

This document is important and should be read carefully. If you are in any doubt about its contents or the action to take, kindly consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately. Investing in this offer involves risks. 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. For information concerning certain risk factors which should be considered by the prospective investor, see "Risk Factors" on page 19.



FTN COCOA PROCESSORS PLC

RC: 172292

RIGHTS ISSUE

Of

1,700,000,000

ORDINARY SHARES OF 50 KOBO EACH AT

50 KOBO PER SHARE

ON THE BASIS OF 17 NEW ORDINARY SHARES FOR EVERY 22 ORDINARY SHARES

HELD AS AT THE CLOSE OF BUSINESS ON NOVEMBER 9, 2021

PAYABLE IN FULL ON ACCEPTANCE

ACCEPTANCE LIST OPENS: Monday, March 28, 2022

ACCEPTANCE LIST CLOSES: Wednesday, May 4, 2022

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

Issuing House

MERISTEM
CAPITAL LIMITED

RC: 1297664

This Rights Circular and the securities which it offers have been cleared and registered by the Securities and Exchange Commission ("SEC" or "Commission"). It is a civil wrong and criminal offence under the Investments and Securities Act No.29, 2007 (as amended by the Federal Competition and Consumer Protection Act) (the "ISA") to issue a Rights Circular that contains false or misleading information. Clearance and registration of the Rights Circular and the securities that it offers do not relieve the parties from any liability arising under the act for false and untrue statements contained therein or for any omission of a material fact. A copy of the Rights Circular will be available on FTN Cocoa Processors Plc's website www.ftncocoa.com.ng for the duration of the Rights Issue.

Investors may confirm the clearance of this Rights Circular and registration of the securities with the SEC by contacting the Commission on sec@sec.gov.ng or +234(0)94621100; +234(0)94621168

This Rights Circular is dated Friday, March 4, 2022

TABLE OF CONTENT

1.	IMPORTANT NOTICE	3
2.	DEFINITION OF TERMS	4
3.	CORPORATE DIRECTORY	6
4.	ABRIDGED TIMETABLE	7
5.	THE RIGHTS ISSUE	8
6.	SUMMARY OF THE RIGHTS ISSUE	9
7.	LETTER OF DECLARATION	12
8.	DIRECTORS AND OTHER PARTIES TO THE ISSUE	13
9.	THE CHAIRMAN'S LETTER	14
	History of the Company	14
	Global and Economic Environment	15
	Industry Overview	16
	Financial Performance	15
	Purpose of Issue and Use of Proceeds	17
10.	BUSINESS OVERVIEW	18
	Corporate Review	18
	Board of Directors	18
	Risk Factors	19
11.	LETTER FROM THE AUDITORS ON GOING CONCERN STATUS	22
12.	FINANCIAL INFORMATION	23
	Statement of Profit or Loss and Other Comprehensive Income	23
	Statement of Financial Position	24
	Statement of Cash Flows	25
13.	STATUTORY AND GENERAL INFORMATION	26
	Incorporation and Share Capital History	26
	Shareholding Structure	26
	Subsidiaries and Associated Companies	26
	Claims and Litigation	26
	Statement of Indebtedness	26
	Unclaimed Dividends	27
	Use of Proceeds	27
	Related Party Transaction	27
	Costs and Expenses	27
	Material Contracts	27
	Relationship between Issuer, Issuing Houses and Other Advisers	27
	Declarations	28
	Consents	28
	Documents Available for Inspection	28
	PROVISIONAL ALLOTMENT LETTER	30
	ACCEPTANCE/ RENUNCIATION FORM	33

1. IMPORTANT NOTICE

This Rights Circular prepared by Meristem Capital Limited (the “Issuing House”) is issued in connection with the Rights Issue of 1,700,000,000 Ordinary Shares of 50 kobo each at 50 Kobo per share in FTN Cocoa Processors Plc (“FTN” or “FTN Cocoa” or “Company”).

This Rights Circular and the Shares being offered have been cleared and registered with the Securities and Exchange Commission. Application has been made to the Council of Nigerian Exchange Limited for admission of the Shares now being offered to the Daily Official List. It is expected that dealing in the Shares will commence immediately after the admission to the Daily Official List.

The Directors of the Company individually and collectively accept full responsibility for the information contained in this Rights Circular. To the best of the knowledge and belief of the Directors (having made all reasonable enquiries to ensure that such is the case), the information contained in this Rights Circular is in accordance with the facts and contains no omission likely to affect its import. Each Existing Shareholder (as hereinafter defined) should read this Rights Circular in its entirety and determine by himself/herself the relevance of the information contained herein and each Existing Shareholder’s acceptance of his/her rights should be based upon such investigation as is deemed necessary. In making an investment decision, Shareholders must rely upon their own examination of the Company and the terms of this Rights Circular, including the risks involved.

The Issuing House and any of its affiliates, acting as shareholders for their own accounts, may take up shares in the Issue and in that capacity may retain, purchase, sell, offer to sell or otherwise deal in such Shares for their own account and any other securities of the Company or related investments and may offer or sell such Shares or other investments other than in connection with the Issue.

No person has been authorized to give any information or make any representations other than those contained in this Rights Circular and if given or made, such information or representations must not be relied on as having been authorized by the Company and/or the Issuing House or any of their respective subsidiaries or affiliates.

The distribution of this Rights Circular and the issuance of the Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or the Issuing House that would permit a public offer of shares or possession, publication or distribution of this Rights Circular (or any other offer or publicity material or application form relating to the Issue) in any jurisdiction where action for the purpose is required, other than in Nigeria. Persons into whose possession this Rights Circular comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Rights Circular does not constitute an offer of, or an invitation to subscribe or purchase, any shares being offered in any jurisdiction in which such an offer would be unlawful.

Investors may confirm the clearance of this Rights Circular and registration of the securities with the Securities and Exchange Commission by contacting the Commission on sec@sec.gov.ng or +234(0)9462110; +234(0) 94621168.

2. DEFINITION OF TERMS

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

ABBREVIATION	NAME/DESCRIPTION
“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, No.3 of 2020 (as amended)
“CHN”	Clearing House Numbers
“Council”	Council of Nigerian Exchange Limited
“CSCS”	The Central Securities and Clearing System operated by the Central Securities and Clearing System Plc
“Daily Official List”	Daily Official List of The Nigerian Exchange Limited
“Directors”	The members of the Board of Directors of FTN who at the date of this document are those persons whose names are set out on page 13 of this Rights Circular
“EGM”	Extraordinary General Meeting
“Existing Shareholders”	Shareholders of the Company whose names appear in the register of members as at the Qualification Date
“FGN” or “Government”	Federal Government of Nigeria
“FX”	Foreign Exchange
“GDP”	Gross Domestic Product
“Issue” or “Rights Issue”	The Rights Issue by way of provisionally allotted rights to Existing Shareholders of 1,700,000,000 Ordinary Shares of 50 kobo each in the Company, on the basis of 17 new Ordinary Shares for every 22 Ordinary Shares held by them on the Qualification date
“Issuing House”	Meristem 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 the Company
“Naira” or “ N ”	The Nigerian Naira, the official currency of Nigeria
“Nigeria”	The Federal Republic of Nigeria
“Ordinary Shares” or “Shares”	The ordinary shares of 50 kobo each in the Company held by the ordinary shareholders of the Company
“Pari Passu”	Equally

“Professional Parties”	The Issuing House, Auditors, Solicitors to the Issue, Stockbroker, Registrars and Receiving Bank
“Qualification Date”	Date of filing the Rights Issue application with NGX, being November 9, 2021
“Receiving Agents”	Any of the institutions listed on page 31 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 Banks”	Zenith Bank Plc
“Register of Members”	The register maintained by the Registrar, that contains the details of all shareholders of the Company
“Registrar”	Meristem Registrars & Probate Services Limited
“Rights Circular”	This document, which is issued in accordance with the SEC Rules in respect of this Rights Issue
“SEC” or “the Commission”	Securities and Exchange Commission
“SEC Rules”	The SEC Rules and Regulations, 2013 (as amended)
“The NGX” or “the Exchange”	Nigerian Exchange Limited
“Working Day”	Any day other than a Saturday, Sunday or public holiday declared by the Federal Government of Nigeria on which banks are open for general business in Nigeria

3. CORPORATE DIRECTORY

Name	FTN Cocoa Processors Plc
Registered Office Address/ Head Office	21, Emmanuel Keshi Street Oladipo Sessi Bus Stop Magodo, GRA Lagos State.
Telephone number:	234-1-7409651
Website:	www.ftncocoa.com.ng
E-mail:	info@ftncocoa.com.ng
Factory Address	Km 9, Monatan- Iwo Road Opposite Arcedem, Wofun Olodo Ibadan Oyo State.

