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1. DEFINITION OF TERMS

"Business Day"	Any day other than a Saturday, Sunday or official Public holiday in Nigeria
"CAC"	Corporate Affairs Commission
"CAMA"	Companies and Allied Matters Act Cap C20 LFN 2004
"CSCS"	Central Securities Clearing System Plc
"Directors"	The members of the Board of Directors of Morison Industries Plc as at the date of this document are those persons whose names are set out on page 8 of this Rights Circular
"ISA"	Investments & Securities Act No. 29 of 2007
"Issue Price"	The price at which the shares under the Rights Issue will be issued to the existing Shareholders
"Issuing Houses/Financial Advisor"	GTI Capital Limited
"LFN"	Laws of the Federation of Nigeria
"NSE" or "The Exchange"	The Nigerian Stock Exchange
"Parties"	Professional advisers engaged by the Company, whose roles will ensure the success of the Issue.
"Qualification Date"	Friday, August 25, 2017
"Receiving Bank"	Wema Bank Plc
"Receiving Agents"	Any of the institutions listed on page 50 - 51 of this Rights Circular to whom Shareholders listed on the share register of the Company as at the Qualification Date may return their duly completed Acceptance/Renunciation Forms together with payment instrument
"Register of Members"	The register of members kept by the Company in accordance with Section 83 of CAMA
"Registrars"	CardinalStone Registrars Limited
"AMC"	AMC Multipurpose Ventures Limited
"Rights Circular"	This document which is issued in accordance with the Rules and Regulations of the Commission in respect of this Rights Issue exercise.
"Rights Issue"	Rights Issue of 836,983,125 Ordinary shares of 50K each at 60K per share to the existing Shareholders in the Ratio of Eleven (11) new Ordinary share for every Two (2) Ordinary shares held as at qualification date of Friday, August 25, 2017
"Rights"	Means the number of 50K ordinary shares provisionally allotted to each Shareholder on the basis of Eleven (11) new share for every Two (2) held as at the Qualification Date.
"SEC" or "The Commission"	Securities and Exchange Commission
"Shareholders"	Means Shareholders of the Company whose names appear on the Register of Members as at the Qualification Date

2. ABRIDGED TIMETABLE

The dates given below are indicative only. The timetable has been prepared on the assumption that certain key events for the Rights Issue will be achieved as stated. If not, then the dates surrounding key events in the timetable may be subject to adjustments.

DATE	ACTIVITY	RESPONSIBILITY
10/11/2017	Acceptance List opens	Issuing Houses
19/12/2017	Acceptance List closes	Issuing Houses
22/12/2017	Receiving Agents make returns	Issuing Houses/Receiving Agents
28/12/2017	Forward Allotment Proposal and Draft Newspaper Advertisement to SEC	Issuing Houses
04/01/2018	Receive SEC clearance of Allotment	Issuing Houses
05/01/2018	Pay net issue proceeds to Morison Industries Plc	Receiving Bank
08/01/2018	Allotment announcement	Issuing Houses
09/01/2018	Return excess/rejected Application monies	Issuing Houses/Registrars
10/01/2017	Credit CSCS Account	Registrars
11/01/2017	Forward Declaration of Compliance to The Exchange	Stockbrokers
12/01/2018	List the new shares of Morison Industries Plc on the Floor of The Exchange	Stockbrokers
15/01/2018	Forward Summary Report to SEC	Issuing Houses

3. SUMMARY OF THE ISSUE

The following information should be read in conjunction with the full text of this Rights Circular from which it was derived:

ISSUER: Morison Industries Plc.

ISSUING HOUSE: GTI Capital Limited

**SHARE CAPITAL:
(AS AT THE DATE OF THE RIGHTS CIRCULAR)**

Authorized N500,000,000 divided into 1,000,000,000 Ordinary shares of 50 kobo each

Issued and fully paid N76,089,375 divided into 152,178,750 Ordinary shares of 50 kobo each

Now being issued: 836,983,125 Ordinary shares of 50 kobo each by way of Rights Issue on the basis of Eleven (11) new share for every Two (2) existing shares at 60K per share

SHAREHOLDING STRUCTURE:

Shareholder	Ordinary Shares held	Percentage
Morison Investment Limited	60,871,500	40.00
Titiloye Julius Oluwatayo	8,195,437	5.39
Others	83,111,813	54.61
Total	152,178,750	100

METHOD OF OFFER: By way of Rights Issue to the existing Shareholders

PURPOSE: The estimated net proceeds of N480,698,782.62 after the deduction of the estimated total offer cost of N15,891,092.38 representing approximately 3.16% of the total offer size and excluding Registrars' take-on fees, cost of printing and advertisement of N5,600,000.00 will be applied as follows:

Utilization	N	%	Delivery Period
Financing Debt Capital	230,000,000.00	47.85	Immediate
Physical Facilities Upgrade (factory & warehouse)	150,000,000.00	31.20	Within Six Months
Additional Working capital (for purchase of raw materials)	100,698,782.62	20.95	Immediate
Total	480,698,782.62	100.00	

The Company intends to use part of the Issue proceeds to repay the loan facility obtained from AMC Multipurpose Ventures Limited on April 3, 2017. The N200,000,000 loan facility was used to upgrade the company's production factory in compliance with the industry regulatory minimum standards, procure raw materials for production and provide working capital for day to day running of the company

ISSUE PRICE: 60 kobo per share

PROVISIONAL ALLOTMENT: Eleven (11) new Ordinary share for every Two (2) Ordinary shares held as at the qualification Date

QUALIFICATION DATE: Friday, August 25, 2017

3. SUMMARY OF THE ISSUE

PAYMENT: In full on Acceptance
MARKET CAPITALIZATION: At Issue Price: 60K
 Pre Issue: ₦91,307,250
 Post Issue: ₦593,497,125

ACCEPTANCE LIST OPENS: 10/11/2017 **ACCEPTANCE LIST CLOSES:** 19/12/2017

QUOTATION: Application has been made to the Council of The Exchange for the admission to its Daily Official List, the Rights Issue of 836,983,125 Ordinary shares of 50 kobo each now being offered.

The authorized share capital of the Company was increased on April 18 2017 from N100,000,000 (200,000,000 units of ordinary shares of 50k each) to N500,000,000 (1,000,000,000 units of ordinary shares of 50 kobo each) by the creation of additional 800,000,000 ordinary shares of 50 kobo each.

STATUS: The Ordinary shares being issued will rank pari-passu with the issued Ordinary shares of the Company.

INDEBTEDNESS: As at December 31 2016, Morison had a borrowing of N50,000,000 in its books. In order to finance its working capital, factory upgrade and business expansion, the company obtained a bridge loan facility of N=200,000,000 (Two Hundred Million Naira) from AMC MULTIPURPOSE VENTURES LIMITED ("AMC") on April 3, 2017 at an interest rate of 30% per annum. Morison Industries Plc. will apply a part of the proceeds of the Rights Issue to fund the loan repayment. Save as disclosed, Morison has no outstanding loans, mortgages, charges or similar indebtedness.

FINANCIAL SUMMARY:

For the year ending	31 December 2016 ₦'000	31 December 2015 ₦'000	31 December 2014 ₦'000	31 December 2013 ₦'000	31 December 2012 ₦'000
Turnover	132,280	183,348	217,848	339,303	406,869
Profit/(Loss) before Taxation	(78,585)	(46,106)	(88,309)	(14,100)	6,345
Profit/(loss) after Taxation	(78,585)	(108,500)	(82,331)	(22,065)	2,014
Dividend	-	-	-	-	-
Share Capital	76,090	76,090	76,090	76,090	76,090
Net Assets	143,476	222,061	330,561	394,932	434,957
Earnings per share (K)- basic	(0.52)	(0.71)	(0.54)	(14.5)	1.32
Dividend per share (₦)	-	-	-	-	-

E-ALLOTMENT/SHARE CERTIFICATE

The CSCS accounts of Shareholders will be credited not later than 15 working days from the date of allotment. Shareholders are thereby advised to state the name of their respective stockbrokers and their Clearing House Number as well as their CSCS Account Number in the relevant spaces on the Acceptance Form. Certificates will be issued to Shareholders who do not provide CSCS account details.

CLAIMS AND LITIGATION

As at the date of this Rights Circular, the Company in the ordinary course of business is not involved in any cases and the Company currently has no case instituted by it.

4. THE RIGHTS ISSUE

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

This Rights Circular is being issued in compliance with the provisions of ISA, the Rules and Regulations of The Commission and the Listing Requirements of the NSE and contains particulars in compliance with the requirements of The Commission and The Exchange, for the purpose of giving information to Shareholders and the public with regard to the Rights Issue of 836,983,125 Ordinary Shares of 50 kobo each in Morison Industries Plc by GTI Capital Limited. An application has been made to The Council of The Exchange for the admission to its Daily Official List of the 836,983,125 ordinary Shares of 50 kobo each being issued via the Rights Issue.

The Directors of Morison Industries 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.

RC: 312299

GTI CAPITAL LIMITED

on behalf of

RC: 1274



MORISON INDUSTRIES PLC

Offers by way of Rights

836,983,125

Ordinary shares of 50k each at 60k per share

On the basis of Eleven (11) new ordinary share for every Two (2) Ordinary shares of 50 kobo each held as at the close of business on August 25, 2017 for those shareholders whose names appear on the Register of members and transfer books of the company

Payable in full on Acceptance

ACCEPTANCE LIST OPENS: NOVEMBER 10, 2017

ACCEPTANCE LIST CLOSES: DECEMBER 19, 2017

SHARE CAPITAL & RESERVES AS AT DECEMBER 31, 2016

Authorised share capital	200,000,000 ordinary shares of 50 kobo each	N100, 000,000
Issued and fully paid	152,178,750 ordinary shares of 50 kobo each	N76, 089,375
Share premium		N21,489, ,000
Revenue Reserve		N45, 897,000
Total shareholders fund		N143, 476,000

At the Annual General meeting held on 16th October 2014, it was resolved that the authorized share capital of the company be increased from N100,000,000 to N500,000,000 comprising of 1,000,000,000 ordinary shares of 50 kobo each

INDEBTEDNESS: As at December 31 2016, Morison had a borrowing of N50,000,000 in its books. In order to finance its working capital, factory upgrade and business expansion, the company obtained a bridge loan facility of N=200,000,000 (Two Hundred Million Naira) from AMC MULTIPURPOSE VENTURES LIMITED ("AMC") on April 3, 2017 at an interest rate of 30% per annum. Morison Industries Plc. will apply the proceeds of the Rights Issue to fund the loan repayment. Save as disclosed, Morison has no outstanding loans, mortgages, charges or similar indebtedness

5. DIRECTORS AND OTHER PARTIES TO THE ISSUE

Directors and Company Secretary

CHAIRMAN

RICHARD TITILOYE
28/30 Morison Crescent,
Oregun
Ikeja, Lagos

MANAGING DIRECTOR

OPUTA NWABUEZE
28/30 Morison Crescent,
Oregun
Ikeja, Lagos

DIRECTOR

CHARLES A. OSEZUA
28/30 Morison Crescent,
Oregun
Ikeja, Lagos

DIRECTOR

DEW T. MAYSON
28/30 Morison Crescent,
Oregun
Ikeja, Lagos

DIRECTOR

MUHAMMED A. MUHAMMED
28/30 Morison Crescent,
Oregun
Ikeja, Lagos

DIRECTOR

MR. AYENI PHILIP
28/30 Morison Crescent,
Oregun
Ikeja, Lagos

DIRECTOR

TAYO ODEYEMI
28/30 Morison Crescent,
Oregun
Ikeja, Lagos

DIRECTOR

GODWIN OTERI
28/30 Morison Crescent,
Oregun
Ikeja, Lagos

COMPANY SECRETARY

ABOSEDE AGBETU
28/30 Morison Crescent,
Oregun
Ikeja, Lagos

5. DIRECTORS AND OTHER PARTIES TO THE ISSUE

5.2 Professional Parties

ISSUING HOUSE/FINANCIAL ADVISER

GTI CAPITAL LIMITED
4, Tinubu Street,
Central Business District,
Marina-Lagos.

GTI Capital Limited
7/11/17

STOCKBROKERS

GTI SECURITIES LIMITED
4, Tinubu Street,
Central Business District,
Marina Lagos

GTI Securities Limited
7/11/17

REPORTING ACCOUNTANTS

DOYIN OWOLABI & Co
14 Falolu Street,
Surulere, Lagos

Doyin Owolabi & Co
7/11/17

SOLICITORS TO THE ISSUE

AINA BLANKSON LP
7, 5 Adetokunbo Ademola Street,
S.W. Ikoyi-Lagos

Aina Blankson LP
7/11/17

REGISTRARS TO THE ISSUE

CARDINALSTONE REGISTRARS LIMITED
358 Herbert Macaulay Rd,
Yaba-Lagos

Cardinalstone Registrars Limited
7/11/17

RECEIVING BANK

WEMA BANK PLC
41/45 Broad Street
Marina, Lagos

Wema Bank PLC
7/11/17

AUDITOR

BDO PROFESSIONAL SERVICES
15, CIPM Avenue
Central Business District
Alausa- Ikeja
Lagos

BDO Professional Services
7/11/17

The following is the content of a letter received by the Issuing House; from Mr. Richard O. Titiloye, Chairman, Board of Directors of Morison Industries Plc. on the Rights Issue.



RC: 1274
MORISON INDUSTRIES PLC

28/30, Morison Crescent,
Off Kudirat Abiola Way,
Oregon, Lagos State.

May 16, 2017.

To All Shareholders

Dear Distinguished Shareholders,

RIGHTS ISSUE OF 836,983,125 ORDINARY SHARES OF 50 KOBO EACH IN MORISON INDUSTRIES PLC AT 60K PER SHARE ("THE ISSUE")

At the Annual General Meeting of Morison Industries Plc. held on October 16, 2014, you authorized the Directors to increase the Authorized Share Capital of the Company from N100,000,000.00 to N500,000,000.00 by creation of an additional 800,000,000 ordinary shares of 50 kobo each amounting to N400,000,000.00 and ranking pari passu in all respect with existing ordinary shares in the share capital of the company and to increase the paid up share capital of the Company from N76,089,375 to N494,580,937.50 by issuing additional 836,983,125 ordinary shares of 50 kobo each either by way of Public Offering, Special Placements, Rights Issue or other methods, in the ratio, terms, conditions and dates to be determined by the Directors, subject to obtaining the approvals of relevant regulatory authorities.

We have thus increased the authorized share of the company from 200,000,000 units of ordinary shares to 1,000,000,000 ordinary shares of 50k each. (i.e. from N100, 000,000 to N500, 000,000). I am pleased to provide you with the following information in connection with the Rights Issue of 836,983,125 Ordinary shares of 50 kobo each at 60 kobo per share.

6.1 INTRODUCTION

6.11 The Nigerian Political Environment

The Nigerian political landscape has witnessed some landmark changes after April 2015 elections in terms of uncertainty of socio-economic variables and political climate. Nigeria as an emerging market witnessed economic volatility and this worsened as growth rates slowed and currency weakened. Deflationary pressures has resulted in some market undergoing recession. In the face of these uncertainties there is the need to review our long term strategies as they affect product portfolio and dwindling customers' base.

