

# OFFER CIRCULAR



(Incorporated in Ghana on November 24, 2008 with registration number CA-52,563 as a public company limited by shares)  
(Listed on the Ghana Stock Exchange on November 17, 2010)  
(Re-registered on October 22, 2013 with registration number CS292642013)

CIRCULAR TO SHAREHOLDERS OF ENTERPRISE GROUP LIMITED IN RESPECT OF THE RENOUNCEABLE RIGHTS ISSUE OF **36,620,000 ORDINARY SHARES** OF NO PAR VALUE AT GHS 6 PER SHARE IN A RATIO OF **1 NEW SHARE FOR EVERY 3.6543 SHARES CURRENTLY HELD** BY A QUALIFYING SHAREHOLDER

## ADVISERS

Lead Manager &  
Co-Sponsoring Broker



Co-Manager &  
Co-Sponsoring Broker



Legal Adviser



Reporting Accountant



This Document is Dated: February 16, 2018

## TABLE OF CONTENTS

<b>KEY MILESTONES AND TIMETABLE</b>	<b>1</b>
<b>CORPORATE INFORMATION</b>	<b>2</b>
<b>ADVISERS TO THE TRANSACTION</b>	<b>3</b>
<b>DEFINITIONS</b>	<b>4</b>
<b>PART 1 – THE RIGHTS ISSUE</b>	<b>9</b>
<b>PART 2 – RISKS AND RISK MITIGATING FACTORS</b>	<b>17</b>
<b>PART 3 – OVERVIEW OF THE ECONOMY OF GHANA AND THE GSE</b>	<b>19</b>
<b>PART 4 – INDUSTRY OVERVIEW</b>	<b>23</b>
<b>PART 5 – INFORMATION ON ENTERPRISE GROUP LIMITED</b>	<b>27</b>
<b>PART 6 – ADDITIONAL INFORMATION</b>	<b>38</b>
<b>PART 7 – ADDITIONAL TERMS OF THE OFFER</b>	<b>41</b>
<b>APPENDIX A – LEGAL COMPLIANCE CERTIFICATE</b>	<b>45</b>
<b>APPENDIX B – FINANCIAL REPORTS AND PERFORMANCE</b>	<b>49</b>
<b>APPENDIX C – APPLICATION GUIDELINES</b>	<b>72</b>
<b>APPENDIX D – APPLICATION FORM</b>	<b>76</b>
<b>APPENDIX E – RECEIVING AGENTS AND ESCROW BANK</b>	<b>79</b>

# ENTERPRISE GROUP LIMITED

(Incorporated in Ghana on November 24, 2008 with registration number CA-52,563 as a public company limited by shares)

(Listed on the Ghana Stock Exchange on November 17, 2010)

(Re-registered on October 22, 2013 with registration number CS292642013)

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Enterprise Group Limited (“**EGL**”, the **Issuer** or the **Company**) is a public limited liability company incorporated under the Companies Act (as defined) and listed on the GSE (as defined). EGL was incorporated on November 24, 2008 and is the holding company of the Group (as defined).

EGL intends to undertake the Rights Issue (as defined), under which it will issue the Shares on Offer (as defined) at GHS 6 per share in a ratio of 1 new share for every 3.6543 shares currently held by a Qualifying Shareholder (as defined). All terms for the Rights Issue as well as a description of EGL and its business activities have been set out in this offer circular (the **Circular**). The Shares on Offer will carry the right to vote and to participate in all future dividends to be declared and paid on the ordinary issued shares of the Company. The Shares on Offer will rank *pari passu* with the existing issued shares of EGL, are freely transferable and are not subject to any restrictions on marketability or any pre-emptive rights on transfer.

**This Circular has been reviewed and approved by the SEC (as defined) in accordance with Section 3 of the Securities Industry Act (as defined) and the SEC Regulations (as defined). In its review, the SEC examined the contents of the Circular to ensure that adequate disclosures have been made.**

**Provisional approval has been obtained from the GSE for permission to list and trade all the Shares on Offer. Such approval is granted subject to fulfilling all the additional listing requirements.**

**A copy of this Circular has been delivered to the RGD (as defined) for filing in accordance with section 279 of the Companies Act.**

**Neither the GSE, nor the SEC, nor the RGD assumes any responsibility for the correctness of any statements made, opinions expressed or reports contained in this Circular. Neither the GSE, nor the SEC, nor the RGD has verified the accuracy and truth of the contents of this Circular or any other documents submitted to it, and the SEC, the GSE and the RGD will not be liable for any claim of any kind whatsoever. Approval of the issue and/or listing of the Shares on Offer by the GSE or the SEC is not to be taken as an indication of the merits of the Issuer or of any issue of the Shares on Offer.**

The contents of this Circular do not constitute, and are not to be construed as, legal, business or tax advice. Each investor should consult his/her/its own legal adviser, financial adviser or tax adviser for legal, financial and/or tax advice in relation to the purchase of the Shares on Offer.

Investors should have regard, among other things, to the factors described under Part 2 (*Risk Factors and Mitigating Factors*) in this Circular.

### A. GENERAL INFORMATION

The Issuer accepts responsibility for the information contained in this Circular for each Share on Offer. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Circular is in accordance with the facts as at the date hereof and does not omit anything likely to affect the import of such information.

To the best of the knowledge and belief of the Managers (as defined), the Sponsoring Brokers (as defined), the Reporting Accountant (as defined), and the Legal Advisers (as defined) (or any of their respective directors, Affiliates, advisers or agents), the Circular constitutes full and fair disclosure of all material facts about the Rights Issue and the Issuer.

The Managers, the Sponsoring Brokers, the Reporting Accountant, and the Legal Adviser have not independently verified the information contained herein. Accordingly, no representation or warranty, expressed or implied, is made by the Managers, the Sponsoring Brokers, the Reporting Accountant, or the Legal Adviser (or any of their respective directors, Affiliates, advisers or agents) with respect to the accuracy or completeness of such information, at any time, of this Circular. Nothing contained in this Circular, is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by the Managers, the Sponsoring Brokers, the Reporting Accountant and the Legal Adviser (or any of their respective directors, Affiliates, advisers or agents) in any respect.

The distribution of this Circular and the offer of the Shares on Offer in certain jurisdictions may be restricted by law. Neither the Issuer nor the Managers represents that this Circular may be lawfully distributed, or that the Shares on Offer may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which is intended to permit an offering of the shares or distribution of this Circular in any jurisdiction where action for that purpose is required. Accordingly, no Shares on Offer may be offered or sold, directly or indirectly, and neither this Circular nor any advertisement or other offering material may be distributed or published, in any jurisdiction, except in circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Circular or any Shares on Offer comes are advised to inform themselves about and observe any such restriction.

Neither the delivery of this Circular nor any sale of the Shares on Offer shall, under any circumstances, create any impression that there has been no change in the affairs of the Issuer since the date hereof or that the information contained herein is correct as of anytime subsequent to this date. Any material change (relevant to the Rights Issue) in the affairs of the Issuer during the Offer Period (as defined) will be communicated to the SEC and the investing public.

This Circular does not constitute an offer and may not be used for the purpose of an offer to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful. The Issuer accepts no responsibility for any violation by any person of any such restrictions.

Before deciding whether to apply for the Shares on Offer, each Qualifying Applicant (as defined) should consider whether the Shares on Offer are a suitable investment for you. Their value can go down as well as up. Past performance is not necessarily indicative of future performance. If you need advice, you should consult a suitable professional adviser. Each Qualifying Applicant should rely exclusively on the information contained in this Circular when making a decision regarding the purchase of the Shares on Offer. No person is authorised to give any information or make any representation not contained in this Circular in connection with the Rights Issue, and, if given or made, such information or representation must not be assumed to be authorised by the Issuer or the Managers.