4. ABRIDGED TIMETABLE

DATE	ACTIVITY	RESPONSIBILITY
March 28, 2022	Application List Opens	Issuing House
May 4, 2022	Application List Closes	Issuing House
May 11, 2022	Receiving Agent make returns	Registrar / Issuing House
May 13, 2022	Forward allotment proposal and draft newspaper advertisement to SEC	Issuing House
May 20, 2022	Receive SEC clearance of allotment proposal	Issuing House
May 23, 2022	Disburse net proceeds of the Rights Issue to FTN Cocoa	Receiving Bank / Issuing House
May 27, 2022	Publish Allotment announcement	Issuing House
May 27, 2022	Return rejected/excess application monies	Issuing House/ Registrars
June 3, 2022	Credit CSCS accounts	Registrar
June 3, 2022	Forward Declaration of Compliance to The Exchange	Stockbroker
June 10, 2022	Listing of Shares on The Exchange	Stockbroker
June 20, 2022	Forward summary report to the SEC	Issuing House

5. THE RIGHTS ISSUE

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

This Rights Circular is being issued in compliance with the provisions of the ISA, the SEC Rules, the Listing Requirements of The NGX and Section 142 of CAMA 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 1,700,000,000 ordinary shares of 50 kobo each in FTN Cocoa Processors Plc by the Issuing House. An application has been made to the Council for the admission to its Daily Official Lists the 1,700,000,000 ordinary shares of 50 kobo each being offered via the Rights Issue.

The Directors of the Company 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 Ordinary 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.

MERISTEM CAPITAL LIMITED

RC: 1297664

on behalf of

FTN COCOA PROCESSORS PLC

RC: 172292

is authorized to receive acceptances for the

RIGHTS ISSUE OF 1,700,000,000 ORDINARY SHARES OF 50 KOBO EACH AT 50 Kobo PER SHARE

on the basis of **17 new ordinary shares** for every 22 **ordinary shares** held as at November 9, 2021 payable in full on Application

The Acceptance List for the shares now being issued will open on **March 28, 2022** and close on **May 4, 2022**

Share capital and Reserves of the Company (as extracted from the September 30, 2021 (Financial Statements)	₦'000
Authorized Share Capital: *5,000,000,000 ordinary shares of 50 kobo each	2,500,000
Issued and fully Paid Share Capital: 2,200,000,000 ordinary shares of 50 kobo each	1,100,000
EQUITY AND RESERVES	
Ordinary Share Capital	1,100,000
Share Premium	1,413,439
Revaluation reserve	4,017,369
Revenue reserve	(6,651,903)
TOTAL EQUITY (ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY)	(121,095)

****The share capital of the company was increased from 2,200,000,000 ordinary shares to 5,000,000,000 ordinary shares by the creation of 2,800,000,000 ordinary shares of 50 Kobo each on the 21st of September 2020.***

6. SUMMARY OF THE RIGHT ISSUE

This summary draws attention to information contained elsewhere in this Rights Circular, it does not contain all 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.

1. Issuer:	FTN Cocoa Processors Plc												
2. Issuing House:	Meristem Capital Limited												
3. Share Capital:													
Authorised:	₦2,500,000,000 comprising 5,000,000,000 Ordinary Shares of 50 Kobo each												
Issued and Fully Paid:	₦1,100,000,000 comprising 2,200,000,000 Ordinary Shares of 50 Kobo each												
Now being Issued to the Prospective Investor:	1,700,000,000 Ordinary shares of 50 Kobo each at 50 Kobo per share.												
4. Amount being considered	₦850,000,000.00												
5. Purpose:	The Rights Issue is being undertaken to enable FTN Cocoa pay down its debt obligations and bolster the Company's capital, thereby reducing financing cost while supporting working capital. This is also in compliance with Section 142 of the CAMA.												
6. Utilization:	The net issue proceeds estimated at ₦826,317,728.75 after the deduction of estimated issue costs and expenses of ₦23,682,271.25 (representing 2.79% of the gross issue proceeds) will be applied as follows: <table border="1" data-bbox="638 1182 1468 1321"><thead><tr><th>Utilization</th><th>Amount (Naira)</th><th>%</th></tr></thead><tbody><tr><td>Repayment of loan due to OH Origin Global Commodity Inc.</td><td>676,317,728.75</td><td>81.85</td></tr><tr><td>Working Capital</td><td>150,000,000.00</td><td>18.15</td></tr><tr><td>TOTAL</td><td>826,407,728.75</td><td>100.00</td></tr></tbody></table> <p>The shareholders' resolution approving the Rights Issue provides that any outstanding loan or loan facility due to any shareholder from the Company may be applied towards payment for any shares subscribed for by such person under the capital raise.</p> <p>Shares not taken up will be allotted to the foreign investor in accordance with the resolution of the shareholders at the meeting held in August 2021.</p> <p>A description on the utilization of funds is as shown on page 27.</p>	Utilization	Amount (Naira)	%	Repayment of loan due to OH Origin Global Commodity Inc.	676,317,728.75	81.85	Working Capital	150,000,000.00	18.15	TOTAL	826,407,728.75	100.00
Utilization	Amount (Naira)	%											
Repayment of loan due to OH Origin Global Commodity Inc.	676,317,728.75	81.85											
Working Capital	150,000,000.00	18.15											
TOTAL	826,407,728.75	100.00											
7. Method of Issue:	By way of Rights Issue to Existing Shareholders												
8. Issue Price:	50 Kobo per share												
9. Provisional Allotment	Seventeen (17) new ordinary shares for every Twenty-Two (22) ordinary shares of 50 kobo each held as at the close of business on the Qualification Date for those shareholders whose names appear on the Register of Members and transfer books of the Company as at that date.												
10. Payment:	In full on acceptance.												

6. SUMMARY OF THE RIGHTS ISSUE

11. Market capitalization at Rights Issue Price (Pre-Issue)	₦1,100,000,000.00.
12. Market capitalization at Rights Issue Price (Post-Issue)	₦1,950,000,000.00 (assuming all provisionally allotted ordinary shares are fully taken up on completion of the Rights Issue).
13. Opening Date:	Monday, March 28, 2022.
14. Closing Date:	Wednesday, May 4, 2022.
15. Qualification Date	Tuesday, November 9, 2021.
16. Status:	All the shares to be issued shall rank pari passu in all respect with the issued ordinary shares of the Company.
17. Application for Additional Shares	Shares that are not taken up by Wednesday, May 4, 2022 will be allotted on a pro-rata (equal) basis to shareholders who applied 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.
18. Underwriting	At the instance of the Issuer, the Issue is not underwritten.
19. Quotation:	FTN Cocoa's entire issued and paid-up share capital is listed on the NGX. An application has been made to the Council of the Exchange for the admission of the 1,700,000,000 ordinary shares to its Daily Official List.
20. Dividend Qualification	The shares being issued shall qualify for any dividend (or any other distribution) declared for the financial year ending 2022, 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.
21. Trading in Rights	The Rights are tradable on the Exchange between March 28, 2022 and May 4, 2022.
22. Indebtedness:	As at September 30, 2021, the Company's total liabilities amounted to 7,487,521,000.00 (Seven Billion, Four Hundred and Eighty Seven Million, Five Hundred Twenty-One Thousand Naira).

23. Financial Summary	Financial Summary	September 30, 2021	2020	2019	2018	2017
		₦'m	₦'m	₦'m	₦'m	₦'m
	Revenue	278.18	235.21	672.19	602.11	81.83
	Loss before taxation	(848.12)	(842.81)	(797.19)	(569.37)	(614.98)
	Loss after taxation	(848.12)	(843.40)	(801.26)	(569.37)	(617.84)
	Share Capital	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00
	Net Assets	(121.09)	(1,388.50)	(764.79)	67.78	508.52
	Total Assets	7,366.43	4,632.68	4,649.38	4,816.80	4,971.91
	Loss per share (Naira)	(38.55)	(0.38)	(0.36)	(0.26)	(0.28)

6. SUMMARY OF THE RIGHTS ISSUE

24. Settlement

The CSCS accounts of Shareholders will be credited immediately after 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.