6.2 HISTORY AND BUSINESS OF THE COMPANY

Morison Industries Plc. was incorporated on the 29th of June 1955 as a trading agency and was known then as J.L Morison, Sons and Jones (Nigeria) Ltd. The Company later went into core manufacturing from the mid-1990's and that was when it acquired the present premises where the factory is built to meet the demands of customers and also to reduce importation of finished goods.

6. THE CHAIRMAN'S LETTER

After a successful growth in the pharmaceutical industry and also being the pioneering agency to bring in lots of daily needs like the Izal, Kiwi Shoe Polish, Old Spice Range, Status Aftershave etc., towards the end of the first decade in the 2000's, the company's fortunes changed, production volumes declined and losses were repeatedly incurred. It was not until after some years, that the prospects for a better future for the company began to take shape. Initially the locally manufactured products were just two products i.e. Morigad® Germicide and Morigad® Lysol. The company now produces Glutacide®, Sanitizer®, Bymo®, Hospitane®, Moricet®, Zylol®, Moricet® Plus, Sanitizer® Surface Disinfectant, Morigad® Spirit and Morison® Methylated Spirit. The company also markets Morigauze® & Morsept® Intimate Feminine Wipes. All but the Hospitane and Moricet plus are available in consumer pack units. Within the Agro industry, the company is registering its own brands of crop protection products like Herbicides, Pesticides, and Fungicides with NAFDAC. We have put new business structure in place for the Healthcare Unit ranging from core Pharmaceutical OTC's, Orthopedic Implants, Advanced Wound Care Supplies and Medical equipment supplies & Consumables.

In the year 2017, the company plans to raise funds from the existing Shareholders with the issuance of 836,983,125 Ordinary Shares of 50 Kobo each in Morison Industries Plc. at 60K per share. This fund is required for settlement of the company's loan facility, business expansion and launching of new products. The current Management team, led by Mr. Nwabueze Oputa, who took over as the Managing Director of the company in October 2015, embraces the range of skills and competencies required for the dynamic development and expansion that are necessary for the company's future growth with obvious positive results.

6.2.1 Directors Profile

Mr. Richard O. Titiloye (Nigerian) Chairman

He is the Non-executive Chairman of the Board of Directors of Morison Industries Plc. He is a fellow of the Association of Chartered Certified Accountants of England (FCCA), a fellow of the Institute of Chartered Accountants of Nigeria (FCA) and an associate member of the Chartered Institute of Taxation of Nigeria (ACTI). He was until December 1992, the Director of Finance/Company Secretary of Johnson Wax Nigeria Ltd. Prior to joining Johnson Wax Nigeria Ltd, he was the Financial Controller of Data Processing Maintenance & Services Ltd (Formerly IBM Nigeria Ltd). He was the Group Audit Manager, Audit Manager and Deputy Audit Manager at Peat, Marwick, Ani Ogunde & Co; as well as the Supervising Audit Senior, Audit Senior and Audit Trainee at Peat, Marwick, Cassleton Elliot & Co. He is currently the Group Managing Director of Olaniyi Titiloye & Co, Rich Rotoye Consultants, OT & Co. Tax Consultants and Palm Services Nigeria Ltd. He was appointed the Chairman of the Board of Directors of Morison Industries Plc on 1st of January, 2012.

Mr. Oputa Nwabueze (Nigerian)

He is the Managing Director of the Company. He was appointed to the Board and the Managing Director of the company on 2nd October, 2015. He is an Industrial Pharmacist of over 20 years. He holds a bachelor of Pharmacy degree from the University of Nigeria, Nsukka in 1992.

He started his sales and marketing work with Gemini Pharm. (Bayer AG agent) in 1995 as Medical Representative; he left for Link pharm. Ltd (Upjohn sole agent) in 1996 as Hospital Specialist Representative. He joined Pharma-Deko plc in 1997 as Medical Representative and became Eastern Area Manager in 1998. He left Pharma-Deko plc in 2000 to join CHI Pharm. Ltd, as their Sales Distribution Manager for their three major agencies (i.e. Janssen-Cilag, Schering AG, and Eli-Lilly). He joined Emzor as Area manager, Lagos/ West in 2002 and became the Business Development Manager in 2004.

He joined Afrab Chem Ltd in 2006 as the Business Development Manager/ Country Manager for their Joswe Medical Jordan brands, and later moved up to the position of Marketing Head, Afrab Chem Ltd. He joined Nosak Healthcare Ltd., in April 2010 as their General Manager/ COO and left in June 2014 to set up organizational restructuring consultancy. He has attended many sale/marketing and management courses, which includes: Leading the Effective Sales Force (LBS); Effective Trade Marketing Focus (LBS), Brand Positioning & Management (Lagos Chamber of Commerce & Industry), Management Development

6. THE CHAIRMAN'S LETTER

Programme (Tom Associates), Professional Selling Skills (Mac-Tay Tack); Sales Management Workshop (Marion Communication), Senior Management Programme (LBS).

Mr. Ayeni Philip (Nigerian).

Mr. Ayeni Philip is a lecturer of ECWA theological seminary Igbaja (Lagos extension) holds a qualification in fellows member (FCA) Institute of chartered accountant of Nigeria, BA pastoral theology, integrated leadership and business operations programme from J.Mack Robinson college of business, Georgia state University Atlanta Georgia USA with several ICAN MCPE courses and knowledge of information technology international courses e.g CeBIT Hannover Germany, annually for fourteen consecutive years and GITEX in Dubai, UAE, annually for six consecutive years. He is from Obokun in Osun state. He served in Ventura Saving and Loans as head system control from 1992-1994 and a Deputy Managing Director at Precise Financial Systems Limited from 1994 to date. He is a consultant in process Engineering and Animation, Accounting Bureau services, Finance Cost Adjustment and office Automation Training. He was appointed as a Non-Executive Director on the 25th of January 2017.

Senator Muhammed A. Muhammed (OFR) (Nigerian)

Senator Muhammed A. Muhammed is a Non- Executive Director of the Company. He has was appointed as a Director of Morison Industries Plc since May 1991. He is a fellow of the Association of Certified Chartered Accountants of England (FCCA) and a Fellow of the Institute of Chartered Accountants of Nigeria (FCA). He was an Executive Director of Union Bank of Nigeria Plc and continues to offer his wealth of experience at the disposal of the Company.

Engr. Charles A. Osezua (OON) (Nigerian)

Engr. Charles A. Osezua (OON) is a Non-Executive Director of the Company. He has been on the Board of Directors of the Company since 1st of July, 2003. He is currently the Chairman/CEO of Owel-Linkso Group (comprising of Linkso Nigeria Ltd, Gas Link Nigeria Ltd. And City Gas Nigeria Ltd). He is a fellow of the Nigerian Society of Engineers (NSE) and an officer of the Order of Niger (OON).

Prof. Dew T. Mayson (Liberian)

He is a Non-Executive Director of the Company. Professor Dew T. Mayson has been a Director of Morison Industries Plc since 26th October, 1993. He holds a PhD in Economics and African Studies from the University of California, Los Angeles, U.S.A. He is a businessman with interest in diverse fields. He is Chairman of several companies including a Bank, an Insurance Company, a Pharmaceutical Company and an Oil service Company.

Mr. Godwin Oteri (Nigerian)

He is a Non- Executive Director of the Company. He was appointed a Director of Morison Industries Plc on 1st of January, 2012. He is the Chairman of Tega Ventures Nigeria Limited and a member of the Board of Directors of Sabeanat Nigeria Ltd. He is a National Council member of MAN and a member of the Nigerian Bar Association.

Mr. Tayo Odeyemi (Nigerian)

He is an Independent Non- Executive Director of the Company. He is a fellow of the Institute of Chartered Accountants of Nigeria (FCA), a member of the Nigerian Gas Association and Associate member of the Institute of Chartered Accountants of Nigeria (ACA). He is currently the Managing Director of City Structures development Company Ltd (A construction and infrastructure development company) and the CEO of City Capital and Investment Ltd. Lagos (An investment management and Trading Company). He was appointed a Director of Morison Industries Plc on 15th of October, 2014.

6. THE CHAIRMAN'S LETTER

6.2.2 Our Products

The Company's products are currently Morigad® Germicide, Morigad® Lysol, Zylol® Antiseptic, Moricet® Antiseptic, Sanitizer®, Bymo® Liquid Wash, Sanitizer® Multisurface Disinfectant, MorigadGlutacide®, Morsept® Intimate Feminine Wipes, Morigauze®, MorigadDailyshield® mosquito repellent bracelet, Morison® Methylated Spirit, Morigad® Spirit, Hospitane® and Moricet® plus. We also re-distribute for foreign companies such as Heraeus Germany (medical bio-materials), Hardik International Ltd. India (Orthopedic Implants), 4L Health Co.ltd. China (Negative Pressure Wound Therapy equipment for foot ulcer, diabetes wounds etc. and dressing kits to support healing), YSUMED, China (Medical Daily Consumables) Olive Oxygen Concentrator to mention but a few.

6.2.2 Premises

The Company's Head Office/Factory is situated at 28/30, Morison Crescent, Off Kudirat Abiola Way, Oregun, Lagos. The company also plan to acquire leasehold premises in Ibadan, Kano, Abuja, Onitsha, Aba and Jos. The depots will become operational during the second half of the year 2018.

6.3 PURPOSE OF THE ISSUE AND USE OF ISSUE PROCEEDS

The estimated net proceeds of N480,698,782.62 after the deduction of the estimated total offer cost of N15,891,092.38 representing approximately 3.16% of the total offer size and excluding Registrars' take-on fees, cost of printing and advertisement of N5,600,000.00 will be applied as follows:

Utilization	N	%	
Financing Debt Capital	230,000,000.00	47.85	Immediate
Physical Facilities Upgrade (factory and warehouse)	150,000,000.00	31.20	Within six months
Additional Working capital (for purchase of raw materials)	100,698,782.62	20.95	Immediate
Total	480,698,782.62	100.00	

The Company intends to use part of the Issue proceeds to repay the loan facility obtained from AMC Multipurpose Ventures Limited on April 3, 2017. The N200,000,000 loan facility was used to upgrade the company's production factory in compliance with the industry regulatory minimum standards, procure raw materials for production and provide working capital for day to day running of the company.

6.3.1 WORKING CAPITAL, PROFIT AND DIVIDEND FORECASTS

The Directors of the Company, having regarded the present financial position and the anticipated proceeds of the Issue, are of the opinion that the Company will have adequate working capital and sufficient liquidity to meet its immediate and foreseeable obligations and funding requirements.

The Directors estimated that in the absence of unforeseen circumstances, the profit/loss before taxation (N'000) for the years ending 31st December, 2018, 2019, 2020, 2021 and 2022 will be in the order of N341,272, N546,950, N920,951, N1,596,291 and N2,275,454 respectively. If these estimates are achieved, the appropriations thereof will be approximately as follows:

6. THE CHAIRMAN'S LETTER

Year Ending 31 st December	2018	2019	2020	2021	2022
	N'000	N'000	N'000	N'000	N'000
Turnover	2,191,376	2,998,670	4,124,238	5,789,376	7,547,038
Cost of Sales	1,451,006	1,967,141	2,686,869	3,766,338	4,896,746
Gross Margin	740,370	1,031,529	1,437,369	2,023,038	2,650,292
Depreciation	25,000	27,500	27,500	27,500	27,500
Profit/(Loss) before taxation	341,272	546,950	920,951	1,596,291	2,275,454
Estimated Taxation	109,207	175,024	294,704	510,813	728,145
Profit/(Loss) after taxation	232,065	371,926	626,246	1,085,478	1,547,309
Proposed dividend	98,917	148,375	197,833	296,749	395,665
Profit/(Loss) transferred to revenue reserve	133,148	223,551	428,413	788,729	1,151,644
Shares outstanding (<i>units</i>)	989,161,875	989,161,875	989,161,875	989,161,875	989,161,875
Forecast earnings per share (<i>kobo</i>)	23	37	63	109	156
Forecast dividend per share (<i>kobo</i>)	10	15	20	30	40
Forecast Price Earnings Ratio at the issue price (<i>times</i>)	3	1.6	1	0.6	0.38
Forecast Earnings Yield at the issue price (%)	0.4	0.6	1.1	1.8	2.6
Forecast Gross Margin	34	34	35	35	35
Forecast Profit Margin	15.6	18.2	22.3	27.6	30.2

Forecast earnings and dividend per share from 2018 to 2022 are based on projected post issue share capital of 989,161,875 Ordinary Shares of 50 kobo each, made up of existing paid up share capital of 152,178,750 and 836,983,125 Ordinary Shares of 50 kobo each now being offered.

6.3.2 Business Prospects and Going Concern Status

The attention of the Board was drawn to the year 2014 Audit reports with reference to the persistent losses recorded over a number of years culminating into the erosion of shareholders' fund. This has raised some reservations about the going-concern status of the Company, which greatly depends on further injection of funds in order to enhance profitability and reduce the debt burden of the company.

Morison Industries Plc. is a major player in the industry and is currently going through strategic repositioning having completed its turnaround cycle. Judging by developments in the industry in recent times, the company has realized the need to rise to the present challenges through strategic alliances and remain focused amidst the emerging realities from its competitors.

6. THE CHAIRMAN'S LETTER

In order to sustain its presence in the face of stiff competition and consolidate on its continuing drive for growth, the company has engaged itself in the following developmental activities in the last one year.

- Re-branding and re-launching of existing products
- Launching of new products
- Sales promotion
- Active Research and Development of marketing mix
- Technical presence

Morison Industries Plc. has a proactive Board and management team that have embarked on investment in the renovation and replacement of plant and equipment leading to a significant turnaround of the manufacturing business. Current production volume in the Morigad factory remains insufficient to satisfy local and regional demand, it is therefore imperative to significantly increase production volumes by making full utilization of the existing capacity. It is planned that annual production volume would increase to 180,000,000 liters by the year 2018.

6.4 GENERAL RISK DISCLOSURE

6.4.1 Company Specific Risk

Morison Industries Plc. has faced quite a number of challenges over the years. The company incurred losses over a number of years as a result of dwindling growth of the economy. In the Auditors' Reports to the members of the Company, the external auditors have invariably reported that the company's continued existence depends on the continued support of its technical partners and bankers.

6.4.2 Sector Risk

The Company faces stiff competition from the dominant manufacturers in Nigeria; Reckitt Benckiser and Johnson & Johnson, which together control about 70% of disinfectant market share. The estimated balance of 30% is fragmented amongst all the other manufacturers spread across various regions in the country.

6.4.3 Political Risk

Changes in regulatory policies and unforeseen political crises could have adverse effects on economic development and stability in the country, which could restrict or slow down foreign direct investment into the country. A stable political climate is thus essential for business growth.

6.4.4 Currency Risk

Foreign Investors may run the risk of incurring losses that may be caused by exchange rate fluctuation.

Environmental Risk

Being a manufacturing company, Morison Industries Plc. poses some risk to its environment in the form of by-products, industrial wastes and effluent discharge.

6.5 RESEARCH AND DEVELOPMENT

Morison Industries Plc, believes in Research and Development and will continually research into ways of improving efficiency in its operations, increasing market share, enhancing profitability and maximizing returns to shareholders.