The information contained in this Circular is accurate only as of the date of the Circular, regardless of the time of delivery of this Circular or any offering or sale of the Shares on Offer. In the event that this Circular is delivered to, or comes into the possession of, any Qualifying Applicant at any time after the date hereof, it is for, and the responsibility of, the Qualifying Applicant to ascertain whether any supplement or amendment of the information herein contained has been made or issued, or whether updated information is available. Such updated information can be obtained from the registered offices of the Issuer at all times. Reliance on this Circular at any time subsequent to the date hereof without reference to any such updated information subsequent to the date of the Circular shall be at the Qualifying Applicant's risk.

## **B. ADVISERS**

Databank Brokerage Limited (**DBL**) is acting as the Lead Manager and co-Sponsoring Broker for the Issuer in respect of the Rights Issue and consents to act in the capacity stated and to its name being stated in this Circular. DBL and its employees collectively hold 261,085 issued shares in EGL.

African Alliance Securities Ghana Limited (**AAS**) is acting as the co-Manager and co-Sponsoring Broker for the Issuer in respect of the Rights Issue and consents to act in the capacity stated and to its name being stated in this Circular. Neither AAS nor its employees has any material direct or indirect economic or financial interest in the issuer.

CFY Partners is acting as the Reporting Accountant to the Issuer in respect of the Rights Issue and consents to act in the capacity stated and to its name being stated in this Circular and confirms that it has not withdrawn its consent to any statement or report prepared by it being included in this Circular (in the form and context in which it is included). CFY Partners has prepared the Reporting Accountant's report set out under Appendix B (*Financial Reports and Performance*) of this Circular. CFY Partners has also compiled the financial reports and forecasts on the basis of CFY Partners' review of the Issuer's historical financial statements for the period of 5 years up to December 31, 2016. CFY Partners confirms that, based on its review, nothing has come to its attention that causes it to believe that financial reports and forecasts set out under Appendix B (*Financial Reports and Performance*) of this Circular do not represent a true and fair view in accordance with IFRS (as defined) and the Companies Act. Neither CFY Partners nor any of its employees or partners has any material direct or indirect economic or financial interest in the Issuer.

Bentsi-Enchill, Letsa & Ankomah (**BELA**) is acting as Legal Adviser to the Issuer in respect of the Rights Issue and consents to act in the capacity stated and to its name being stated in this Circular and confirms that it has not withdrawn its consent to any statement or report prepared by it being included in this Circular (in the form and context in which it is included). BELA has prepared the Legal Compliance Letter (as defined) set out under Appendix A (*Legal Compliance Letter*). Neither BELA nor any of its employees or partners has any material direct or indirect economic or financial interest in the Issuer.

#### **C. PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

Unless otherwise indicated, the financial information regarding EGL as set forth in this Circular has been derived from:

- (a) EGL's audited income statements, statements of financial position, statements of cash flow and statement of changes in equity for 5 years up to December 31, 2016, and set out under Appendix B (*Financial Reports and Performance*) of this Circular. The Issuer's financial statements for the years ended December 31, 2012, December 31, 2013, December 31, 2014 and December 31, 2015 (which were audited by Messrs. PwC) and for the year ended December 31, 2016 (which were audited by Messrs. KPMG in Ghana), have been prepared in accordance with International Financial Reporting Standards (**IFRS**) and are presented in GHS, the reporting currency of EGL;
- (b) EGL's unaudited consolidated Interim Financial Statement for the period January 1, 2017 to September 30, 2017 comprising of statements of financial position, income statements, statements of cash flow and statement of changes in equity for the same period and set out under Appendix B (*Financial Reports and Performance*) of this Circular. The financial reports were derived from the underlying accounting records; and
- (c) The financial reports and forecasts set out under Appendix B (*Financial Reports and Performance*) of this Circular, were prepared by EGL and reviewed by CFY Partners. The financial reports and forecasts are compiled on the basis of the assumptions set out in the notes, the basis of accounting which are consistent with the accounting policies normally adopted by EGL and on the basis of CFY Partners' review of EGL's historical audited financial statements for 5 years up to December 31, 2016 as well as the unaudited financial statements for the period from January 1, 2017 and ending September 30, 2017.

#### **D. ROUNDING**

Some numerical figures included in this Circular may have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain figures may not be an arithmetic aggregation of the figures that precede them.

**E. MARKET SHARE AND INDUSTRY INFORMATION**

Generally, information as to the market and competitive position data included in this Circular has been obtained from published financial information and surveys or studies conducted by third-party sources that are believed to be reliable. No assurance can be given, however, as to the accuracy and completeness of such information, and such market and position data has not been independently verified. The Issuer accepts responsibility only for the correct reproduction of this information.

**F. DIRECTORS' RESPONSIBILITY STATEMENT**

The Issuer and its Directors accept responsibility for the information contained in this Circular.

This Circular has been seen and approved by the Directors, who, collectively and individually, accept full responsibility for the accuracy of the information given and, after making all reasonable inquiries and to the best of their knowledge and belief, there are no facts the omission of which would make any statement in this Circular misleading. The profit forecast of the Issuer contained in this Prospectus has been reviewed and approved by the EGL Board after making all reasonable inquiries.

No Director has been involved in any of the following events: (a) a petition under bankruptcy laws in any jurisdiction filed against such person or any partnership in which s/he as a partner or any corporation of which s/he was a director or chief executive officer; (b) conviction by such person for fraud, misappropriation or breach of trust or any other similar offence; (c) such person being the subject of any order, judgement or ruling of any court of competent jurisdiction or administrative body preventing him from acting as an investment adviser, dealer's representative, investment representative, a director of a financial institution or engaging in any type of business or professional activity.

Some of the Directors who hold shares in EGL (as disclosed under section 5.4.5(a) (Directors' Holdings) of this Circular) will take part in the Rights Issue. The EGL Board warrants that no takeover offer has been made in respect of the shares of the Issuer over the past or current financial year.

The Directors, having considered the Issuer's present financial position and the anticipated proceeds from the Offer, believe that the Issuer will have sufficient working capital to meet its obligations.

Signed on behalf of Enterprise Group Limited

By:



**Keli Gadzekpo**



**Daniel Larbi-Tieku**

## KEY MILESTONES AND TIMETABLE

Activity	Date	Time
Ex-Rights Date	February 23, 2018	8:00 a.m.
Qualifying Date	February 27, 2018	5:00 p.m.
Book Closure Date	February 28, 2018	8:00 a.m.
Commencement of the Offer	March 14, 2018	9:00 a.m.
Commencement of trading in Rights	March 14, 2018	10:00 a.m.
End of trading in Rights	March 21, 2018	3:00 p.m.
End of the Offer	March 28, 2018	5:00 p.m.
Application forms review for allotment commences	March 29, 2018	9:00 a.m.
End of allotment	April 3, 2018	5:00 p.m.
Submission of offer results to regulators	April 5, 2018	5:00 p.m.
Crediting of EGL shares to successful applicants on the CSD	April 9, 2018	5:00 p.m.
Deadline for refunds to unsuccessful applicants	April 10, 2018	5:00 p.m.
Commence dispatching allotment letters to successful applicants	April 11, 2018	9:00 a.m.
Listing of additional EGL shares for trading on GSE	April 13, 2018	10:00 a.m.

All dates provided are subject to change by the Sponsoring Brokers in consultation with the EGL Board (subject to obtaining the necessary regulatory approvals). All times provided are in Greenwich Mean Time, the time zone of the Republic of Ghana. Any amendment will be published in a national daily newspaper not later than 72 hours after receipt of regulatory approval.

