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For information concerning certain risk factors which should be considered by shareholders, see 'risk factors' commencing from page 28



food concepts
RC 370963

Food Concepts Plc Rights Issue

of

5,831,553,981 Ordinary Shares of ~~No.50~~ each at ~~No.62~~ per share
on the basis of 11 new Ordinary Shares for every 28 Ordinary Shares

held as at 17 May 2019

Payable in full on Acceptance

ACCEPTANCE LIST

OPENS 12 AUGUST 2019

CLOSES 23 AUGUST 2019

Issuing House



FCMB CAPITAL MARKETS LIMITED
A MEMBER OF FCMB GROUP PLC
RC 446561

THE RIGHTS BEING OFFERED IN THIS CIRCULAR ARE TRADABLE ON THE NASD OTC SECURITIES EXCHANGE FOR THE DURATION OF THE RIGHTS ISSUE.

This Rights Circular and the securities which it offers have been cleared and registered by the Securities & Exchange Commission. The Investments and Securities Act, No. 29 of 2007 (the "Act") provides for civil and criminal liabilities for the issue of a Rights Circular that 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 12 July 2019

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DEFINITION OF TERMS

In this document, unless otherwise stated or clearly indicated by the context, the following capitalised terms in the first column have the meanings stated opposite them in the second column.

"Acceptance List"	A list of shareholders who subscribe to the offer during the issue period
"Acceptance/Renunciation Form"	The form that must be duly completed by each shareholder in order to participate in the Rights Issue as contained on pages 39 – 40 of this Rights Circular
"Board" or "Directors"	The members of the Board of Directors of Food Concepts Plc who as at the date of this document are those persons whose names are set out on page 11 of the Rights Circular
"CAMA"	Companies and Allied Matters Act, Cap C20, LFN 2004
"CHN"	Clearing House Number
"CSCS"	Central Securities Clearing System Plc
"DPI"	Development Partners International
"FCMB CM" or "Issuing House" or "Underwriter"	FCMB Capital Markets Limited
"FGN"	Federal Government of Nigeria
"Food Concepts", "Issuer" or "the Company"	Food Concepts Plc
"GAAP"	Generally Accepted Accounting Principles
"Gross Earnings"	Total revenue for the financial reporting period/year
"IFC"	International Finance Corporation
"IFRS"	International Financial Reporting Standards
"ISA"	Investments and Securities Act (No.29 of 2007)
"LFN"	Laws of the Federation of Nigeria
"Management"	Management of Food Concepts Plc
"NASDAQ OTC Securities Exchange"	An Over-the-Counter market licensed by the Securities and Exchange Commission.
"NEFT"	NIBBS Electronic Funds Transfer
"Ordinary Shares"	Ordinary shares of 50 kobo each in the share capital of the Company;
"Pari Passu"	Equally
"QSR"	Quick Service Restaurant or a fast food restaurant
"Qualification Date"	17 May 2019

DEFINITION OF TERMS

"Receiving Agents"	Any of the banks, stockbroking institutions or other institutions listed on page 38 of this Rights Circular to which shareholders may return their completed Acceptance/Renunciation Forms together with payment/evidence of payment
"Receiving Bank"	First City Monument Bank Limited
"Registrars"	Meristem Registrars and Probate Services Limited
"Rights Circular"	This document, which is issued in respect of the Rights Issue in accordance with the SEC Rules
"Rights Issue" or the "Issue"	The rights issue of 5,831,553,981 Ordinary Shares of No. 50 each of the Company being offered by way of provisionally allotted rights to existing shareholders on the Company's register of members as at the close of business on 17 May 2019, at No. 0.62 per share, on the basis of 11 (eleven) new Ordinary Shares for every 28 (twenty eight) Ordinary Shares held by them on that date.
"RTGS"	Real Time Gross Settlement
"SEC" or "the Commission"	Securities & Exchange Commission
"SEC Rules"	Rules and regulations of the SEC made pursuant to the ISA (and as amended from time to time)
"Solicitors"	G. Elias & Co.
"Stockbroker"	CSL Stockbrokers Limited
"Working Day"	Any day other than a Saturday, Sunday or official public holiday declared by the FGN from time to time

Corporate Office	
1	Address: 2, Ilupeju Bye Pass, Ilupeju, Lagos Telephone number: +234 (1) 271 6390 Website: www.foodconceptsplc.com
Company-Operated Locations	
2	124, Ogudu Ojota Road, Ojota, Lagos State
3	149, Akowonjo Road, Lagos State
4	12, Coker Road, Ilupeju, Lagos State
5	Ojodu-Berger Road, Ile-Epo Bus-Stop, Omole, Lagos State
6	Oando Filling Station, Marina, Lagos State
7	8, Okota Road, Isolo, Lagos State
8	32, Ire Akari Estate Road, Isolo, Lagos State
9	10, Ikorodu Road, Jibowu, Lagos State
10	E-Centre, Domino Plaza, TOS Benson Avenue, Sabo, Yaba, Lagos State
11	Ajose Adeogun Street, Victoria Island, Lagos State
12	Oke Afa, Isolo, Lagos State
13	37A, Opebi Road, Ikeja, Lagos State
14	22 Road, Festac Town, In between TFC and Sweet Sensation, Festac, Lagos State
15	MMA 2 Taxi Park, Beside KFC, MMA Airport, Lagos State
16	Total Filling Station, Onigbagbo Bus-Stop, Beside Sheraton Hotel, Ikeja, Lagos
17	5, Ajah-Addo Road, Badore, Ajah Town, Lagos State
18	73, Bode Thomas Street, Surulere, Lagos State
19	96, MKO Abiola Way, Ring Road, Ibadan, Oyo State
20	Beside Mr Biggs, Challenge, Ibadan, Oyo State
21	14, Umar Audi Road, Ilorin G.R.A, Kwara State
22	19, Trans-Amadi Road, Port Harcourt, Rivers State
23	Plot 7 Sani Abacha Road, GRA, Port Harcourt, Rivers State
24	Oando Filling Station, Trans-Amadi Road, Port Harcourt, Rivers State
25	203 Ugbowo – Lagos Road, Benin City, Edo State
26	Plot 55 Airport Road Benin City, Edo State
27	Plot 678, Amino Kano Crescent, Opposite Globacom, Wuse 2, Abuja
28	Plot 115, Adetokunbo Ademola Crescent Wuse 11, Abuja
29	Abuja Keffi Express Way, Nyannya, Nassarawa State
30	Oando Filling Station, Herbert Macaulay Way, Wuse, Abuja
31	Plot 673 Ogbomoso Street Area 8, Garki, Abuja
32	3 Damaturu Street, Gwarinpa Housing Estate, Abuja
33	Plot D134 Bank Road, Kubwa FCT, Abuja
34	Banex Junction, Aminu Kano Street, Abuja
35	Banawa, Kaduna State
36	Plot No.1A TPO 699, Yakubu Gowon Way, Kaduna State
37	Plot No. 10A Kaduna Road, Sabon Gari, Zaria, Kaduna State
38	Ikeja City Mall Alausa, Lagos State
39	190, Awolowo Road, Ikoyi, Lagos State
40	BLK 10 Plot 31, Admiralty way, Lekki phase 1, Lekki, Lagos State
41	S P G Filling Station, Lekki 3 rd Round About, Lekki, Lagos State
42	Exquisite Plaza, 30-32 Ojuelegba Road, Tejuosho, Lagos State
43	Plot 3, Chief Yesufu Abiodun Oniru Road, Oniru Estate, Lagos State
44	Heyden Filling Station, Lekki-Epe Expressway, VGC, Lagos State

CORPORATE DIRECTORY

45	2 nd Artillery Off Aba Road, Port Harcourt, Rivers State
46	14 Adebayo Doherty Road, Lekki Phase 1, Lagos State
47	20 Old Abeokuta Road, Abule Egba, Lagos State
48	No 21 Birabi Street, GRA Phase 2, Port Harcourt, Rivers State
49	Agbani Road, Amokwe Bus-Stop Beside UBA, Enugu State
50	1, Doxa Road, Transamadi, Port Harcourt, Rivers State
51	Ibrahim Taiwo Road, Ilorin, Kwara State
52	Batsonaa, Ghana
53	2, High Street, Dansoman, Ghana
Franchise Locations	
54	Airport Road, Warri, Delta State
55	41, St Finbarrs Road, Akoka, Yaba, Lagos State
56	Skye Pavilion Building, Opposite OPIC R/A, Okelowo, Abeokuta, Ogun State
57	Plot 4/5, Pa Adejuigbe Industrial Layout, Ondo Road, Akure, Ondo State
58	FUTA South Gate Junction Along Ilesha Owo Expressway, Ondo State
59	Akure Shopping Mall, Igbatoro Road, Akure, Ondo state
60	Agbogbo -Oke, Yaba, Ondo Town (Opposite UBA) CR, Ondo State
61	NEPA Junction, Aguda, Surulere, Lagos State
62	Along Adekunle Ajasin University, Akungba Akoko, Ondo State
63	Along Bank Road, Ado Ekiti, Ekiti State
64	Idimisasa, Opposite Central Mosque, Owo, Ondo State
65	Delta Mall, Effurun Roundabout, Warri, Delta State
66	Maryland Mall, Ikorodu Road, Maryland, Lagos State
67	58, Agu Awka Road, Along Enugu Onitsha Express Way, Awka, Anambra State
68	Ikoya Road, Opposite Heritage Bank, Okitipupa, Ondo State
69	Old Refinery Road, Eleleno, Port Harcourt, Rivers State
70	Suleja, Abuja
71	Beside Ade Peter's Filling Station, Ikare Akoko, Ondo State
72	Refinery Road, Warri, Delta State

ABRIDGED TIMETABLE

Date	Activity	Responsibility
12 August 2019	Acceptance List opens/Trading in Rights commences	Issuing House/Stockbroker
23 August 2019	Acceptance List closes/Trading in Rights ends	Issuing House/Stockbroker
30 August 2019	Receiving Agents make returns	Issuing House / Receiving Agents / Registrars
12 September 2019	Forward allotment proposal and draft newspaper announcement to the SEC	Issuing House
25 September 2019	Receive SEC's clearance of the allotment	Issuing House
26 September 2019	Payment of Net Proceeds of the Rights Issue to the Issuer	Issuing House / Receiving Bank
27 September 2019	Allotment announcement	Issuing House
11 October 2019	Return excess/rejected application monies	Issuing House / Registrars
11 October 2019	Credit NASD CSCS accounts of shareholders	Registrars
28 October 2019	Submission of Issue summary report to SEC	Issuing House

Please note that all dates above are indicative only and are subject to change without prior notice

SUMMARY OF THE RIGHTS ISSUE

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

Issuer:	Food Concepts Plc.
Issuing House:	FCMB Capital Markets Limited
Share Capital (as at the date of the Rights Circular):	
Authorised:	₦13,000,000,000 comprising 26,000,000,000 Ordinary Shares of ₦0.50 each
Issued and fully paid:	₦7,421,977,796 comprising 14,843,955,592 Ordinary Shares of ₦0.50 each
Now being issued:	5,831,553,981 Ordinary Shares of ₦0.50 each at ₦0.62 per share
Gross Issue Proceeds:	₦3,615,563,468.22
Net Issue Proceeds:	₦3,525,948,023.44
Purpose:	The Rights Issue is being undertaken to finance the Company's growth and expansion plans
Use of Proceeds:	The net issue proceeds estimated at ₦3,525,948,023.44 after deducting the total cost of the Issue estimated at ₦89,615,444.78 (representing 2.48% of the Issue), will be applied as follows:

Purpose	Amount (₦)	%	Estimated Completion Period
Building of 21 new stores*	2,606,666,607.31	74%	18 months
Remodelling and facelifts of 10 existing stores**	136,057,828.12	4%	9 months
Implementation of Information Technology software	217,390,000.00	6%	12 months
Supply chain improvements	254,111,431.01	7%	12 months
Development of new brand	100,000,000.00	3%	9 months
Upgrade of office and acquisition of fixed assets	82,800,000.00	2%	9 months
Payment of legacy debts***	128,922,157.00	4%	8 months
Total	3,525,948,023.44	100%	

*Twenty one (21) new stores will be opened in Nigeria as follows: 12 in Lagos State, 2 in Kano State, 2 in Niger State, 2 in Kaduna State, 1 in Abuja, 1 in Oyo State and 1 in Edo State

** Ten (10) existing stores in Nigeria will be remodelled as follows: 5 in Lagos State, 3 in Abuja and 2 in Oyo State

***Legacy debts consist of amounts owed for services rendered to the Company.

Method of Offer:	By way of a Rights Issue to existing shareholders
Issue Price:	₦0.62 per share
Payment:	In full on acceptance
Opening Date:	12 August 2019
Closing Date:	23 August 2019
Provisional Allotment:	11 new Ordinary Shares for every 28 Ordinary Shares of ₦0.50 each held as at the close of business on 17 May 2019
Qualification:	Solely to members who are included in the Register of Members of the Company as at 17 May 2019
Market Capitalisation at Issue Price (Pre-Issue):	₦9,203,252,467.04

SUMMARY OF THE RIGHTS ISSUE

Market Capitalisation at Issue	₦12,818,815,935.26
Price (Post Issue):	
Application for Additional Shares:	Shares that are not taken up by the date on which the acceptance list closes will be allotted to shareholders, who have applied and paid for additional shares over and above their provisional allotment on a pro rata basis, and the Underwriter.
Dilution	Shareholders who renounce their Rights or do not accept their provisional allotment in full may have their shareholding in the Company diluted.
Indebtedness:	As at 31 March 2019, the Company had a convertible loan of ₦1,808,750,000.
Status:	The new shares to be issued shall rank pari passu in all respects with the outstanding issued Ordinary Shares of the Company.
Underwriting:	The Rights Issue is 50% underwritten on a standby basis.
Claims and Litigation:	As at 15 March 2019, the Company in the ordinary course of business was involved in five (5) legal cases. The total monetary claims against the Company is ₦1,043,586,979.33 (One Billion, Forty Three Million, Five Hundred and Eighty Six Thousand, Nine Hundred and Seventy Nine Naira Thirty Three Kobo) (excluding claims for pre and post judgment interest) and a further claim for salaries till the date of judgment at the contract rate of ₦180,000 per annum. In some of the cases, the Company has filed counter claims with a monetary value of ₦34,410,106.62 (Thirty Four Million, Four Hundred and Ten Thousand, One Hundred and Six Naira Sixty Two Kobo). After due review, the Solicitors are of the opinion that the claims would not have any adverse effect or negative impact on the Rights Issue especially as most of the claims against the Company are grossly exaggerated.
E-Allotment:	The NASD CSCS accounts of shareholders will be credited not later than 15 Working Days from the date that the allotment is cleared by the SEC. Shareholders are advised to state the name of their stockbroker as well as their NASD CHN and NASD CSCS account number in the space provided on the Acceptance/Renunciation Form. Any shareholder who does not have a valid NASD CHN and NASD CSCS account number is advised to open a stockbroking account with a stockbroker and obtain a valid NASD CHN and NASD CSCS account number from the stockbroker. No share certificates will be issued in accordance with the SEC Directive on Dematerialization of Share Certificates. Shareholders who do not provide valid NASD CHN and NASD CSCS account numbers on the Acceptance/Renunciation Form can subsequently arrange for allotted shares to be transferred to their respective stockbroking accounts through their stockbrokers.
Trading in Rights:	The Rights are tradable on the NASD OTC Securities Exchange between 12 August 2019 and 23 August 2019.

Company's Subsidiaries and Associated Companies:

Entity	Relationship	Shareholding (%)
Food Concepts Ghana Limited	Subsidiary	100%
Express Foods Franchise International	Subsidiary	100%
Food Concepts Pioneer Limited	Associate	35.61%
Food Concepts International Limited	Associate	35.70%

SUMMARY OF THE RIGHTS ISSUE

Financial Summary:	As at 31 December					
	N'millions					
	Audited					
	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
Revenue	9,088	6,751	4,735	3,604	3,464	3,101
Gross Profit	5,012	3,680	2,790	2,292	2,175	2,220
Operating Profit	1,149	595	10	(4,182)	(988)	(165)
Profit before taxation	1,470	(713)	(663)	(4,547)	(1,039)	(305)
Profit after taxation	1,433	(713)	(663)	(4,535)	(1,372)	(517)
Share capital	2,922	2,922	2,922	2,922	2,683	2,683
Net Assets	6,682	634	1,364	2,082	6,520	7,939
Total Assets	10,169	7,481	7,087	8,371	13,276	14,074
Basic EPS (naira)	0.28	(0.14)	(0.11)	(0.78)	(0.26)	(0.10)
Diluted EPS (naira)	0.08	(0.05)	(0.11)	(0.60)	(0.23)	-

THE RIGHTS ISSUE

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

This Rights Circular is being issued in compliance with the provisions of the ISA and the SEC Rules and contains particulars in compliance with the requirements of the Commission, for the purpose of giving information to the shareholders with regard to the Food Concepts Plc Rights Issue of 5,831,553,981 Ordinary Shares of ₦0.50 each at ₦0.62 per share by FCMB Capital Markets Limited.

The Directors of Food Concepts 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 and belief there are no material facts, the omission of which 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.

Issuing House



RC 44,6561

FCMB Capital Markets Limited

on behalf of



Food Concepts Plc

is authorised to receive acceptances for the

Rights Issue of

**5,831,553,981 Ordinary Shares of ₦0.50 each
at ₦0.62 per share**

on the basis of 11 new Ordinary Shares for every 28 Ordinary Shares of ₦0.50 each held as at 17 May 2019

Payable in full on Acceptance

The Acceptance List for the new shares now being offered will open on 12 August 2019 and close on 23 August 2019.

SHARE CAPITAL AND RESERVE OF THE COMPANY AS AT 31 MARCH 2019		₦'
AUTHORISED SHARE CAPITAL	26,000,000,000 Ordinary Shares of ₦0.50 each	13,000,000,000
ISSUED AND FULLY PAID	14,843,955,592 Ordinary Shares of ₦0.50 each	7,421,977,796
EQUITY	Paid-up Share Capital	7,422,000,000
	Share Premium	4,498,000,000
	Retained Earnings	(4,899,000,000)
	Other Reserve	(215,000,000)
	TOTAL EQUITY	6,806,000,000
POST ISSUE SHARE CAPITAL*		
AUTHORISED SHARE CAPITAL	26,000,000,000 Ordinary Shares of ₦0.50 each	13,000,000,000
ISSUED AND FULLY PAID	20,675,509,573 Ordinary Shares of ₦0.50 each	10,337,754,787

At an Annual General Meeting of the Company held on 1 November 2018 it was resolved that the authorised share capital of the Company be increased from ₦5.7 billion to ₦13 billion comprising of 26,000,000,000 Ordinary Shares of ₦0.50 each.

* Assumes that the Rights Issue is fully subscribed.

DIRECTORS, COMPANY SECRETARY AND PROFESSIONAL PARTIES

DIRECTORS AND COMPANY SECRETARY	
Mr. Odunayo Olagundoye (Chairman) 2, Ilupeju Bye Pass Ilupeju Lagos	Mr. Lanre Fabunmi 2, Ilupeju Bye Pass, Ilupeju Lagos
Mr. David Butler (Managing Director) 2, Ilupeju Bye Pass Ilupeju Lagos	Mr. Babacar Ka 2, Ilupeju Bye Pass Ilupeju Lagos
Mr. Babatunde Fajemirokun 2, Ilupeju Bye Pass Ilupeju Lagos	Mr. Marc Stoneham 2, Ilupeju Bye Pass Ilupeju Lagos
Mrs. Runa Alam 2, Ilupeju Bye Pass Ilupeju Lagos	Mrs. Anthonia Agbonifo (Executive Director) 2, Ilupeju Bye Pass Ilupeju Lagos
Mr. Adefolarin Ogunsanya 2, Ilupeju Bye Pass Ilupeju Lagos	Company Secretary Mrs. Josephine Johnson 2, Ilupeju Bye Pass Ilupeju Lagos
PROFESSIONAL PARTIES	
Issuing House FCMB Capital Markets Limited First City Plaza (6 th floor) 44 Marina Lagos	Underwriter FCMB Capital Markets Limited First City Plaza (6 th floor) 44 Marina Lagos
Solicitors G. Elias & Co. 6 Broad Street Lagos	Auditors Ernst & Young 10th & 13th Floor, UBA House 57 Marina Lagos
Registrars Meristem Registrars and Probate Services Limited 213 Herbert Macaulay Way, Adekunle, Yaba Lagos	Receiving Bank First City Monument Bank Limited 17A, Tinubu Street, Lagos
Stockbroker CSL Stockbrokers Limited First City Plaza (5 th floor) 44 Marina Lagos	

THE CHAIRMAN'S LETTER

The following is the text of a letter received by FCMB Capital Markets Limited from Mr. Odunayo Olagundoye, Chairman, Board of Directors of Food Concepts Plc:



Food Concepts Plc
2, Ilupeju Bye Pass
Ilupeju
Lagos

12 July 2019

To: All Shareholders of Food Concepts Plc.

Dear Sir/Madam,

RIGHTS ISSUE OF 5,831,553,981 ORDINARY SHARES OF ₦0.50 EACH AT ₦0.62 PER SHARE

On behalf of the Directors of Food Concepts Plc, I am pleased to provide you with the following information regarding the proposed offer by way of a Rights Issue of 5,831,553,981 Ordinary Shares of ₦0.50 each at ₦0.62 per share to existing shareholders as at 17 May 2019, on the basis of eleven (11) new Ordinary Shares for every twenty eight (28) Ordinary Shares owned, which we are making on your behalf.

At the Annual General Meeting of the Company held on 01 November 2018, you authorised the Board to raise additional share capital by way of a Rights Issue. The proceeds of the proposed Rights Issue will be used to improve the operations of the business, build new stores, remodel some existing stores, implement a new information technology software, set up regional warehouses, develop a new brand, and repay existing legacy debt. The Company's plan is to have 300 company-owned stores and 60 franchise stores in 5 geo-political zones in Nigeria, and in Ghana by 2023. This will give the Company a competitive edge among other players as well as provide an opportunity for the Company to expand its share of the market in the ever competitive and growing QSR sector in Nigeria. The Company has adequate working capital to continue to fund daily operations and settle current obligations as they become due.

I am pleased to inform you that we have received the requisite approvals from the Securities & Exchange Commission for the registration of the shares. The shares will rank *pari passu* in all respects with the existing share capital of the Company. The rights can be traded on the NASD OTC Securities Exchange. Shareholders who wish to trade their rights should seek advice from their respective stockbrokers who will guide them regarding the process.

This Rights Issue presents you with the opportunity to increase your investment in the Company. On behalf of the Directors, I invite you to exercise your rights in full. The Rights Circular contains information on the Company's history, business, future plans, financial information for the past five years and eleven months and other general information about the Company. It also contains a provisional allotment letter from the Company Secretary, which provides full instructions for the acceptance of your rights to the provisional allotment.

Yours faithfully,

Mr. Odunayo Olagundoye
Chairman, Food Concepts Plc.