6. THE CHAIRMAN'S LETTER

6.6 FUTURE PLANS

All stakeholders including the Technical Partners and Principal Shareholders, together with the Board of Directors and Management are committed to sustaining the company's growth and enhancing its profitability. Bearing this in mind, Management will strive and continue to establish a creative distribution network that will serve as a platform for growth and profitability.

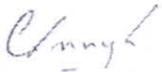
Though the Company is well placed to meet the challenges of increasing its market share of what continues to be a vibrant and expanding industry, we shall continue to structure it in a way that will enhance its potential for long term growth and productivity. We intend to introduce high density manufacturing by August 2017. Nevertheless in the short term, production capacity will continue to be maximized to the extent of the facilities available. These limitations will be addressed by the year 2018, together with investment in a second factory which will cater for core pharmaceuticals and nutraceuticals and other features to improve capacity, which will come on stream in the year 2019. At this level, capacity utilization would have increased tremendously. Arrangements are in place to make available the necessary working capital that will ensure the regular supply of raw materials, finished medical products, consumables & equipment, and other essentials for uninterrupted production in order to meet the ever-increasing demands of our customers.

6.7 CONCLUSION

The Board and Management are committed to a continuing programme of Company capacity-building that is result oriented and which embraces professionalism and excellence in all aspects of its operations. Our objective is to run a company with sustainable growth and enhanced returns, retain investors' confidence, revitalize and expand our customer base so that an ever-increasing number of consumers may enjoy our total customer excitement/ experience offered by the products of Morison Industries Plc.

I therefore encourage all our existing Shareholders to participate fully in this Rights Issue and continue to be part of this Company with its promising growth and potentials as a budding conglomerate.

Thank you
Yours faithfully,



Mr. R.O. Titiloye
Chairman

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

7.1 REPORTING ACCOUNTANTS' LETTER ON PROFIT FORECAST

6 June, 2017

The Directors
MORISON INDUSTRIES PLC
28/30, Morison Crescent
Oregun Industrial Area, Ikeja
Lagos.

and

The Directors
GTI CAPITAL LTD
GTI House,
4, Tinubu Street, Central Business District
Marina, Lagos.

Gentlemen,

We have reviewed the accounting policies and the calculations made in preparing the profit forecast of Morison Industries Plc. ("The Company") (for which the directors are solely responsible) for the five years ending 31 December, 2018, 2019, 2020, 2021 and 2022.

In our opinion the profit forecast, so far as the accounting policies and calculations are concerned, has been properly compiled on the basis of the assumptions made by the Directors, and is prepared on a basis consistent with the accounting policies normally adopted by the company. However, there will usually be differences between forecast and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Yours faithfully,



Doyin Owolabi & Co
(Chartered Accountants)
Reporting Accountants
Lagos, Nigeria.

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

7.2 LETTER FROM THE REPORTING ACCOUNTANTS IN RESPECT OF GOING CONCERN STATUS

The Directors
MORISON INDUSTRIES PLC
28/30, Morison Crescent
Oregun Industrial Area,
Ikeja-Lagos.

and

The Directors
GTI CAPITAL LTD
GTI House,
4, Tinubu Street, Central Business District
Marina, Lagos.

Gentlemen,

CONFIRMATION OF THE GOING CONCERN STATUS

Based on confirmations received from Directors of Morison Industries Plc, and our review of past results of the Company, as well as existing structure of operational position, we do not have reasons to doubt that the Company will continue in operation in the foreseeable future.

Yours faithfully,



Doyin Owolabi & Co
(Chartered Accountants)
Reporting Accountants
Lagos, Nigeria.

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

comprehensive income and accumulated in equity is recognized in the profit or loss.

vi. Financial liabilities and equity instruments

Financial liabilities are initially recognized at fair value when the Company becomes a party to the contractual provisions of the liability. Subsequent measurement of financial liabilities is based on amortized cost using the effective interest method. The Company's financial liabilities include trade and other payables.

Financial liabilities are presented as if the liability is due to be settled within 12 months after the reporting date. Other financial liabilities which contractually will be settled more than 12 months after the reporting date are classified as non-current.

vii. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

viii. De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in statement of profit or loss and other comprehensive income.

i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle the liability simultaneously.

j) Impairment of financial instrument

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, where observable data indicates that there is a measurable decrease in the estimated future cash flows such as changes in arrears or economic conditions that correlate with defaults.

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan has a variable interest rate, the discount rate, the discount rate for measuring any impairment loss is the current effective rate determined under the contract.

As a practical expedient, the company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of profit or loss and other

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

7.3 BASES AND ASSUMPTIONS

7.3.1 Bases

The financial forecasts have been prepared under the historical cost convention and on a basis consistent with the accounting policies normally adopted by the Company as a going concern.

The Company's last five (5) years (2012 – 2016) audited financial statements form the bases for ensuring the reasonableness of the forecast for the years ending 31st December, 2018 – 2022.

7.3.2 Assumptions

- i) There shall be no material change in the accounting policies currently in use by the Company
- ii) There shall be no significant changes in Federal Government monetary and fiscal policies that will adversely affect the company.
- iii) There shall be no drastic changes in the political and economic environment both local and international that will adversely affect the operations of the company.
- iv) All projections have been made in Naira over the five-year period with currency conversion rates used for the foreign currencies. Inflation has been taken into consideration in the preparation of the projections.
- v) All projections have been made assuming that the change in capital will not affect the business operations for 2017 but will impact positively on the global revenue from the investment of the net proceeds of the offer. The business will however change significantly in 2018 (with projected turnover of ₦2.1 billion) when the capital is expected to be in full use and an annual 37% growth thereafter based on an average of 30% growth during the business boom period in the past.
- vi) It is expected that the rate of growth in income will be higher than the rate of growth of expenses for reason of economic scale.
- vii) The company income tax and education tax will remain at 30% and 2% respectively.
- viii) There will be rights issue of 847,821,250 ordinary shares of 50k each at 60k per share. Every shareholder will be entitled to 11 shares for every 2 shares held presently.
- ix) The above shares of the company on offer will be fully subscribed and the proceeds from the share issue are projected to be received by the fourth quarter of 2017.
- x) The quality of the company's management will be improved upon and sustained during the forecast period.
- xi) Operating results will not be affected by industrial disputes within the industry or in the country.
- xii) There will be no new legislation materially affecting the industry in which Morison operates.
- xiii) There will be no litigation with adverse material consequence to the company.
- xiv) The company will continue to enjoy the goodwill of its present and potential customers.
- xv) Dividend payout per 50k share is:

December 2018 =	10 kobo
December 2019 =	15 kobo
December 2020 =	20 kobo
December 2021 =	30 kobo
December 2022 =	40 kobo

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

7.4 PROFIT FORECAST FOR THE YEARS ENDING 31 DECEMBER 2018, 2019, 2020, 2021 AND 2022

The Directors are of the opinion that barring unforeseen circumstances, and based on the assumptions for the years ending 31st December 2018, 2019, 2020, 2021 and 2022, the profit before tax will be in the order of =N=341.2 million; =N=546.9 million; =N=920.9 million; =N=1.59 billion and =N=2.27 billion respectively as detailed below:

Year ended 31 December	2018 =N='000	2019 =N='000	2020 =N='000	2021 =N='000	2022 =N='000
Turnover	2,191,376	2,998,670	4,124,238	5,789,376	7,547,038
Cost of Sales	1,451,006	1,967,141	2,686,869	3,766,338	4,896,746
Gross Margin	740,370	1,031,529	1,437,369	2,023,038	2,650,292
Depreciation	25,000	27,500	27,500	27,500	27,500
Profit/(Loss) before taxation	341,272	546,950	920,951	1,596,291	2,275,454
Estimated Taxation	109,207	175,024	294,704	510,813	728,145
Profit/(Loss) after taxation	232,065	371,926	626,246	1,085,478	1,547,309
Proposed dividend	98,917	148,375	197,833	296,749	395,665
Profit/(Loss) transferred to revenue reserve	133,148	223,551	428,413	788,729	1,151,644
Shares outstanding (<i>units</i>)	989,161,875	989,161,875	989,161,875	989,161,875	989,161,875
Forecast earnings per share (<i>kobo</i>)	23	37	63	109	156
Forecast dividend per share (<i>kobo</i>)	10	15	20	30	40
Forecast Price Earnings Ratio at the issue price (<i>times</i>)	3	1.6	1	0.6	0.38
Forecast Earnings Yield at the issue price (%)	0.4	0.6	1.1	1.8	2.6
Forecast Gross Margin	34	34	35	35	35
Forecast Profit Margin	15.6	18.2	22.3	27.6	30.2

Forecast earnings and dividend per share for the years 2018, 2019, 2020, 2021 and 2022 are based on post issue share capital of 989,161,875 ordinary shares of 50 kobo each.

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

7.5 Cash flow Forecast for the Years Ended 31 December 2018, 2019, 2020, 2021 and 2022

Year ended 31 December	2018 =N='000	2019 =N='000	2020 =N='000	2021 =N='000	2022 =N='000
RECEIPTS/PROCEEDS FROM:					
Agro Business	620,750	811,750	1,149,850	1,488,000	1,741,032
Medical Business	445,840	712,720	1,122,390	1,543,890	1,887,170
Consumer Business	1,124,786	1,474,200	1,851,998	2,757,486	3,164,133
Contract Manufacture	122,040	134,244	147,668	162,435	178,678
TOTAL RECEIPTS	2,313,416	3,132,914	4,271,906	5,951,811	6,971,012
PAYMENTS/MATERIALS AND DIRECT LABOUR					
Agro Business	465,563	608,813	862,388	1,116,000	1,450,860
Medical Business	231,837	370,614	583,643	802,823	1,090,365
Consumer Business	753,607	987,714	1,240,839	1,847,516	2,355,521
Contract Manufacture	13,560	14,916	16,408	18,048	19,853
Total Material and Direct labour	1,464,566	1,982,057	2,703,277	3,784,387	4,916,599
Administrative expenses – salaries, pension, taxes etc.	224,800	300,400	360,480	276,960	304,656
Administrative expenses – regulatory, subscriptions etc.	44,500	48,500	44,500	44,500	44,500
Administrative expenses – maintenance, lease charges, repairs etc.	15,000	15,000	18,000	21,600	25,920
Total Admin expenses	284,300	363,900	422,980	343,060	375,076
Marketing expenses	109,569	149,933.50	123,727	173,681	150,941
Staff pension	21,900	-	-	-	-
Tax	46,495	109,207	175,024	294,704	510,813
Trade payable	290,201	393,428	537,374	753,268	979,349
Purchase of Plant and Machinery	25,000	200,000	150,000	-	-
Purchase of Laboratory Equipment	15,000	10,000	7,500	7,500	7,500
Construction of a medium Pharmaceutical Plant	100,000	-	-	-	-
Lease Contribution on Operation Vehicles (51 units)	146,100	-	-	-	-
Lease Contribution on Operation Vehicles (30 units)	-	110,700	-	-	-
Interest on Leased Vehicles	102,270	77,490	89,880	44,940	-
Total Other expenses	856,535	1,050,758	1,083,505	1,274,093	1,648,603
TOTAL PAYMENT	2,605,401	3,396,715	4,209,761	5,401,540	6,940,278
Opening Balance (Year 1)	583,436	291,451	27,650	89,795	640,066
Add Receipts	2,313,416	3,132,914	4,271,906	5,951,811	6,971,012
Less Payments	2,605,401	3,396,715	4,209,761	5,401,540	6,940,278
Closing Balance	291,451	27,650	89,795	640,066	670,800

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

7.6 Reporting Accountants Report

6 June 2017

The Directors
MORISON INDUSTRIES PLC
28/30, Morison Crescent
Oregun Industrial Area,
Ikeja
Lagos.

and

The Directors
GTI CAPITAL LTD
GTI House,
4, Tinubu Street,
Central Business District
Marina, Lagos.

Gentlemen,

We have examined the audited Financial Statements of Morison Industries Plc. ("the Company") for the five (5) years ended 31 December 2012, 2013, 2014, 2015 and 2016.

These Financial Statements were prepared under the historical cost convention. Messrs BDO Professional Services Chartered Accountants were auditors for the year ended 31 December 2015 and 2016 while Messrs Omogoroye Okin Popoola & Co. Chartered Accountants were auditors for the year ended 31 December 2012, 2013 and 2014.

The auditors' reports were unqualified throughout the periods.

The summarized statements of profit or loss and other comprehensive income, financial position and cash flows set out in the Rights Issue Memorandum are based on the Audited Financial Statements of the Company, after making such adjustments as considered appropriate.

In our opinion, the Financial information give, for the purpose of the Rights Issue Memorandum, a true and fair view of the state of affairs of the Company as at 31 December 2012, 2013, 2014, 2015 and 2016 and its profit and cash flows for each of the periods then ended and have been prepared on same account basis normally adopted by the Company.

Yours faithfully,



Doyin Owolabi & Co
(Chartered Accountants)
Reporting Accountants
Lagos, Nigeria.

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

7.7 Statement of Accounting Policies

The following are the accounting policies applied by the Company:

7.7.1. Basis of preparation

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2004.

b) Basis of measurement

The financial statements have been prepared under historical cost concept.

c) Functional and presentation currency

The company's functional and presentational currency is the Nigerian Naira. The financial statements are presented in Nigerian Naira and have been rounded up to the nearest thousand except where otherwise stated.

d) Use of estimates and judgment

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

7.7.2. Critical accounting estimates and judgments

The company makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience as well as other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

a) Income and deferred taxation

Morison Industries Plc usually incurs significant amounts of income taxes payable, and also recognizes changes to deferred tax assets and deferred tax liabilities, all of which are based on management's interpretation of applicable laws and regulations. The quality of these estimates is highly independent upon management ability to properly apply at times very complex sets of rules, to recognize changes in applicable rules and, in the case of deferred tax assets, management's ability to project future earnings from activities that may apply loss carry forward positions against future income taxes.

b) Impairment of property, plant and equipment

Morison Industries Plc. assesses assets or groups of assets for impairment annually or whenever events or changes in circumstances indicate that carrying amounts of those assets may not be recoverable. In assessing whether a write-down of the carrying amount of a potentially impaired asset is required, the asset's carrying amount is compared to the recoverable amount. Frequently, the recoverable amount of an asset proves to be the Company's estimated value in use.

The estimated future cash flows applied are based on reasonable and supportable assumptions and represents management's best estimates of the range of economic conditions that will exist over the remaining useful life of cash flow generating assets.

c) Legal proceedings

The company reviews outstanding legal cases following developments in the legal proceedings and at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential damages in the jurisdiction in which the litigation, claim or assessment has been brought, the

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

progress of the case (including the progress after the date of the financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the Company's management as to how it will respond to the litigation, claim or assessment.

d) Estimates of useful life

The estimates of useful lives and residual values of property, plant and equipment impact the annual depreciation charge. The useful lives and residual values are based on management experience and the condition of the assets. Consideration is given to management's intended usage policy for the assets in the future and potential market prices of similar assets.

7.7.3. Summary of significant accounting policies

The Company's accounting policies set out below have been applied consistently to all period presented in these financial statements.

a) Foreign currency transactions

In preparing the financial statements of the Company, transactions in currencies other than the entity's presentation currency (foreign currencies) are recognized at the rates prevailing at the dates of the transactions and any exchange differences arising are included in the profit or loss account of the reporting period.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary item that are measured in terms of historical cost in a foreign currency are translated using the exchange rate of transaction (i.e. not retranslated).

b) Revenue

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the customer, the sale price and costs can be measured reliably, and it is probable that the economic benefits will flow to the company.