## CORPORATE INFORMATION

<b>Issuer</b>	Enterprise Group Limited Enterprise House No.11 John Evans Atta-Mills High Street PMB, GPO150 Accra, Ghana  Tel: +233 302 666847-9, 302 666856-8 Contact: Keli Gadzekpo Email: keli.gadzekpo@enterprisegroup.com.gh
<b>Directors</b>	Mr. Trevor Trefgarne ( <i>Chairman</i> ) Mr. Keli Gadzekpo ( <i>Group Chief Executive Officer</i> ) Mr. Daniel Larbi-Tieku ( <i>Group Chief Financial Officer</i> ) Mr. Cleland Cofie Bruce ( <i>Jnr</i> ) ( <i>Group Chief Operations Officer</i> ) Mr. George Otoo ( <i>Non-executive</i> ) Mr. Martin Eson Benjamin ( <i>Non-executive</i> ) Prof. Angela Ofori-Atta ( <i>Non-executive</i> ) Mr. Fiifi Kwakye ( <i>Non-executive</i> ) Mr. Douglas Lacey ( <i>Non-executive</i> )
<b>Company Secretary</b>	Sadia Chinery-Hesse Enterprise Group Limited No.11 John Evans Atta-Mills High Street PMB 150, GPO Accra, Ghana
<b>Auditors</b>	KPMG, Chartered Accountants Marlin House 13 Yiyiwa Drive, Abelenkpe P. O. Box GP 242 Accra, Ghana
<b>Solicitors</b>	Sam Okudzeto & Associates 3rd Floor, TOTAL House, Liberia Road P. O. Box GP 5520 Accra – North, Ghana
<b>Registrar</b>	NTHC Registrars Matco House, Adabraka P. O. Box KIA, Accra Airport, Ghana Tel: +233 302 228785 Fax: +233 302 235814 Contact: Ken Mate-Kole Email: kmatekole@nthc.com.gh
<b>Bankers</b>	Barclays Bank (Ghana) Limited Standard Chartered Bank (Ghana) Limited

## ADVISERS TO THE TRANSACTION

<b>Lead Manager and Co-Sponsoring Broker</b>	<b>Databank Brokerage Limited</b> 61 Barnes Road, Adabraka Accra, Ghana Tel: +233 302 610610 Contact: Armah I. J. Akotey / Sidney Koranteng Email: armah.akotey@databankgroup.com Sidney.koranteng@databankgoup.com
<b>Co-Manager and Co-Sponsoring Broker</b>	<b>African Alliance Securities Ghana Limited</b> 2nd Floor, Heritage Towers, Ambassadorial Enclave 6th Avenue, Ridge, Accra, Ghana Contact: Winston Nelson Jr / Enyonam Dagadu Email: nelsonw@africanalliance.com dagadue@africanalliance.com
<b>Legal Advisers</b>	<b>Bentsi-Enchill, Letsa &amp; Ankomah</b> 4 Momotse Avenue, Adabraka Accra, Ghana Tel: +233 302 208888 Contacts: Seth Asante & Frank Akowuah Email: seth.asante@belonline.org fnakowuah@belonline.org
<b>Reporting Accountants</b>	<b>CFY Partners</b> 134 Robinson Crescent, Swanlake Road North Kaneshie, Accra, Ghana Tel: +233 302 245779 Contact: Charles Egan / Daniel Quampah Email: charles.egan@cfypartners.org daniel.quampah@cfypartners.org
<b>Registrar</b>	<b>NTHC Registrars</b> Matco House, Adabraka P. O. Box KIA, Accra Airport, Ghana Tel: +233 302 228785 Fax: +233 302 235814 Contact: Ken Mate-Kole Email: kmatekole@nthc.com.gh
<b>Receiving Agents</b>	See <b>Appendix E</b> for full contact details

## DEFINITIONS

The following definitions apply in this Circular, unless the context requires otherwise:

Term	Definition
<b>Affiliates</b>	in relation to a corporate body, means its subsidiary or its holding company or any subsidiary or holding company of its holding company
<b>AGM</b>	means an Annual General Meeting of EGL
<b>Applicable Law</b>	means laws or regulations (including any foreign exchange rules or regulations) of any governmental or other regulatory authority which govern the Circular and the Shares on Offer (in accordance with which the same are to be construed) or EGL or any relevant person and <b>Applicable Laws</b> shall be construed accordingly
<b>Application Form</b>	means an application form for the Rights Issue, which must be completed and submitted by a Qualifying Applicant applying for the Shares on Offer and in accordance with the Circular and any other instructions in the form and <b>Application Forms</b> shall be construed accordingly
<b>Application Funds</b>	means capital raised from the subscription to the Rights Issue
<b>BELA</b>	means Bentsi-Enchill, Letsa & Ankomah, a firm of legal practitioners licensed by the General Legal Council of Ghana and operating in Ghana
<b>Book Closure Date</b>	means the time period when EGL will not handle adjustments to the Register of Members, or requests to transfer shares
<b>BSH</b>	means Black Star Holdings Limited
<b>Business Day</b>	means a day (8:00 a.m. to 5:00 p.m.) (other than a Saturday or Sunday or official public holiday) on which the banks, the GSE and the CSD are open for general business in Ghana
<b>CFY Partners</b>	a firm of Chartered Accountants registered in Ghana, which is acting as Reporting Accountants to EGL for the Offer
<b>Circular or Offer Document</b>	means this offer circular dated February 16, 2018 and prepared and circulated by the Issuer in connection with the Rights Issue and approved by the SEC
<b>Co-Manager</b>	means AAS, which is acting as the co-lead manager for the Rights Issue of EGL
<b>Companies Act</b>	means the Companies Act of Ghana, 1963 (Act 179) or any statutory modification or re-enactment thereof
<b>CSD</b>	means the Central Securities Depository (Ghana) Limited
<b>CSD Account</b>	means an electronic account held with the CSD where a successful applicant's EGL Shares are held and/or will be deposited and <b>CSD Accounts</b> shall be construed accordingly

## DEFINITIONS *(continued)*

<b>Term</b>	<b>Definition</b>
<b>Directors</b>	means the directors of the EGL Board as at the date of the Circular
<b>EFS</b>	means Enterprise Funeral Services Limited
<b>EGL</b>	means Enterprise Group Limited
<b>EGL Board</b>	means the board of directors of EGL
<b>EGL Shares</b>	means all 133,820,825 issued ordinary shares of EGL and 36,620,000 Shares on Offer to be issued pursuant to the Rights Issue
<b>EIC</b>	means Enterprise Insurance Company Limited
<b>ELAC</b>	means Enterprise Life Assurance Company Limited
<b>EPL</b>	Means Enterprise Properties Limited
<b>Escrow Account</b>	means the account set up with the Escrow Bank, in to which all Application Funds will be deposited until paid to the Issuer
<b>Escrow Account Agreement</b>	means the escrow account agreement between EGL, DBL and the Escrow Bank regarding the Escrow Account
<b>Escrow Bank</b>	means Standard Chartered Bank Ghana Limited, which is acting as the account holding bank for the Escrow Account
<b>ETL</b>	means Enterprise Trustees Limited
<b>Ex-Rights Date</b>	means February 23, 2017 the date from which an investor does not Qualify for Rights if such an investor purchases EGL shares on the GSE
<b>Extra Shares</b>	means additional shares over and above those that each Qualifying Shareholder is entitled under the Offer
<b>GDP</b>	means Gross Domestic Product
<b>Ghana</b>	means the Republic of Ghana
<b>GHS</b>	means Ghana Cedi, the lawful currency of Ghana
<b>GRA</b>	means the Ghana Revenue Authority
<b>Group</b>	means EGL and its Affiliates which include EIC, ELAC, EPL and ETL
<b>GSE or the Exchange</b>	means the Ghana Stock Exchange
<b>IFRS</b>	means International Financial Reporting Standards
<b>Lead Manager</b>	means DBL, which is acting as the lead manager for the Rights Issue of EGL
<b>Legal Adviser</b>	means BELA, which is acting as the legal adviser to the Issuer in relation to the Rights Issue

