Sterling Bank Plc	Union Bank of Nigeria Plc United Bank for Africa Plc Unity Bank Plc Wema Bank Plc Zenith Bank Plc
--	--	---	---

### STOCKBROKERS AND OTHERS

Adamawa Securities Limited Adonai Stockbrokers Limited African Alliance Stockbrokers Limited Afrinvest (West Africa) Limited AIMS Asset Management Limited Alangrange Securities Limited Alibond Investment Limited Alliance Capital Managt Co. Limited Altrade Securities Limited Amyr Investments Limited Anchorage Sec & Finance Limited Anchoria Inv& Securities Limited Apel Asset Limited APT Sec. & Funds Limited Arian Capital Management Limited ARM Securities Limited Associated Asset Managers Limited Atlas Portfolio Limited Belfry Stockbrokers Limited Bestlink Investment Limited Bestworth Assets & Trust Limited BFCL Assets & Sec Limited BIC Securities Limited Bytofel Trust & Securities Limited Cadington Securities Limited Calyx Securities Limited Camry Securities Limited Capital Asset Limited Capital Bancorp Limited Capital Express Securities Limited Capital Trust Brokers Limited Cardinal Stone Securities Limited Cashcraft Asset Mgt. Limited Cashville Inv& Sec. Limited Centre-Point Inv. Limited Century Securities Limited Chapel Hill Denham Securities Limited Chartwell Securities Limited Citi Investment Capital Limited City-Code Trust & Inv Limited Clearview Inv Co. Limited Colvia Securities Limited Compass Inv and Sec Limited Consolidated Inv Limited Consortium Investments Limited Cordros Capital Limited Core Trust & Investment Limited Covenant Securities & Asset Management Limited Cowry Asset Mgt Limited Cradle Trust Fin & Sec. Limited Crane Securities Limited Crossworld Securities Limited Crown Capital Limited CSL Stockbrokers Limited Dakal Securities Limited Davandy Finance & Sec Limited DBSL Securities Limited De-canon Investments Limited Deep Trust Investment Limited De-Lords Securities Limited Dependable Securities Limited Diamond Securities Limited Dolbic Finance Limited Dominion Trust Limited DSU Brokerage Services Limited Dunbell Securities Limited Dunn Loren Merrifield Securities Limited Dynamic Portfolios Limited ECL Asset Management Limited EDC Securities Limited Edgefield Capital Management Limited Emerging Capital Limited EMI Capital Resources Limited Empire Securities Limited	Enterprise Stockbroker Plc Epic Investment Trust Limited Equity Capital Solutions Limited Eurocomm Securities Limited Excel Securities Limited Express Discount Asset Mgt Limited Express Portfolio Services Limited FCSL Asset Management Company Limited Falcon Securities Limited FBC Trust & Securities Limited FBN Securities Limited Financial Trust Company Nigeria Limited Fidelity Securities Limited FinBank Securities Limited Finmal Finance Company Limited First Inland Capital Limited First Inland Sec. & Asset Mgt. Limited FIS Securities Limited Fittco Securities Limited Foresight Sec. & Inv Limited Forte Financial Limited Forthright Securities & Investments Limited Fortress Capital Limited FSDH Securities Limited Fund Matrix & Assets Mgt Limited Future view Financial Services Limited Future view Securities Limited Gem Assets Mgt Limited Genesis Securities & inv. Limited Gidauniya Inv. & Sec Limited Global Assets Mgt (Nig) Limited Global Inv. & Sec. Limited Global View Consult & Investment Limited GMT Securities Golden Securities Limited Gombe Securities Limited Gosord Securities Limited Greenwich Securities Limited GTI Capital Limited Harmony Securities Limited Heartbeat Investments Limited Hedge Sec. & Inv. Co. Limited Heritage Capital Mkt Limited Horizon Stockbrokers Limited HP Securities Limited ICMG Securities Limited ICON Stockbroker Limited Imperial Assets Mgt Limited IMTL Securities Limited Independent Securities Limited Integrated Trust & Inv. Limited Intercontinental Securities Limited International Capital Sec. Limited International Standard Sec Limited Interstate Securities Limited Investment Centre Limited Investment One Financial Services Limited Investment One Stock Brokers International Limited Investors & Trust Co Limited ITIS Securities Limited Kakawa Asset Mgt Limited Kapital Care