Revenue is measured based on the price specified in the sales contract, net of discount, value added tax and estimated returns at the time of sale.

c) Cost of Sales

Cost of sales includes the cost of manufacturing inventory, cost related to transportation, impairment and inventory write downs.

d) Finance income and finance expenses

Finance income comprises interest income on short term deposits with banks. Interest income on short term deposits is recognized and accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is recognized in the statement of profit or loss and other comprehensive income as it accrues, using the effective interest method.

Finance expenses comprise interest on finance lease and borrowings.

e) Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income and operating expenses respectively in the statement of profit or loss and other comprehensive income

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

ii. Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured. The carrying amount of the replaced part is then derecognized. The costs of the day-to-day servicing and maintenance of an item of property, plant and equipment are recognized in the statement of profit or loss and other comprehensive income during the period in which they are incurred.

iii. Depreciation

Depreciation is calculated on items of property, plant and equipment to write down the cost of each asset to its residual value over its estimated useful life. No depreciation is charged on items of property, plant and equipment until they are available for use.

The principal annual rates used for this purpose, which are consistent with those of previous years, are as follows:

Class of assets	%
Leasehold improvement	Over the period of the lease
Plant, machinery and equipment	10
Computer equipment	33 1/3
Motor vehicles:	
Delivery Vans	33 1/3
Cars	25

The company allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each such part. Residual values, method of amortization and useful lives of the assets are reviewed annually and adjusted if appropriate.

iv. Derecognition

An item of property plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gains or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss component of the statement of comprehensive income within 'Other income or operating expenses' in the year that the asset is derecognized.

f) Impairment of non-financial assets

Non-financial assets other than inventories are reviewed at each reporting date for impairment or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they have separately identifiable cash flows (cash-generating units).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment is treated as a revaluation increase.

g) Inventories

Inventories include locally manufactured products, healthcare products, raw materials and packaging. Inventories are valued at the lower of cost and net realisable value.

Cost is determined using the weighted average method of valuation. Cost comprises direct material and, where applicable, direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition. Net-releasable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution. If carrying value exceeds net realisable amount, a write down is recognized. The write-down may be reversed in a subsequent period if the circumstances which caused it no longer exist.

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

Adequate provision is made for slow moving, obsolete and defective inventories to ensure that the value at which inventories is carried at the reporting date are reflective of anticipated future sales patterns.

h) Financial instruments

i. Financial assets

Financial assets are initially recognized at fair value plus directly attributable transactions cost. Subsequent remeasurement of financial assets is determined by their designation that is revisited at each reporting date.

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The company's financial assets comprise of loans and receivables.

At each reporting date, the Company assesses whether its financial assets have been impaired. Impairment losses are recognized in the income statement where there is objective evidence of impairment.

ii. Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transactions cost. Financial assets classified as loans and receivables are subsequently measured at amortized cost using the effective interest method less any impairment losses. The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents.

iii. Trade and other receivables

Trade receivables are stated at original invoice value less any allowance for doubtful debts. Allowances are made where there is evidence of a risk of non-recovery, taking into account ageing, previous experience and past records of the customer.

Trade and other receivables are recognized initially at fair value and subsequently measured at amortised cost using effective interest method less provision for impairment. Discounting is ignored if insignificant. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that debtor will enter bankruptcy and default or delinquency in payment, are the indicators that a trade and other receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of comprehensive income within administrative cost.

The amount of the impairment provision is the difference between the asset's nominal value and the recoverable value, which is the present value of estimated cash flows, discounted at the original effective interest rate. Changes to this provision are recognized under administrative costs. When a trade receivable is uncollectable, it is written off against the provision for trade receivables. Any recovery of amounts for which a provision allowance was made are credited to other income.

iv. Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, banks balances investments in money market instruments with maturity dates of less than three months and are risk free.

v. Derecognition of financial assets

The company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in the other

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

comprehensive income.

k) Prepayments

Prepayments are payments made in advance relating to the following year and are recognized and carried at original amount less amounts utilized in the statement of profit or loss and other comprehensive income.

l) Borrowings

Borrowings are recognized initially at fair value, net of transaction cost incurred. Borrowings are subsequently carried at amortised cost using effective interest rate: any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. Borrowings to be settled within 12 months period are classified as current liabilities while borrowings to be settled over 12 months are classified as non-current liabilities.

m) Provisions

Provision is recognized when the company has a present obligation, whether legal or constructive, as a result of a past event for which it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimates can be made of the amounts of the obligations in accordance with IAS 37.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted where the effect is material.

Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The unwinding of the discount is recognized as a finance cost.

n) Finance leases

Finance leases are stated at the present value of minimum lease payments and the assets are capitalized and depreciated using the rate applicable to these classes of assets. Lease finance charge is amortized over the period of the lease.

Assets on operating lease are accounted for over the lease period and the rentals are accrued evenly over the respective period of the lease and treated as expenses in the statement of comprehensive income.

o) Employee benefits

i. Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. The Company recognizes wages, salaries, bonuses and other allowances for the current employees in the statement of profit or loss and other comprehensive income as the employees render such services.

A liability is recognized for the amount expected to be paid under short-term benefits, if the company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plan

The company has both defined benefits and defined contribution plans.

The company operates a defined contribution pension scheme for members of staff which is independent of its finances and is managed by Pension Fund Administrators. The scheme is funded by contributions from employees and the company at 8% and 10% respectively each of employee's relevant emoluments, in accordance with the provisions of the Pension Reform Act 2014. In addition, full provision is made in the financial statements for liabilities at the financial position date in respect of employee's terminal gratuities based on current relevant

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

emoluments. For defined benefits plans, the level of benefit provided is based on the length of service and earning of the person entitled.

p) Taxation

i. Current income tax

The income tax expense for the period comprises current and deferred tax expense. Tax is recognized in the statement of comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of tax laws enacted or substantially enacted at the reporting date in Nigeria where the Company operates and generates taxable income.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years, but it further excludes items that are never taxable or deductible. The Company is subject to the following types of current income tax:

- Company Income Tax – This relates to tax on revenue and profit generated by the Company during the year, to be taxed under the Companies Income Tax Act, Cap C21, LFN 2004 as amended to date
- Tertiary Education Tax – Tertiary education tax is based on the assessable income of the Company and is governed by the Tertiary Education Trust Fund (Establishment) Act, LFN 2011 (Amended)

ii. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax is not recognized for:

Temporary differences on the initial recognition of asset or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is provided for using the liability method, which represents taxation at the current rate of corporate tax on all timing differences between the accounting value and their corresponding tax written down values. A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the amount will be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

q) Share capital, reserves and dividends

i. Share capital

Share capital represents the nominal value of shares that have been issued.

ii. Reserves

Reserves include all current and prior periods' retained earnings.

iii. Dividends

Dividends on ordinary on ordinary shares are recognized in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

iv. Earnings per Share

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Basic earnings per share (EPS) are calculated by dividing the profit or loss attributable to equity owners of Morison Industries Plc by the weighted average number of ordinary share outstanding during the period.

r) Related party transactions

Related parties include the related companies, the directors and any employee who is able to exert significant influence on the operating policies of the Company. Key management personnel are also considered related parties. Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The Company considers two parties to be related if, directly or indirectly one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Where there is a related party transaction with the Company, the transactions are disclosed separately as to the type of relationship that exists with the company and the outstanding balances necessary to understand their effects on the financial position and the mode of settlement.

7.8 Financial Risk Management

a) Financial Risk Management Disclosure

Morison Industries Plc continued in the period under review to enhance its corporate governance standards by improving on the level of risk management disclosure in the financial statement.

The overall responsibility for risk management lies with the Board of Directors. The Internal Audit Unit performs the independent assessment of the effectiveness of internal controls and procedures and reports independently through the Internal Audit Managing Director and Audit Committee members also review the internal audit programme and the internal control procedures.

The Board of Directors, having recognized that an appropriate level of timely disclosure is beneficial to all stakeholders, has given its full support to this process to boost the confidence of the users of the financial statements of the company with the aim of enhancing the level and quality of disclosure at all times even as a regulatory framework for its risk management disclosure is evolving.

The company has a risk management framework which highlights key risk areas (Regulatory, Financing, Credit, Reputational, Compliance and Operational). This is to give a clear view of the major risks we believe are faced by Morison Industries Plc and the role of the Board of Directors and Management in managing these risks.

b) Regulatory Risk

There have been constant changes in government policies on banning and un-banning certain components or allowing importation of some finished goods that are available locally. These inconsistent policies could result in losses as they give unfair advantage to foreign manufacturers whose cost of production is very low. Morison Industries Plc liaises constantly with the Manufacturers' Association of Nigeria which is doing a lot to ensure that Manufacturers are informed of impending changes and implications of new pronouncements.

c) Financing Risk

The cost of funds is very high and is inimical to the growth of manufacturing industry. The banks are also not willing to grant credit to manufacturing companies because the sector is considered high risk. This is affecting the capacity utilization and working capital. We have limited our operations to what the internally generated funds could support and also plan to raise funds from capital market when the market stabilizes. We also enjoy some credit terms with our foreign suppliers to support our operations.

d) Credit Risk

Some customers' default in paying for goods and services as at when due. The effect is that there is high risk of bad debt. We continuously monitor the activities of our distributors and review from time to time the facility granted them. We extend credit to only suitable and well-identified customers and withdraw such credits where there is any doubt as to their ethical standard and records as we also ensure that there are penalties for non-compliance with the company's credit policies.

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

e) Compliance Risk

Changes in rules and regulations and the introduction of new legislations have placed greater emphasis on the need to monitor compliance with legal and regulatory requirements. The risk of non-compliance with the legal and regulatory requirements ranges from potential financial loss occasion by regulatory sanctions as well as damage to the Company's reputation. Morison Industries Plc ensures it meets minimum requirements to avoid penalties and monitors compliance with the assistance of our legal personnel.

f) Reputational Risk

The industry is suffering heavily from the activities of fakers who imitate the original product. The consumers are discouraged from patronizing the original product because they bought fake products that did not give them value. The effect of the activities of the fakers is that the company is unable to sell its products and thereby suffers heavy losses. We check the activities of the fakers through the use of holograms, constant improvement and change in packaging. We also endeavor to sell directly to the end users.

g) Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and external events. This includes legal risk but excludes reputational risk. The Company recognizes the significance of operational risk, which is inherent in all areas of our business. Operational risk is managed within acceptable levels through an appropriate level of management focus and resources.

The company is committed to the management of operational risks by ensuring effective control of operations, providing early warning signals of deterioration in the company's Internal control System and raising awareness of operational risk from top to the bottom.

7.9 General Objectives, policies and processes

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance department. The board receives monthly reports from the Company's Finance Director through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it set. The Company's Finance Director also reviews the management policies and processes and reports their findings to the board.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competition and flexibility.

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

7.10 Statement of Profit or Loss and Other Comprehensive Income

	NOTES	As At 31	←-----AS AT 31 DECEMBER----->				
		May (Unaudited) 2017 N'000	2016 N'000	2015 N'000	2014 N'000	2013 N'000	2012 N'000
Revenue	1	32,315	132,280	183,348	217,848	339,303	406,869
cost of Sales	2	(15,124)	(81,063)	(114,351)	(140,852)	(242,200)	(247,108)
Gross Profit		17,191	51,217	68,997	76,996	97,103	159,761
Distribution expenses	3	(12,014)	(20,119)	(21,592)	46,218	(83,719)	(71,320)
Operating Expenses	4	(45,631)	(108,501)	(100,701)	(127,333)	(103,969)	(90,707)
Other operating Income	5	5,118	7,973	8,016	10,177	84,084	13,639
Profit/Loss from operations		(35,336)	(69,430)	(45,280)	(86,378)	(6,501)	11,373
Finance Income	6	814	-	-	-	-	-
Finance expenses		(17,287)	9,155	826	(1,931)	(7,599)	(5,028)
Net finance expenses		(16,473)	(9,155)	(826)	1,931	(7,599)	(5,028)
Loss before taxation		(51,809)	(78,585)	(46,106)	(88,309)	(14,100)	6,345
Tax expense	7	-	-	(62,394)	5,978	(7,965)	(4,331)
Loss for the year		(51,809)	(78,585)	(108,500)	(82,331)	(22,065)	2,014
Other comprehensive income							
Items that will not be reclassified to profit or loss:		-	-	-	-	-	-
Items that will or may be reclassified to profit or loss:		-	-	-	-	-	-
Total other comprehensive income		-	-	-	-	-	-
Total comprehensive loss		(51,809)	(78,585)	(108,500)	(82,331)	(22,065)	2,014
Loss per share (Kobo)		(0.34)k	(0.52)k	(0.71)k	(0.54)k	(14.5)k	1.32k

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

7.11 Statement of Financial Position

	NOTES	As At 31/05/2017		As At 31 December			
		(Unaudited)	2016	2015	2014	2013	2012
			N'000	N'000	N'000	N'000	N'000
				←-----IFRS----->			NGAAP
Assets							
Non-current Assets							
Property, plant and equipment	8	350,960	347,429	334,128	337,262	328,291	390,628
Leased assets	9	-	-	2,922	9,788	8,351	-
Deffered tax assets	10	-	-	-	2,568	-	-
		350,960	347,429	337,050	349,618	336,642	390,628
Current assets							
Inventories	11	53,491	35,088	51,014	68,157	63,640	69,305
Trade and other receivables	12	101,803	28,858	26,514	26,358	84,369	117,811
Cash and cash equivalents	13	60,257	1,521	8,163	4,913	41,564	8,346
		215,551	65,467	85,691	99,428	189,573	195,462
Total assets		566,511	412,896	422,741	449,046	526,215	586,090
Liabilities							
Current liabilities							
Borrowings	14	250,000	50,000	20,000	-	-	34,900
Trade and other payables	15	155,332	145,102	92,766	90,462	57,512	76,843
Income tax payables	16	6,844	7,308	7,308	7,308	7,881	2,144
Unclaimed dividend	17	-	-	-	-	5,632	5,632
Employees' benefit obligation	18	-	-	-	-	14,056	-
Obligation under finance lease	19	-	-	-	-	4,117	-
		412,176	202,410	120,074	97,770	89,198	119,519
Non-current liabilities							
Employees' benefit obligations	20	2,842	7,184	20,780	20,715	13,958	23,054
Deffered tax liabilities	21	59,826	59,826	59,826	-	10,167	8,560
		62,668	67,010	80,606	20,715	24,125	31,614
Total liabilities		474,844	269,420	200,680	118,485	113,323	151,133
Net assets		91,667	143,476	222,061	330,561	412,892	434,957
Equity							
Share capital	22	76,090	76,090	76,090	76,090	76,090	76,090
Share premium	23	21,489	21,489	21,489	21,489	21,489	21,489
Revenue reserve	24	(5,912)	45,897	124,482	232,982	-	-
Revaluation reserve	25	-	-	-	-	-	386,020
Retained earnings	26	-	-	-	-	315,313	(48,642)
Total equity		91,667	143,476	222,061	330,561	412,892	434,957

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

7.12 Statement of Cash flows

	2016 N'000	2015 N'000	2014 N'000
Cashflows from operation activities			
Loss for the year	(78,585)	(108,500)	(82,331)
Adjustments for non-cash item:			
Profit on disposal of property, plant and equipment	(429)	(686)	(1,090)
Finance expense	9,155	826	1,931
Income tax expense	-	62,394	(5,978)
Depreciation of property, plant and equipment	23,136	23,425	19,515
Depreciation of leased assets	-	1,299	3,758
Impairment of property, plant and equipment	-	-	375
	46,723	(21,242)	(63,820)
Decrease/(increase) in inventories	15,926	17,143	(4,517)
Increase in trade and other receivables	(2,344)	(156)	58,010
Increase in trade and other payables	52,336	2,304	31,658
(Decrease)/Increase in employees	(13,596)	65	(13,958)
Cash generated/(absorbed in) from operations	5,599	(1,886)	7,373
Income taxes paid		-	(7,330)
Net cash inflow/(outflow) from operating activities	5,599	(1,886)	43
Cashflow from investing activities			
Purchase of property, plant and equipment	(33,836)	(14,729)	(28,928)
Additions to leased assets	-	-	(5,195)
Proceeds from disposal of property, plant and equipment	750	691	1,157
Net cash used in investing activities	(33,086)	(14,038)	(32,966)
Cashflow from financing activities			
Finance expenses	(9,155)	(826)	(1,931)
Loans obtained	30,000	20,000	-
Finance lease obtained			3,637
Finance lease repayment			(5,434)
Net cash inflow from financing activities	20,845	19,174	(3,728)
Net (decrease)/Increase in cash and cash equivalents	(6,642)	3,250	(36,651)
Cash and cash equivalents at the beginning of the year	8,163	4,913	41,564
Cash and cash equivalents at the end of the year	1,521	8,163	4,913

Doyin Owolabi & Co.
Chartered Accountants
8th June, 2017.