## DEFINITIONS *(continued)*

Term	Definition
<b>Legal Compliance Letter</b>	means the legal compliance letter prepared and issued by BELA in relation to the compliance of the Rights Issue and the Circular with Ghanaian law requirements, and which is set out under <u>Appendix A (Legal Compliance Letter)</u>
<b>Listing</b>	means the listing of the Shares on offer On the GSE
<b>Listing Date</b>	April 13, 2018
<b>Managers</b>	means the Lead Manager and the Co-Manager, who are acting as the managers to the Issuer in relation to the Rights Issue
<b>NIC</b>	means the National Insurance Commission of Ghana, the regulatory, supervisory and enforcement authority of the insurance industry in Ghana
<b>NPRA</b>	means the the National Pensions Regulatory Authority, the statutory body responsible for the administration and enforcement of the Pensions Act as well as for the licensing of pension trustees
<b>Offer Close Date</b>	means the closing date of the Offer, being March 28, 2018 being the last day a Qualifying Applicant can subscribe to the Rights Issue
<b>Offer Commencement Date</b>	means the opening date of the Offer, being March 14, 2018, being the first day on which a Qualifying Applicant can subscribe to the Rights Issue
<b>Offer Period</b>	means the period from the Offer Commencement Date to the Offer Closure Date
<b>Offer Price</b>	means GHS 6 per share under this Rights Issue
<b>Pensions Act</b>	means the National Pensions Act of Ghana, 2008 (Act 766)
<b>Prevailing Exchange Rate</b>	The daily interbank foreign exchange offer rate published by the Bank of Ghana for the purchase of a relevant foreign exchange in exchange for GHS
<b>Reporting Accountant</b>	means CFY Partners, the reporting accountant for the Rights Issue
<b>Rights Issue</b>	means the renounceable rights issue of 36,620,000 shares of no par value in EGL at GHS 6
<b>Qualifying Applicant</b>	means either a Qualifying Shareholder or a Qualifying non-EGL Shareholder who is (i) a natural person and is 18 years or older, or (ii) a corporation, partnership or other unincorporated association which is incorporated or resident in Ghana or any jurisdiction, provided that the offer to (and acceptance by) such applicant of the Shares on Offer is not in contravention of any Applicable Law
<b>Qualifying Date</b>	means the date February 27, 2018 on which persons whose names appear on the Register of Members qualify for the Rights Issue
<b>Qualifying Shareholder</b>	means any shareholder of EGL on the Register of Members as at the Qualifying Date, and who has no legal restrictions barring him/her/it from partaking in the Rights Issue and <b>Qualifying Shareholders</b> shall be construed accordingly

## DEFINITIONS *(continued)*

Term	Definition
<b>Qualifying non-EGL Shareholder</b>	means a person (who is not a shareholder of EGL on the Register of Members as at the Qualifying Date) in whose favour a Qualifying Shareholder has renounced his/her/its Rights and who has no legal restrictions barring him/her/it from partaking in the Rights Issue or a person (who is not a shareholder of EGL on the Register of Members as at the Qualifying Date) who has purchased Rights during the Rights Trading Period and <b>Qualifying non-EGL Shareholders</b> shall be construed accordingly
<b>Receiving Agent</b>	means Databank Brokerage Limited and Africal Alliance Securities Ghana Limited
<b>Refund Commencement Date</b>	means April 10, 2018 on which any refund of the Application Funds will be made to the Receiving Agents
<b>Register of Members</b>	means the register held by the Registrar that records the names and addresses of the shareholders of EGL
<b>Registrar</b>	means NTHC Registrars, the registrar of EGL at the date of this Circular
<b>Regulators</b>	means the NIC and NPRA
<b>Regulations</b>	means the regulations of EGL
<b>Right</b>	means the legal and financial right of Qualifying Shareholders to partake in the Rights Issue, which Right may be traded to other persons or legal entities for value, in which case the Right is traded on the GSE, or which Right could be renounced in favour of another person or legal entity and <b>Rights</b> shall be construed accordingly
<b>Rights Trading Period</b>	means the period from March 14, 2018 to March 21, 2018 during which the Rights can be traded Rights on GSE
<b>Sanlam</b>	means Sanlam Emerging Markets Proprietary Limited
<b>SEC</b>	means the Securities and Exchange Commission of Ghana
<b>Securities Industry Act</b>	means the Securities Industries Act of Ghana, 2016 (Act 929) or any statutory modification or re-enactment thereof
<b>SEC Regulations</b>	means the Securities and Exchange Commission Regulations, 2003 (L.I. 1728) or any statutory modification or re-enactment thereof
<b>Shares on Offer</b>	means new ordinary shares of EGL up to 36,620,000 ordinary shares of no par value to be issued pursuant to (and in accordance with the terms of) the Rights Issue
<b>SSNIT</b>	means the Social Security and National Insurance Trust of Ghana, the statutory body responsible for the administration and enforcement of the mandatory basic national social security scheme under the Pensions Act and a shareholder of EGL

## DEFINITIONS *(continued)*

Term	Definition
<b>Sponsoring Broker</b>	means DBL, which is acting as the sponsoring broker to the Issuer in relation to the Rights Issue
<b>Uploading Date</b>	means April 10, 2018 or any other date determined by the Directors and Sponsoring Brokers and approved by SEC and GSE, being the date when the new shares are credited to the CSD Accounts of successful applicants
<b>USD</b>	means United States Dollars, the lawful currency of the United States of America

## PART 1 – THE RIGHTS ISSUE

### 1.1. LEGAL BASIS AND RATIONALE FOR THE RIGHTS ISSUE

#### 1.1.1 Legal Basis for the Rights Issue

The Rights Issue was approved by the shareholders of EGL at the AGM held on August 8, 2017. At the AGM, the shareholders of EGL authorised the EGL Board to undertake the Rights Issue to raise additional capital of up to the GHS equivalent of USD 50,000,000, subject to applicable regulatory approvals.

The Rights Issue has been approved by the EGL Board at its meeting held on September 15, 2017.

#### 1.1.2 Rationale for the Rights Issue

The Rights Issue is being undertaken to raise up to GHS 219,720,000 to pursue the following strategic objectives:

##### 1.1.2.1 Growth Agenda

EGL will use the proceeds of the Rights Issue to implement its medium term growth and expansion initiatives. These initiatives include the following:

- (a) expansion into West Africa with a specific focus on Nigeria and Ivory Coast;
- (b) taking advantage of growth opportunities in EGL's subsidiaries and increasing their market share; and
- (c) expanding EGL's footprint in the health care and real estate sectors in Ghana

##### 1.1.2.2 Consolidation of Shareholding in Subsidiaries

EGL will use a portion of the proceeds of the Rights Issue to increase its shareholding in EIC, ELAC and ETL.

EGL has replaced Sanlam (its strategic partner in ELAC, EIC and ETL) with BSH. BSH has acquired the total shareholding of Sanlam in ELAC, EIC, and ETL. Under an assignment and option agreement dated June 22, 2017 and entered into between EGL and BSH (the Option Agreement), EGL has the right to buy back up to:

- (a) 9% of the 49% of the shareholding in ELAC;
  - (b) 15% of the 40% of the shareholding in EIC; and
  - (c) 20% of the 40% of the shareholding in ETL,
- respectively, acquired by BSH from Sanlam (the **Buyback**).

Under the Option Agreement, EGL will pay for the Buyback by transferring up to 30% of its issued shares in EPL to BSH. Any shortfall in the consideration for the Buyback will be paid for with a portion of the proceeds from the Rights Issue. In this regard, the amount of funds that are expected to be utilised out of the proceeds of the Rights Issue for the Buyback is USD 18,979,833 (or its GHS equivalent). The Buyback in relation to the shareholding in ELAC occurred on August 29, 2017 pending payment for same by EGL.

Related to the replacement of the strategic partner are (i) the capital commitment of USD 50,000,000 made by BSH for the purposes of investment in EGL (the **BSH Capital Commitment**), (ii) the commitment by BSH to provide technical support to the Group, and (iii) the commitment by BSH to co-invest with EGL in the relevant portfolio companies in relation to EGL's growth agenda.

## PART 1 – THE RIGHTS ISSUE (continued)

In addition, BSH and Ventures & Acquisitions Limited (**V&A**), a shareholder of EGL, have entered into a joint venture arrangement on June 23, 2017 under which (i) BSH and V&A jointly own 29% of V&A's 35% shareholding in EGL through a newly formed special purpose vehicle, Grace Strategic Ventures Limited (**GSVL**), (ii) GSVL is 65% and 35% owned by V&A and BSH respectively, and (iii) the BSH Capital Commitment will be invested in EGL through GSVL in accordance with the capital raising plans for EGL.