In accordance with the SEC Directive on Dematerialization of Share Certificates, shareholders who do not provide valid CHN and CSCS account numbers will have their shares credited at the CSCS using a Registrar Identification Number. A Registrar's Identification Number is a number allocated to shareholders who do not have valid CHN and CSCS account numbers to warehouse their units of shareholding in public companies under the Registrar's custody at the CSCS.

The allotted shares will be transferred to the stockbroking account of the shareholder once valid CHN and CSCS account numbers are provided. Any shareholder who does not have a valid CHN and CSCS account number, is advised to open a stockbroking account with a stockbroker and obtain a valid CHN and CSCS account number from the stockbroker.

25. Claims and Litigation

As at the date of this Rights Circular, there are no claims or litigation pending or threatened against the Company and the Company is not involved in any ongoing or anticipated arbitration or other alternative dispute resolution proceedings.



HEAD OFFICE: No 21, Emmanuel Keshi Str. Oladipo Sessi Bus Stop, Magodo GRA, Lagos, Nigeria
FACTORY: Kilometer 9, Monatan-Iwo Road Opposite ARCEDEM, Ibadan Nigeria.
Telephone: 01-7409651
Website: www.ftncocoa.com.ng
E-mail: info@ftncocoa.com.ng

October 8, 2021

The Director-General
Securities & Exchange Commission
SEC Towers
Plot 272 Samuel Adesujo Ademulegun Street
Central Business District
Abuja.

Dear Sir,

FTN COCOA PROCESSORS PLC'S RIGHTS ISSUE OF 1,700,000,000 ORDINARY SHARES OF 50 KOBO EACH AT 50 KOBO PER SHARE ("THE ISSUE")- 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), FTN Cocoa Processors Plc hereby make a sworn declaration that it has fully disclosed all material facts in the Rights Circular in connection with the Rights Issue.

Yours faithfully,

Signed for and on behalf of
FTN COCOA PROCESSORS PLC
By its duly authorized representatives

AKIN LAOYE
MANAGING DIRECTOR/CEO

OLUMAYOWA JIMOH
CHIEF FINANCIAL OFFICER

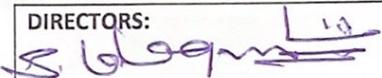
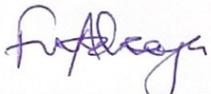
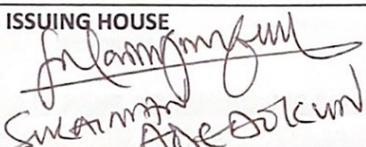
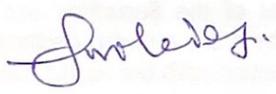
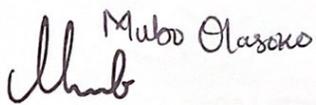
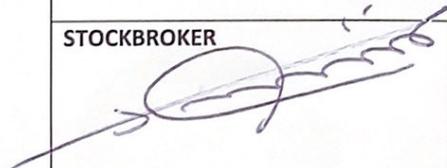
OLUFUNMILOLA ADEAGA
ALPHA-GENASEC LIMITED
COMPANY SECRETARY

OLAYINKA, A. DOHERTY ESQ...
OLAYINKA, A. DOHERTY & CO.
BARRISTERS, SOLICITORS AND
NOTARIES PUBLIC
6, Tokunboh Str. Lagos Island
Lagos State



Director: HIGH CHIEF (SIR) S.O. OGUNTIMEHIN, OON (Chairman), ABIOLA ADERONMU (Managing), AKIN LAOYE (Executive), OTUNBA WALE JUBRIL

8. DIRECTORS AND PARTIES TO THE ISSUE

<p>DIRECTORS: </p>	<p>SIR (CHIEF) S.O. OGUNTIMHIN (Chairman) 21, Emmanuel Keshi Str. Oladipo Sessi Close, Magodo GRA, Lagos, Nigeria</p>
<p></p>	<p>MR AKIN LAOYE (Managing Director) 21, Emmanuel Keshi Str. Oladipo Sessi Close, Magodo GRA, Lagos, Nigeria</p>
<p></p>	<p>OTUNBA WALE JUBRIL 21, Emmanuel Keshi Str. Oladipo Sessi Close, Magodo GRA, Lagos, Nigeria</p>
<p>COMPANY SECRETARY  OLUFUNMILOLA ADEAGA</p>	<p>ALPHA-GENASEC LIMITED Kresta Laurel Complex 376, Ikorodu Road Maryland Lagos</p> <p>ALPHA - GENASEC LIMITED SECRETARIES</p>
<p>ISSUING HOUSE  Sulaiman Adebokun</p>	<p>MERISTEM CAPITAL LIMITED 124, Norman Williams Street South-West, Ikoyi Lagos.</p>
<p>OLUWOLE O. OGUNDEJI AUDITORS </p>	<p>BAKERTILLY NIGERIA (CHARTERED ACCOUNTANTS) 4th Floor, Kresta Laurel Complex 376, Ikorodu Road Maryland Lagos.</p> <p>bakertilly Chartered Accountants Kresta Laurel Complex (4th Floor) 376, Ikorodu Road Maryland P. O. Box 15016</p>
<p>RECEIVING BANK MICHAEL OSILAMA OTU </p>	<p>ZENITH BANK PLC Zenith Heights Plot 84/87, Ajose Adeogun Street Victoria Island Lagos.</p>
<p>REGISTRARS</p>	<p>MERISTEM REGISTRARS & PROBATE SERVICES LIMITED 213, Herbert Macaulay Way Adekunle, Yaba Lagos.</p> <p></p>
<p>SOLICITORS</p>	<p>BANWO & IGHODALO 48, Awolowo Road South-West, Ikoyi Lagos.</p> <p><i>Azeezah Muse-Sadeq</i> <i>ABR</i></p>
<p>STOCKBROKER </p>	<p>MERISTEM STOCKBROKERS LIMITED 124, Norman Williams Street South-West, Ikoyi Lagos.</p> <p><i>Saheed Bashir</i></p>

9. THE CHAIRMAN'S LETTER

Outlined below is the text of the letter received by Meristem Capital Limited from Sir (Chief) S.O. Oguntimehin, the Chairperson of FTN Cocoa.



October 8, 2021

TO ALL SHAREHOLDERS OF FTN COCOA PROCESSORS PLC

Dear Sir/Ma,

FTN COCOA PROCESSORS PLC (“THE COMPANY”) – RIGHTS ISSUE OF 1,700,000,000 ORDINARY SHARES OF 50 KOBO EACH AT 50 KOBO PER SHARE

Following the Extra-ordinary General Meeting held on Wednesday, August 11, 2021, the Directors of the Company were authorized to raise capital via the issuance of 1,700,000,000 Ordinary Shares through a Rights Issue at a price of 50 Kobo per share and all necessary resolutions were passed authorizing the commencement of the exercise.

Consequently, the Directors of the Company appointed professional parties for the purpose of this Rights Issue to ensure that all necessary documentations were done and all approvals from the regulators were obtained.

HISTORY OF THE COMPANY

FTN Cocoa Processors Plc (“FTN”, “FTN Cocoa” or the “Company”) is incorporated under the laws of the Federal Republic of Nigeria with registration number RC. 172292 and was formerly registered as Fantastic Traders Nigeria Limited, a Private Limited Liability Company which was incorporated on August 26, 1991. It commenced cocoa processing under a toll processing (i.e., utilizing excess capacity available in processing firms) with Stanmark Cocoa Processing Company Limited in 1994, and subsequently with other processing firms such as Ile-Oluji, Cocoa Cooperative, Cocoa Akure and Cocoa Products, Ede, Osun State.

Gradually with increasing skill, competence and experience, the impetus was there when the opportunity presented itself for FTN’s founders to lease Cocoa Products Company Limited, Ile-Oluji, Ondo State in 2003 at a time the company was moribund. The successful turn-around of the company paved way for its privatization in 2006.

The success recorded at Ile-Oluji again provided further impetus to venture into own processing, and this was actualized in 2007 when FTN begun processing cocoa in its own brand-new factory with an initial processing capacity of 10,000 metric tons per annum. At its commissioning in November 2007, it was a fully integrated factory with packing lines for cocoa liquor, cocoa butter, cocoa cake and a cocoa powder plant.