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

7.13 NOTES TO FIVE YEAR FINANCIAL SUMMARY

	As at 31 MAY					
	2017	2016	2015	2014	2013	2012
	(UNAUDITED)					
1 Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue
Analysis by activities:	£'000	£'000	£'000	£'000	£'000	£'000
Pharmaceuticals	3,968	13,398	48,619	77,515	81,152	76,341
LMP-Agro-Allied	-	71,021	92,803	85,002	256,991	307,667
LMP- Consumers	9,374	11,879	6,347	6,934	-	-
Others/ Contracts	18,973	35,982	35,579	48,397	1,160	22,861
	32,315	132,280	183,348	217,848	339,303	406,869
2 Cost of Sales						
Cost of sales includes:	£'000	£'000	£'000	£'000	£'000	£'000
Materials consumed :	8,166	52,119	69,912	100,084	185,261	199,281
Production salaries and wages	5,437	10,547	8,082	11,283	11,726	8,227
Repairs and maintenance	-	4,309	4,258	6,381	7,519	7,298
Electricity	-	4,212	3,415	2,396	2,815	2,568
Royalty	-	-	-	-	2,900	3,723
Depreciation on property, plant and equipment	939	2,259	13,995	14,988	15,030	13,838
Impairment of property, plant and equipment	-	-	-	375	-	-
Provision for obsolete and expired inventory	-	-	6,246	-	-	-
Obsolete and damaged inventory written off	1	127	5,582	427	5,380	-
Office expenses	581	4,334	1,670	2,511	3,918	4,573
Oil and gas	-	3,156	1,191	2,407	7,651	7,600
	15,124	81,063	114,351	140,852	242,200	247,108
3 Distribution expenses	£'000	£'000	£'000	£'000	£'000	£'000
Advertisement	2,528	2,517	1,079	5,602	14,177	16,648
Discount allowed and commission	-	830	483	1,578	2,892	2,805
Salaries, bonuses and commission (Note 13 (b))	5,188	15,116	17,916	33,685	57,963	41,832
Motor vehicles expenses	3,039	-	-	-	-	-
Transportation	1,259	1,656	2,114	5,353	8,687	10,035
	12,014	20,119	21,592	46,218	83,719	71,320
	As at 31 MAY					
	2017	2016	2015	2014	2013	2012
	(UNAUDITED)					
4 Operating expenses	£'000	£'000	£'000	£'000	£'000	£'000
Audit fees	833	2,000	2,000	3,000	3,000	3,000
Salaries and wages	10,181	20,433	17,592	6,975	15,800	13,732
Provision for trade receivables	-	837	86	48,140	12,866	983
Provision for other receivables	-	-	201	3,715	-	5,765
Bank charges	767	290	252	537	2,431	3,374
Depreciation on property, plant and equipment	8,393	20,877	9,430	4,527	6,888	22,268
Depreciation on leased assets	-	-	1,299	3,758	2,784	2,568
Director's emoluments	1,461	12,251	14,908	15,212	7,400	4,500
Director's fees	292	600	600	500	500	500
Electricity	1,756	1,800	1,279	1,565	1,181	1,220
Unrealised foreign exchange loss	720	5,634	5,701	-	-	-
Provision for gratuity	-	-	9,189	-	14,982	4,405
Insurance, licence and fees	889	2,140	1,743	2,469	3,236	3,723
Computer expenses	292	910	580	809	1,337	848
Land use charge	176	423	268	6,462	-	-
Subscription	1,023	-	-	-	-	-
Office expenses	2,213	9,992	7,858	2,250	938	1,500
Postages and telephones	965	1,818	1,612	1,456	2,133	1,470
Professional fees	100	2,372	2,237	2,283	1,878	-
Rent and Rates	366	950	1,137	573	1,442	1,650
Repairs and renewals	6,356	2,400	4,279	3,262	3,925	3,560
Secretariat expenses	3,679	7,004	7,046	5,761	4,829	4,551
Oil and gas	2,738	-	-	-	-	-
Security expenses	1,026	2,572	2,453	2,364	4,511	3,580
Travelling expenses	-	1,920	4,103	5,836	5,915	2,560
Vehicle running expenses	-	5,372	4,848	5,879	5,993	4,950
PAYE-Back duty tax	-	5,906	-	-	-	-
Analytical & NAFDAC Charges	1,405	-	-	-	-	-
	45,631	108,501	100,701	127,333	103,969	90,707

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

	As at 31 MAY					
	2017	2016	2015	2014	2013	2012
	(UNAUDITED)					
	□'000	□'000	□'000	□'000	□'000	□'000
5 Other operating income						
(a) This comprises:						
Bad debt recovered	-	768	493	273	-	-
Sales of empty drums and scraps	-	-	1,030	-	104	500
Product/contract manufacture receipts	-	-	-	1,272	2,025	10,115
Rental and freight	5,118	6,713	575	792	2,526	2,526
Profit on disposal of property, plant and equipment	-	429	686	1,090	78,714	488
Bank interest received	-	-	-	-	436	10
Foreign exchange gain	-	-	-	127	279	-
Provisions no longer required	-	-	-	6,623	-	-
Obsolete materials sold	-	63	5,232	-	-	-
	5,118	7,973	8,016	10,177	84,084	13,639
6 Finance income/ expenses						
Finance income	814	814	-	-	-	-
Finance expenses comprise:						
Interest on finance lease	-	(14)	(431)	(1,931)	(7,599)	(5,028)
Interest on borrowings	(17,287)	(9,141)	(395)	-	-	-
Net finance expenses	(17,287)	(9,155)	(826)	(1,931)	(7,599)	(5,028)
7 Tax expense	□'000	□'000	□'000	□'000	□'000	□'000
Company income tax	-	-	-	-	-	-
Education tax	-	-	-	-	455	600
Capital gain tax	-	-	-	-	5,903	-
Under provision	-	-	-	6,757	-	-
Deffered tax	-	-	62,394	(12,735)	1,607	3,731
	-	-	62,394	(5,978)	7,965	4,331

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

		As at 31 May 2017 (UNAUDITED)										2016		
		Leasehold land and buildings	Plants and Machinery	Computer Equipments	Leased Vehicle	Motor Vehicles	Capital Work In Progress	Total	Leasehold land and buildings	Plants and Machinery	Computer Equipments	Motor Vehicles	Capital Work In Progress	Total
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
8	Property, plant and equipment	383,320	47,761	2,227	12,600	43,305	4,653	493,866	325,000	29,922	2,227	40,305	30,003	444,430
	Costs													
	At 1 January	383,320	47,761	2,227	12,600	43,305	4,653	493,866	325,000	29,922	2,227	40,305	30,003	444,430
	Additions	-	-	-	-	-	-	-	-	3,833	-	-	-	33,836
	Disposals	-	-	-	-	-	-	-	-	-	-	(2,195)	-	(2,195)
	Transfer from leased asset (Note 17)	-	-	-	-	-	-	-	-	-	-	5,195	-	5,195
	Reclassifications	-	-	-	-	-	-	-	-	14,006	-	-	(72,326)	-
	At 31 December	383,320	47,761	2,227	12,600	43,305	4,653	493,866	383,320	47,761	2,227	43,305	4,653	481,266
	Accumulated Depreciation													
	At 1 January	71,366	18,292	2,214	-	41,570	-	133,462	55,913	14,661	2,131	37,222	-	109,927
	Charge for the year	6,976	1,822	13	-	633	-	9,444	15,473	3,631	83	3,949	-	23,136
	On disposals	-	-	-	-	-	-	-	-	-	-	(1,874)	-	(1,874)
	Transfer from leased assets (Note 17)	-	-	-	-	-	-	-	-	-	-	2,273	-	2,273
	At 31 December	78,362	20,114	2,227	-	42,203	-	142,906	71,386	18,292	2,214	41,570	-	133,462
	Impairments	-	-	-	-	-	-	-	-	-	-	-	-	-
	At 1 January	-	-	-	-	-	-	-	-	-	375	-	-	375
	Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
	At 31 December	-	-	-	-	-	-	-	-	-	375	-	-	375
	Carrying amounts at 31 December	304,958	27,647	-	-	1,102	4,653	350,960	311,934	29,094	13	1,736	4,653	347,429
Bb	Property, plant and equipment	Leasehold land and buildings	Plants and Machinery	Computer Equipments	Leased Vehicle	Motor Vehicles	Capital Work In Progress	Total	Leasehold land and buildings	Plants and Machinery	Computer Equipments	Motor Vehicles	Capital Work In Progress	Total
	Cost	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
	At 1 January	325,000	29,699	2,362	-	34,779	32,528	424,368	325,000	29,274	2,068	41,969	7,293	405,624
	Additions	-	281	-	-	-	14,448	14,729	-	3,309	384	-	25,235	28,928
	Disposals	-	(58)	(135)	-	(5,609)	-	(5,802)	-	(2,884)	(110)	(7,190)	-	(10,184)
	At 31 December	325,000	29,922	2,227	-	40,305	46,976	444,430	325,000	29,699	2,362	34,779	32,528	424,368
	Accumulated Depreciation													
	At 1 January	42,381	8,896	2,048	-	33,396	-	86,731	28,261	7,860	1,346	39,866	-	77,333
	Charge for the year	13,522	5,882	154	-	3,867	-	23,425	14,130	3,853	812	720	-	19,515
	On disposals	-	(117)	(71)	-	(5,609)	-	(5,797)	-	(2,817)	(110)	(7,190)	-	(10,117)
	Impairments	-	-	-	-	(5,568)	-	(5,568)	-	-	-	-	-	-
	At 1 January	55,913	14,661	2,131	-	37,222	-	109,927	42,391	8,896	2,048	33,396	-	86,731
	Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
	At 31 December	55,913	14,661	2,131	-	37,222	-	109,927	42,391	8,896	2,048	33,396	-	86,731
	Carrying amounts at 31 December	272,987	13,000	166	-	3,083	46,976	333,503	282,609	20,793	314	1,383	32,528	337,641

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

8c Property, plant and equipment	2013					2012						
	Leasehold land and buildings N'000	Plants and Machinery and Equipments N'000	Computer and Equipments N'000	Leased Vehicle N'000	Motor Vehicles N'000	Capital Work in Progress N'000	Leasehold land and buildings N'000	Plants and Machinery and Equipments N'000	Computer and Equipments N'000	Motor Vehicles N'000	Capital Work in Progress N'000	Total N'000
Cost												
At 1 January	385,000	19,409	1,648	-	58,565	1,313	385,000	37,992	5,480	61,135	1,313	490,920
Additions	-	9,865	440	-	900	5,980	-	8,995	1,270	1,980	-	12,245
Disposals	(60,000)	-	-	-	(17,496)	(77,496)	-	(27,578)	(5,102)	(4,550)	-	(37,230)
At 31 December	325,000	29,274	2,088	-	41,969	7,293	385,000	19,409	1,648	58,565	1,313	465,935
Accumulated Depreciation												
At 1 January	15,380	2,834	338	-	56,755	-	-	28,005	5,143	5,757	-	90,724
Charge for the year	15,277	5,026	1,008	-	607	-	15,380	2,821	338	3,729	-	22,268
On disposals	(2,396)	-	-	-	(17,496)	-	-	(27,992)	(5,143)	(4,550)	-	(37,685)
Transfer from leased assets (Note 17)	-	-	-	-	-	-	-	-	-	-	-	-
At 31 December	28,261	7,860	1,346	-	39,866	-	15,380	2,834	338	5,755	-	75,307
Impairments												
At 1 January	-	-	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
At 31 December	-	-	-	-	-	-	-	-	-	-	-	-
Carrying amounts at 31 December	296,739	21,414	742	-	2,103	7,293	369,620	16,575	1,310	1,810	1,313	390,628
9 Leased assets												
As at 31 May 2017 (UNAUDITED)												
Motor Vehicle N'000												
Balance at the beginning of the year	-	-	-	-	16,330	-	-	-	-	-	-	-
Additions	-	-	-	-	(11,135)	-	-	-	-	-	-	-
Transfer to property, plant and equipment (Note 8)	-	-	-	-	5,195	-	-	-	-	-	-	-
Balance at the end of the year	-	-	-	-	5,195	-	-	-	-	-	-	-
Accumulated Depreciation												
Balance at the beginning of the year	-	-	-	-	6,542	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	1,799	-	2,784	-	-	-	-	-
Transfer to property, plant and equipment	-	-	-	-	(5,568)	-	-	-	-	-	-	-
Balance at the end of the year	-	-	-	-	2,773	-	2,784	-	-	-	-	-
Carrying amounts at 31 December	-	-	-	-	2,922	-	8,351	-	-	-	-	-