The EGL Board has determined (after seeking the relevant advice) that in order to embark on EGL's medium term growth agenda and to consolidate EGL's shareholdings in EIC, ELAC and ETL, the Rights Issue is the most ideal approach to raising capital.

Accordingly, the EGL Board has opted for the Rights Issue for the following reasons:

- (a) the medium-term growth agenda is expected to yield significant return on equity for the shareholders of EGL;
- (b) given the amount of capital being raised, debt capital will place significant burden on EGL's cash flows while overleveraging the business; and
- (c) the Rights Issue allows all shareholders of EGL to participate on an equal basis in EGL's growth agenda and therefore, creates an opportunity for the shareholders of EGL to maintain their shareholding without being diluted by participating in the capital raise.

### 1.2 Use of the Proceeds

The Rights Issue is expected to raise up to GHS 219,720,000. The proceeds shall be utilised as follows:

*Exhibit 1: Use of Funds*

Item	Amount (GHS)
Finance the Buyback	83,095,264
Investments into West Africa	87,888,000
Health Care	21,972,000
Real Estate	22,665,271
Transaction expenses	4,099,465
<b>Total</b>	<b>219,720,000</b>

### 1.3 KEY TERMS OF THE RIGHTS ISSUE

#### 1.3.1 Number of Shares on Offer and Offer Price

The Shares on Offer comprises 36,620,000 ordinary shares, representing 21.5% of EGL's issued shares after the Rights Issue.

The Shares on Offer will be issued at an offer price of GHS 6 per share to Qualifying Shareholders in a ratio of 1 new share for every 3.6543 existing ordinary shares held.

The ratio in which the Rights are allocated to Qualifying Shareholders may result in fractional entitlements. Fractional entitlements of 0.50 shares and above will be rounded up to a new share, while those below 0.50 shares will not be allotted to Qualifying Shareholders but will be consolidated and allotted by the Directors to Qualifying Applicants as per the allotment strategy (as described in section 1.3.12 (Allotment of Shares on Offer)).

Each Share on Offer shall carry the right to vote and to participate in any future dividends to be declared and paid on the shares of EGL. Each Share on Offer shall rank pari passu with the existing issued ordinary shares of EGL, is freely transferable and is not subject to any restrictions on marketability or any pre-emptive rights on transfer.

## PART 1 – THE RIGHTS ISSUE (continued)

### 1.3.2 Pricing of the Shares

The value of EGL shares and therefore the pricing of the Shares on Offer, was determined from the underlying transaction in which BSH became a new strategic partner of EGL. The transaction involved the valuation of all of EGL's subsidiaries for the successful buyout of Sanlam by BSH. As a result, the transaction led to the determination of a fair market value for EGL's subsidiaries and which was also used to arrive at a fair market valuation of EGL.

The EGL Board, has opted to use this fair market valuation in determining the price of the Shares on Offer to, among other reasons, limit the dilution in the holdings of shareholders who do not exercise their rights under the Rights Issue to 21.5%.

The table below gives a summary of the valuation of EGL's subsidiaries and the effective valuation and share price of EGL, as determined from the transaction between EGL and BSH. It also shows information on the volume weighted average price (Closing Price) of EGL on GSE in 2017.

Exhibit 2: Valuation Summary of Rights Offer

Item/Subsidiary	Valuation of Subsidiary	EGL's Holding in Subsidiary	Valuation of EGL
ELAC	USD 208,163,265	51%	USD 106,163,265
EIC	USD 57,500,000	60%	USD 34,500,000
EPL	USD 36,266,202	100%	USD 36,266,022
ETL	USD 12,500,000	60%	USD 7,500,000
<b>Value of EGL</b>			<b>USD 184,429,468</b>
Number of issued shares of EGL			133,820,825
Effective price per share of EGL in USD			USD 1.38
Effective price per share of EGL in GHS*			GHS 6.06
<b>Price per share of EGL for the Rights Issue after a discount 1%</b>			<b>GHS 6.00</b>
Closing price for EGL on Friday, December 29, 2017			GHS 3.70
Closing price for EGL on Friday, July 4, 2017			GHS 2.39
Closing price for EGL on Friday, January 3, 2017			GHS 2.40
26-week average price for EGL			GHS 3.72
26-week highest price for EGL			GHS 5.60
26-week lowest price for EGL			GHS 2.39

\*Share price in GHS was determined using the mid-interbank exchange rate between the GHS and USD on Friday, September 29, 2017 of GHS4.3944:USD1

### 1.3.3 Oversubscription

In the event that EGL receives applications for shares in excess of the 36,620,000, the Directors shall not issue additional shares of EGL to satisfy the excess amount applied for. Any monies received in respect of applications which are not allotted shares, will be returned to the applicants within 10 Business Days of the allotments. Refunds after this period will attract interest at the Bank of Ghana policy rate until the refund is made unless the Issuer can prove that the default in the repayment was not due to any misconduct or negligence on its part.

Further details on refunds can be found in [section 1.3.13 \(Refund of Excess Application Funds\)](#).

## **PART 1 – THE RIGHTS ISSUE** *(continued)*

### **1.3.4 Opening and Closing of the Rights Issue**

The Rights Issue opens at 9:00 a.m. on the Offer Commencement Date and closes at 5:00 p.m. on the Offer Closure Date. Any changes to these dates will be communicated accordingly in accordance with Applicable Laws.

Applications which are received after the Offer Closure Date will not be processed or considered.

### **1.3.5 Qualifying Date and Distribution of the Circular**

The Shares on Offer will be offered to Qualifying Shareholders whose names appear in the Register of Members as at the Qualifying Date. The Registrar has sent a provisional letter of allotment containing the allotment details and where to obtain copies of the Circular through the post to shareholders of EGL on record on the Qualifying Date. Shareholders can obtain copies of the Circular from the offices of the Receiving Agents and the Registrar. The Circular can also be downloaded online from [www.enterprisegroup.net.gh](http://www.enterprisegroup.net.gh).

### **1.3.6 Qualifying Shareholders and Renounees**

Qualifying Shareholders are allowed to renounce part or all their Rights in favour of a third party. Please refer to [Part 7](#) (*Additional Terms of the Offer*) and [Appendix C](#) (*Application Guidelines*) for the procedure to renounce in favour of a third party(ies).

### **1.3.7 Trading in the Rights**

The Rights may be traded on the GSE only during the Rights Trading Period. Qualifying Shareholders who intend to sell all or part of their Rights on the GSE should contact their stockbrokers or the Sponsoring Brokers at the addresses below:

#### **Databank Brokerage Limited**

61 Barnes Road Adabraka  
Private Mail Bag, Ministries Post Office  
Accra, Ghana  
Tel.: 0302 610610 Ext 1702/1703  
Fax.: 0302 681443  
E-mail: [equities@databankgroup.com](mailto:equities@databankgroup.com)

#### **African Alliance Securities Ghana Limited**

2nd Floor, Heritage Towers  
Ambassadorial Enclave 6th Avenue, Ridge  
Private Mail Bag 45, Ministries, Accra  
Tel: +233 30 2679761/2  
E-mail: [securities.gh@africanalliance.com](mailto:securities.gh@africanalliance.com)

### **1.3.8 Manner of Subscription for the Shares on Offer**

Only Qualifying Applicants can apply for the purchase of the Shares on Offer. All applications for shares under the Offer must be in whole numbers and no purported application for fractions of a share will be accepted.

A Qualifying Applicant may apply to purchase Shares on Offer through an Application Form. Applications received after the Offer Closure Date will be rejected. Multiple applications from a single applicant shall be rejected.

All Qualifying Applicants resident in Ghana must deliver or lodge their duly completed Application Forms at the offices of the Receiving Agents by 3:00 p.m. on the Offer Close Date.