8.1 Historical Overview

Food Concepts Plc was incorporated on 6 December 1999 as Food Concepts & Entertainment Limited and commenced operations in 2000. The Company was converted from a private limited liability company into a public limited liability company and the Company's name was subsequently changed to Food Concepts Plc. by a Special Resolution dated 10 May 2009. Following its incorporation, Food Concepts secured franchises from reputable South African QSR operators to manage and operate their brands in Nigeria. The Company subsequently acquired and developed other brands such as "Chicken Republic", "Butterfield" and "Yum Yum". Following a corporate restructuring and divestment, the Company now owns and operates the "Chicken Republic" brand as its key food brand. The Company is currently trading in 71 locations across Nigeria and Ghana, comprising of 52 company-owned stores and 19 franchised stores. The Company also owns a 35.61% stake in Food Concepts Pioneer Limited, which runs plant bakeries producing bread, pies, sausage rolls and chin-chin for the mass market.

8.2 Industry Overview

The QSR industry in Nigeria has grown rapidly over the years and has become more structured. From the late '90s where the industry was dominated by one dominant player and a few family-owned businesses, more structured businesses with good brand names have entered the fray.

In line with global trends, QSRs in Nigeria are beginning to focus on franchising, multiple brands, healthy meals and restaurant management. Also, local QSRs have increasingly expanded their service offerings to include African dishes, in addition to an array of fast food meals.

The Nigerian QSR industry is now largely dominated by local and foreign brands and the "Chicken Republic" brand is regarded as one of the leading brands in the market and in fact the fastest growing QSR in the Nigerian market.

8.3 Business Overview

The Company is structured into the following key divisions:

- The Operations Division: This division comprises Quick Service Restaurant (QSR) operations which is basically the Chicken Republic Brand for both owned and franchised stores.
- The Supply Chain Division: This division coordinates all operational support functions such as procurement, logistics, inventory management, supply of pies through its Pie Express concepts and back-end support through the central kitchen.
- Franchise & Development Division: This division is responsible for building new stores, remodelling existing stores, developing new brands, getting new franchisees and maintaining the stores and brands.
- Shared Service Division: This division is responsible for the back-end business support including Finance, Business Intelligence, Risk & Process, Human Resources, Admin, Marketing, IT, Quality Safety Health Environment (QSHE) & Legal.

Chicken Republic

Chicken Republic is one of the fastest growing QSR brands in Sub-Saharan West Africa and it is uniquely positioned to serve the needs of the discerning average to middle income groups. Currently, the Company has sixty nine (69) outlets in Nigeria out of which fifty (50) are company-owned and nineteen (19) are franchised. The brand is also gradually gaining a foothold in the Ghanaian market, with an expanding branch network of two (2) outlets. Chicken Republic stores have shown great success - with remodelled stores showing an increase of up to 80% in sales performance. The Company competes with international, national and local retailers of food products in terms of price, convenience, service, menu variety, and product quality.

Price: Chicken Republic delivers great meals at an affordable price compared to its competitors.

Convenience: Chicken Republic has a functional online ordering platform that allows customers to order their meals and get it delivered at their preferred location within 30 minutes.

Menu variety: Chicken Republic's product offering includes an assortment of chicken, rice, sandwiches, chips, burgers, snacks, beverages, coffee and bottled water.

Product quality: Chicken Republic's products are made fresh to ensure quality and consistency across stores.

Butterfield

Butterfield is the bread and bakery brand operated by Food Concepts Pioneer Limited, an associate company of Food Concepts Plc. The first Butterfield bakery was conceptualized and opened in 1996 in South Africa and launched its first two (2) bakeries in 2003. The Butterfield brand has been marketed as a mass market brand with various varieties and has quickly penetrated the market contributing to a significant portion of Food Concepts' sales revenue. In 2015, Food Concepts Plc entered into an agreement with Pioneer Foods Limited, whereby Pioneer Foods acquired a majority stake of Food Concepts Pioneer Limited. The Company currently has 35.61% equity stake in Food Concepts Pioneer Limited while Pioneer Foods owning the remaining stake has operational and management control of Food Concepts Pioneer Limited.

Yum Yum

The Yum Yum Brand is operated by Food Concepts Pioneer Limited. The Yum Yum brand was launched as a mass market sausage roll brand following the acquisition of its state of the arts sausage roll plant. The Yum Yum brand has now expanded to include a Chin Chin product in addition to the sausage roll product and is gaining significant market share.

8.4 Board of Directors and Management Team

Board of Directors

The Board of Directors of Food Concepts consists of a group of successful and high-ranking professionals. The Board has demonstrated a strong commitment to the Company and to the realisation of its business objectives. The Board of Food Concepts consists of nine (9) members, with two (2) directors in an executive capacity.

Mr. Odunayo Olagundoye – Non-Executive Chairman

A banker by profession, he was the pioneer Managing Director/Chief Executive Officer of Chartered Bank Plc., and a former Managing Director of National Bank of Nigeria Plc (2000 - 2003). Prior to that, he was the General Manager/Chief Credit Officer of International Merchant Bank Plc (1975 - 1987). He holds a first degree in Engineering from Massachusetts Institute of Technology ("MIT") (1969) and a Masters' degree from the prestigious MIT Sloan School of Management (1974). He is currently the Chairman of Quantum Capital Management and Rubber Estates Nigeria Limited.

Mr. David Butler – Managing Director

David has garnered over 19 years' experience in the QSR industry in over 5 countries. David started his career in Pick 'n' Pay Hypermarkets and has since held various managerial positions in Nando's Restaurants, YUM! Brands International and KFC. In 2014, he became the Managing Director of the Company and has led the Company to its current position, one of the top 5 (by market share of revenues) QSRs in Nigeria, and one of the most-respected and up-market brands in the industry.

Mr. Babatunde Fajemirokun – Non-Executive Director

Mr. Babatunde Fajemirokun is currently an Executive Director at AllCO Insurance Plc ("AllCO"); a leading long-term savings, insurance and asset management group in Nigeria. Mr. Fajemirokun is responsible for AllCO's operations; the group function that plans, coordinates, and controls the resources required to produce its products and services. He is also responsible for helping AllCO and its business units to understand the competitive landscape and the markets they operate in while developing and implementing sustainable plans for long-term growth and shareholder value creation. Mr. Fajemirokun joined AllCO Insurance Plc as the Chief Information Officer ("CIO") in May 2009. He has executed value-enhancing projects, first, by leading the transformation programme to automate and modernise operations and second, by increasing productivity in the selling of insurance products and services. He has served in several roles and overseen principal and operational functions, giving him a deep understanding of the levers to improve and sustain profitability.

OVERVIEW OF FOOD CONCEPTS PLC.

Prior to AllCO, he worked with Accenture, Lagos (2003-2007) and then Capgemini Consulting, UK (2008-2009). In both companies, he provided consulting/advisory services to financial services and Government clients predominantly in mergers and acquisitions and then United Kingdom government transformation programmes. He obtained an MBA with a concentration in Finance from University of Chicago Booth School of Business (2013), a Business Information Strategy Master's degree with distinction from University of Strathclyde (2002) and a Bachelors' degree in Business Economics from Glasgow, UK (2000).

Mr. Lanre Fabunmi – Non-Executive Director

Lanre Fabunmi is currently the Managing Director & Chief Executive Officer of AllCO Capital Limited – a leading asset management firm in Nigeria. He has 14 years' experience in commercial banking, investment banking, asset management, risk management, and auditing. Prior to joining AllCO Capital, Lanre founded and served as Managing Director and Chief Executive Officer of Tricorn Capital (2007-2015), a boutique investment banking and private wealth management firm, and led the firm in executing several landmark investment banking and advisory (equity capital raising, debt capital raisings, mergers & acquisitions) mandates of over US\$370million – in FMCG, Banking, Oil & Gas, and Agriculture industries. Prior to establishing Tricorn Capital, Lanre worked in the Investment Banking Division of ARM Investment Managers where he worked on investment banking transactions valued at over US\$500million as well as managing some of ARM's proprietary investment portfolios. Prior to joining ARM, Lanre worked in the Information Risk Management practice of KPMG Professional Services (2003-2006) as a Senior Consultant leading several large and complex local and international consulting, audit, and risk management engagements.

He holds a Bachelor of Science ("BSc") in Accounting from Ambrose Alli University, Ekpoma (2001) and he is a Qualified Accountant of the Institute of Chartered Accountants of Nigeria. He is also a Member of the Chartered Institute of Bankers of Nigeria; he won several prizes at the Professional Levels as the best candidate in Accountancy and best candidate in Financial Management. He has attended several international training programmes in Financial Modelling and Investments. He has served as a key financial adviser to Food Concepts since 2006 – having assisted the Company on its key capital raising initiatives.

Mrs. Runa Alam – Non-Executive Director

Runa is a co-Founding Partner and Chief Executive Officer of Development Partners International LLP ("DPI"), a pan-African private equity firm. She has more than 30 years of investment banking, emerging market management and private equity experience. Runa was formerly the Chief Executive Officer of Kingdom Zephyr Asset Management and CEO of the PAIP-PCAP funds which were highly successful Pan-African funds. She started her career in New York working for investment banks including Morgan Stanley and Merrill Lynch, where she worked in mergers and acquisitions and corporate and tax-exempt finance. She holds a Bachelor of Arts degree in International and Developmental Economics from the Woodrow Wilson School of Princeton University (1981), a Masters' in Business Administration ("MBA") from the Harvard Business School (1985) and was a Harry S. Truman Congressional Scholar.

Mr. Babacar Ka – Non-Executive Director

Babacar is an investment principal at Development Partners International LLP with 17 years of finance and investment experience spanning private equity, debt investing and equity research. Prior to DPI, Babacar worked at Standard Bank Group in the UK and was an investment analyst in the Global Transaction Team at the IFC in Washington DC.

Babacar holds a Bachelor of Science in Business Administration and Finance from the University of California (2003), Riverside, and an MBA from the University of Oxford (2010).

Mr. Marc Stoneham – Non-Executive Director

Marc is a portfolio manager at Development Partners International LLP at DPI with 16 years of experience. Prior to DPI, Marc worked at McKinsey & Company serving African and other emerging market clients across multiple industries and functions, with a focus on natural resources. Prior to McKinsey, Marc worked in private equity at Actis and Kingdom Zephyr, and for Accenture strategy consulting.

Marc holds a BA (Hons) in Modern History from the University of Oxford (1st class) (2003) and an MBA from INSEAD (Dean's List) (2010).

Mr. Adefolarin Ogunsanya – Non-Executive Director Adefolarin is an investment professional at Development Partners International LLP with over 12 years of experience in investment banking and private

equity. Prior to DPI, Folarin was an investment professional at Helios Investment Partners and an investment banker at Credit Suisse in New York.

Adefolarin has a BSc (Hons) in Computer Engineering from NJIT (2007) and an MBA in Finance and Entrepreneurial Management from The Wharton School, University of Pennsylvania (2014).

Mrs. Anthonia Agbonifo - Executive Director

Anthonia is a Chartered Accountant with over 17 years of extensive and diversified working experience in auditing, accounting, treasury, risk management, IFRS, finance, and advisory services. Her experience cuts across the oil and gas industry, manufacturing industry, financial services, quick service restaurants, bakery, farm, power, utilities, mining, audit management, Sarbanes Oxley review, process review/design, evaluation and implementation of internal control and accounting systems/processes. Anthonia is an Institute of Chartered Accountants of Nigeria ("ICAN") prize winner and has attended so many training courses within and outside the country on leadership, management, oil and gas, taxation, auditing (Nigerian GAAP, US GAAP and IFRS), team management, Sarbanes Oxley, controls and she also facilitates training courses.