Trust & Sec. Limited Kedari Securities Limited Kinley Securities Limited Kofana Securities & Inv. Limited Kundila Finance Services Limited Laksworth Inv. & Sec Limited Lambeth Trust & Inv. Co. Limited LB Securities Limited	Lead Securities and Inv. Limited Lighthouse Asset Mgt Limited Lion Stockbrokers Limited LMB Stockbrokers Limited Long Term Global Capital Limited Mact Securities Limited Magnartis Fin & Inv Limited Mainland Trust Limited Maninvest Securities Limited Marina Securities Stockbroking Services Limited Maven Asset Mgt Limited Maxifund Invest & Sec. Limited Mayfield Investment Limited MBC Securities Limited MBL Financial Services Limited MC-Finero Investment limited Mega Equities Limited Mercov Securities Limited Meristem Securities Limited Midas Stockbrokers Limited Mission Securities Limited Molten Trust Limited Morgan Capital Sec Limited Mountain Investment & Securities Limited Mutual Alliance Investments and Securities Limited Network Capital Limited Network Securities & Finance Limited Newdevco Investments & Securities Co Limited Nigerian Intl Sec Limited Nigerian Stockbrokers Limited Nova Finance & Securities Limited Oasis Capital Omas Investments & Trust Company Limited Options Securities Limited PAC Securities Limited Parthian Partners Limited Partnership Investment Company Limited Peace Capital Market Limited Peninsula Asset Mgt& Inv Co. Limited Perfecta Inv Trust Limited Phronesis Sec Limited Pilot Securities Limited Pinefields Inv Serv Limited PIPC Securities Limited Pivot Trust and Investment Co Limited Platinum Capital Limited Plural Securities Limited PML Securities Company Limited Portfolio Advisers Limited Primera Africa Securities Prime Wealth Capital Limited Professional Stockbrokers Limited, Profund Securities Limited Prominent Securities Limited Prudential Securities Limited Pyramid Securities Limited Quantum Securities Limited, Rainbow Securities and Investment Co. Limited Readings Investment Limited Redasel Investment Limited Regency Assets Mgt Limited Regency Financings Limited Rencap Securities (Nig.) Limited Resano Securities Limited Resort Securities & Trust Limited Reward Investments and Services Limited Richmond Securities Limited	Riverside Trust Limited Rivtrust Securities Limited Rostrum Inv& Sec Limited Rowet Capital Mgt Limited Royal Crest Finance Limited Royal Trust Securities Limited Santrust Securities Limited Securities Africa Financial Limited Securities Solutions Limited Securities Trading & Investments Limited Shelong Investment Limited Sigma Securities Limited Signet Investments & Securities Limited Sikon Securities and Investment Trust Limited Skyview Capital Limited SMADAC Securities Limited Solid-Rock Securities & Investment Limited Spring Trust & Securities Limited Springboard Trust & Inv Limited Stanbic IBTC Asset Mgt Limited Stanbic IBTC Stockbrokers Limited Standard Alliance Capital & Asset Management Limited Standard Union Securities Limited Stanwal Securities Limited Strategy and Arbitrage Limited Summa Guaranty & Trust Co. Plc Summit Finance Company Limited Support Services Limited, Supra Commercial Trust Limited TFS Securities & Investment Limited The Bridge Securities Limited Tiddo Securities Limited Tomil Trust Limited Topmost Securities Limited Tower Asset Management Limited Tower Securities & Investment Co. Limited Trade Link Securities Limited Traders Trust & Investment Company Limited TransAfrica Financial Services Limited Transglobe Investment & Finance Co. Limited Transworld Investment & Securities Limited Tropics Securities Limited Trust Yields Securities Limited Trust House Investments Limited TRW Stockbrokers Limited UBA Securities Limited UIDC Securities Limited UNEX Capital Limited Union Capital Markets Limited Valmon Securities Limited Valueline Securities & Investments Limited Vetiva Capital Mgt Limited Vetiva Securities Limited Vision Trust & Investment Limited Wizetrade Capital & Asset Management Limited WSTC Financial Services Limited WT Securities Limited Yobe Inv. & Sec. Limited Yuderb Inv. & Sec. Limited Zenith Securities Limited
---	---	--	---