Qualifying Applicants not resident in Ghana must deliver or lodge their duly completed Application Forms by scanning and emailing them to the Sponsoring Brokers at [equities@databankgroup.com](mailto:equities@databankgroup.com) or [securities.gh@africanalliance.com](mailto:securities.gh@africanalliance.com). An Application Form delivered by email shall be deemed to have been duly delivered when

## **PART 1 – THE RIGHTS ISSUE** *(continued)*

dispatched, provided that if the email is sent after 5:00 p.m. or on a non-Business Day such email shall be deemed to be delivered at 9:00 a.m. on the next Business Day. Original completed Application Forms should then be mailed to Databank Brokerges Limited through registered mail service. Applicants who choose to mail their Application Forms to the Receiving Agents are advised to use registered mail services. However, all documents mailed to the Receiving Agents by applicants will be at the applicant's own risk, and EGL may treat applications not received by 3:00 p.m. on the Offer Close Date as invalid. An Application Form delivered by registered mail shall be deemed to have been duly delivered 10 Business Days after the date of posting provided that proof is given that the mail was properly addressed and duly dispatched by post.

Qualifying Applicants are to note that Application Forms must be lodged at or posted to the same Receiving Agent's office where payment is made for the Rights Issue. The Receiving Agent will acknowledge receipt of successfully submitted Application Forms and funds from applicants.

### **1.3.9 Extra Shares**

Qualifying Shareholders wishing to take-up some or all of their Rights must complete the appropriate sections of the Application Form in order to exercise their Rights. Qualifying Shareholders are allowed to apply for Extra Shares (more than their Rights). Please refer to Part 7 (Additional Terms of the Offer) and Appendix C (Application Guidelines).

Pursuant to the BSH Capital Commitment, GSVL shall (i) subscribe fully for its Rights of 10,619,829 shares representing 29% of Shares on Offer, and (ii) take up any additional shares under the Rights Issue if they are not subscribed for (or renounced) by Qualifying Shareholders.

### **1.3.10 Terms of Payment for the Shares on Offer**

The currency of this Rights Issue is GHS.

All payments for Offer Shares must be made in full upon submission of the application. Payments by instalment will not be accepted. The Issuer and/or the Managers reserve the right to reject multiple applications, applications not paid for in full or to be paid in instalments. Qualifying Applicants shall make payments in GHS. Any payment in foreign currency will be converted to GHS by the Receiving Agent at the Prevailing Exchange Rate at the date of application.

Payment for the Shares on Offer may only be made in cash, cheque or money order. Cheques and money orders presented for payment, should be made payable to "**EGL RIGHTS ISSUE**" only and should be crossed and marked "**COMMISSION TO DRAWER'S ACCOUNT**". This endorsement must be signed by the drawer. Applications in respect of which cheques are returned unpaid will be rejected. Bank transfer charges and commissions shall be borne by the applicant.

Payments made in cash, cheque or money order shall be made into any of the relevant collection accounts of the Receiving Agents created for the purposes of the Rights Issue. Qualifying Applicants should indicate, on the payment slip, the name of the preferred Receiving Agent and the payment would be effected by the receiving officer of such Receiving Agent in the relevant collection account.

Please note that all payments are also subject to the additional terms and conditions indicated under Part 7 (Additional Terms of the Offer) and Appendix C (Application Guidelines) and any instructions in the relevant Application Form.

## PART 1 – THE RIGHTS ISSUE *(continued)*

### 1.3.11 Escrow Account

All Application Funds collected by the Receiving Agents will be deposited into the Escrow Account held with the Escrow Bank with the following details:

<b>Account name:</b>	EGL Rights Issue Offer Account
<b>Account number:</b>	0104205550500
<b>Name of Bank</b>	Standard Chartered Bank Ghana Limited
<b>Branch:</b>	Head Office
<b>Swift Code:</b>	SCBLGHAC
<b>Branch Sort Code:</b>	020101

A copy of the Escrow Account Agreement has been lodged with the SEC and it is one of the documents available for inspection under this Rights Issue.

Payment for applications by applicants should be made directly to any of the Receiving Agents, who will in turn transfer the funds into the Escrow Account.

### 1.3.12 Allotment of Shares on Offer

The EGL Board will be responsible for the allotment of all Shares on Offer. The Directors reserve the right to accept or reject any application in whole or in part for any reason whatsoever, including for reasons given under [Part 7 \(Additional Terms of the Offer\)](#) and [Appendix C \(Application Guidelines\)](#).

The allotment of Shares on Offer will be conducted at the discretion of the EGL Board and in the following order of priority:

- (a) satisfy all duly completed applications from Qualifying Applicants as pertains to Qualifying Applicants' Rights: and
- (b) satisfy all duly completed applications from Qualifying Applicants for Extra Shares provided there remains unsubscribed Rights after 1.3.12(a) has been completed. The Extra Shares will be allotted among Qualifying Applicants pro rata according to the number of Rights held by each Qualifying Applicant. Pursuant to the BSH Capital Commitment, GSVL shall (i) subscribe fully for its Rights of 10,619,829 shares representing 29% of Shares on Offer, and (ii) take up any additional shares under the Rights Issue if they are not subscribed for (or renounced) by Qualifying Shareholders

Following the allotment and approval by the SEC, any excess application funds shall be returned to the respective applicants by the Refund Commencement Date.

Applications that are received after the Offer Closure Date may not be processed or considered.

### 1.3.13 Refund of Excess Application Funds

If any application is not accepted or is accepted for fewer Shares on Offer than applied for, the balance of the amount paid on application will be returned (without interest) to the Receiving Agents for onward distribution to applicants no later than the Refund Commencement Date. EGL shall, within 1 week of making refunds to the Receiving Agents, announce such refunds through an advertisement in a national daily newspaper, announcements on local radio stations or by way of other recognised information channels with wide reach. The announcement will specify how and where applicants will claim their refunds.

An application will be deemed successfully refunded at the point when the amount has been returned or transferred to applicants' corresponding Receiving Agents for onward distribution to applicants.

If EGL does not make refunds of extra application monies to the Receiving Agent for onward distribution to applicants by the Refund Commencement Date then EGL will pay to the relevant applicants, interest (calculated on a per annum basis) on the unpaid amounts after the Refund Commencement Date at the prevailing Bank of Ghana prime rate for each day of default until the refund is made to the Receiving Agent.

## PART 1 – THE RIGHTS ISSUE (continued)

### 1.3.14 Transfer of Application Funds

After the approval of the allotment results by the EGL Board and the SEC, the net consideration will be transferred from the Escrow Account to EGL.

### 1.3.15 Form of Shares on Offer

The Shares on Offer shall (when issued) be held in dematerialised form and registered electronically by the CSD. The Shares on Offer will be held in accordance with procedures implemented by the CSD.

Qualifying Applicants who do not have a CSD Account will be issued letters of allotment. Qualifying Applicants who receive letters of allotment are, however, encouraged to open CSD Accounts and use their letters of allotment to dematerialise their shares into electronic form.

Qualifying Applicants who have CSD Accounts will have their respective CSD Accounts credited with the number of new shares allotted to them.

Share certificates will not be issued.

## 1.4 DEALINGS IN THE SHARES ON OFFER

The GSE has granted approval to list the Shares on Offer on the GSE, alongside the already listed 133,820,825 ordinary shares of EGL. It is expected that dealings in the shares on offer will start on the Listing Date.