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

	As at 31 May 2017 (Unaudited)	2016	2015	2014	2013	2012
10 Deferred tax (Assets)/liabilities	N'000	N'000	N'000	N'000	N'000	N'000
Balance at the beginning of the year	59,826	59,826	(2,568)	10,167	8,560	4,829
Provision during the year			62,394	(12,735)	1,607	3,731
Balance at the end of the year	<u>59,826</u>	<u>59,826</u>	<u>59,826</u>	<u>(2,568)</u>	<u>10,167</u>	<u>8,560</u>
11 Inventories	N'000	N'000	N'000	N'000	N'000	N'000
Raw materials	40,115	10,942	18,153	49,017	37,508	32,344
Work in progress					3,194	
Finished goods	<u>19,622</u>	<u>30,392</u>	<u>39,107</u>	<u>19,140</u>	<u>22,848</u>	<u>36,961</u>
	59,737	41,334	57,260	58,157	63,640	69,305
Provision for obsolete inventory	<u>(6,246)</u>	<u>(6,246)</u>	<u>(6,246)</u>			
	<u>53,491</u>	<u>35,088</u>	<u>51,014</u>	<u>58,157</u>	<u>63,640</u>	<u>69,305</u>
12 Trade and other receivables	N'000	N'000	N'000	N'000	N'000	N'000
Trade receivables	72,024	70,778	70,086	70,978	84,252	93,777
Provision for trade receivables	<u>(62,279)</u>	<u>(62,513)</u>	<u>(61,676)</u>	<u>(52,170)</u>	<u>(14,090)</u>	<u>(1,164)</u>
Total financial assets other than cash and cash equivalents	9,745	8,265	8,410	8,808	70,222	92,613
Other receivables and prepayments	45,118	20,593	18,104	17,550	14,146	25,198
Deposit for import of Raw material & Medical Products	<u>46,870</u>					
	<u>101,733</u>	<u>28,858</u>	<u>26,514</u>	<u>26,358</u>	<u>84,368</u>	<u>117,811</u>
13 Cash and cash equivalents	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents comprise:						
Cash at bank	60,164	1,517	7,870	3,817	38,332	7,458
Cash in hand	<u>93</u>	<u>4</u>	<u>293</u>	<u>1,096</u>	<u>3,233</u>	<u>888</u>
Cash and cash equivalents	<u>60,257</u>	<u>1,521</u>	<u>8,163</u>	<u>4,913</u>	<u>41,565</u>	<u>8,346</u>
14 Borrowings						
The book value and fair value of borrowings are as follows:	N'000	N'000	N'000	N'000	N'000	N'000
Balance at the beginning of the year	50,000	20,000	-	-	34,900	32,501
Additions during the year	205,000	30,000	20,000	-	35,000	2,399
Repayments	<u>(5,000)</u>				<u>(69,900)</u>	
Balance at the end of the year	<u>250,000</u>	<u>50,000</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>34,900</u>
15 Trade and other Payables	N'000	N'000	N'000	N'000	N'000	N'000
Trade payables	30,117	35,503	23,599	21,639	26,461	45,792
Other payables	48,881	91,581	53,445	33,944	10,917	13,708
Due to related company	<u>9,800</u>	<u>9,800</u>	<u>9,800</u>	<u>10,000</u>	<u>18,359</u>	<u>15,659</u>
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	88,798	136,884	86,844	35,583	55,737	75,159
Other payables-tax		<u>8,218</u>	<u>5,922</u>	<u>4,879</u>	<u>1,775</u>	<u>1,684</u>
	<u>88,798</u>	<u>145,102</u>	<u>92,766</u>	<u>90,462</u>	<u>57,512</u>	<u>76,843</u>

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

	As at 31 May 2017 (Unaudited)	2016	2015	2014	2013	2012
15 Income tax payables	N'000	N'000	N'000	N'000	N'000	N'000
Balance at the beginning of the year	7,308	7,308	7,308	7,881	2,144	1,544
Charge for the year	-	-	-	6,757	6,358	600
Payments during the year	(464)	-	-	(7,320)	(621)	-
Balance at the end of the year	<u>6,844</u>	<u>7,308</u>	<u>7,308</u>	<u>7,308</u>	<u>7,881</u>	<u>2,144</u>
17 Unclaimed dividend	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January	-	-	-	-	5,632	6,228
Addition	-	-	-	-	-	-
Payment during the year	-	-	-	-	-	(596)
Balance at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,632</u>	<u>5,632</u>
18 Employees' benefits obligations	N'000	N'000	N'000	N'000	N'000	N'000
Due within one year transferred from non-current liabilities	-	-	-	-	14,056	-
19 Finance lease obligations	N'000	N'000	N'000	N'000	N'000	N'000
Balance at the beginning of the year	-	-	-	-	-	-
Additions	-	-	-	-	7,717	-
Repayments	-	-	-	-	(3,600)	-
Balance at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,117</u>	<u>-</u>
20 Employee benefit obligation	N'000	N'000	N'000	N'000	N'000	N'000
Balance at the beginning of the year	7,184	20,780	20,715	26,014	23,054	21,422
Provision for the year	-	-	9,189	-	14,982	3,600
Payments during the year	(4,342)	(13,596)	(9,124)	(7,259)	(10,022)	(1,968)
Due within one year transferred to current liabilities	-	-	-	-	(14,056)	-
Balance at the end of the year	<u>2,842</u>	<u>7,184</u>	<u>20,780</u>	<u>20,715</u>	<u>13,958</u>	<u>23,054</u>
21 Deferred tax (Assets)/liabilities	N'000	N'000	N'000	N'000	N'000	N'000
Balance at the beginning of the year	59,826	59,826	(2,568)	10,167	8,560	4,829
Provision during the year	-	-	52,394	(12,725)	1,607	3,731
Balance at the end of the year	<u>59,826</u>	<u>59,826</u>	<u>59,826</u>	<u>(2,568)</u>	<u>10,167</u>	<u>8,560</u>

7. FIVE YEAR FINANCIAL INFORMATION & PROFITS FORECASTS

	As at 31 May 2017 (Unaudited)	2016	2015	2014	2013	2012
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
22 Share capital						
Authorised						
Value						
Ordinary shares of ₦ 0.50 each	<u>₦ 100,000</u>	<u>₦ 100,000</u>	<u>₦ 100,000</u>	<u>₦ 100,000</u>	<u>₦ 100,000</u>	<u>₦ 100,000</u>
Number						
Ordinary shares of ₦ 0.50 each	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Issued and fully paid:						
Value						
Ordinary shares of ₦ 0.50 each	<u>₦ 76,090</u>	<u>₦ 76,090</u>	<u>₦ 76,090</u>	<u>₦ 76,090</u>	<u>₦ 76,090</u>	<u>₦ 76,090</u>
Number						
Ordinary shares of ₦ 0.50 each	<u>152,180</u>	<u>152,180</u>	<u>152,180</u>	<u>152,178</u>	<u>152,178</u>	<u>152,178</u>
	2017	2016	2015	2014	2013	2012
23 Share premium						
Balance at the end of the year	<u>21,489</u>	<u>21,489</u>	<u>21,489</u>	<u>21,489</u>	<u>21,489</u>	<u>21,489</u>
24 Revenue Reserve	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Balance at the beginning of the year	45,897	124,482	232,982	315,313	-	-
Transfer from revaluation reserve	-	-	-	-	-	-
Transfer from statement of comprehensive income	(51,809)	(78,585)	(108,500)	(82,331)	-	-
Balance at the end of the year	<u>(5,912)</u>	<u>45,897</u>	<u>124,482</u>	<u>232,982</u>	<u>-</u>	<u>-</u>
25 Revaluation Reserve						
Balance at the beginning of the year	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Transfer to retained earnings	-	-	-	-	386,020	386,020
Balance at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(386,020)</u>	<u>-</u>
						386,020
26 Retained Earnings	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Balance at the beginning of the year	-	-	-	-	(48,642)	(50,656)
Transfer from revaluation reserve	-	-	-	-	386,020	-
Transfer from statement of comprehensive income	-	-	-	-	(22,065)	2,014
Balance at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>315,313</u>	<u>(48,642)</u>

8.1 INCORPORATION AND SHARE CAPITAL HISTORY

Morison Industries Plc. is a public quoted company on the daily official list of the Nigerian Stock Exchange. The company was incorporated on the 29th of June 1955 as a trading agency and was known then as J.L Morison, Sons and Jones (Nigeria) Ltd. The Company later went into core manufacturing from the mid 1990's and that was when it acquired the present premises where the factory is built to meet the demands of customers and also to reduce importation of finished goods.

Morison has issued share capital of N=76,089,375 comprising of 152,178,750 Ordinary Shares of 50 kobo each. In order to satisfy the one of the requirements of this Rights Issue, the company has increased its authorized share capital from N=100,000,000 (200,000,000 units of ordinary shares at 50 kobo each) to N=500,000,000 comprising of 1,000,000,000 ordinary shares of 50 kobo each. The changes in the share capital of the Company from inception are summarised below:

YEAR	Authorized		Issued & Fully Paid (Units)		Consideration
	Increase	Cumulative	Increase	Cumulative	
1979	8,000,000	8,000,000	7,214,400	7,214,400	Cash
1990	16,000,000	24,000,000	Nil	7,214,400	Cash
1991	Nil	24,000,000	3,607,200	10,821,600	Bonus
1994	26,000,000	50,000,000	5,410,800	16,232,400	Bonus
1996	Nil	50,000,000	16,232,400	32,464,800	Bonus
1999	Nil	50,000,000	16,232,400	48,697,200	Bonus
2000	150,000,000	200,000,000	24,348,600	73,045,800	Bonus
2001	Nil	200,000,000	18,261,450	91,307,250	Bonus
2008	Nil	200,000,000	60,871,500	152,178,750	Bonus
2017	800,000,000	1,000,000,000	Nil	Nil	Nil

8.2 SHAREHOLDING STRUCTURE

8.2.1 Pre-Issue

As at 31 December 2016, Morison' issued share capital of 152,178,750 Ordinary Shares of 50 kobo each was beneficially held as follows:

Shareholder	Ordinary Shares held	Percentage
Morison Investment Limited	60,871,500	40.00
Titiloye Julius Oluwatayo	8,195,437	5.39
Others	83,111,813	54.61
Total	152,178,750	100

As at 31 December 2016, except as stated above, no other shareholder held more than 5% of the issued share capital of the Company.

8.2.2 Post-Issue

It is expected that on completion of the Issue, if all shareholders take up their rights in full, the Company's paid-up share capital should increase to N= 494,584,375 comprising 989,168,750 Ordinary Shares of 50 kobo each, to be beneficially held as follows:

Shareholder	Ordinary Shares held	Percentage
Morison Investment Limited	395,664,750	40.00
Titiloye Julius Oluwatayo	53,315,825	5.39
Others	540,181,300	54.61
Total	989,161,875	100

8.3 STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE

The company recognizes the importance of a high standard corporate governance that seeks to provide for the best practices to be followed by the Company in the exercise of power over strategic directions. The Annual General Meeting (AGM) provides a unique opportunity to communicate with the Shareholders. Also, Shareholders receive the Annual Report and Financial Statements as required by law and ask questions concerning the company's operations at the AGM.

8.3.1 *Responsibility of the Board of Directors*

The Board of Directors of the Company is in compliance with all the duties and responsibilities stated under Parts A to C of the Code of Corporate Governance as issued by the Securities and Exchange Commission.

8.3.2 *Composition of the Board of Directors*

The Board consists of the Chairman, with no executive responsibilities, one executive and six non-executive directors.

The non-executive directors have been operating in such a way that their independence has not been impaired. The Board is responsible to the shareholders for creating and delivering sustainable shareholders' value through its oversight functions. The Board has a formal schedule of matters specifically reserved for it to ensure that the direction and control of the Company is firmly in its hands.

8.3.4 *Chairman and CEO Positions*

The roles of the Chairman and Managing Director/Chief Executive are separate and the Board has agreed to their responsibilities. The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The position of the Chairman is separate from that of the Chief Executive. The Chairman is not involved in the day-to-day operations of the Company and is not a member of any sub-committee of the Board.

8.3.5 *Proceedings and frequency of meetings*

The Board meets regularly and sufficient notices with clear agenda/report are given ahead of such meetings. All Directors have access to the Company Secretary who can only be appointed or removed by the Board and is also responsible to the Board.

8.3.6 *Non-Executive Directors*

Non-executive directors, based on their depth of knowledge and years of experience, are able to challenge, monitor and approve the strategies and policies recommended by the Management. Non-Executive Directors are not dependent on the Company for their income other than for their Directors' fees and allowances. The non-executive Directors are independent and are not involved in business relationships with the Company that could hinder or encumber their independent judgments. The Non-Executive Directors retire by rotation at the Annual General Meeting and are eligible for re-election.

8.3.7 *Directors' Remuneration*

The remuneration of the Executive Director is fixed by the Board, while full and clear disclosure of the Directors' remuneration is always provided.

8.3.8 *Reporting and Control*

The Board is responsible for and ensures that proper financial reporting, as well as establishment of strong internal control procedures are in place. There is a Board Audit Committee comprising non-executive Directors and representatives of the shareholders. The Audit Committee is chaired by one of the representatives of the shareholders.

8.3.9 Shareholders' Rights & Privileges

The Directors ensure that shareholders' statutory and general rights are protected at all times. Shareholders are responsible for electing the Directors at the Annual General Meetings for which at least notice of 21 days would have been given before the meeting.

8.4 DIRECTORS' BENEFICIAL INTERESTS

The interests of the Directors in the Issued Share Capital of the Company as recorded in the Register of Directors' Interests or as notified by them for the purpose of section 275(1) of CAMA as at 31 December 2016 are as follows:

S/N	Director	HOLDINGS		Total	%
		Direct	Indirect		
1	Mr. Richard O. Titiloye	1,342,817	-	1,342,817	0.88
2	Engr. Charles A. Osezua	3,723,066	-	3,723,066	2.45
3	Senator Muhammed A. Muhammed OFR	413,114	-	413,114	0.27
4	Prof. Dew Tuan-Wleh Mayson	1,120,666	-	1,120,666	0.74
5	Mr. Godwin O. Oteri	-	-	-	-
6	Mr. Tayo Odeyemi	-	-	-	-
7	Mr. Oputa Nwabueze	-	-	-	-
8	Mr. Ayeni Philip	-	-	-	-
	TOTAL	6,599,663	-	6,599,663	4.34

8.5 INDEBTEDNESS

As at December 31 2016, Morison had a borrowing of N50,000,000 in its books. In order to finance its working capital, factory upgrade and business expansion, the company obtained a bridge loan facility of N=200,000,000 (Two Hundred Million Naira) from AMC MULTIPURPOSE VENTURES LIMITED ("AMC") on April 3, 2017. Morison Industries Plc. will apply the proceeds of the Rights Issue to fund the loan repayment. Save as disclosed, Morison has no outstanding loans, mortgages, charges or similar indebtedness other than in the ordinary course of business.

8.6 OFF BALANCE SHEET ITEMS

As at 31 December 2016, the Company had no off balance sheet items.

8.7 CLAIMS AND LITIGATION

As at the date of this Rights Circular, the Company currently has no case instituted by it there are no material, pending or threatened lawsuits or claims against the company or any of its directors.

8.8 PURPOSE OF ISSUE AND USE OF PROCEEDS

The estimated net proceeds of N480,698,782.62 after the deduction of the estimated total offer cost of N15,891,092.38 representing approximately 3.16% of the total offer size and excluding Registrars' take-on fees, cost of printing and advertisement of N5,600,000.00 will be applied as follows:

Utilization	=N=	%	Delivery period
Financing Debt Capital	230,000,000.00	47.85	Immediate
Physical Facilities Upgrade (factory and warehouse)	150,000,000.00	31.20	Within Six months
Additional Working capital (for purchase of raw materials)	100,698,782.62	20.95	Immediate
Total	480,689,782.62	100.00	

The Company intends to use part of the Issue proceeds to repay the loan facility obtained from AMC Multipurpose Ventures Limited on April 3, 2017. The N200,000,000 loan facility was used to upgrade the company's production factory in compliance with the industry regulatory minimum standards, procure raw materials for production and provide working capital for day to day running of the company.