Another worthwhile milestone was achieved in 2008, when FTN was listed by Introduction on the Nigerian Stock Exchange (now Nigerian Exchange Limited), thus opening the ownership of FTN to the general public and changing its name to “FTN Cocoa Processors Plc”. Despite having quality indigenous clients such as Nestlé Plc and Promassidor, Management realized very quickly that majority of the international buyers of cocoa butter were not interested in entering longer term contracts due to the inadequate size of the factory. The feedback from these buyers supported an increase of the factory’s capacity to at least 20,000 metric tons per annum. This then informed the next growth phase of FTN from 10,000 to 20,000 metric tons.

The process of adding an additional 10,000 MT line was completed and commissioned in November 2011. It is pertinent to note that this period coincided with the peak of the global economic meltdown that affected everything from the prices of cocoa products to foreign exchange volatility, demand for cocoa products, working capital financing, etc. Notwithstanding, the global economic meltdown, the expansion of the factory's capacity improved the Company's visibility and FTN was able to commence conversations with different global players in a bid to secure a suitable partner for the Company to move on to the next level. The continuous dwindling condition of the Company however posed a major factor in bringing these conversations to an ultimate close.

In 2014, FTN met a company called OH Origins Global Commodities Inc. ("OH Origins). After evaluating and considering FTN, OH Origins took a decision in 2018 to provide technical support to FTN and to offtake all products up to the installed capacity of the Company. Prior to this period, the Company had suffered major setbacks that hampered production due to adverse limitations on working capital.

In order to achieve the objectives of OH Origins, there was an urgent and immediate need for intervention to rescue the Company. This intervention involved the renegotiation and restructuring of existing debt and contracts on behalf of the Company. Since then, OH Origin has expended funds to meet outstanding obligations and ensure the continuity of the business.

GLOBAL AND ECONOMIC ENVIRONMENT

The economy witnessed a wobbly position in the state of the nation's economic activities as the occurrence of the 2019 novel coronavirus ("COVID-19") pandemic impaired the growth of the economy. The emergence of COVID-19 drastically destabilized the state of the nation as there was a dramatic rise in the aggregated prices of goods and services, crumbling oil prices, fall in the level of foreign direct investment and remittances, intensified risk aversion, increased rate of unemployment amongst other deteriorating factors in the nation. The country slipped into a recession, first in 2016, after the GDP fell consecutively in Q2 at **-3.62%** and Q3 at **-6.1%**.

The year 2021 was entered into as a ray of hope with the expectation of the economy to grow by 1.8% in 2021 and 2.2% in 2022 according to the African Development Bank. In 2021, the GDP for the first quarter rose by **0.51% (YoY)**, which was slower than the 1.87% growth reported in 2020 Q1, but higher than the previous quarter by **0.11%** while Oil Sector declined by 2.2%. In **Q2 2021**, there was significant progress in the movement recorded in the nation's GDP as there was a 5.01% growth rate as the economy gradually rebounds from the tragic year 2020.

The Consumer Price Index which measures the aggregate price level of goods and services increased by **18.76%** (YoY) in March 2021 (the highest increase thus far), as there were heightened prices reported in different sectors of the economy such as the Transportation sector, Agriculture sector and the Health care sector, amongst others. Since then, the movement in the inflation rate has been on a decline meaning that the price level is increasing but at a lower rate as compared to the previous periods. The recent Inflation for the August Inflation rate showed that the price level increased by **17.01%** (YoY), the 5th consecutive decline.

The state of unemployment in the country is quite devastating as shown in the most recent unemployment rate report in March 2021, the rate jumped up to 33.3% from the 27.1% reported in December 2020. The reason for the increase is traced to the outbreak of job losses emerging from the COVID-19 pandemic effect on business activities in the nation. Another economic factor that has been a major source of concern to the nation at large is the rate at which Naira is consistently depreciating coupled with the fact that Nigeria is an import-dependent economy. On July 27, 2021, in a bid to control perceived abuses by Bureau De Change ("BDC") operators, the Central Bank of Nigeria ("CBN") suspended its weekly allocation and sale of foreign currency to BDC operators and replaced them with a weekly sale to commercial banks. This, together with the recent ban of the AbokiFX website, increased the speculation of a worsened exchange rate condition in the Country. The current situation of exchange rate volatility, rising prices, unemployment rate, reduced foreign remittance, and insecurity amongst others, puts the economy on a wobbly path to recovery.

INDUSTRY OVERVIEW

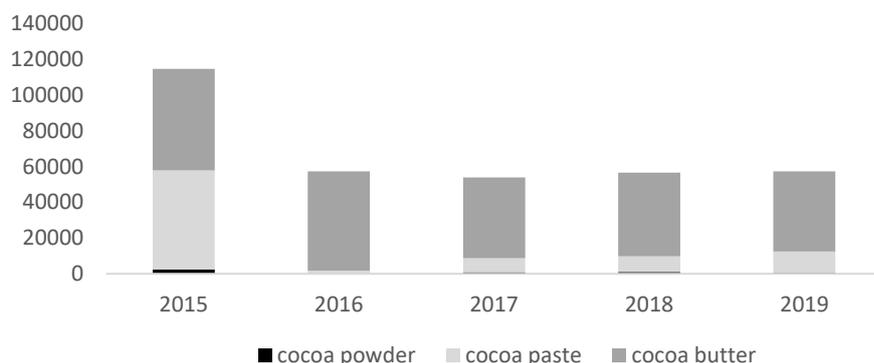
The cocoa industry is one of Nigeria’s leading export industries. Cocoa is one of the largest cash crop export in Nigeria and accounts for about 1.11% of Nigeria’s total export value as of the first quarter of 2021 (according to the National Bureau of Statistics). However, like most commodity sectors in Nigeria, the sector’s performance in 2020 has been drastically impacted by the COVID-19 pandemic.

Nigeria is a major player in the cocoa industry worldwide. She is the world's fourth-largest producer, accounting for 6.5% of global output and with a value of about 700 million dollars. In subsequent years, production is expected to increase by 4% annually. Cocoa beans account for approximately 90% of the USD804 million of Nigerian cocoa exports. Cocoa butter and paste are also shipped in large quantities and account for USD67 million and USD28 million respectively.

According to the **Nigerian Export Promotion Council (NEPC)**, Nigeria is one of the largest countries with untapped potential for Cocoa beans. The nation has a total amount of estimated untapped potential to 2021 of about **USD425 million**, for Nigeria exports to the 10 best markets. Germany, Malaysia, and Singapore have the largest market potential respectively.

The heavy reliance on foreign buyers for the sale of cocoa bean flows from the poor state of cocoa processing in Nigeria. As of 2017, Pricewaterhouse Coopers reported that Nigerian cocoa processors processed only 30% of cocoa beans produced in the country and exported c.90% of the processed cocoa.

Chart 1: Export Value from Processed Cocoa Beans (USD'mn)



Source: International Trade centre (ITC)

By 2020, the level of dependence on foreign buyers has increased as factory utilization of major cocoa processors continue to decline. Currently, there are four (4) cocoa processing facilities in Nigeria owned by corporate entities, namely: Mondelez International, Olam International, Tulip Cocoa Processing limited and FTN Cocoa, respectively. However, the debris from years of low funding, lack of budgetary allocation and weak regulatory support continue to weigh on the sector. In 2020, Europe, which is the largest importer of Nigeria’s cocoa, with economies like Netherland and Germany accounting for 65%, was severely hit by the COVID-19 pandemic. Consequently, the NEPC expects the cocoa sector to lose c. USD100mn owing to substantial declines in price and foreign demand volumes. According to the International Trade Centre (ITC), in the last four years, Nigeria’s export value from processed cocoa has declined by c. 16%, mainly due to the substantial decline in cocoa powder (-30%) and cocoa paste (-32%), the pre-processed state of confectioneries and chocolates. The confectionery & chocolate industry is the largest segment of the cocoa industry value chain with an export value of c. USD29.5bn.

The year 2020 has reinforced the need to build commodity export sectors, especially the cocoa sector, which is one of the largest cash crop exports. Also, in July 2020, Cross River state disclosed its intent to set up a cocoa-processing plant of c. NGN4bn (USD10mn), to increase the nation’s processing capacity. Across the cocoa sector’s value chain, the processing segment is the second-largest segment with an export market value of USD10.93bn, 17.62% higher than the cocoa beans market. As against 2015, Nigeria has lost a yearly average of

THE CHAIRMAN'S LETTER

USD58.23mn in export value owing to the decline in cocoa processing activities. Consequently, improving the performance of the processing industry is paramount as it would positively influence the growth of the cocoa sector and the economy at large.