Anthonia is a 2001 graduate of accounting (HND) from Yaba College of Technology, she has an MBA with Merit from the University of Liverpool UK, she is a fellow of the Institute of Credit Administration, a fellow of the Institute of Management Consultant, a Chartered Accountant with ICAN since 2004 and a member of the Nigerian Institute of Management. She holds a Diploma in IFRS (DIPIFR) from the Association of Chartered Certified Accountants (ACCA) and has served on two key committees of the board of the Institute of Chartered Accountants of Nigeria (ICAN) i.e. Professional Practice Monitoring Committee (PPMC) of ICAN for five years and Membership Affairs Committee of ICAN for one year. Anthonia joined Food Concepts Plc as the Group Chief Financial Officer in 2014 and is currently a member of the audit committee and an alternate director of Food Concepts Pioneer Limited (an associate company). Prior to joining Food Concepts Plc, Anthonia worked with PricewaterhouseCoopers (2005-2014) and Akintola Williams Deloitte (1998-1999, 2002-2005) in senior management functions.

Management Team

Food Concepts is managed by a young and dynamic team with a breadth of experience in business management, food operations (preparation and retailing) and financial management. This highly competent and skilled team has been responsible for the Company achieving its current level of success and is poised to take the Company to the next level of growth. The team is led by Mr. David Butler, the Managing Director and includes Mrs. Anthonia Agbonifo, who is also the Chief Financial Officer and the following professionals:

Mrs. Josephine A. Y. Johnson - Company Secretary/Legal Adviser

Josephine is a 1994 graduate of Law from the University of Ibadan with Honours and she obtained a Bachelor of Law (BL) degree from the Nigerian Law School in 1995. She is an Associate of the Institute of Chartered Secretaries & Administrators (2006). Josephine has over 24 years of experience as a Barrister and Solicitor in Nigeria and has acquired substantial expertise in litigation matters, general corporate and commercial law, company secretarial and legal advisory services, amongst others. Josephine is a Chartered Secretary and Administrator (UK and Nigeria) and has provided comprehensive company secretarial and legal advisory services to a broad range of commercial concerns engaged in several sectors of the economy. Josephine was previously in practice with The Law Union (Barristers & Solicitors) and prior to joining Food Concepts; she served as Company Secretary/Legal Adviser for 18 companies under the Churchgate Group.

Mr. Ikenna Okongwu - Chief Operating Officer, QSR

Ikenna graduated as a Medical Doctor from the University of Jos (1991). He holds a Post Graduate Diploma (Human Resources) from University of South Earling, (now University of West London), London (2001) and a master's degree in Management (MiM) from University College Dublin, Ireland (2011). He has been a Member of The Chartered Institute of Personnel and Development since 2001. Ikenna started his career initially in the medical field and moved into the QSR industry in 1994 where he has gained about 25 years-experience initially with YUM Brand International and now with Food Concepts. He has worked in various capacities both in Operations and in Human Resources/Training through his QSR career in the United Kingdom, Ireland and Nigeria.

OVERVIEW OF FOOD CONCEPTS PLC.

Mr. Kofi Abunu - Chief Development Officer

Kofi has over 26 years of experience in the food and hospitality industry. He has a diploma in hotel management from the University of London (1990). He also has a BA (Hon) International Business and Marketing from the University of London (1994) and CIMA UK (1995). He previously worked at McDonald's (UK), Nandos, Innscor/Famous Brands (Steers and Debonairs). His most recent appointment was as Operations Manager Innscor International (Mobil Oil/On the Run). He has operated in 4 African countries including South Africa, Ghana, Zimbabwe, and Ivory Coast.

Mrs. Claudette Russel- Group Head – Human Resources & Administration

Claudette has a BSc. Information Technology & Sociology from the London Guildhall University (1993). She has been a Fellow of the Chartered Institute of Personnel and Development since 2002. Claudette has over 23 years of management experience in the food retailing industry working for Safeways (now known as Morrisons) and Marks & Spencer. 16 years of her career was with the UK number one retailer Tesco Stores PLC, with whom she has over 10 years' experience as an HR generalist, managing 58 Express stores across South London.

Mrs. Olayinka Oluwatosin Ogunleye – Chief Supply Chain Officer

Olayinka is a Geography graduate of the University of Ibadan (2000). She also holds a Masters degree in Business Administration from University of Lagos (2005) and MSc. in Operations, Projects and Supply Chain Management from Manchester Business School, United Kingdom (2010). She is a Member of the Chartered Institute of Purchasing and Supply (CIPS), United Kingdom and a certified member of Project Management Professional (PMP).

Olayinka started her career with UAC of Nigeria Plc in 2002 as a Management trainee, and worked in different functions: spanning Customer Service, Projects and Supply Chain Management. She has garnered over 9 years Supply Chain experience from UAC of Nigeria Plc and Unilever Nigeria Plc working in various capacities.

8.5 Future Plans

The Company's strategic objective is to continuously increase customer satisfaction, customer traffic, brand awareness and revenue by improving customer service, expanding geographical footprint, establishing new stores, remodelling existing stores and increasing profit margins. In keeping with its aspiration of becoming a dominant market leader position in the QSR industry, the Company plans to continue its forward-looking vision of store expansion in Nigeria and Ghana. Food Concepts expects to have 300 company-owned stores and 60 franchise stores in 5 geo-political zones in Nigeria and in Ghana by 2023.

Due to the Issuer's expansion, its chicken demand will grow significantly over the next five years, thus it plans to strengthen its relationships with its chicken suppliers and consider strategic partnerships.

The Issuer also expects to partner with strategic franchise partners to expand our stores beyond Nigeria and Ghana.

8.6 Working Capital Adequacy

The Directors are of the opinion that the Company has adequate working capital to meet its requirements in the immediate and foreseeable future.

8.7 Research and Development

The Company did not incur any expense on research and development during the 3-year period ended 31 December 2018. However, the Company incurred research and development expenses of ₦10,207,673.00 in April 2019.



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3 April 2019

The Directors
FCMB Capital Markets Limited
First City Plaza (6th Floor)
44 Marina
Lagos

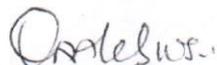
Dear Sir,

Going Concern Status of Food Concepts Plc ("The Company")

We have reviewed the unaudited financial statements of the Company for the year ended 31 December 2018 which were prepared in accordance International Financial Reporting Standards, provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and requirements of Financial Reporting Council of Nigeria Act No 6, 2011.

Based on our review of the results of the Company for the year ended 31 December 2018, in our role as auditors to the Company, nothing has come to our attention that causes us to believe that the Company will not continue as a going concern in the foreseeable future.

Yours faithfully,
For: Ernst & Young


Omolola Alebiosu
Partner

LETTER FROM THE DIRECTORS ON THE GOING CONCERN STATUS



food concepts

RC: 370.963

27th February 2019

The Directors
FCMB Capital Markets Limited
6th Floor, First City Plaza
44 Marina
Lagos

Dear Sirs,

Confirmation of Going Concern Status of Food Concepts Plc

The Directors of Food Concepts Plc are required to prepare financial statements at the end of each financial period, which give a true and fair view of the state of affairs, and of the profit or loss of the Company. They are also responsible for maintaining proper accounting records, for taking reasonable steps to prevent and detect fraud and other irregularities. The Directors are also responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgments and estimates that are prudent and reasonable.

We hereby confirm that applicable accounting standards have been followed and the Company's financial statements for the years 2014 to 2018 financial accounts were prepared in compliance with the International Financial Reporting Standard.

The Directors of Food Concepts Plc, having made appropriate enquiries, reviewed budgets and other relevant information, consider that adequate resources will exist for the business to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the financial statements.

Yours faithfully,

Mr. David Butler
Director

Mrs Josephine Johnson
Company Secretary

Food Concepts Plc 2 Ilupeju Bye Pass, Ilupeju, Lagos, Nigeria

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Directors: Mr. Odunayo Olagundoye (Chairman), Mr. David Butler (Managing) (South African), Mr. Eila Roumani (American), Mr. Babatunde Fajemirokun, Mr. Lanre Fabunmi, Mrs. Runa Alam (British), Mr. Babacar Ka (Senegalaise), Mr. Marc Stoneham (British), Mr. Adefolarin Ogunsanya

FINANCIAL INFORMATION

11.1 STATEMENT OF FINANCIAL POSITION

	Audited					
	2018 N million	2017 N million	2016 N million	2015 N million	2014 N million	2013 N million
Non-current assets						
Property, plant and equipment	4,210	3,735	3,937	4,200	4,403	6,752
Deferred tax Asset	-	-	-	-	16	-
Intangible assets	1,267	1,274	1,280	1,309	1,366	1,416
Prepayments	264	-	-	-	-	-
Other financial assets	-	-	251	389	2,216	1,979
Investments in subsidiaries	-	-	-	-	-	-
Investment in an associate	1,545	1,085	569	646	-	-

Total non-current assets	7,286	6,094	6,037	6,544	8,001	10,147

Current assets						
Inventories	443	341	387	156	159	226
Trade and other receivables	221	93	80	92	2,438	2,072
Prepayments	454	201	347	499	488	580
Other financial assets	-	117	-	530	-	-
Cash and short-term deposits	1,765	635	236	550	142	1,049

	2,883	1,387	1,050	1,827	3,227	3,927
Assets classified as held for sales	-	-	-	-	2,048	-

	2,883	1,387	1,050	1,827	5,275	3,927

Total assets	10,169	7,481	7,087	8,371	13,276	14,074
	=====	=====	=====	=====	=====	=====
Equity and liabilities						
Equity						
Issued capital	2,922	2,922	2,922	2,922	2,683	2,683
Share premium	4,700	4,700	4,700	4,700	5,009	5,031
Retained (loss)/ earnings	(5,364)	(6,793)	(6,080)	(5,417)	(1,061)	223
Deposit for shares	4,501	-	-	-	-	-
Fair value reserve of financial liabilities at FVOCI	111	-	-	-	-	-
Foreign currency translation reserve	(188)	(195)	(178)	(123)	(111)	2

FINANCIAL INFORMATION

Non-controlling interest	6,682	634	1,364	2,082	6,520	7,939
	-	-	-	-	-	(3)

Total equity	6,682	634	1,364	2,082	6,520	7,936
	=====	=====	=====	=====	=====	=====
Non-current liabilities						
Share options	118	-	-	-	-	-
Loans and borrowings	1,659	4,501	2,515	743	2,107	1,636
Government grants	-	-	-	-	-	29
Deferred tax liabilities	-	-	-	-	-	194

	1,777	4,501	2,515	743	2,107	1,859

Current liabilities						
Trade and other payables	1,592	1,589	2,242	1,694	1,558	1,752
Contract liability	23	-	-	-	-	-
Loans and borrowings	-	718	931	3,814	743	2,292
Deferred income	24	39	35	38	23	-
Government grants	-	-	-	-	-	12
Current tax liability	71	-	-	-	98	223

	1,710	2,346	3,208	5,546	2,422	4,279
Liabilities directly associated with assets classified as a held for sales	-	-	-	-	2,227	-

	1,710	2,346	3,208	5,546	4,649	4,279

Total Liabilities	3,487	6,847	5,723	6,289	6,756	6,138

Total equity and Liabilities	10,169	7,481	7,087	8,371	13,276	14,074
	=====	=====	=====	=====	=====	=====