8.9 COSTS AND EXPENSES

The costs, charges and expenses of and incidental to the Issue including fees payable to Securities and Exchange Commission, Nigerian Stock Exchange, Professional parties, Brokerage of about N15,891,092.38 representing 3.16% of the Issue proceeds and printing, advertisement and registrars' take-on-fees of about N5,600,000 are payable by Morison Industries Plc.

8.10 MATERIAL CONTRACTS

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

- A Vending Agreement dated November 7, 2017 under the terms of which GTI Capital Limited has agreed, on behalf of the Company, to offer by way of rights of 836,983,125 Ordinary Shares of 50 kobo at 60k per share on the basis of 11 new Ordinary Shares for every 2 Ordinary Shares in Morison.
- A bridge finance agreement with AMC Multipurpose Ventures Limited for dated April 3, 2017 for N200,000,000 bridge facility.

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

8.11 UNCLAIMED DIVIDENDS

The total amount of unclaimed dividends as at December 31, 2016 was N=5.632m. The unclaimed dividends have been returned by CardinalStone Registrars Limited to the Company.

8.12 RELATIONSHIP BETWEEN THE COMPANY AND ITS ADVISERS

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

8.13 RELATED PARTY TRANSACTIONS

The Company has not entered into any transactions with any of its related entities as at December 31, 2016.

8.14 DECLARATION

Except as otherwise disclosed in this Rights Circular:

- i. No share of Morison 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 Morison to any person in connection with the Issue or sale of any share of the Company;
- iii. Save as disclosed herein, the Directors of Morison have not been informed of any holding representing 5% or more of the issued share capital of the Company;
- iv. There are no material service agreements between Morison or any of its Directors and employees other than in the ordinary course of business;
- v. There are no long term service agreements between Morison and any of its Directors and employees, except Pension Agreements;
- vi. 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 three years prior to the date of this Rights Circular; and

STATUTORY & GENERAL INFORMATION

vii. No Director of the Company or key management staff is or has been involved in any of the following:

- 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 a Director or key personnel;
- A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; and
- 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.

8.15 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:

Directors of the Company

Mr. Richard O. Titiloye
Engr. Charles A. Osezua
Senator Muhammed A. Muhammed (OFR)
Prof. Dew Tuan-Wleh Mayson
Mr. Godwin O. Oteri
Mr. Tayo Odeyemi
Mr. Oputa Nwabueze
Mr. Ayeni Philip

Company Secretary

Miss Abosede T. Agbetu

Issuing House

GTI Capital Limited

Stockbrokers

GTI Securities Limited

Solicitors

Aina Blankson, LP

Reporting Accountants

Doyin Owolabi & Co

Auditors

BDO Professional Services

Registrars

CardinalStone (Registrars) Limited

Receiving Bank

Wema Bank Plc.

8.16 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents can be inspected at GTI Capital Limited's office located at GTI House, 4, Tinubu Street, Central Business District, Marina-Lagos, during normal business hours on any weekday (except public holidays), from November 10, 2017 to December 19, 2017:

- i. The Certificate of Incorporation of the Company;
- ii. The Memorandum and Articles of Association of the Company;
- iii. The Company most recent Form CAC 2 (Return of Allotment of Shares)

STATUTORY & GENERAL INFORMATION

- iv. The Company's most recent Form CAC 7 (Particulars of Directors and any changes therein);
- v. The Certificate of Registration of Increase in Share Capital dated 18 April 2017;
- vi. The Rights Circular issued in respect of the Issue;
- vii. The Vending Agreement
- viii. The Bridge Finance Agreement with AMC Multipurpose Ventures Limited
- ix. The audited financial statements of the Company for each of the five years ended 31 December 2012, 2013, 2014, 2015 and 2016;
- x. The Shareholders' Resolutions authorizing the Issue and dated 16 October 2014;
- xi. The Board Resolution authorizing the Issue dated 16 October 2014;
- xii. The written consents referred to in Section 17 on page 37;
- xiii. Letter of approval to the Issue from SEC dated October 26, 2017 ; and
- xiv. Letter of approval to the Issue from The NSE dated September 5, 2017



November 7, 2017

Dear Sir,

MORISON INDUSTRIES PLC RIGHTS ISSUE OF 836,983,125 ORDINARY SHARES OF 50K EACH AT 60K PER SHARE ("THE ISSUE")

Provisional Allotment

The Securities & Exchange Commission ("SEC") has approved the Offer by way of Rights Issue of 836,983,125 Ordinary shares of 50 kobo each to the existing Shareholders of the Company and the Directors of your Company have provisionally allotted to you the number of new Ordinary shares set out on the first page of the Acceptance/Renunciation Form. The provisional allotment is in the proportion of Eleven (11) new Ordinary share for every Two (2) Ordinary shares that appeared against your name in the Register of Members at the close of business on Friday, August 25, 2017.

1. Acceptance and Payment

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 the cash, cheque or draft must be crossed "Morison Industries Plc" not later than **December 19, 2017**. The Cheque or draft must be crossed "Morison Industries Plc" Rights Issue with your name, address, and daytime telephone number (if any) written on the back of the Cheque or draft. All cheques and drafts will be presented upon receipt and all Acceptance /Renunciation Forms in respect of which cheques are returned.

The Central Bank of Nigeria has placed a maximum limit on cheque payments of N10 million with effect from January 1, 2010. Any payment value exceeding N10 million should be made through an electronic payment. Kindly consult further with your Bankers/Receiving Agents in this regard

b. Partial Acceptance/Renunciation

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 50-51 of this document together with a cheque or bank draft made payable to the Receiving Agent for the full amount payable in respect of the number of shares you have decided to accept.

If you wish to renounce your provisional allotment partially or in full, please complete items (ii) and (iii) of box B and submit your Acceptance/Renunciation Form to a stockbroker (Not the Company) of your choice together with payment for any provisional allotment you are accepting partially. The stockbroker will guide you on the procedure for trading your Rights.

c. Applying for Additional Stock

This may be done through any of the following processes:

i. By completing item (ii) of box A of the Acceptance/Renunciation Form

Payment should be made in accordance with (a) above. Shareholders who apply for additional shares

9. **PROVISIONAL ALLOTMENT LETTER**

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 refer to item iii Box C on page 53)

Purchasing Rights on the floor of the Nigerian Stock Exchange

Rights can only be purchased through any of the stockbrokers/receiving agents listed on pages 50 - 51 of this document. The stockbroker of your choice will guide you regarding payment and other steps to take. Shareholders/investors who purchase Rights on the floor of the Nigerian Stock Exchange are guaranteed the number of shares purchased i.e. they will not be subject to the allotment process in respect of the number of shares so purchased (please refer to item 3 below).

2. **Trading in Rights**

The approval of the NSE has been obtained for the trading in the Rights of the Company. The Rights will be tradable between **November 10, 2017** and **December 19, 2017** at the price at which the Rights are quoted on the NSE. If you wish to renounce your Rights partially or in full, you may trade such renounced Rights on the Floor of the NSE within the period specified above. Please complete item (iii) of "Box B" of the Acceptance/Renunciation Form and contact your stockbroker for assistance. If you wish to purchase renounced Rights, please contact your stockbroker who will guide you regarding payment and procedure for purchasing the Rights.

3. **Allotment of Additional Shares**

Ordinary shares which are not taken up by **December 19, 2017** will be allotted, on a pro rata basis in line with the SEC Rules and Regulations to existing Shareholders who have applied and paid for additional Ordinary shares by completing item (ii) of box A .

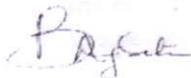
4. **E-Allotment and Share Certificates**

At the completion of the Right Issue, the Ordinary shares will be registered and transferable in units of 50 kobo each. The CSCS accounts of Shareholders will be credited not later than 15 working days from the date basis of allotment is cleared by the SEC. Shareholders are thereby advised to state the name of their respective stockbrokers and their Clearing House Numbers in the relevant spaces on the Acceptance Form. Certificates will be dispatched to Shareholders that do not provide his/her CSCS account details by registered post not later than 15 working days from the date of allotment.

5. **Surplus Monies**

If any Shareholder who had applied for additional shares in addition to his/her provisional allotment is allotted fewer shares than the number of shares applied and paid for, the excess amount paid will be returned, together with accrued interest, by registered post within 5 (five) working days of allotment.

Yours faithfully,



Ms Abosede Agbetu
Company Secretary

RECEIVING AGENTS

The Issuing Houses cannot accept responsibility for the conduct of any of the institutions listed below. Investors are therefore advised to conduct their own 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 Houses, cannot give rise to a liability on the part of the Issuing Houses under any circumstances.

LIST OF STOCKBROKERS		
A.R.M SECURITIES LIMITED	FORTE FINANCIAL LIMITED	PERFECTA INVESTMENT TRUST LIMITED
AAA STOCKBROKERS LIMITED	FORTHRIGHT SECURITIES & INVESTMENTS LTD	PHRONESIS SEC LTD/COMPASS INV & SEC LTD
ABACUS SECURITIES LIMITED	FORTRESS CAPITAL LIMITED	PILOT SECURITIES LIMITED
ADAMAWA SECURITIES LIMITED	FSDH SECURITIES LIMITED	PINEFIELDS INVESTMENT SERVICES LTD
ADONAI STOCKBROKERS LIMITED	FUNDS MATRIX & ASSETS MGT. LTD.	PIPC SECURITIES LIMITED
AFRICAN ALLIANCE STOCKBROKERS LTD	FUNDVINE CAPITAL & SECURITIES LIMITED	PIVOT CAPITAL LIMITED
AFRINVEST SECURITIES LTD	FUTUREVIEW SECURITIES LIMITED	PLATINUM CAPITAL LIMITED
AKTORCH SECURITIES LIMITED	GEM ASSETS MANAGEMENT LTD	PML SECURITIES COMPANY LIMITED
ALANGRANGE SECURITIES LIMITED	GENERAL SECURITIES & FINANCE COMPANY LTD	PORTFOLIO ADVISERS LIMITED
AMYN INVESTMENTS LIMITED	GENESIS SECURITIES & INV. LTD	PRIME SECURITIES LIMITED
ANCHORIA INVESTMENT AND SEC. LTD	GIDAUNIYA INVESTMENT & SECURITIES LTD	PRIMERA AFRICA SECURITIES LTD
APEL ASSET LIMITED	GLOBAL ASSET MANAGEMENT-NIG LIMITED	PROFESSIONAL STOCKBROKERS LIMITED
APEX SECURITIES LIMITED	GLOBAL VIEW CAPITAL LIMITED	PROFUND SECURITIES LIMITED
APT SECURITIES AND FUNDS	GMT SECURITIES & ASSET MGT LTD	PROMINENT SECURITIES LIMITED
ARIAN CAPITAL MANAGEMENT LIMITED	GOLDEN SECURITIES LIMITED	PSI SECURITIES LIMITED
ARTHUR STEVEN ASSET MGT LTD	GOMBE SECURITIES LIMITED	PYRAMID SECURITIES LIMITED
ASSET & RESOURCE MGT. CO. LTD	GOSORD SECURITIES LIMITED - INACTIVE	QUALINVEST CAPITAL LIMITED
ASSOCIATED ASSET MANAGERS LIMITED	GREENLANE SECURITIES LIMITED	QUANTUM SECURITIES LIMITED
ATLASS PORTFOLIOS LIMITED	GREEWICH SECURITIES LTD	RAINBOW SECURITIES & INVESTMENT CO. LTD
BEACHGROVE SECURITIES & INVESTMENT LTD.	GROWTH AND DEVELOPMENT ASSET MGT LTD	READINGS INVESTMENTS LIMITED
BELFRY INVESTMENTS AND SECUR. LTD	GRUENE CAPITAL LIMITED	REDASEL INVESTMENT LTD/GRUENE CAP. LTD
BENUE INVESTMENT COMPANY LIMITED	GTI SECURITIES LIMITED	REGENCY ASSETS MANAGEMENT LIMITED
BESTLINK INVESTMENTS LIMITED	H.P SECURITIES LIMITED	REGENT CAPITAL SERVICES LIMITED
BESTWORTH ASSETS & TRUST LTD	HARMONY SECURITIES LIMITED	RENCAP SECURITIES (NIG) LIMITED
BONKOLANS INVESTMENT LTD	HEARTBEAT INVESTMENT LIMITED	RESANO SECURITIES LIMITED
BSD SECURITIES LTD	HEDGE SECURITIES & INV. CO.LTD	RESORT SECURITIES & TRUST LIMITED
CALYX SECURITIES LIMITED	HELIX SECURITIES LIMITED	REWARD INVESTMENT AND SERVICES LIMITED
CAMRY SECURITIES LIMITED	HERITAGE CAPITAL MARKETS LTD	RICHMOND SECURITIES LIMITED
CAPITAL ASSETS LIMITED	HILLCREST SECURITIES LIMITED	RIV SECURITIES LIMITED
CAPITAL BANCORP LIMITED	HORIZON STOCKBROKERS LIMITED	RIVERSIDE TRUST LIMITED
CAPITAL EXPRESS SECURITIES LIMITED	ICMG SECURITIES LIMITED	RIVTRUST SECURITIES LIMITED
CAPITAL PROVIDERS & SECURITIES LTD	ICON STOCKBROKERS LIMITED	RMB NIGERIA STOCKBROKERS LIMITED
CAPITAL TRUST-BROKERS LIMITED	IMPERIAL ASSET MANAGERS LIMITED	ROSTRUM INVESTMENT AND SECURITIES LTD
CARAT INVESTMENT AND SECURITIES LIMITED	IMPERIAL SECURITIES & INVESTMENT LTD	ROWET CAPITAL MANAGEMENT LIMITED
CARDINALSTONE SECURITIES LIMITED	INTER STATE SECURITIES LIMITED	ROYAL CREST FINANCE LTD
CASHCRAFT SECURITIES LIMITED	INTERGRATED TRUST AND INVEST LTD	ROYAL GUARANTY & TRUST LTD
CASHVILLE INVESTMENT & SECUR. LTD	INVESTMENT ONE STOCKBROKERS INT.LTD	ROYAL SECURITIES LIMITED
CDL CAPITAL MARKETS LIMITED	INVESTMENT SHARK & ASSET MGT	ROYAL TRUST SECURITIES LIMITED
CENTRE POINT INVESTMENTS LIMITED	INVESTORS & TRUST COMPANY LIMITED	SANTRUST SECURITIES LIMITED
CENTURY SECURITIES LIMITED	KAPITAL CARE TRUST & SEC LTD	SECURITIES & CAPITAL MANAGEMENT. CO. LTD
CHAPEL HILL DENHAM SECURITIES LTD	KEDARI SECURITIES LTD	SECURITIES AFRICA FINANCIAL LIMITED
CHARTWELL SECURITIES LIMITED	KINLEY SECURITIES LIMITED	SECURITIES SOLUTIONS LIMITED
CITI INVESTMENT CAPITAL LIMITED	KOFANA SECURITIES & INVESTMENT LTD	SECURITY SWAPS LIMITED
CITY FINANCE & SECURITIES LTD	KUNDILA FINANCE SERVICES LIMITED	SFC SECURITIES LIMITED
CITY CODE TRUST & INV. CO LTD	LAKSWORTH INVESTMENTS & SECURITIES LTD	SHALOM INVESTMENT & SECURITIES LIMITED
CLEAR VIEW INVESTMENT & CO. LTD.	LAMBETH TRUST & INVESTMENT CO. LTD	SHELONG INVESTMENT LIMITED
CLG STOCKBROKERS LTD	LB SECURITIES LTD /COMPASS INV & SEC LTD	SHIRORO FINANCE LIMITED
COMPASS INVESTMENT & SECURITIES LTD	LEAD SECURITIES & INVESTMENT LTD	SIGMA SECURITIES LIMITED
CORDROS SECURITIES LIMITED	LIGHTHOUSE ASSET MANAGEMENT LIMITED	SIGNET INVESTMENTS & SECURITIES LIMITED