## 1.5 COST OF THE RIGHTS ISSUE

The total cost of the Rights Issue is not expected to exceed 5% of the Application Funds. EGL will pay all costs and expenses out of the Application Funds. Below are the summarised details of the cost of the Rights Issue:

*Exhibit 3: Estimated Cost of the Rights Issu*

Item	Amount (GHS)	% of amount to be
<b>Professional and Advisers' Fees</b>	<b>1,763,253</b>	<b>0.80</b>
<i>Financial Advisory</i>	307,608	0.14
<i>Brokerage Commission</i>	928,317	0.40
<i>Legal Advisory</i>	307,608	0.14
<i>Reporting Accountant</i>	219,720	0.10
<b>Regulatory Fees</b>	<b>1,657,832</b>	<b>0.75</b>
<i>SEC</i>	109,860	0.05
<i>GSE</i>	449,372	0.20
<i>RGD (capital duty of 0.5% of application funds)</i>	1,098,600	0.50
<b>Depository and Registrar Services</b>	<b>21,250</b>	<b>0.02</b>
<i>CSD</i>	11,250	0.01
<i>Registrar</i>	10,000	0.01
Other Costs (Media, Publicity etc.)	657,000	0.30
<b>Total Estimated Cost</b>	<b>4,099,335</b>	<b>1.87</b>

## PART 1 – THE RIGHTS ISSUE *(continued)*

### 1.6 OFFER STATISTICS

Key details of the Rights Issue are:

*Exhibit 4: Offer Statistics*

Authorised shares	1,000,000,000
Issued shares	133,820,825
Price per share (GHS)	6.00
Ordinary shares to be issued under the Offer	36,620,000
Expected shares outstanding after Offer	170,440,825
Expected proceeds from the Offer (GHS)	219,720,000

## PART 2 – RISKS AND RISK MITIGATING FACTORS

### 2.1 OVERVIEW

Prior to making an investment decision, prospective purchasers of the Shares on Offer should carefully consider, along with the information referred to in this Circular, the following risk factors associated with an investment in Ghana, the Issuer and the Shares on Offer. There is a wide range of factors which (individually or together) could affect an investment in the Shares on Offer. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The risks and uncertainties below are not the only ones relating to the Issuer and the Shares on Offer. Additional risks and uncertainties not presently known to the Issuer, or that it currently believes are immaterial, could also impair an investment in the Shares on Offer.

#### 2.1.1 Political Risk

Political unrest is a risk which could adversely impact the operations of any company in Ghana including EGL, as it would affect its ability to meet its set targets. Ghana has, however, successfully conducted peaceful elections since the beginning of the fourth Republic in 1992. The country witnessed another successful transfer of power between the two major political parties in the recent December 2016 polls and a smooth transition of government in January 2017. The democratic process prevailing in the country decreases the risk of significant political unrest.

#### 2.1.2 Economic Risk

The financial results and income of EGL may depend to an extent on the stability of Ghana's macro-economy. EGL, like other organisations operating in Ghana, is exposed to economic risks associated with the country. The risks associated with navigating Ghana's macroeconomic landscape are mitigated by EGL's experienced management which has several years of operating in its primary business environment

#### 2.1.3 Inability to Assess Price Movement

There is the risk that it will be difficult to correctly assess the future course of price movements of securities and real assets or portfolio of investments held by EGL. This risk is significant as the valuation of the investment depends on the prices of the various assets within the portfolio of investments held by EGL. A downward trend in the prices means a downward valuation of the portfolio and vice versa.

To mitigate this risk, EGL critically evaluates all available opportunities to ascertain those whose prices are reaching their lowest levels with the potential of delivering positive returns on investment before investing in them.

#### 2.1.4 Currency Risk

Some of EGL's investments are made in USD (or its equivalent). The depreciation of the currency in which the investment is denominated against the USD affects the value of assets and therefore the value of the portfolio.

EGL's decision to invest in selected African countries is intended to mitigate this risk.

#### 2.1.5 Operational Risk

This is the exposure to financial or other damage arising through unforeseen events or failure in operational processes and systems. Examples include inadequate controls and procedures, human error, deliberate malicious acts including fraud and business interruptions. These risks are controlled and monitored through system controls, segregation of duties, exception and exposure reporting, business continuity planning, internal audit and timely and reliable management reporting

## **PART 2 – RISKS AND RISK MITIGATING FACTORS** *(continued)*

### **2.1.6 Concentration Risk**

This will likely occur when there is an overconcentration of investments in a particular sector, security or country and an undesirable outcome in such a concentrated area will adversely affect the portfolio.

Management has since the inception of EGL consciously made investments in a well-diversified manner across various sectors as well as in different African countries.

### **2.1.7 Capital Market Risks**

#### *Liquidity Risk*

The additional shares of EGL on offer will be listed on the GSE. However, this does not guarantee liquidity of the Company's shares. Thus, investors wishing to sell their shares may not be able to sell at a particular time or at their preferred price.

#### *Dilution*

Shareholders of EGL will be diluted if they elect not to fully exercise their allotted rights and other investors are given the opportunity to subscribe to these rights.

## PART 3 – OVERVIEW OF THE ECONOMY OF GHANA AND THE GSE

### 3.1 OVERVIEW OF THE GHANAIAN ECONOMY

Ghana's economic growth witnessed a steady decline to 3.5% in 2016 after the start of oil & gas production propelled real growth in Gross Domestic Product (**GDP**) to 14% in 2011.

Exhibit 5: Real GDP Growth (YOY)

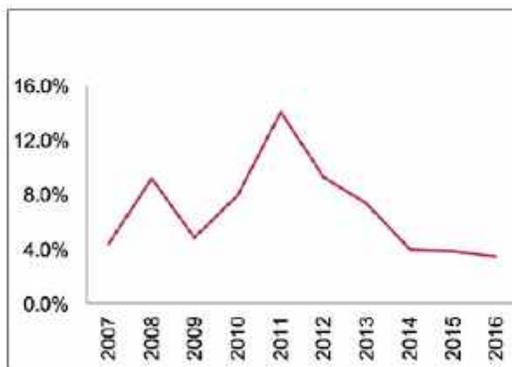
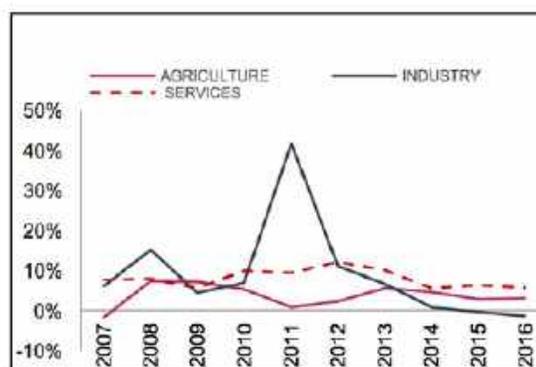


Exhibit 6: Sectorial Growth Trend

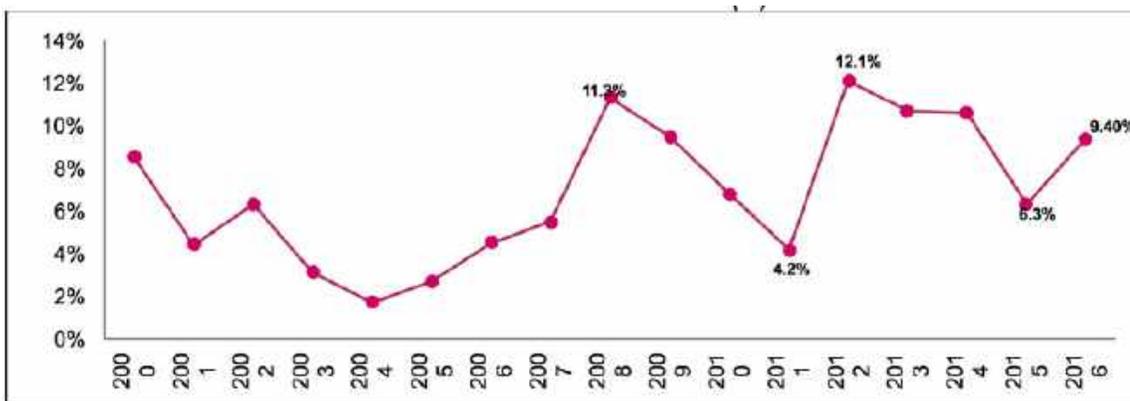


In a broader view, Ghana's overall GDP growth trajectory reflected the performance of the industrial sector as growth in the services and agriculture sectors slowed down.

Currently, Ghana is implementing a 3-year USD 918 million extended credit facility programme entered into by the Government of Ghana with the IMF on April 3, 2015 (the **IMF Programme**). Under the IMF Programme, the IMF agreed to disburse the USD 918 million facility to the Government of Ghana under 8 tranches to help restore Ghana's debt sustainability and macro-economic stability, strengthen the Bank of Ghana's monetary policy framework and to rebuild Ghana's external buffers. The IMF Programme was extended by the IMF in August 2017 (by an additional USD 94 million and to the end of December 2018). With the IMF Programme, Ghana's macroeconomic indicators are projected to record marked improvement, partly helped by renewed confidence in the government's commitment to growth-oriented policies amidst fiscal efficiency.