FINANCIAL INFORMATION

11.2 STATEMENT OF COMPREHENSIVE INCOME

	Audited					
	2018 ₦ million	2017 ₦ million	2016 ₦ million	2015 ₦ million	2014 ₦ million	2013 ₦ million
Revenue	9,088	6,751	4,735	3,604	3,464	3,101
Other operating income	139	74	124	286	47	151
Raw materials and consumables used	(4,076)	(3,071)	(1,945)	(1,312)	(1,289)	(881)
Employee benefits expense	(1,548)	(1,053)	(954)	(906)	(785)	(737)
Depreciation and amortisation	(417)	(402)	(438)	(464)	(483)	(585)
Other expenses	(2,034)	(1,704)	(1,512)	(1,931)	(1,578)	(1,098)
Impairment loss on financial assets - net	(3)	-	-	-	-	-
Write offs	-	-	-	(3,459)	(364)	(116)
Operating Profit /(Loss)	1,149	595	10	(4,182)	(988)	(165)
Gains on disposal of investment in Associate	-	211	-	-	-	-
Finance cost	(6)	(173)	(158)	(238)	(92)	(304)
Finance income	107	34	14	134	41	164
Foreign exchange loss on convertible loans	-	(597)	(1,195)	-	-	-
Reversal of excess liability and provision no longer required	95	11	743	-	-	-
Non-recurrent expenses	-	(898)	-	-	-	-
Share of profit/(loss) of an associate	125	104	(77)	(261)	-	-
Profit/(Loss) before tax	1,470	(713)	(663)	(4,547)	(1,039)	(305)
Income tax expense	(37)	-	-	12	114	(56)
Profit/(Loss) for the year	1,433	(713)	(663)	(4,535)	(925)	(361)
Discontinued operations						
Loss before taxation for the year from discontinued Operation	-	-	-	-	(551)	(100)
Income Tax expense from discontinued operation	-	-	-	-	104	(56)
Profit/(Loss) after discontinued operations	1,433	(713)	(663)	(4,535)	(1,372)	(517)
Other comprehensive income						
Other comprehensive income to be reclassified to profit or loss in subsequent periods net of tax	-	-	-	-	-	-

FINANCIAL INFORMATION

Fair value changes/foreign exchange differences attributable to financial liabilities (Option)	111	-	-	-	-	-
Exchange differences on translation of foreign operations	7	(17)	(55)	(12)	(113)	1
Other comprehensive income for the year, net of tax	118	(17)	(55)	(12)	(113)	1
Total comprehensive income for the year, net of tax	1,551	(730)	(718)	(4,547)	(1,485)	(516)
Profit/(Loss): attributable to: Owners of the parent	1,551	(730)	(718)	(4,535)	(1,372)	(496)
Non- controlling interest	-	-	-	-	-	(21)
	1,551	(730)	(718)	(4,535)	(1,372)	(517)
Total comprehensive Profit/(Loss) attributable to:						
Owners of the parents	1,551	(730)	(718)	(4,547)	(1,485)	(495)
Non- controlling interest	-	-	-	-	-	(21)
	1,551	(730)	(718)	(4,547)	(1,485)	(516)
Basic earnings/(loss) per share (Naira)	0.28	(0.14)	(0.11)	(0.78)	(0.26)	(0.10)
Diluted earnings/(loss) per share (Naira)	0.08	(0.05)	(0.11)	(0.60)	(0.23)	-

FINANCIAL INFORMATION

11.3 STATEMENT OF CASH FLOWS

	Audited					
	2018 ₦ million	2017 ₦ million	2016 ₦ million	2015 ₦ million	2014 ₦ million	2013 ₦ million
Operating activities						
Profit/(Loss) before tax	1,470	(713)	(663)	(4,547)	(1,590)	(405)
Non-cash adjustment to reconcile profit before tax to net cash flows						
Depreciation of property, plant and equipment	410	389	409	407	585	616
Amortisation of intangible assets	7	13	29	57	57	51
Fair value changes/foreign exchange difference on Option	79	-	-	-	-	-
Loss/ (profit) on disposal of property, plant and equipment	16	10	(5)	-	61	(2)
Write off of property, plant and equipment	-	15	35	-	-	-
Impairment loss on property, plant and equipment	-	-	12	296	-	-
Gain on disposal of investment in associate	-	(211)	-	-	-	-
Finance income	(107)	(34)	(14)	(134)	(41)	(164)
Deferred income recognised in the current period	(39)	(34)	(24)	(8)	(3)	
Finance costs	6	173	158	238	187	364
Exchange loss on ADP 1 Holding 9	-	-	-	-	-	-
Convertible loan	-	597	1,195	-	-	-
Profit and loss impact of settlement	-	66	-	-	-	-
Reversal of excess liability no longer required	(90)	(11)	(743)	-	-	-
Reimbursable expenses to ADP 1 Holding 9	-	458	-	-	-	-
Inventory write off	-	-	-	11	48	-
Impairment and write off	-	-	-	3,459	403	80
Exchange differences	11	(20)	(80)	19	-	-
Share of (profit)/ loss of an associate	(125)	(104)	77	261	-	-
Increase in impairment losses on all financial assets	3	-	-	-	-	-
Movement in government grants	-	-	-	-	-	(12)
Restatement of foreign operation	-	-	-	-	-	16
Working capital adjustments:						
Decrease /(Increase) in inventories	(102)	46	(229)	(9)	(8)	32
Decrease /(Increase) in biological assets	-	-	-	-	-	62
(increase)/Decrease/ in trade and other receivables	(135)	(13)	(441)	(54)	4	(2,608)
Decrease/(Increase) in prepayments	(333)	68	154	(15)	57	(23)
Increase in short term deposits longer than 90 days	(17)	-	-	-	-	-
Increase in trade and other payables	150	91	762	329	59	72
Increase in other financial assets	-	-	-	-	-	(1,979)

FINANCIAL INFORMATION

	1,204	786	632	310	(181)	(3,900)
Income tax paid	(23)	-	-	(70)	(14)	(13)
Deferred income received	47	38	-	-	-	-
Net cash out flows from/ (used in) operating activities	1,228	824	632	240	(195)	(3,913)
Investing activities						
Interest received	107	34	14	134	41	164
Rent received in advance	-	-	-	23	15	-
Deferred income received	-	-	21	-	-	-
Proceeds from sale of property, plant and equipment	5	28	9	-	12	2
Purchase of property, plant and equipment	(910)	(251)	(172)	(507)	(311)	(1,353)
Purchase of Intangible assets	-	(7)	-	-	(27)	(5)
Investment in associated company	(335)	-	-	-	-	-
Proceeds from disposal of investment in associate	-	400	-	-	-	-
Asset of Free-Range Farms demerged	-	-	-	-	-	3,842
Asset of FCTL and Bar Concepts disposed	-	-	-	-	52	-
Net cash flows from/(used) in investing activities	(1,133)	204	(128)	(350)	(218)	2,650
Financing activities						
Receipt of government Grant	-	-	-	-	-	53
Repayment of borrowings	(601)	(605)	(658)	(1,160)	(515)	(302)
Proceeds from borrowings	1,809	1	1	1,830	300	197
Transaction costs on issue of shares	(184)	-	-	(70)	-	-
Property, plant and equipment adjustments	-	-	-	-	-	-
Other non- current financial assets	-	-	-	-	-	-
Distribution made to shareholders from shares premium	-	-	-	-	-	-
Interest paid	(6)	(25)	(33)	(69)	(187)	(364)
Net cash flows used in financing activities	1,018	(629)	(690)	531	(402)	(416)
Net increase/(decrease) in cash and cash equivalents	1,113	399	(186)	421	(815)	(1,679)
Effect of currency translation on cash and cash equivalent	-	-	2	(1)	-	-
Cash and cash equivalents at 1 January	635	236	420	-	815	2,494
Cash and cash equivalents at 31 December	1,748	635	236	420	-	815
	=====	=====	=====	=====	=====	=====

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12.1 Incorporation and Share Capital History

Food Concepts Plc. was incorporated on 6 December 1999 as Food Concepts & Entertainment Limited and commenced operations in 2000. The Company was converted from a private limited liability company to a public limited liability company and the business name was subsequently changed to Food Concepts Plc. by a Special Resolution dated 10 May 2009. The Company has an authorised share capital of ₦13 billion comprising of 26,000,000,000 Ordinary Shares of ₦0.50 each, and an issued and fully paid-up share capital of ₦7,421,977,796 comprising of 14,843,955,592 Ordinary Shares of ₦0.50 each.

The changes to the Company's authorised and issued share capital since incorporation are summarised below:

Year	Authorised (₦)		Issued and Fully Paid (₦)		Consideration
	Increase	Cumulative	Increase	Cumulative	
1999	-	50,000	-	-	
2002	-	50,000	25,210,642	25,210,642	Cash
2003	59,950,000	60,000,000	20,877,562	46,088,204	Cash
2005	-	60,000,000	9,115,585	55,203,789	Cash
2006	25,000,000	85,000,000	393,940,224	449,144,013	Bonus
	-	85,000,000	855,987	450,000,000	Cash
2007	415,000,000	500,000,000	7,750,000	457,500,000	Cash
2008	1,400,000,000	1,900,000,000	686,625,000	1,144,375,000	Bonus
	-	1,900,000,000	581,662,000	1,726,037,000	Cash
2011	325,000,000	2,225,000,000	-	1,726,037,000	
2012	600,000,000	2,825,000,000	-	1,726,037,000	
2013	-	2,825,000,000	913,167,000	2,639,204,000	Cash
2014	-	2,825,000,000	43,334,000	2,682,538,000	Bonus
2015	2,875,000,000	5,700,000,000	239,124,500	2,921,662,500	Bonus
2018	7,300,000,000	13,000,000,000	-	2,921,662,500	
2019	-	13,000,000,000	4,500,315,296	7,421,977,796	Debt to Equity Conversion

12.2 Shareholding Structure

As at 31 March 2019, 14,843,955,592 Ordinary Shares of ₦0.50 each, the issued ordinary share capital of the Company, were beneficially held as follows:

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Shareholder	Ordinary Shares Held	Shareholding (%)
ADP I Holdings 9 Limited	9,680,872,937	65.2%
Food Concepts International Limited	2,197,493,367	14.8%
International Finance Corporation	1,083,333,334	7.3%
DF Holdings Limited	641,863,039	4.3%
Others	1,240,392,915	8.4%
Total	14,843,955,592	100%

12.3 Directors' Beneficial Interest

The direct and indirect interest of directors in the issued share capital of the Company as recorded in the register of directors' shareholding and/or as notified by the directors for the purposes of section 275 and 276 of CAMA as at 31 March 2019 are as follows:

Name	Direct	Indirect	Total	Total (as % of share capital)
Mr Odunayo Olagundoye	102,144,615	6,621,712	108,766,327	0.73%
Mr. Lanre Fabunmi	-	11,642,085	11,642,085	0.08%
Mr. Babatunde Fajemirokun	-	641,863,039	641,863,039	4.32%
Mrs. Runa Alam	-	9,680,872,937	9,680,872,937	65.22%
Mr. Marc Stoneham	-	-	-	0.00%
Mr. Babacar Ka	-	-	-	0.00%
Mr. Adefolarin Ogunsanya	-	-	-	0.00%
Mr. David Butler	-	-	-	0.00%
Mrs. Anthonia Agbonifo	-	-	-	0.00%

Name	Company (Indirect Holdings)
Mr Odunayo Olagundoye	Food Concepts International Limited
Mr. Lanre Fabunmi	Tricorn Capital & Investment Company Limited
Mr. Babatunde Fajemirokun	DF Holdings Limited
Mrs. Runa Alam	ADP 1 Holdings

12.4 Status of Unclaimed Dividends

As at 31 March 2019, the value of total unclaimed dividends of Food Concepts was ₦4,929,535.29. To address the issue of unclaimed dividends, the Company will put in place various measures to create awareness, which includes making the schedule of unclaimed dividends available at annual general meetings.

12.5 Indebtedness

As at 31 March 2019, the Company had a convertible loan of ₦1,808,750,000.

12.6 Risk Factors

Quality Control Risk

Food Concepts relies on suppliers for quality input materials to produce the finished retail food. As such, the Company's success at producing quality food depends on the quality of the input materials used for the food.

Operational Risk

Operational risks are the risks of loss resulting from the failure of people, internal processes, systems or from external events. The Company is built on the quality of service, processes, and quality of food it serves. Consequently, the Company relies heavily on its staff, processes, and systems. If any of these critical success factors do not operate properly, the Company could suffer financial loss, disruption of its business, liability to clients, and reputation damage. The inability of its infrastructure and systems to accommodate an increasing volume of transactions could also constrain its ability to expand its business.