PURPOSE OF ISSUE AND USE OF PROCEEDS

The purpose of the Rights Issue is to enable FTN Cocoa pay down and restructure its indebtedness to OH Origins and utilize a portion of the funds raised for working capital. According to the 9 months management account (as at September 30, 2021), FTN Cocoa had a total indebtedness of ~~₦~~4,618,233,000 to OH Origins Global Commodity Inc.

CONCLUSION

Finally, the Board and Management's gratitude goes to our shareholders, staff, customers and all who have stood by us through the years. With your support, we are rebuilding a sustainable institution. FTN Cocoa is confident that in the absence of unforeseen circumstances, the Company will continue as a going concern and shall commence production and experience improvements in its operations.

Yours faithfully,

FOR AND ON BEHALF OF FTN COCOA PROCESSORS PLC



Sir (Chief) S.O Oguntimehin
Chairman, Board of Directors

CORPORATE REVIEW

FTN Cocoa has its corporate head office at 21, Emmanuel Keshi Street, Oladipo Sessi Close, Magodo GRA, Lagos. The factory is situated on a four (4) acres land along Monatan, Iwo Road at Olodo Area in Ibadan. The factory consists of seven (7) major buildings:

1. Cocoa Bean Store building has capacity to accommodate 1,500 metric tons of cocoa beans and other rooms are used for storing soda-ash (Sodium Carbonate), spare parts and packaging materials. Staff clinic is accommodated within the building.
2. Factory building houses machines and equipment used in processing of cocoa beans to cocoa liquor, butter and powder.
3. Maintenance Workshop and Quality Assurance Laboratory Building.
4. Product Stores Building – the finished products are stored in these stores and has a 250MT storage capacity.
5. Office Buildings – there are two office block of 4 rooms each for the non-manufacturing operations (Human Resources, Accounts, Internal Control & Audit, General Admin).
6. Staff Building – this building accommodates the staff canteen, cloakroom and rest rooms.
7. Power House – the building houses the company’s power generating sets and low-tension power control equipment. The combined power generation amounts to approximately 2.630MWA as depicted in the table below.

UTILITIES	No. of Unit	Capacity per machine
Diesel Generator 1	1	1,350KVA
Diesel Generator 2	1	800KVA
Diesel Generator 3	1	500KVA
Steam Boiler	1	3T/h
Air compressor with dryer	2	79l/s
Water Tank	3	24KL
Water chiller	1	496KW

Installed Vs Operating Capacity

The installed capacity is 20,000 metric tons per annum which has been largely underutilized due to working capital constraints. This has consistently reduced over the years to less than 5% as disclosed in 2019 financials due to the lingering working capital inadequacy. Given the availability of market, it is expected that production will be ramped up until optimum level is achieved without any serious constraints.

BOARD OF DIRECTORS**Sir (Chief) S. O. Oguntimehin - Chairman**

Chief Oguntimehin is the Chairman of FTN Cocoa Processors Plc. He was born on September 12, 1934. He attended Oxford College of Technology (part-Time), UK (now Brookes University), where he studied Accounting (1957 – 1961). He was an Associate at the Chartered Association of Certified Accountants, England and the Institute of Chartered Accountants of Nigeria in 1961 and 1962 respectively. He also became Fellow in both Associations in 1967 and 1968 respectively.

He was the past President of Institute of Chartered Accountants of Nigeria (ICAN) and he is on the Board of companies such as, Academy Press Plc, Smart Products Nig. Plc, Femi Johnson & Company Limited. He is a High Chief of Ondo Town. He obtained National Honors, Officer of the Order of the Niger in 2001.

Mr. Akin Laoye – Managing Director

Mr. Akin Laoye has been the Executive Director of the Company but was recently appointed as the Managing Director. Mr. Laoye has a first degree in Political Science from the University of Ibadan in 1988 with second class upper division. He holds a Master's Degree in Business Administration from the Lagos Business School/Pan African University. He has attended international business seminars among which are Competing in a Global Environment at IESE Business School, University of Navarra, Barcelona, Spain. He is on the Board of Smart Products Nigeria Plc. His work experiences started with Persuaders Nigeria limited from 1989 to 1990 from where he left to join UAC until 1997 (across various departments – tractors and equipment, treasury). He joined First Equity Securities Limited in 1997 and was there until 1999 when he joined FTN Cocoa. He is a member of the institute of directors of Nigeria

Otunba Wale Jubril – Non- Executive Director

Otunba Wale Jubril holds a Bachelors' degree in Industrial Relations from the University of Lagos. He also obtained Masters' degree in Marketing, International Law and Diplomacy and Master's in Economics with specialization in Petroleum Economics all from the University of Lagos.

He is a Fellow of the Chartered Institute of Stockbrokers, Chartered Economics Institute of Nigeria, Chartered Institute of Credit Administration, National Institute of Marketing of Nigeria and the Environmental Practitioners Institute of Nigeria.

He has worked in different capacities in the capital market and banking industry in Nigeria. Otunba Jubril was the Branch Manager of People's Bank of Nigeria, Ijebu Ode Branch in 1990. He later joined Equator Securities Limited as the General Manger/ Chief Executive Officer before moving to Readings Investment Limited as General Manager. He has also worked as Senior Manager Investment Banking /Corporate Finance at African International Bank Limited and Head of Capital Market at Hallmark Bank Plc.

Otunba Wale Jubril is currently the Executive Director of Finance in Paints and Coating Manufacturers Nigeria Limited. He also serves on the Board of Float Securities Limited and Topkle International Limited amongst others.

RISK FACTORS

Shareholders should consider all the information in this Rights Circular, including the following risk factors, before deciding to accept delivery of the new shares. If the risks described below materialize, the Company's business, results of operations, financial condition and/or future prospects could be materially adversely affected, which could cause the value and trading price of its ordinary shares to decline, resulting in a loss of all or part of any investment in the ordinary shares of FTN Cocoa.

The following risk factors do not purport to be an exhaustive list or explanation of all the risk factors involved in investing in FTN Cocoa and they are not set out in any order of priority. In particular, the Company's performance might be affected by changes in market and economic conditions and in legal, regulatory or tax requirements. If such changes were to occur, the price of the shares may decline, and investors could lose all or part of their investment. Additionally, there may be further risks of which the Company is not aware or believes to be immaterial which may, in the future, adversely affect the Company's business and the market price of the shares.

Investment in the shares will involve risks. The shares may not be suitable for all recipients or be appropriate for their personal circumstances. You should carefully consider investing in FTN Cocoa in light of your financial resources, appetite and objectives. An investment in the shares is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise (which may be equal to the whole amount invested).

COUNTRY RISK**Socio-Political Risk**

In recent times, the manufacturing and marketing of cocoa have also been affected by political instability, as well as the need for favourable political policies in the industry. The political landscape has relatively been calm since the 2019 election held, with the governing party retaining power. Although there were some appeals and protests, especially on the gubernatorial front against the election results, there were more peaceful handovers across major regions in the country. Also, it is worth mentioning the EndSars protests which took place in October 2020, and severely affected business activities and the lives of individuals.

Civil unrest, Kidnappings, insecurity, and continued attacks persist in clutter areas, especially in the northern part of the country. Insurgent activities in the North-East region of the country as well as the farmers-herdsmen clashes nationwide have also resulted in social and economic damage. The South-Eastern region of Nigeria has also experienced protest and unrest, primarily as a result of the demand for secession led by the Indigenous People of Biafra ("IPOB"). There has also been the emergence of another secessionist movement, the Yoruba Nation, in the South-Western region of Nigeria. The subsisting terrorist attacks in the North by Boko Haram have continued to cause widespread security concerns across different regions in the country as well as disruption to economic activities in the various regions and political instability in Nigeria more generally. Insecurity is antithetical to a conducive business environment which is required for the unperturbed operations of FTN Cocoa's business, and the industry.