RECEIVING AGENTS

CORE TRUST & INVESTMENT LTD	LILYGATE SECURITIES & INVESTMENT	SIKON SECURITIES & INVESTMENT TRUST LTD.
CORONATION SECURITIES LIMITED	LION STOCKBROKERS LIMITED	SKYVIEW CAPITAL LIMITED
COVENANT SEC.& ASSET MGT/FINMAL SERV.LTD	LMB STOCKBROKERS LIMITED	SMADAC SECURITIES LIMITED
COWRY SECURITIES LIMITED	LONGTERM GLOBAL CAPITAL LIMITED	SOLID-ROCK SECURITIES & INVESTMENT LTD.
CRADLE TRUST FIN & SEC LTD	M&M SECURITIES LIMITED	SOLIHAT INVESTMENT FINANCE & TRUST
CRANE SECURITIES LIMITED	M.L SECURITIES LIMITED	SPRING TRUST & SECURITIES LTD
CROSSWORLD SECURITIES LTD	MACT SECURITIES LTD	SPRINGBOARD TRUST & INVESTMENT LTD
CROWN CAPITAL LIMITED	MAGNARTIS FINANCE AND INVESTMENT LIMITED	STANBIC IBTC STOCKBROKERS LIMITED
CROWN MERCHANT SECURITIES LIMITED	MAINLAND TRUST LIMITED	STANDARD ALLIANCE CAPTL & ASSET MGT. LTD
CSL STOCKBROKERS LIMITED	MAINSTREET BANK SECURITIES LTD	STANDARD-UNION-SECURITIES LTD
DAVANDY FINANCE & SECURITIES LTD	MAJESTIC SECURITIES LIMITED	STANWAL SECURITIES LIMITED
DBSL SECURITIES LTD	MARIMPEX FINANCE & INV. CO LTD	STB Finance Limited
DEEP TRUST & INVESTMENT LIMITED	MARRIOT SECURITIES & INVESTMENT	STERIT SECURITIES LIMITED
DELAN TRUSTS INVESTMENT LTD	MATRIX CAPITAL MANAGEMENT LIMITED	STERLING SECURITIES LIMITED
DE-LORDS SECURITIES LTD	MAVEN ASSET MANAGEMENT LTD	SUMMA GUARANTY & TRUST COM. LIMITED
DEPENDABLE SECURITIES LTD	MAXIFUND INVESTMENTS & SECURITIES PLC	SUPRA COMMERCIAL TRUST LTD
DEVCOM SECURITIES LIMITED	MAYFIELD INVESTMENT LIMITED	SURPORT SERVICES LTD
DIAMOND SECURITIES LIMITED	MBA SECURITIES LIMITED	SYNERGY ASSETS AND TRUSTS LIMITED
DOMINION TRUST LIMITED	MBC SECURITIES	TFS SECURITIES & INVESTMENT CO LTD
DSU BROKERAGE SERVICES LIMITED	MBL FINANCIAL SERVICES LIMITED	THE BRIDGE SECURITIES LIMITED M - BRD
DUNBELL SECURITIES LIMITED	MEGA EQUITIES LTD	THOMAS KINGSLEY SECURITIES LIMITED
DUNN LOREN MERRIFIELD SECURITIES LIMITED	MEGACREDITS LIMITED	TIDDO SECURITIES LIMITED
DYNAMIC PORTFOLIOS LIMITED	MERCHANT SECURITIES LIMITED	TMB SECURITIES LIMITED
EAGLE STOCKBROKERS LIMITED	MERCOV SECURITIES LIMITED	TOMIL TRUST LIMITED
EBN FINANCE & SECURITIES LIMITED	MERISTEM STOCKBROKERS LIMITED	TOPMOST SECURITIES LIMITED
ECL ASSET MANAGEMENT LTD	MIDAS STOCKBROKERS LIMITED	TOWER ASSETS MANAGEMENT LTD
EDC SECURITIES LIMITED	MIDLAND CAPITAL MARKETS LIMITED	TOWER SECURITIES & INVESTMENT CO LTD
EDGEFIELD CAPITAL MANAGEMENT LIMITED	MIDPOINT CAPITAL LIMITED	TRADE LINK FINANCE & SECURITIES LIMITED
EFCP LIMITED	MILESTONE CAPITAL MANAGEMENT LTD	TRADERS TRUST & INVESTMENT CO. LTD
EL-ELYON ALLIANCE AND SECURITIES LTD	MISSION SECURITIES LIMITED	TRANSAFRICA FINANCIAL SERVICES LIMITED
ELIXR SECURITIES LIMITED	MOLTEN TRUST LIMITED	TRANSWORLD INVESTMENT & SECURITIES LTD.
EMPIRE SECURITIES LIMITED	MONUMENT SECURITIES & FINANCE LTD	TRUST SECURITIES LIMITED
ENTERPRISE STOCKBROKERS PLC	MORGAN CAPITAL SECURITIES LIMITED	TRUST YIELDS SECURITIES LTD
EPIC INVESTMENT TRUST LIMITED	MORGAN TRUST AND ASSET MANAGEMENT PLC	TRUSTBANC CAPITAL MANAGEMENT LIMITED
EQUATOR SECURITIES & FINANCE LIMITED	MOUNTAIN INVESTMENT & SECURITIES LTD	TRUSTHOUSE INVESTMENTS LIMITED
EQUITY CAPITAL SOLUTIONS LIMITED	MUTUAL ALLIANCE INVESTMENT & SEC. LTD.	TRW STOCKBROKERS LIMITED
EUROCOMM SECURITIES LTD	NEGOTIABLE SECURITIES LIMITED	TURNING-POINT INVESTMENT
EXCEL SECURITIES LIMITED	NET INVESTMENT LIMITED	TYNDALE SECURITIES LIMITED
EXPRESS PORTFOLIO SERVICES LIMITED	NETWORK CAPITAL LTD	UBA STOCKBROKERS LTD
FALCON SECURITIES LIMITED	NETWORTH SECURITIES & FINANCE LIMITED	UIDC SECURITIES LIMITED
FBC TRUST & SECURITIES LTD	NEW HORIZONS FINANCE & INVESTMENTS LTD	UNEX CAPITAL LIMITED
FBN SECURITIES LIMITED	NEWDEVCO INVESTMENT & SEC LTD	UNION-CAPITAL MARKETS LIMITED
FCSL ASSET MANAGEMENT COMPANY LTD	NICHE SECURITIES LIMITED	UNIQUE SECURITIES & FINANCE SERVICES
FIDELITY FINANCE COMPANY LIMITED	NIGBEL SECURITIES LIMITED	UNITED CAPITAL SECURITIES LIMITED
FIDELITY SECURITIES LTD	NIGERIAN INTERNATIONAL SECURITIES LTD	VALMON SECURITIES LTD
FINANCIAL AND ANALYTICS CAPITAL LTD	NIGERIAN STOCKBROKERS LIMITED	VALUELINE SECURITIES & INVESTMENTS
FINANCIAL TRUST CO. NIG. LTD	NORTHBRIDGE INVESTMENT & TRUST LTD	VETIVA CAPITAL MANAGEMENT LTD
FINANCIAL TRUST COMPANY LIMITED	NOVA FINANCE & SECURITIES LIMITED	VISION TRUST & INVESTMENT LIMITED
FINBANK SEC. & ASSETS MGT LTD	OMAS INVESTMENT & TRUST COMPANY LIMITED	VIVA SECURITIES LIMITED
FINMAL FINANCE COMPANY LIMITED	OMEGA SECURITIES LIMITED	WAILA SECURITIES AND FUNDS LTD.
FIRST ATLANTIC SECURITIES LIMITED	OMONO SECURITIES LIMITED	WINTRUST LIMITED
FIRST INLAND SEC. & ASSETS MGT LTD	OPTIMUS FINANCE & SECURITIES LIMITED	WOODLAND CAPITAL MARKETS PLC
FIRST INTEGRATED CAPITAL MANAGEMENT LTD	OPTIONS SECURITIES LIMITED	WSTC SECURITIES LIMITED
FIRST STOCKBROKERS LIMITED	PAC SECURITIES LIMITED	YOBE INVESTMENT & SEC/ FINMAL SERV. LTD
FIS SECURITIES LIMITED	PACIFIC SECURITIES LIMITED	YONGE STREET SECURITIES LTD
FITTCO SECURITIES LIMITED	PARTNERSHIP SECURITIES LIMITED	YUDERB INVESTMENTS & SECURITIES LTD
FOLU SECURITIES LTD	PEACE CAPITAL MARKET LTD	ZENITH SECURITIES LIMITED
FORESIGHT SECURITIES & INV. LTD	PEAK SECURITIES LIMITED	ZION STOCKBROKERS SECURITIES LTD

RC 1274

Acceptance List Opens
November 10, 2017



MORISON INDUSTRIES PLC

Acceptance List Closes
December 19, 2017

Rights Issue of
836,983,125 Ordinary Shares of 50 kobo each at
N0.60 per share
On the basis of Eleven (11) new ordinary shares
of 50 Kobo each for every Two (2) ordinary
shares of 50 Kobo each held

Payable in full on Acceptance

Issuing House/Financial Advisor

GTI CAPITAL LIMITED
Financial Possibilities.....

INSTRUCTIONS FOR COMPLETING THE ACCEPTANCE/RENUNCIATION FORM

1. Acceptance and/or renunciation must be made on the prescribed form. Photocopies of the Acceptance/Renunciation form will be rejected.
2. Allottees should complete only ONE of the boxes marked A and B on the reverse of this form.
3. Shareholders accepting the provisional allotment in full should complete Box A and submit their Acceptance/Renunciation Forms to any of the Receiving Agents listed in this Rights Circular together with the cheque or bank draft made payable to the Receiving Agent for the full amount payable on acceptance. The cheque or bank draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "MORISON RIGHTS", with the name, address and daytime telephone number (if any) of the Shareholder written on the back. If payment is not received by December 19, 2017, the provisional allotment will be deemed to have been declined and will be cancelled.
4. Shareholders accepting their provisional allotment partially should complete Box B and submit their Acceptance/Renunciation Form to any of the Receiving Agents listed in this Rights Circular together with a cheque or bank draft made payable to the Receiving Agent for the amount payable for the partial acceptance.
5. Shareholders renouncing the provisional allotment partially or in full should complete item (ii) of Box B and return same to the Receiving Agent together with the cheque or bank draft made payable to the Receiving Agent for any partial acceptance. If payment is not received by December 19, 2017, the provisional allotment for the partial acceptance will be deemed to have been declined and will be cancelled.
6. Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase renounced rights, and/or apply for additional shares by completing item (ii) of box A.
7. All cheques or bank drafts will be presented for payment on receipt and all acceptances in respect of which cheques are returned unpaid for any reason will be rejected and cancelled. Shareholders are advised to obtain an acknowledgement of the amount paid from the Receiving Agent through which this Acceptance/Renunciation Form is lodged.
8. Joint allottees must sign on separate lines in the appropriate section of the Acceptance/Renunciation Form.
9. Acceptance/Renunciation Forms of corporate allottees must bear their incorporation numbers and corporate seals and must be completed under the hands of duly authorized officials who should also state their designations

FOR REGISTRARS' USE						
Number of Ordinary shares Accepted	Additional Ordinary shares applied for	Total Amount Payable based on shares applied for	Additional Ordinary shares allotted	Amount payable based on the total shares allotted	Actual amount paid	Amount to be returned/cheque/bank draft number
		N		N	N	N

Stamp of Receiving Agent

INSTRUCTIONS FOR COMPLETING THE ACCEPTANCE / RENUNCIATION FORM

PARTICIPATION FORM

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

Investor's stockbroker..... CHN Number.....
 Stockbroker Code..... CSCS Number.....

A. FULL ACCEPTANCE / REQUEST FOR ADDITIONAL ORDINARY SHARES

i. I/We accept in full, the provisional statement shown on the front of this form

ii. I/ We also apply for additional Ordinary Share:
 Number of Additional Shares applied for Additional amount payable at N per share

N	
---	--

 I/We agree to accept the same or smaller number of additional shares in respect of which allotment may be made to me/us in accordance with the Provisional Allotment Letter contained in the Rights Circular.

iii. I/We enclose my / our cheque / bank draft / evidence of payment transfer for N..... being the sum of the amount payable as shown on the front of this form, and the additional amount payable as shown in item (ii) above.
 Cheque details: Name of bank/Cheque number/branch.....

B. RENUNCIATION OR PARTIAL ACCEPTANCE

1. Number of Ordinary Share accepted	2. Amount payable at N per share	3. Number of ordinary Shares renounced
N		

i. I/We accept only the number of ordinary Shares shown in column (1) above and enclose my/our cheque / bank draft for the value shown in the column (2) above. Cheque details: Name of bank/ cheque number/ branch.....

ii. I/We hereby renounce my / our rights to the Ordinary Share shown in column (3) above, being the balance of the Ordinary Shares allocated to me / us.

iii. I/We confirm that I/We wish to trade my / our rights of Ordinary Shares (being my / our renounced shares as shown in Column (3) above) on the floor of The Exchange. I / We shall obtain a transfer form from my/our stockbroker, complete it in accordance with his instructions and return it to the stockbroker with the form.

MUST BE FULLY COMPLETED FOR BOTH A AND B

Name(s) in block letters: _____

Next of kin: _____

Daytime Telephone Number _____ Mobile (GSM) Telephone Number _____

Email Address _____

Bank Details (For E-Dividend)

Name _____

Branch _____

Account Number _____

Incorporation Number and Seal of Corporate Allottee

Signature: _____	2 nd Signature (Joint only) _____
Name of Authorised Signatory (corporate only): _____	Name of Authorised Signatory (corporate only): _____
Designation (corporate only) _____	Designation (corporate only) _____

C. TRADING IN RIGHTS

- i. Shareholders who wish to trade in their rights partially or in full may trade such rights on the floor of The Exchange. The rights will be traded actively on the floor of The Exchange.
- ii. Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase traded rights (see iv), and/or apply for additional shares by completing item (i) of box A above.
- iii. Shareholders who purchase rights on the floor of The Exchange are guaranteed the number of shares purchased: they will not be subject to the allotment process in respect of shares so purchased. Those that apply for additional shares by completing item (ii) of box A will be subject to the allotment process i.e. they may be allotted a smaller number of additional shares than what they applied for.
- iv. If you wish to purchase renounced rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing Morison Industries PLC rights.

STAMP OF RECEIVING AGENT