Reputation Risk

For the business to thrive, the Company relies heavily on the perception its customers have of the business. While the Company continues to work hard to maintain its reputation in all aspects especially with the incidents of food-borne illness and food tampering, it cannot be guaranteed that the Company's internal controls will be fully effective in preventing all food-borne illnesses. In addition, the Company's reliance on third-party food suppliers and distributors increase the risk of incidents of food-borne illness which could be caused by third-party food suppliers and distributors outside of its control and negatively affect the Company's sales.

Economic Risk

The general economic condition in the country could affect customers' expenditure. The Company's business relies on the spending of its customers and as such its operating results are sensitive to the changes in macro-economic conditions. If the general economic condition is poor, it could result in lower purchasing power of the Company's customers which may give rise to a decline in the number of customers and level of transactions in the Company which could negatively impact the financial performance of the Company.

12.7 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 circumstances. The value of any securities traded (whether listed or not) are subject to investment risks, and fluctuations in the market. 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.

12.8 Corporate Governance

The Board of Directors and Management of Food Concepts are firmly committed to achieving the highest standards of sound corporate governance. Throughout the group, the principles of fairness, responsibility, accountability and transparency are endorsed and represented. Business integrity and ethics form the very cornerstone of the way we do business with all stakeholders.

The operations of Food Concepts are conducted in an open and transparent manner in accordance with the provisions of the relevant laws. The Company meets the requirement of the Nigerian Corporate Governance standards through its compliance with the principles under the Securities & Exchange Commission Code of Corporate Governance for Public Companies in Nigeria ("the code"). Below are some of the instances where the Company has complied with the code.

- The Board of Directors consists of nine (9) Directors including the Chairman, who has no executive responsibilities. The primary responsibility of the Board is to ensure that the Company's business

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strategy is appropriate and implemented effectively. The Board is also responsible for the management of the Company's relationship with its various stakeholders.

- The responsibilities of the Chairman are clearly separate from that of the Chief Executive Officer such that no individual/related party has unfettered powers of decision making by occupying the two positions at the same time.
- The Executive Management is responsible to the Board for implementation of any strategy and policy approved by the Board, making and implementing operational decisions and running the Company. Non-executive Directors, using their knowledge and experience, challenge, monitor and approve the strategy and policies recommended by Executive Management.
- The oversight functions of the Board are performed through its various committees as stated below.

The Company has also met the requirements of other good Corporate Governance standards as listed below.

Corporate Code of Conduct

Food Concepts is committed to the following Corporate Governance framework:

- The highest standards of integrity in all dealings with its stakeholders and society at large;
- Carrying out business through fair commercial competitive practices;
- Trading with customers and suppliers who subscribe to ethical business practices; and
- Non-discriminatory employment practices and the promotion of employees to realise their potential through training and development of their skills.

Corporate Governance Manual

The Company has entrenched the Corporate Governance Manual (the "Manual") which summarises its key corporate governance policies and provisions. It confirms Food Concepts' commitment to demonstrably lead, adhere to and promote good corporate governance throughout the Company. In order to foster the confidence of its shareholders, employees, investors, and the general public, the Manual is based on internationally recognised corporate governance principles and practices.

The Company's corporate governance framework is broadly based on the principles of accountability, fairness, transparency and responsibility to all shareholders and other stakeholders.

Code of Business Conduct

The Company has entrenched the Code of Business Conduct as a fundamental policy and this is the yardstick against which its business is conducted. Honesty and integrity inform all that the Company does, and all work is carried out in accordance with the highest legal and ethical standards. All employees are required to comply with the spirit, as well as, the letter of the policy and to maintain the standards of conduct in all dealings.

The Board has adopted a code of business conduct for the Company in order to:

- Clearly state what is an acceptable and unacceptable practice;
- Guide policy by providing a set of ethical corporate standards;
- Encourage ethical behaviour of the Board, managers and employees at all levels;
- Guide ethical decision-making;
- Make infringements easy to identify;
- Promote awareness of, and sensitivity to, ethical issues; and
- Help resolve conflicts.

Board of Directors

The Company has a Board of Directors that currently comprises of seven non-executive directors and two executive directors. Each Director has overall responsibility for proposing and approving the Company's strategy.

Independence & Executive Status of Directors

Mr. Odunayo Olagundoye	Non-Executive
Mr. Lanre Fabunmi	Non-Executive
Mr. Babatunde Fajemirokun	Non-Executive
Mrs. Runa Alam	Non-Executive
Mr. Marc Stoneham	Non-Executive
Mr. Babacar Ka	Non-Executive
Mr. Adefolarin Ogunsanya	Non-Executive
Mr. David Butler	Executive
Mrs. Anthonia Agbonifo	Executive

Responsibilities

The Board, inter alia, is responsible for ensuring that the Company operates in a lawful and efficient manner and that the operations of the Company result in value creation for shareholders and employees.

The Board is also accountable for ensuring the implementation of all decisions taken at Annual General Meetings as well as approving and reviewing corporate strategy, major plans of action, annual budgets and business plans. In addition, it is the Board's role and responsibility to set performance objectives, monitor implementation and corporate performance; approve major capital expenditure, acquisitions and divestments and ensure that ethical standards are established and maintained. A key role is also ensuring that the Company complies with the laws of the Federal Republic of Nigeria, applicable regulations and, as far as possible, meet international best practices and at the same time make sure that statutory and general rights of the shareholders are protected at all times.

The Board meets at least once every quarter but may hold Extraordinary Meetings to address urgent issues that may arise.

Committees

Finance & Strategy Committee (Finance & General Purpose Committee)

This committee was established to assist the Board in discharging its responsibilities. It is made up of some members of the Board, shareholders and the executive management of the Company. The committee meets to review business processes of the Company, bring judgment to bear on issues of strategy, budgets, performance, resources, transformation, diversity, employment equity, standards of conduct and evaluation of performance. It also uses its knowledge and experience to contribute to the formation of policy and decision-making.

The committee meets once every quarter but may meet at such other times as business exigency demands.

Finance & Strategy Committee

Mr. Babatunde Fajemirokun	Chairman	Non-Executive Director
Mrs. Runa Alam	Member	Non-Executive Director
Mr. Marc Stoneham	Member	Non-Executive Director
Mr. Adefolarin Ogunsanya	Member	Non-Executive Director

Audit Committee

The statutory Audit Committee was established pursuant to section 359(3) of CAMA. It is made up of two (2) shareholder representatives and two (2) board representatives (both of whom are non-executive directors). The Audit Committee meets to review the scope and planning of the audit requirements; to review the independence and objectivity of the external auditors as well as the auditors' recommendations on accounting

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policies and internal controls. It also has to ascertain that the accounting and reporting policies of the Company for the year are in accordance with legal requirements and agreed ethical practices.

The committee meets twice a year.

Audit Committee		
Mr. Lanre Fabunmi	Chairman	Non-Executive Director
Mr. Babacar Ka	Board Member	Non-Executive Director
Mr. Mohammed Salau Adebajo	Shareholder	Shareholder Representative
Mr. Peter Eyanuku	Shareholder	Shareholder Representative

Corporate Governance and Nominations Committee

The re-constituted members of the committee meet to make recommendations to the Board on all matters concerning corporate governance and directorship practices, including development of corporate governance guidelines, evaluation of the Board, committees and individual directors, identification and selection of new Board nominees, and oversight of the Company's policies relating to social and environmental issues.

Recommendations regarding changes to the structure, size and composition of the Board; ensuring adequate succession planning for the Board and senior management; recommendations for appointments to the Board, appointment of the Chairman of the Board; appointment of Non-Executive Directors including Independent Directors, membership and chairmanship of Board committees. The Committee shall also undertake a review of the Company's overall corporate governance arrangements and receive reports on the views of the Company's shareholders. This Committee meets once a year.

Corporate Governance Committee		
Mr. Marc Stoneham	Chairman	Non-Executive Director
Mr. Babatunde Fajemirokun	Member	Non-Executive Director
Mr. Adefolarin Ogunsanya	Member	Non-Executive Director

Remuneration Committee

The Remuneration Committee meets to evaluate and determine compensation policies, including level and form, for all corporate and divisional officers and certain employees, and to recommend compensation for Non-Executive Directors. The forum advises senior management on policy and strategy regarding succession planning and the development and retention of senior executives and management teams – as well as handling other matters as required.

The Remuneration Committee periodically reviews and make recommendations to the Board concerning the level and form of compensations made to Non-Executive Directors; remuneration policy for the directors, Company secretary and other senior executives; recommendations for the introduction of new share incentive plans or major changes to existing plans to be put to shareholders for approval.

The committee's recommendation, which is discussed and evaluated by the full board, is based on both an assessment of the best practices of other companies and the particular circumstances of this Board. Changes in board compensation, if any, must be approved by the full Board.

This Committee meets 3 times a year.

Remuneration Committee		
Mrs. Runa Alam	Chairman	Non-Executive Director
Mr. Babacar Ka	Member	Non-Executive Director

12.9 Claims and Litigation

As at 15 March 2019, Food Concepts is involved in 5 (five) disputes that have a total monetary claim of about ₦1,043,586,979.33 (One Billion, Forty Three Million, Five Hundred and Eighty Six Thousand, Nine Hundred and Seventy Nine Naira, Thirty Three Kobo) (excluding claims for pre and post judgment interest) and a further

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claim for salaries from July 2012 till the date of judgement at the contract rate of ₦180,000 per annum against the Company. In some of the cases, the Company has filed counter claims with a monetary value of ₦34,410,106.62 (Thirty-Four Million, Four Hundred and Ten Thousand, One Hundred and Six Naira Sixty Two Kobo). Following the review of the claims and litigation involving the Company, the Solicitors are of the opinion that the actual risk posed by the disputes is minimal and will not have any adverse effect or negative impact on the Rights issue especially as most of the claims against the Company are grossly exaggerated.

12.10 Use of Proceeds

The Rights Issue is being undertaken to improve the operations of the business, build new stores, remodel some existing stores, implement a new information technology software, set up regional warehouses, develop a new brand, and repay existing legacy debt. The net issue proceeds estimated at ₦3,525,948,023.44, after deducting the total cost of the Issue estimated at ₦89,615,444.78 (representing 2.48% of the Issue), will be applied as follows:

Purpose	Amount (₦)	%	Estimated Completion Period
Building of 21 new stores*	2,606,666,607.31	74%	18 months
Remodelling and facelifts of 10 existing stores**	136,057,828.12	4%	9 months
Implementation of Information Technology software	217,390,000.00	6%	12 months
Supply chain improvements	254,111,431.01	7%	12 months
Development of new brand	100,000,000.00	3%	9 months
Upgrade of office and acquisition of fixed assets	82,800,000.00	2%	9 months
Payment of legacy debts***	128,922,157.00	4%	8 months
Total	3,525,948,023.44	100%	

*Twenty one (21) new stores will be opened in Nigeria as follows: 12 in Lagos State, 2 in Kano State, 2 in Niger State, 2 in Kaduna State, 1 in Abuja, 1 in Oyo State and 1 in Edo State

**Ten (10) existing stores in Nigeria will be remodelled as follows: 5 in Lagos State, 3 in Abuja and 2 in Oyo State

***Legacy debts consist of outstanding balances owed for services rendered to the Company in previous years.

12.11 Costs and Expenses

The costs and expenses of this Issue including fees payable to the SEC, the NASD OTC Securities Exchange, professional parties, brokerage commission and other expenses are estimated at ₦89,615,444.78 representing approximately 2.48% of the total amount to be raised.

12.12 Relationship between the Issuer and the Issuing House/Other Advisers

As at the date of this Rights Circular, there was no shareholding relationship between Food Concepts and the Issuing House/Other Advisers.