Macroeconomic Risk

A recession in the domestic economy could hamper customers' disposable income, ability to purchase the goods being sold by FTN Cocoa, and possibly result in higher customer credit risk which would impact the company's cash flow. In 2020, the country's economy was plunged into recession after the nation's gross domestic product contracted consecutively in Quarters 2 and 3, for the first time since 2016. The recession resulted from the drastic fall in crude oil prices, contraction in the nation's oil sector, and the significant adverse effect of the COVID-19 pandemic on the economy on an aggregate level. The economy has since strived to sustain the budding growth and exited recession after the gross domestic output grew marginally by 0.11% in quarter 4. Being directly correlated with economic performance, the recent pressures which have beleaguered the Nigerian macro-economy may adversely impact the business and operations of FTN Cocoa due to factors such as reduced volume of exports in the country, upward movements in inflation, weak domestic currency, and the impact of these downside pressures on the rate of foreign direct investment into the country. Therefore, any material decline in the overall macroeconomic landscape could have a material adverse effect on FTN Cocoa Processors Plc's business processes such as its level of sales, financial position, and results of operations and/or cash flows.

COVID-19 Pandemic

The COVID-19 outbreak has severely impacted economic activity in Nigeria, creating large external and fiscal financing needs in 2020. The contraction in global economic activity has also constrained the economic recovery momentum, following the recession experienced in 2016. As at October 8, 2021 there have been 207,210 confirmed cases of COVID-19 and as at September 29, 2021, approximately 6.8 million people in Nigeria had been vaccinated according to the World Health Organization, in spite of the Federal Government's stated aim of effectively vaccinating 80 million people by the end of 2021. The Federal Government's target remains exposed to the availability of vaccination doses, supply shortages and/or delays and widespread participation by the Nigerian population. The foregoing factors may prolong the effects of the COVID-19 pandemic. Given the global nature of the COVID-19 pandemic, there is uncertainty around the severity and duration of the impact across the cocoa markets, and impact on Nigeria's medium to long-term growth.

BUSINESS RISK**Liquidity Risk**

This refers to the inability of FTN Cocoa Processors Plc to meet its financial obligations as they fall due. The occurrence of this risk could disrupt the company's operations and have a material adverse effect on its business and financial position.

Operational Risk

Operational risks for FTN Cocoa refer to direct and/or indirect losses that may arise from inadequacies in its internal processes, human errors, machine or technological breakdowns, outdated equipment, failures, or disruption from the company's internal events. FTN Cocoa Processors Plc's success is hinged on the quality of its technology, how trained/skilled its workers are, innovative manufacturing processes, updated machinery and equipment, structured processes, and the service in which it provides the finished product to its customers and for exportation. Consequently, FTN Cocoa Processors Plc relies heavily on its systems, processes, and people and if any of these do not operate properly, the company could suffer financial loss, disruptions in its business, default on contracts, and liability from customers.

Legal Risk

Legal risk is the risk arising from the type and nature of FTN Cocoa Processors Plc's contractual agreements. It also involves the risk that contracts may render the company or any part, therefore, particularly vulnerable to litigation. These risks, if not addressed, may result in unspecified erosion of value for FTN Cocoa Processors Plc.

Currency Risk

FTN Cocoa Processors Plc is exposed to foreign exchange risks and is affected by changes in the value of the Naira against other currencies. The price of cocoa in the international market and the value of exchange rates play a significant role in the exportation of cocoa in Nigeria, as the exchange rate volatility against the US dollar and other currencies dampens the power of Naira which cocoa is being traded within the global market. Through consistent FX injections and well-intended monetary policies, the exchange rate remained stable and inflationary pressures moderated for a while before the COVID-19 pandemic arose and impacted virtually all macro-economic indices which have resulted in a worse-off exchange rate situation in the country. The market operations of FTN Cocoa are largely dependent on a stable exchange rate system, as the downward movements could negatively affect the cashflows of FTN Cocoa.

Environmental Risks

Asides from the risk arising from unfavourable weather conditions and climate change, Cocoa trees are also frequently susceptible to attack by insects and pathogens, most especially black pods. The majority of the output resulting from the quantity produced averagely is largely lost to pest and disease attacks, these are losses that may arise due to significant natural occurrences in the environment. The heavy use of pesticides is also compounded by their contribution to environmental pollution and health risks to farmers. Thus, the occurrence of such risks could disrupt FTN Cocoa Processors Plc's operations and have a material adverse effect on its business, financial position, and results of operations and/or cash flows.



4th Floor, Kresta Laurel Complex,
375, Ikorodu Road, Maryland,
P.O. Box 15018, Ikeja,
Lagos,
Nigeria.
Tel: +234 (0) 703 856 1283, (0) 903 181 398
(0) 802 310 8422
E-mail: bniap@bakertillynigeria.com
Website: www.bakertilly.ng

12 October, 2021

The Directors,
FTN Cocoa Processors Plc,
Plot 5, Block 77,
Bashier Shittu Avenue,
Magodo, GRA.,
Lagos.

The Managing Director,
Meristem Capital Limited,
124, Norman Williams,
South-West Ikoyi,
Lagos.

Dear Sirs,

Right issue by FTN Cocoa Processors Plc

We have audited the financial statements of FTN Cocoa Processors Plc (The Company) for the years ended 31 December, 2016 to 31 December, 2020. The financial statements were prepared in accordance with International Financial Reporting Standards (IFRS).

Based on our audit of those financial statements, nothing has come to our attention that causes us to believe that the Company will not continue as a going concern.

Yours faithfully,

Oluwole O. Ogundeji
Partner
FRC/2013/ICAN/0000002825

ADVISORY · ASSURANCE · TAX

Bakertilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

12. FINANCIAL INFORMATION

The financial information has been extracted from the Company's audited financials from 2016 to 2020.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Historical Income Statement	September	2020	2019	2018	2017	2016
	30, 2021	Audited	Audited	Audited	Audited	Audited
	Unaudited					
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Revenue	278,180	235,209	672,194	602,106	81,832	855,393
Cost of sales	(519,804)	(532,381)	(1,148,257)	(885,860)	(338,280)	(913,601)
Gross loss	(241,624)	(297,172)	(476,063)	(283,754)	(256,448)	(58,208)
Selling and distribution cost	(9,006)	(12,133)	(9,610)	(9,758)	(1,000)	
Operating expenses	(107,227)	(164,714)	(167,779)	(156,202)	(176,258)	(152,982)
Allowance for impairment loss	-	-	(33)	(77)	-	
Other operating income	28,249	28,323	141,502	141,605	28,091	142,011
Operating loss	(329,609)	(445,696)	(511,983)	(308,186)	(405,615)	(76,902)
Finance income	(301,966)				96,316	(348,713)
Finance cost	(216,544)	(397,111)	(285,204)	(261,183)	(305,693)	(421,620)
	(518,510)	(397,111)	(285,204)	(261,183)	(209,373)	(770,333)
Loss before taxation	(848,119)	(842,807)	(797,187)	(569,369)	(614,988)	(847,235)
Current taxation	-	(588)	(4,069)	(3,502)	(2,852)	-
Loss after taxation transferred to revenue reserve	(848,119)	(843,395)	(801,256)	(572,871)	(617,839)	(847,235)
Other comprehensive income						
Net appreciation on revaluation of Property, Plant & Equipment	-	-	-	-		
Loss after taxation and other comprehensive income	(848,119)	(843,395)	(804,406)	(572,871)	(617,839)	135,782
Loss per share	(38.55k)	(38k)	(37k)	(26k)	(28.08k)	6.17k