# ACCEPTANCE / RENUNCIATION FORM



## UAC of Nigeria PLC

RIGHTS ISSUE OF  
960,432,193 ORDINARY SHARES OF 50 KOBO EACH AT ₦16.00 PER SHARE  
ON THE BASIS OF ONE (1) NEW SHARE FOR EVERY TWO (2) SHARES HELD AS AT CLOSE OF BUSINESS ON 19 OCTOBER 2017

LEAD ISSUING HOUSE

PAYABLE IN FULL ON ACCEPTANCE

JOINT ISSUING HOUSES



### INSTRUCTION FOR COMPLETING THE ACCEPTANCE / RENUNCIATION FORM

- Acceptance and/or renunciation must be made on this Acceptance/Renunciation Form. Photocopies or scanned copies of the Form will be rejected.
- Allottees should complete only ONE of the boxes marked A and B on the reverse of this form. Shareholders accepting the provisional allotment in full should complete box A and submit their Acceptance/Renunciation Forms to any of the Receiving Agents listed on Page 53 of the Rights Circular together with a cheque or bank draft made payable to the Receiving Agent for the full amount payable on acceptance. The cheque or draft must be crossed "UACN RIGHTS", with the name, address and mobile number of the shareholder written on the back.

**Any payment made electronically or with a value exceeding ₦10 million should be made via SWIFT, RTGS or NEFT into the designated Offer Proceeds Account stated below:**

<b>Account Details:</b>	Stanbic IBTC Bank PLC
<b>Account Name:</b>	UACN Rights Issue
<b>Account Number:</b>	0023320270
<b>Narration:</b>	"[Full Name of Shareholder]'s payment for UACN Rights"

- Shareholders accepting their provisional allotment partially should complete box B and submit their Acceptance/Renunciation Forms to any of the Receiving Agents listed on Page 53 of the Rights Circular together with the evidence of payment transfer for the partial acceptance.
- Shareholders renouncing the provisional allotment partially or in full, who also wish to trade their rights on the floor of The Exchange should complete item (iii) of box B. They should obtain a Transfer Form from their stockbroker, complete it in accordance with these instructions, and return it to the stockbroker together with the completed Acceptance/Renunciation Form and the amount payable/evidence of transfer for any partial acceptance in accordance with 2 above.
- Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase renounced rights by contacting their stockbroker, and/or apply for additional shares by completing item (ii) and (iii) of box A.
- All cheques or bank drafts for amounts below ₦10 million will be presented for payment on receipt and all acceptances in respect of which cheques are returned unpaid for any reason will be rejected and cancelled. Shareholders are advised to obtain an acknowledgement of the amount paid from the Receiving Agent through which this Acceptance/Renunciation Form is lodged.
- Joint allottees must sign on separate lines in the appropriate section of the Acceptance/Renunciation Form.
- Acceptance/Renunciation Forms of corporate allottees must bear their incorporation numbers and corporate seals and must be completed under the hands of duly authorized officials who should also state their designations.