12.13 Material Contracts

The following agreements have been entered into and are considered material to the Issue:

- i. A Vending Agreement dated 12 July 2019 by which FCMB Capital Markets Limited has agreed, on behalf of the Company, to offer by way of rights 5,831,553,981 Ordinary Shares of ₦0.50 each at ₦0.62 per share in the ratio of eleven (11) new Ordinary Shares for every twenty eight (28) Ordinary Shares of ₦0.50 each.
- ii. An Underwriting Agreement dated 12 July 2019 by which the Underwriter has agreed to underwrite 50% of the Rights Issue on a standby basis.
- iii. A Convertible Loan Agreement dated 17 July 2018 between the Company and ADP II Holding 12 Limited ("ADP II") for an aggregate facility of up to \$15 million.
- iv. A Side Letter dated 22 August 2017 from the Company to DF Holdings Limited ("DFH"), acknowledging its indebtedness in the sum of ₦307.7 million to Express Foods Franchise International Limited and recognising the beneficial entitlement to DFH.

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- v. The Amended and Restated Shareholders Agreement dated 22 August 2017 among the Company, Food Concepts International Limited, International Finance Corporation and ADP I Holding 9 Limited ("ADP I").
- vi. Investment Agreement dated 17 July 2018 between ADP II and the Company under which the parties agreed that ADP II will invest up to \$20 million in the Company.
- vii. A Convertible Loan Agreement dated 22 August 2017 between the Company and ADP I for an additional loan of \$880 million advanced to the Company and an earlier loan of \$7.4 million granted to the Company.

Other than the above stated contracts, the Company has confirmed that it has not entered into any material contract except in the ordinary course of business.

12.14 Declaration

Except as otherwise disclosed in this Rights Circular:

- i. No share of Food Concepts is under option or agreed conditionally or unconditionally to be put under option;
- ii. No commissions, discounts, brokerages or other special terms have been granted by Food Concepts to any person in connection with the issue or sale of any share of the Company;
- iii. Save as discussed herein, the Directors of Food Concepts have not been informed of any holding representing 5% or more of the issued share capital of the Company;
- iv. There are no founders', management or deferred shares or any options outstanding in Food Concepts;
- v. There are no material service agreements between Food Concepts or any of its Directors and employees other than in the ordinary course of business;
- vi. There are no long-term service agreements between Food Concepts and any of its Directors and employees;
- vii. No Director of the Company has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Company in the five years prior to the date of this Rights Circular; and
- viii. No Director or key management staff of the Company is or has been involved in any of the following:
 - a. A petition under any bankruptcy or insolvency laws filed (and not struck out) against him/her or any partnership in which he/she is or was a partner or any company of which he/she is or was Director or key personnel;
 - b. A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; and
 - c. The subject of any order, judgment or ruling of any court of competent jurisdiction or 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 or activity.

12.15 Related Party Transactions

The Company has entered into certain transactions with related entities. The related party transactions as at 31 December 2018 are as follows:

	Related Company	Transaction	Description
1.	Food Concepts Ghana Limited ("FCGL")	a. Management fee paid to Food Concepts by FCGL	FCGL pays a management fee to Food Concepts for the provision of shared services. The consideration payable by FCGL is 4% of net sale value. The amount charged for the year ended 31 December 2018 is ₦7.95 million.
		b. Purchase of spices from Food Concepts by FCGL	FCGL purchases signature products from the supply chain division of Food Concepts on an arm's length basis. The value of spices purchased by FCGL from the Company for the year ended 31 December 2018 is ₦9 million.

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	Related Company	Transaction	Description
1.	FCGL (Cont'd)	c. Food Concepts Plc incurring expenses on behalf of FCGL	Food Concepts incurs travel and other associated expenses for activities on behalf of FCGL. The Company did not incur any expense on behalf of FCGL for the year ended 31 December 2018.
2.	Food Concepts Pioneer Limited	a. Sale of bread to Food Concepts by Food Concepts Pioneer Limited	<i>Butterfield</i> bread produced by Food Concepts Pioneer Limited is sold to <i>Chicken Republic</i> stores, on an arm's length basis. The value of <i>Butterfield</i> bread purchased by the Company for the year ended 31 December 2018 is ₦11 million.
3.	AllCO Insurance Plc	a. Sale of insurance services to Food Concepts Plc by AllCO	AllCO provides insurance services to the Company in the ordinary course of business, on an arm's length basis. The value of insurance products purchased from AllCO by the Company for the year ended 31 December is ₦19 million.
4.	Development Partners International ("DPI")	a. Convertible Loan Agreement between Food Concepts Plc and ADP II Holding 12 Limited	Food Concepts entered into a convertible loan agreement with ADP II Holding 12 Limited, a private equity fund managed by DPI, in 2018 that allows the Company to borrow up to \$15 million dollars under the terms of the loan agreement. Pursuant to the agreement, the Company has drawn down \$5 million and expects to draw down the balance in 2019. The Company received the approval of its shareholders to enter into the agreement.
5.	Mr. Odunayo Olagundoye	a. Rent of property	Food Concepts occupies a property belonging to Mr. Odunayo Olagundoye, the Chairman of the Company's Board. The rent paid for the year ended 31 December 2018 is ₦23 million.
6.	Fajemirokun & Fajemirokun	a. Rent of property	Food Concepts occupies a property belonging to Fajemirokun & Fajemirokun. The rent paid for the year ended 31 December 2018 is ₦17 million.

12.16 Mergers and Acquisitions

As at the date of this Circular, no merger or acquisition transaction is being contemplated by Food Concepts.

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12.17 Consents

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

ROLE	NAME
Directors of the Company	Mr Odunayo Olagundoye Mr. Lanre Fabunmi Mr. Babatunde Fajemirokun Mrs. Runa Alam Mr. Marc Stoneham Mr. Babacar Ka Mr. Adefolarin Ogunsanya Mr. David Butler (Managing Director) Mrs. Anthonia Agbonifo
Issuing House	FCMB Capital Markets Limited
Underwriter	FCMB Capital Markets Limited
Solicitors	G. Elias & Co.
Auditors	Ernst & Young
Registrars	Meristem Registrars and Probate Services Limited
Receiving Bank	First City Monument Bank Limited
Stockbroker	CSL Stockbrokers Limited

12.18 Documents Available for Inspection

Copies of the following documents are available for inspection at the offices of FCMB Capital Markets during normal business hours on any weekday (except public holidays), from 12 August 2019 until 23 August 2019.

- i. Certificate of Incorporation of the Company;
- ii. The Memorandum and Articles of Association of the Company;
- iii. The Rights Circular issued in respect of the Issue;
- iv. The Shareholders' Resolution authorising the Issue;
- v. The Resolution of the Board of Directors authorising the Issue;
- vi. The Audited Financial Statements of the Company for each of the five years ended 31 December 2018;
- vii. The Unaudited Financial Statements of the Company for the period ended 31 March 2019;
- viii. The Schedule of outstanding claims and litigation referred to in section 12.9 above;
- ix. The written consents referred to in section 12.17 above;
- x. The Material Contracts listed in section 12.13 above;
- xi. SEC Approval letter; and
- xii. NASD OTC Securities Exchange Approval Letter.



12 July 2019

Dear Sir/Madam,

Food Concepts Plc ("the Company") Rights Issue of 5,831,553,981 Ordinary Shares of ₦0.50 each at ₦0.62 per Share ("The Issue").

1. Provisional Allotment

The letter dated 12 July 2019 from the Chairman of your Company, on page 12 of this Rights Circular, contains the particulars of the Rights Issue of 5,831,553,981 Ordinary Shares of ₦0.50 each at ₦0.62 per share. The Directors of your Company have provisionally allotted to you the number of new Ordinary Shares set out on the second page of the Acceptance/Renunciation Form, representing eleven (11) new ordinary share for every twenty eight (28) Ordinary Shares of ₦0.50 each held as at the close of business on 17 May 2019.

You may accept all or some of the shares allotted to you. Shareholders who elect to accept their provisional allotment in full should complete box A of the Acceptance/Renunciation Form, while those who elect to partially accept their provisional allotment should complete box B of the form. You may also apply for additional shares over and above your provisional allotment as described in Section A 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 provisional allotment on the terms of this letter, subject to the Memorandum and Articles of Association of the Company and the clearance of the Securities & Exchange Commission. If payment is not received by 23 August 2019, the provisional allotment will be deemed to have been declined and will be cancelled.

You may participate in the 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 enclosed Acceptance/Renunciation Form. The completed Acceptance/Renunciation Form together with evidence of payment or a cheque/bank draft for the full amount payable must be submitted to any of the Receiving Agents listed in this document not later than 23 August 2019. The cheque or draft must be made payable to any of the Receiving Agents, drawn on a bank in Nigeria and crossed "Food Concepts Plc Rights Issue" with your name, address and mobile number written on the back of the cheque or draft. All cheques and drafts will be presented upon receipt and all Acceptance/Renunciation Forms in respect of which cheques are returned unpaid will be rejected and cancelled. Electronic transfers or any payment with a value above ₦10 million should be transferred via SWIFT, RTGS or NEFT into the designated offer proceeds account with the details stated on the Acceptance/Renunciation Form.

i. Applying for Additional shares

This may be done by:

Completing box A (ii) of the Acceptance/Renunciation Form

Payment should be made in accordance with (A) above. Shareholders who apply for an additional number of 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 (please see item 5 on page 37).

PROVISIONAL ALLOTMENT LETTER

(B) Partial Acceptance

To accept your provisional allotment partially, please complete box B and submit your Acceptance/Renunciation Form to any of the Receiving Agents listed on page 38 of this document together with evidence of payment or a cheque/bank draft made payable to a Receiving Agent for the full amount payable in respect of the number of shares you have decided to accept.

3. Trading in Rights on the NASD OTC Securities Exchange

The approval of the NASD OTC Securities Exchange has been obtained for trading in the Rights of the Company. The Rights will be tradable between 12 August 2019 and 23 August 2019 at the price at which the Rights are quoted on the NASD OTC Securities Exchange. If you wish to renounce your Rights, please complete box B of the Acceptance/Renunciation form. If you wish to purchase Rights, please contact an NASD registered stockbroker who will guide you regarding the process.

4. Allotment of Shares

Shares will be allotted to shareholders who accepted their Rights either partially or in full; and to persons that purchased Rights on the NASD OTC Securities Exchange.

5. Allotment of Additional Shares

Rights which are not taken up by 23 August 2019, will be allotted to existing shareholders, who have applied and paid for additional shares, on a pro rata basis, and the Underwriter. Ordinary Shares not taken up by shareholders after allotment will revert to the unissued authorised share capital of the Company.

6. Subscription Monies

All subscription monies will be retained in an interest-yielding bank account by First City Monument Bank.

7. Surplus Subscription Monies

If any subscription for additional shares is not accepted or is accepted for fewer shares than the number applied for, the value of the additional shares will be remitted electronically using the bank details provided on the Acceptance/Renunciation form within 5 working days of the approval of the allotment by the SEC.

8. 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 share will be rounded down to the nearest whole number.

9. E-Allotment

At the completion of the Issue, the CSCS accounts of shareholders will be credited with the Rights Shares not later than 15 Working Days from the date of receipt of the SEC's approval of the allotment proposal. Shareholders are hereby advised to state the name of their respective stockbrokers and valid Clearing House Numbers and CSCS account numbers in the relevant spaces on the Acceptance/Renunciation Form. Any shareholder who does not have a valid NASD CHN and NASD CSCS account number, is advised to open a stockbroking account with a stockbroker and obtain a valid NASD CHN and NASD CSCS account number from the stockbroker. No share certificates will be issued in accordance with the SEC Directive on Dematerialization of Share Certificates. Shareholders who do not provide valid NASD CHN and NASD CSCS account numbers on the Acceptance/Renunciation Form can subsequently arrange for allotted shares to be transferred to their respective stockbroking accounts through their stockbrokers.