12. FINANCIAL INFORMATION

STATEMENT OF FINANCIAL POSITION

Historical Financial Position as at	September					
	30, 2021	2020	2019	2018	2017	2016
	Unaudited	Audited	Audited	Audited	Audited	Audited
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Non-current assets						
Property and equipment	5,831,700	2,968,519	3,174,263	3,372,385	3,524,337	3,882,619
Available for sale financial	300	300	300	300	300	300
Other receivables	1,085,038	1,085,038	1,086,723	959,344	823,217	806,911
Total non-current assets	6,917,038	4,053,857	4,261,286	4,332,029	4,347,854	4,689,830
Current Assets						
Inventories	351,423	500,348	312,250	442,180	320,682	306,313
Trade and other receivables	30,205	30,045	68,866	35,521	299,584	528,771
Cash and cash equivalents	67,760	48,434	6,975	7,070	3,786	16,122
Total current assets	449,388	578,827	388,091	484,771	624,052	851,206
Total Assets	7,366,426	4,632,684	4,649,377	4,816,800	4,971,906	5,541,036
Current liabilities						
Trade and other payables	720,698	723,973	648,156	927,798	799,789	804,624
Borrowings	76,588	76,588	152,180	152,180	2,024,904	1,541,581
Deposit for shares	-	-	-	-	28,768	28,768
Current taxation	66,261	66,261	65,673	61,604	37,537	34,685
Total current liabilities	863,548	866,822	866,009	1,141,582	2,890,998	2,415,658
Non-current liabilities						
Borrowings	6,623,973	5,154,366	4,282,634	3,635,598	1,572,390	1,931,415
Total non-current liabilities	6,623,973	5,154,366	4,282,634	3,635,598	1,572,390	1,931,415
Total liabilities	7,487,521	6,021,188	5,148,643	4,777,180	4,463,388	4,347,073
Equity:						
Share capital	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Share premium	1,413,439	1,413,439	1,459,282	1,459,282	1,459,282	1,459,282
Revaluation reserve	4,017,369	983,017	983,017	983,017	915,411	983,017
Revenue reserve	(6,651,903)	(4,884,960)	(4,041,565)	(3,502,679)	(2,966,176)	(2,348,336)
Total Equity	(121,095)	(1,388,504)	(499,266)	39,620	508,518	1,193,963
Total liabilities and equity	7,366,426	4,632,684	4,649,377	4,816,800	4,971,906	5,541,036

12. FINANCIAL INFORMATION

STATEMENT OF CASH FLOWS

	September 30, 2021	2020	2019	2018	2017	2016
	Unaudited	Audited	Audited	Audited	Audited	Audited
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash flows from operating activities						
Operating loss before working capital	(672,052)	(635,362)	(595,985)	(365,468)	(417,314)	(687,100)
Working capital changes	145,492	(147,367)	(48,066)	(86,531)	193,676	405,289
	(526,560)	(782,729)	(644,051)	(451,999)	(223,638)	(281,811)
Cash flows from investing activities						
Purchase of property, plant and	(4,892)	(1,701)	(3,080)	(1,806)	160,610	(12,790)
Proceeds from disposal	-	-	-	2,900	-	-
Net cash (utilised)/generated	(4,892)	(1,701)	(3,080)	1,094	160,610	(12,790)
Cash flows from financing activities						
Borrowings obtained	550,782	871,732	647,036	454,775	228,180	358,359
Net cash generated from financing activities	550,782	871,732	647,036	454,775	228,180	358,359
Net (decrease)/increase in cash and cash equivalents	19,330	41,459	(95)	3,870	165,151	63,758
Cash and cash equivalents at beginning of year	48,430	6,975	7,070	3,200	(161,376)	(225,134)
Cash and cash equivalents at end of year	67,760	48,434	6,975	7,070	3,775	(161,376)

13. STATUTORY AND GENERAL INFORMATION

INCORPORATION AND SHARE CAPITAL HISTORY

At incorporation, the Company's authorized share capital was ₦10,000 divided into 10,000 Ordinary shares of ₦1.00 each. In November 2007, the shareholders of the Company approved the subdivision of 1,000,000,000 ordinary shares of ₦1 (One Naira) each to 2,000,000,000 ordinary shares of 50k each. Furthermore, by a Certificate of registration of increase in share capital dated September 21, 2020, the Company increased its authorised share capital from ₦1,100,000,000 to ₦2,500,000,000 by the creation of 2,800,000,000 ordinary shares of 50k each. The following changes have taken place in the Company's authorized and issued capital since incorporation:

YEAR	Authorised Share Capital Increased		Issued and fully paid Share Capital Increased		CONSIDERATION
	From (Naira)	To (Naira)	From (Naira)	To (Naira)	
1991	-	10,000	-	10,000	CASH
1998	10,000	5,000,000	10,000	5,000,000	CASH
2007	5,000,000	1,000,000,000	5,000,000	1,000,000,000	CASH
2008	1,000,000,000	1,100,000,000	1,000,000,000	1,100,000,000	BONUS
2020	1,100,000,000	2,500,000,000	1,100,000,000	1,100,000,000	

SHAREHOLDING STRUCTURE

As at September 30, 2021, the Company had approximately 6,587 shareholders with three (3) shareholders owning more than 5% of the shares as displayed in the table below:

Table 1: Shareholders with 5% or more equity holdings

Shareholders	No. of Shares	% holdings
Aderonmu Abiola Ademola	520,240,000	23.65
SNN/Asset Mgt Corporation of Nigeria TRAD	306,937,750	13.95
Akin Laoye	165,000,000	7.50

DIRECTORS BENEFICIAL INTEREST

The interest of Directors of FTN Cocoa 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 September 30, 2021 are as follows:

Table 2: Directors' interests and holdings

Director	No. of Shares as at September 30, 2021
Akin Laoye	165,000,000
High Chief (Sir) Oguntimehin, OON	100,000
Wale Jubril	5,000,000

SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the date of the Rights Circular, the Company has no subsidiaries and/or associated companies.

CLAIMS AND LITIGATION

As at the date of this Rights Circular, there are no claims or litigation pending or threatened against the Company and the Company is not involved in any ongoing or anticipated arbitration or other alternative dispute resolution proceedings.

STATEMENT OF INDEBTEDNESS

As at September 30, 2021, the Company's total liabilities amounted to ₦7,487,521,000.00 (Seven Billion, Four Hundred and Eighty-Seven Million, Five Hundred and Twenty-One Thousand Naira).

UNCLAIMED DIVIDENDS

The total amount of unclaimed dividends as at December 31, 2020 stands at ₦14,667,834.64. The sum of ₦14,225,358.44 was returned to the Company, while the balance of ₦442,476.20 is domiciled with Meristem Registrars and Probate Services Limited in a Zenith Bank Plc account. In addressing the issue of unclaimed dividends, the Company has put in place various measures to create awareness, which includes notification to shareholders and encouraging shareholders to execute an e-dividend form to enable payments directly into their account on every dividend payment day.

USE OF PROCEEDS

The Company will apply the net proceeds of the Rights Issue to pay down its indebtedness to OH Origins and utilize a portion of the funds for working capital. As at September 30, 2021 (9 months management account), FTN Cocoa had a total indebtedness of ₦4,618,233,000 to OH Origins Global Commodity Inc.

UTILIZATION	CAPITAL TO BE RAISED (₦' 000)	(%)	EXPECTED COMPLETION DATE
Repayment of loan to OH Origins	676,317.73	79.577	Immediate
Working Capital	150,000.00	17.647	Immediate
Issue Cost	23,682.27	2.776	Immediate
Total	850,000.00	100.000	

RELATED PARTY TRANSACTION

As at the date of this Rights Circular, the Company has no related party transaction.

COSTS AND EXPENSES

The costs, charges and expenses of this Issue including fees payable to the SEC, the NGX, Professional Parties, Brokerage Commission, printing and advertising costs and miscellaneous expenses are estimated at ₦23,682,271.25 representing 2.776% of the gross amount to be raised.

MATERIAL CONTRACTS

The following material contracts have been entered by FTN Cocoa Processors Plc:

1. Vending Agreement dated March 4, 2022 between FTN Cocoa and the Issuing House;
2. Deed of Appointment of Trustee between Amerra Cocoa Purchasing LLC, the Company, United Capital Trustees Limited and Commodities Origins Africa LLC dated September 7, 2018;
3. Deed of Amendment and Restatement of Appointment of Trustee dated October 16, 2020 between ACP Cocoa LLC (formerly Amerra Cocoa Purchasing LLC), the Company, United Capital Trustees Limited, Commodities Origins Africa LLC and OH Origins Global Commodities Inc.;
4. Asset Debenture Trust Deed between the Company and United Capital Trustees Limited dated September 7, 2018;
5. Amendment I to the Prepayment Facility Agreement dated January 3, 2018 between the Company (as Prepayee) and Amerra Cocoa Purchasing LLC (Prepayor);
6. Deed of Novation dated October 16, 2020 amongst Commodities Origins Africa LLC, OH Origins Global Commodities Inc. and the Company;
7. Loan Facility Agreement dated July 1, 2015 between Cocoa Origins Africa LLC and the Company; and
8. Deed of Legal Mortgage dated September 19, 2018 between the Company and United Capital Trustees Limited.

Other than as stated above, the Company has not entered into any material contracts except in the ordinary course of business

RELATIONSHIP BETWEEN THE COMPANY AND ITS ADVISERS

As at the date of this Right Circular, there is no relationship between the Company and its advisers except in the ordinary course of business.