#### FOR REGISTRARS' USE ONLY

Number of ordinary shares accepted	Additional ordinary shares applied for	Additional ordinary shares applied allotted	Total amount payable	Amount paid	Amount to be returned/cheque/bank draft number
			₦	₦	₦

PLEASE TURN OVER

### ACCEPTANCE/RENUNCIATION FORM

Acceptance List Opens  
15 November, 2017

Acceptance List Closes  
22 December, 2017

## ACCEPTANCE / RENUNCIATION FORM

Care should be taken to comply with the instructions set out on the front of this form. If you are in doubt as to what action to take, you should immediately consult your Stockbroker, Accountant, Banker, Solicitor, Independent Investment Adviser or any other professional adviser for guidance.

Investor's Stockbroker.....CHN Number.....

Stockbroker Code.....CSCS Number.....

If you wish to trade in rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing UACN Rights.

<b>A. FULL ACCEPTANCE/REQUEST FOR ADDITIONAL ORDINARY SHARES</b>		
i. I/We accept in full, the provisional allotment shown on the front of this form		
ii. I/We also apply for additional Ordinary Shares:		
Number of Additional Ordinary Shares applied for	Additional amount payable at ₦16.00 per share	
N	N	
I/We agree to accept the same or smaller number of additional shares in respect of which allotment may be made to me/us, in accordance with the Provisional Allotment Letter contained in the Rights Circular.		
iii. I/We enclose my/our cheque/bank draft/evidence of payment transfer for ₦..... being the sum of the amount payable as shown on the front of this form, and the additional amount payable as shown in item (ii) above.		
Cheque details: Name of bank/cheque number/branch		
.....		
<b>B. RENUNCIATION OR PARTIAL ACCEPTANCE</b>		
1. Number of Ordinary Shares accepted	2. Amount payable at ₦16.00 per share	3. Number of Ordinary Shares renounced
N	N	N
i. I/We accept only the number of Ordinary Shares shown in column (1) above and enclose my/our cheque/bank draft for the value shown in column (2) above.		
Cheque details: Name of bank/cheque number/branch		
.....		
ii. I/We hereby renounce my/our rights to the Ordinary shares shown in column (3) above, being the balance of the Ordinary Shares allocated to me/us		
iii. I/We confirm that I/We wish to trade my/our rights of ..... Ordinary Shares (being my/our renounced shares as shown in Column (3) above) on the floor of The Exchange. I/We shall obtain a Transfer Form from my/our stockbroker, complete it in accordance with his instructions and return it to the stockbroker with the form		
<b>MUST BE FULLY COMPLETED FOR BOTH A AND B</b>		
Name (s) (in block letters)		
.....		
Next of Kin		
.....		
Daytime Telephone Number		Mobile (GSM) Telephone Number
.....		.....
Email Address		
.....		
<b>BANK DETAILS (FOR E-DIVIDEND)</b>		
Account Name		
.....		
Bank Name	Branch	Incorporation Number and Seal of Corporate Allottee
.....	.....	
Account Number	BVN	
.....	.....	
Signature		2 <sup>nd</sup> Signature (joint only)
.....		.....
Name of Authorised Signatory (corporate only):		Name of Authorised Signatory (corporate only):
.....		.....
Designation (corporate only):		Designation (corporate only):
.....		.....
<b>C. TRADING IN RIGHTS</b>		
<b>STAMP OF RECEIVING AGENT</b>		
i) Shareholders who wish to trade in their rights partially or in full may trade such rights on the floor of The Exchange. The rights will be traded actively on the floor of The Exchange ii) Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase traded rights (see iv), and/or apply for additional shares by completing item (ii) of box A above. iii) Shareholders who purchase rights on the floor of The Exchange are guaranteed the number of shares purchased: they will not be subject to the allotment process in respect of shares so purchased. Those that apply for additional shares by completing item (ii) of box A will be subject to the allotment process i.e. they may be allotted a smaller number of additional shares than what they applied for. iv) If you wish to purchase renounced rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing UACN rights.		