Yours faithfully,



Mrs. Josephine Johnson
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 17 May 2019. The completed Acceptance/Renunciation Forms together with a cheque or bank draft or evidence payment if via bank transfer for the full amount payable may be returned to any of the following Receiving Agents registered as market operators with the SEC to whom brokerage will be paid at the rate of ₦0.50 per ₦100 worth of shares allotted in respect of Acceptance/Renunciation Forms bearing their official stamp.

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

BANKS		
Access Bank PLC Citibank Nigeria Limited Ecobank Nigeria PLC Fidelity Bank PLC First Bank of Nigeria Limited First City Monument Bank Limited	Guaranty Trust Bank PLC Heritage Bank PLC 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		
Afrinvest Securities Limited Alangrange Securities Limited Anchoria Investment and Securities Limited Apel Asset Limited Apt Securities and Funds Limited ARM Securities Limited Arthur Stevens Asset Management Limited Associated Asset Managers Limited Atlass Portfolio Limited Bauchi Investment Corp. Sec Limited Belfry Investment and Securities Limited Bestworth Assets and Trust Limited Calyx Securities Limited Camry Securities Limited Capital Asset Limited Capital Bancorp Plc Capital Express Securities Limited Capital Trust Brokers Limited Cardinal Stone Securities Ltd Cashcraft Securities Limited Cashville Investment and Securities Limited CDL Capital Markets Limited Centre Point Investment Limited Century Securities Limited Chapel Hill Denham Securities Limited Chartwell Securities Limited Citi Investment Capital Limited City Code Trust and Investment Company Limited CLG Stockbrokers Limited Compass Investment and Securities Limited Cordros Securities Limited Core Securities Limited Coronation Securities Limited Cowry Securities Limited Crane Securities Limited Crossworld Securities Limited Crown Capital Limited CSL Stockbrokers Limited Deep Trust Investment Limited Delords Securities Limited Dependable Securities Limited Dominion Trust Limited DSU Brokerage Services Limited Dunbell Securities Limited Dunn Loren Merrifield Securities Limited Dynamic Portfolio Limited EDC Securities Limited Edgefield Capital Management Limited EFCP Limited El-Elyon Alliance and Securities Limited Elixir Securities Limited Enterprise Stockbrokers Limited Equity Capital Solutions Limited Eurocomm Securities Limited Express Portfolio Services Limited Falcon Securities Limited FBC Trust and Securities Limited FBNQuest Securities Limited FCMB Capital Markets Limited FCSL Asset Management Company Limited Fidelity Finance Company Limited Forte Financial Limited Forthright Securities and Investments Limited Fortress Capital Limited FSDH Securities Limited FSL Securities Limited	Funds Matrix and Assets Mgt Limited Fundvine Capital and Securities Limited Futureview Securities Limited Gidauniya Investment and Securities Limited Global Asset Management (Nig) Limited GlobalView Capital Limited Golden Securities Limited Greenwich Securities Limited Growth & Development Asset Management Limited Gruene Capital Limited GTI Securities Limited Harmony Securities Limited Heartbeat Investment Limited Hedge Securities and Investment Limited Helix Securities Limited Heritage Capital Markets Limited ICMG securities Limited Icon Stockbrokers Limited Imperial Assets Managers Limited Integrated Trust and Investment Limited Interstate Securities Limited Investment Centre Limited Investment One Stockbrokers International Limited Investors and Trust Company Limited Kapital Care Trust and Securities Limited Kedari Capital Limited Kinley Securities Limited Kofana Securities and Investment Limited Kundila Finance Services Limited Lambeth Trust and Investment Company Limited Lead Securities and Investment Limited Lighthouse Asset Management Limited Longterm Global Capital Limited Magnartis Finance and Investment Limited Mainstreet Bank Securities Limited Marimpex Finance and Investment Company Limited Marriot Securities and Investment Co. Limited Maxifund Investment and Securities Plc Mayfield Investment Limited MBC Securities Limited MBL Financial Services Limited Mega Equities Limited Meristem Stockbrokers Limited Midax Stockbrokers Limited Milestone Capital Management Limited Mission Securities Limited Molten Trust Limited Morgan Capital Securities Limited Mountain Investment and Securities Limited Network Capital Limited Network Securities and Finance Limited Newdevco Investments and Securities Limited Nigerian International Securities Ltd Nigerian Stockbrokers Limited PAC Securities Limited Peace Capital Markets Ltd Phronesis Securities Limited Pilot Securities Limited Pinefields Investment Services Limited PIPC Securities Limited Pivot Capital Limited Planet Capital Limited Portfolio Advisers Limited Primera Africa Securities Limited	Prominent Securities Limited PSI Securities Limited Pyramid Securities Limited Qualinvest Capital Limited Rainbow Securities and Investment Company Limited Readings Investment Limited Regency Asset Management Limited Rencap Securities (Nig) Limited Resort Securities and Trust Limited Reward Investment and Service Limited RMB Nigeria Stockbrokers Limited Rostrum Investment and Sec Limited Rowet Capital Mgt Limited Royal Crest Finance Limited Royal Guaranty and Trust Limited Royal Trust Securities Limited Sankore Securities Limited Santrust Securities Limited Securities Africa Financial Limited Securities and Capital Management Company Limited Security Swaps Limited SFC Securities Limited Shalom Investment and Financial Services Limited Shelong Investments Limited Sigma Securities Limited Signet Investment and Securities Limited Skyview Capital Ltd Smadac Securities Limited Solid Rock Securities and Investment Plc Spring Trust and Securities Limited Springboard Trust and Investment Limited Stanbic IBTC Stockbrokers Limited Standard Union Securities Limited TFS Securities and Investment Company Limited The Bridge Securities Limited Tiddo Securities Limited Tomil Trust Limited Topmost Securities Limited Tower Securities and Investment Company Limited Trade Link Securities Limited Traders Trust and Investment Co. Limited Transworld Investment Limited Trust Yield Securities Limited TrustBanc Capital Management Limited Trusthouse Investment Limited TRW Stockbrokers Limited Tyndale Securities Limited UIDC Securities Limited Unex Capital Limited Union Capital Markets Limited United Capital Securities Limited Valmon Securities Limited Valueline Securities and Investment Limited Vetiva Securities Limited WCM Capital Limited WSTC Securities Limited Zenith Securities Limited Zion Stockbrokers and Securities Limited

ACCEPTANCE/RENUNCIATION FORM

Issuing House



RC446561

Application List Opens
12 August 2019

Application List Closes
23 August 2019

On behalf of



food concepts
RC 370963

Food Concepts Plc

Rights Issue of

5,831,553,981 Ordinary Shares of No.50 at No.62 per share
on the basis of eleven (11) new Ordinary Shares for every twenty eight (28) Ordinary Shares
held as at the close of business on 17 May 2019

PAYABLE IN FULL ON ACCEPTANCE

INSTRUCTIONS FOR COMPLETING THE ACCEPTANCE/RENUNCIATION FORM

- Acceptance and / or renunciation must be made only on this Acceptance/Renunciation Form.
- 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 Form to any of the Receiving Agents listed on page 38 of the Rights Circular together with a cheque or bank draft made payable to the Receiving Agent for the full amount payable on acceptance or evidence of electronic transfer. The cheque or draft must be drawn on a bank in Nigeria and crossed "Food Concepts Rights", with the name, address and mobile number of the shareholder written at the back. 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 below:

Bank:	First City Monument Bank Limited
Account Name:	Food Concepts Plc Rights Issue
Account Number:	9999993624
Sort Code:	214150018
Description:	"[Full name of Shareholder] - Payment for Food Concepts Rights"

Foreign currency subscribers are advised to contact the Receiving Bank for the applicable US Dollar exchange rate on the day the remittance is being effected. Payment can be made in US Dollars for credit to **First City Monument Bank Limited** (Swift Code: FCMBNGLAXXX) **Account Number: 368879918** at **Citibank** 399 Park Avenue, New York, NY 10043, USA (Swift Code: CITIUS33XXX)

Evidence of all electronic transfers along with completed Acceptance/Renunciation Forms must be submitted to the Receiving Agent. If payment is not received by **23 August 2019**, the provisional allotment will be deemed to have been declined and will be cancelled.

- 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 38 together with a cheque or bank draft made payable to the Receiving Agent for the amount payable for the partial acceptance in accordance with 2 above.
- Shareholders renouncing the provisional allotment partially, who also wish to trade their Rights on the NASD OTC Securities Exchange should complete item (ii) of box B. They should obtain a Transfer Form from their NASD registered 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 apply for additional shares by completing item (ii) of box A.
- 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 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 the corporate body's official seal and incorporation numbers and be completed under the hands of duly authorised officials who should state their designations.

FOR REGISTRARS USE ONLY

Ordinary Shares Provisionally Allotted	Ordinary Shares accepted	Additional Ordinary Shares applied for	Ordinary Shares Renounced	Additional Ordinary Shares allotted	Total Ordinary Shares Allotted	Total amount payable (N)	Amount paid (N)	Amount to be returned (N)	Bank draft/ cheque number
						N	N	N	

STAMP OF RECEIVING AGENT

ACCEPTANCE/RENUNCIATION FORM

Acceptance must be made in accordance with the instructions set out on the front of this Form. Care should be taken to comply with these instructions as applications that do not comply may be rejected. 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 Acceptance/Renunciation Form

A. FULL ACCEPTANCE/REQUEST FOR ADDITIONAL ORDINARY SHARES	
(i)	I/We accept in full, the provisional allotment shown at the front of this Acceptance/Renunciation Form.
(ii)	I/We also apply for additional Ordinary Shares: Number of Additional Ordinary Shares applied for <input style="width: 150px;" type="text"/> Additional amount payable at No.62 per share <input style="width: 150px;" type="text"/>
	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 for N..... being the total 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/branch: Cheque number:

B. RENUNCIATION OR PARTIAL ACCEPTANCE		
(1)	(2)	(3)
Number of Ordinary Shares accepted	Amount payable at No.62 per share	Number of Ordinary Shares Renounced
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
(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/branch: Cheque number:	
(ii)	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 NASD OTC Securities 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	
Name(s) (in block letters)	
<input style="width: 100%;" type="text"/>	
Next of Kin	
<input style="width: 100%;" type="text"/>	
Mobile (GSM) Telephone Number	NASD CSCS No. (if you want shares allotted to you, credited to your account)
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
Email Address	
<input style="width: 100%;" type="text"/>	
Name of Stockbroker	NASD Clearing House Number (CHN)
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
Stockbroker Code	
<input style="width: 100%;" type="text"/>	

BANK DETAILS (FOR E-DIVIDEND)	
Name of Bank	
<input style="width: 100%;" type="text"/>	
Branch	<i>Incorporation Number and Seal of Corporate Allotees</i>
<input style="width: 100%;" type="text"/>	
Account Number	
<input style="width: 100%;" type="text"/>	

Signature	2 nd Signature (Joint only)
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
Name of Authorised Signatory (corporate only):	Name of Authorised Signatory (corporate only):
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
Designation (corporate only):	Designation (corporate only):
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>

C. TRADING IN RIGHTS	
i.	Shareholders who wish to trade in their Rights partially or in full may trade such Rights on the NASD OTC Securities Exchange. The Rights will be traded on NASD OTC Securities Exchange
ii.	Shareholders who wish to acquire additional shares over and above their provisional allotment may apply for additional shares by completing item (ii) of box A above.
iii.	Shareholders who purchase Rights on the NASD OTC Securities 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 Rights, please contact an NASD registered stockbroker who will guide you regarding payment and the procedure for purchasing the Rights.

STAMP OF RECEIVING AGENT