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 any partnership or company in which the director is partner, director or key personnel;
A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty;
 - b. A judgement, order or a ruling by any court of competent jurisdiction or 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.

CONSENTS

The following have given and have not withdrawn their consents to the issue of this Rights Circular and to have their names mentioned in the form and context in which they appear therein:

DIRECTORS	Sir (Chief) S.O Oguntimehin Mr. Akin Laoye Otunba Wale Jubril
COMPANY SECRETARY	Alpha Genasec Limited
ISSUING HOUSE	Meristem Capital Limited
SOLICITORS TO THE ISSUE	Banwo & Ighodalo
STOCKBROKER	Meristem Stockbrokers Limited
AUDITORS	Bakertilly Nigeria (Chartered Accountants)
REGISTRARS TO THE ISSUE	Meristem Registrars and Probate Services Limited
RECEIVING BANK	Zenith Bank Plc

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of Meristem Capital Limited, 124, Norman Williams Street, Ikoyi, Lagos during normal business hours on any weekday (except public holidays), throughout the duration of the Rights Issue:

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 August 11, 2021, passed at the meeting of the Board of Directors, signed by a Director and the Company Secretary;

STATUTORY AND GENERAL INFORMATION

4. The resolution of the shareholders passed at the EGM dated August 11, 2021 approving the Capital Raising Exercise, duly signed by a Director and the Company Secretary;
5. The Company's Audited Accounts for the financial years ended December 31, 2016, 2017, 2018, 2019 and 2020;
6. Management account for 9 months period ended September 30, 2021;
7. Letters of approval from SEC and The NGX;
8. The material contract referred to on page 27; and
9. The written consents referred to above.



October 12, 2021

Dear Sir/Madam,

RIGHTS ISSUE OF 1,700,000,000 ORDINARY SHARES OF 50 KOBO EACH AT ₦0.50 PER SHARE IN FTN COCOA PROCESSORS PLC

1. Provisional Allotment

The Chairman's letter dated October 8, 2021 on page 14 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 Seventeen (**17**) new ordinary share for every Twenty-Two (**22**) ordinary shares registered in your name at the close of business on **November 9, 2021**. 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 May 4, 2022, 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 39 of this document not later than Wednesday, May 4, 2022. 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 "FTN Cocoa 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 respect of which cheques are returned unpaid for any reason will be rejected and returned through the registered post.

Shareholders who wish to make payments electronically for their rights, should contact any of the Receiving Agents listed on page 32 of this Rights Circular for the transfer details.

Any payment value exceeding ₦10 million should be made via SWIFT, RTGS or NEFT into the designated account provided by the Receiving Agent. Such payment must include the subscriber's full name in the transfer instruction narrative.

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 31 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 NGX

The approval of The Exchange has been obtained for trading in the Rights of the Company. The Rights will be tradable between March 28, 2022 and May 4, 2022 at the price at which the Rights are quoted on the Exchange. If you wish to trade your Rights, you may do so on the floor of the Exchange between these dates. Please complete item (iii) of box B of the Acceptance/Renunciation Form and contact your stockbroker for assistance. If you wish to purchase Rights traded on the Exchange, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing traded Rights. Any purchaser of Rights may also trade those Rights between these dates.

4. Allotment of Additional Shares

Ordinary shares which are not taken up by May 4, 2022 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 FTN Cocoa'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 Banks.

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 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.

7. 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.

8. Settlement

The CSCS accounts of Shareholders will be credited immediately upon allotment. Shareholders are hereby advised to state the name of their respective stockbrokers, their CHN and CSCS account numbers in the relevant spaces on the Acceptance/ Renunciation form.

In accordance with the SEC Directive on Dematerialization of Share Certificates, shareholders who do not provide valid CHN and CSCS account numbers will have their shares credited at the CSCS using a Registrar Identification Number.

Yours faithfully,

For: FTN Cocoa Processors Plc



ALPHA-GENESECC LIMITED
SECRETARIES

Afolabi Olabode
Alpha – Genesec Limited
Company Secretary

PROVISIONAL ALLOTMENT LETTER

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 November 9, 2021. The completed Acceptance Forms may be returned to any of the following Receiving Agents to whom brokerage will be paid by the Issuer at the rate of ₦0.50 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 Polaris Bank Limited 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 Allbond Investment Limited Alliance Capital Mgmt Co. Limited Altrade Securities Limited Aryn 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 Securities 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 Securites & inv. Limited Gidauniya Inv. & Sec Limited Global Assets Mgt (Nig) Limited Global Inv. & Sec. Limited Global View Consult & Investment Limited GMT Securities Golden Securites Limited Gombe Securities Limited Gosord Securities Limited Greenwich Securities Limited GTI Capital Limited Harmony Securites 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 Stockbrokers 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 Maet 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 Stockbrokers 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 Networth 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 Recap 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



RC 1297664

On behalf of



RC 172292

Acceptance List opens
March 28, 2022

Acceptance List closes
May 4, 2022

FTN COCOA PROCESSORS PLC

Rights Issue of

1,700,000,000 Ordinary Shares of 50 kobo each at ₦0.50

on the basis of 17 new Ordinary Shares for every 22 Ordinary Shares held as at close of business on November 9, 2021

PAYABLE IN FULL ON ACCEPTANCE

INSTRUCTIONS FOR COMPLETING THE ACCEPTANCE/RENUNCIATION FORM

1. Acceptance and/or renunciation must be made on this Form.
2. 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 31 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 "FTN Cocoa Rights", with the name, address and mobile number of the shareholder written on the back.

Shareholders who wish to make payment electronically for their Rights, should contact any of the Receiving Agents listed on page 31 of this Rights Circular for the transfer details.

Evidence of all electronic transfers along with completed Forms must be submitted to the Receiving Agents or the Issuing Houses. If payment is not received by May 4, 2022, the provisional allotment will be deemed to have been declined and will be cancelled.
3. 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 31 of the Rights Circular together with the evidence of payment transfer for the partial acceptance in accordance with 2 above.
4. Shareholders who wish to trade their rights partially or in full 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.
5. Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase traded rights and/or apply for additional shares by completing items (II) and (III) of box A.
6. All cheques or bank drafts for amounts below ₦10 million will be presented for payment on receipt and all acceptances/ applications 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 Form is lodged.
7. Joint allottees must sign on separate lines in the appropriate section of the Form.
8. Acceptance/ Renunciation Forms of corporate allottees must bear the 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 Provisionally Allotted	Number of Ordinary Shares Accepted	Number of Additional Ordinary Shares applied for	Number of Ordinary Shares Renounced	Number of Additional Ordinary Shares Allotted	Total number of Ordinary Shares Allotted	Total amount payable	Amount paid	Amount to be returned	Bank draft/ cheque number
						₦	₦	₦	

STAMP OF RECEIVING AGENT

ACCEPTANCE / RENUNCIATION FORM

Acceptance and/or renunciation must be made in accordance with the instructions set out on the front of this 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. The Company and the Issuing House have the discretion to reject any incomplete Form

Investor's Stockbroker.....

CHN Number.....

Stockbroker Code.....

CSCS Number.....

A. FULL ACCEPTANCE/REQUEST FOR ADDITIONAL ORDINARY SHARES

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 ₦0.50 per share
₦	₦

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/branch.....

B. RENUNCIATION OR PARTIAL ACCEPTANCE

1	2	3
Number of Ordinary Shares accepted	Amount payable at ₦0.50 per share	Number of Ordinary Shares renounced

₦	₦	
---	---	--

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

C. TRADING IN RIGHTS

III. I / We confirm that I / We wish to trade my / our rights of Ordinary Shares 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.

MUST BE FULLY COMPLETED FOR BOTH A AND B

Name(s) (in block letters)

--

Next of Kin

--

Daytime Telephone Number

Mobile (GSM) Telephone Number

Email Address

--

BANKS DETAILS (FOR E-DIVIDEND)

Name of Bank

--

Branch

--

Account Number

--

Incorporation Number as Seal of
Corporate Allottee

Signature

2nd Signature (Joint only)

--	--

Name of Authorized Signatory (corporate only):

Name of Authorized Signatory (corporate only):

--	--

Designation (corporate only):

Designation (corporate only):

--	--

D. TRADING IN RIGHTS

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 traded rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing FTN Cocoa Rights

STAMP OF RECEIVING AGENT