**Fiscal development so far:** Generally, Ghana enhanced fiscal efficiency in the first year of the IMF Programme. In particular, Ghana improved its tax administration as tax revenue (GHS 32.04 billion) exceeded target by 5.0% despite a 1.6% overrun in expenditure (GHS 38.59 billion). This resulted in a lower-than-expected fiscal deficit of 6.3% of GDP at the close of 2015 compared to the target of 7.3%. This improvement in fiscal efficiency could however not be sustained in 2016 as lower crude oil prices along with technical faults with the FPSO at the Jubilee oil field, slowing economic activity and election-related excesses eroded the fiscal gains. Consequently, Ghana recorded a wider-than-expected fiscal deficit at the close of 2016 with an end-year deficit of 9.4% compared to a program target of 5.0%.

Exhibit 7: Trend in Fiscal Deficit (%)



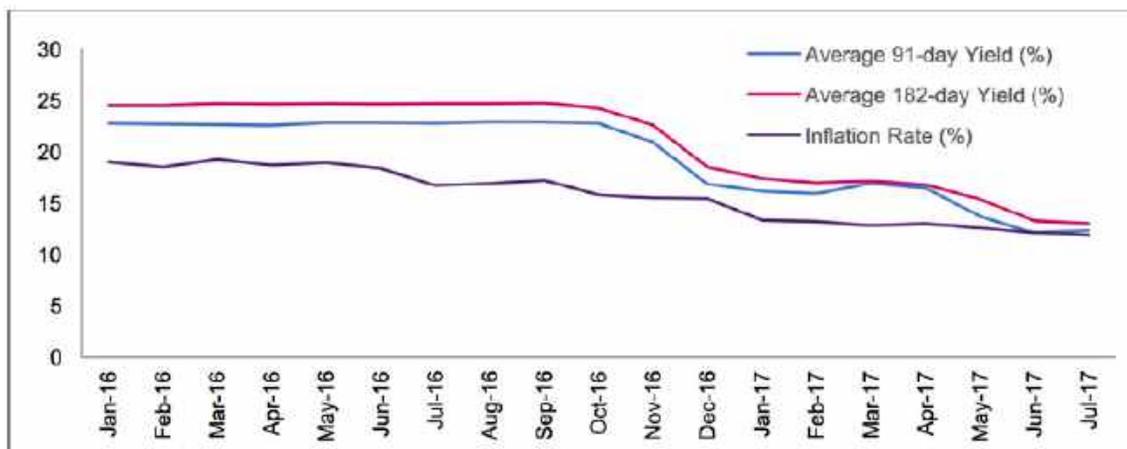
Source: Ministry of Finance

### PART 3 – OVERVIEW OF THE ECONOMY OF GHANA AND THE GSE (continued)

**Improved fiscal outlook on the back of renewed commitment to fiscal consolidation:** The start of a new political administration in January 2017 appears to have triggered a wave of bullish sentiments as the new government's commitment to fiscal consolidation and private sector-led growth raised positive expectations about macroeconomic stability. Despite a raft of tax reliefs granted in the 2017 budget, the government of Ghana anticipates nearly 300bps decline in the fiscal deficit in 2017. While the Government of Ghana recorded a 15% shortfall in revenues (GHS 17.47 billion) for the first half of 2017, strict enforcement of the public financial management system and expenditure rationalization contained total expenditure (GHS 23.51 billion) to 9% below the budget limit. This resulted in a narrower fiscal deficit of 2.7% for the first half of 2017, lower than the target of 3.5% and the 4.0% outturn for like period in 2016. The mid-year review of the budget estimates emphasized the Government of Ghana's commitment to fiscal consolidation as the end-year 2017 fiscal deficit target was cut further by 20bps to 6.3% on the back of strict expenditure rationalisation measures.

**Other macroeconomic indicators turn bullish as fiscal and monetary policy anchors expectations:** On account of the tight monetary policy stance of the Bank of Ghana since 2015, inflationary expectations have been firmly anchored and subdued while a return to exchange rate stability consolidates the downside view of inflation and interest rates. The disinflation process which started from late 2016 has broadly been sustained in 2017 as headline CPI inflation hit 11.9% in Jul-2017, down from 15.4% in Dec-2016. The current dynamics for inflation is consistent with the Bank of Ghana's expectations of  $8\% \pm 2\%$  inflation rate by 2018. Nominal yields for treasury securities have also drifted downwards in response to the monetary signal of diminishing inflation risks as the benchmark 91-day yield dropped from 16.43% in December 2016 to 12.54% in July 2017.

Exhibit 8: Trend in Rates and Inflation.

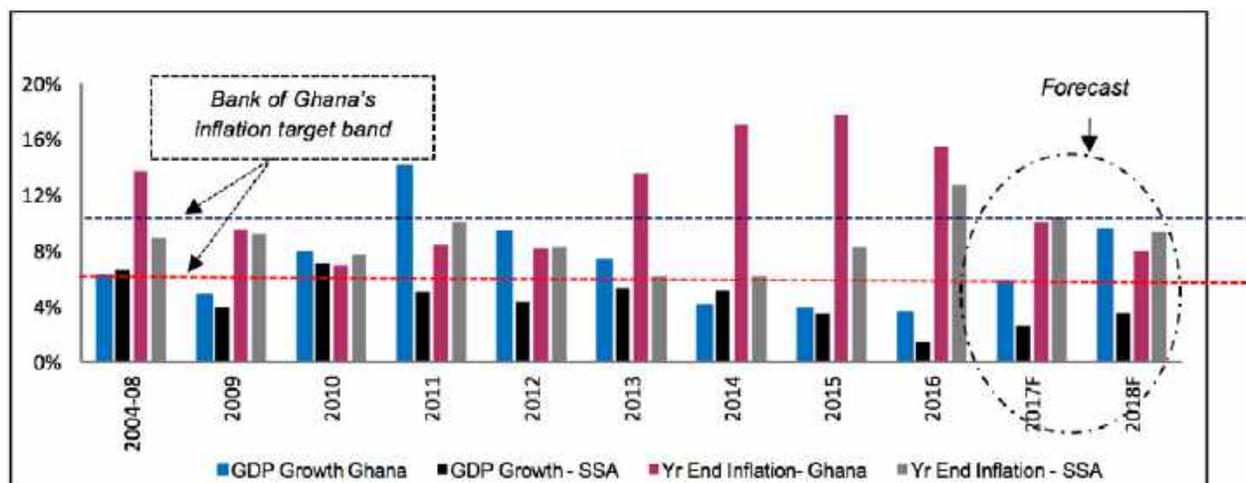


Source: Ghana Statistical Service, Bank of Ghana

The real GDP growth pulse has also picked up in 2017 on the back of a recovery in oil & gas production from three key production sites – Jubilee, Tweneboa-Enyenra-Ntomme (TEN) and Sankofa-Gye-Nyame (SGN). The GDP data for the first quarter of 2017 showed a 6.6% real growth in over GDP, underpinned by hydrocarbon-led expansion in the industrial sector. Despite subdued growth in non-oil GDP (3.5%), overall real GDP growth is projected to pick up in 2017 with government of Ghana and the IMF projecting 6.3% and 5.8% respectively (Databank:  $6.3\% \pm 0.5\%$ ).

## PART 3 – OVERVIEW OF THE ECONOMY OF GHANA AND THE GSE (continued)

Exhibit 9: Ghana's Economic Performance and Outlook vs. Sub-Saharan Africa



Source: Ghana Statistical Service, Bank of Ghana, IMF, Databank Research

### 3.2 OVERVIEW OF THE GHANA STOCK EXCHANGE

The GSE was incorporated in July 1989 as a company limited by guarantee under the Companies Act. It was authorised as a stock exchange in October 1990 under the repealed Stock Exchange Act, 1971 (Act 384). The first council of the GSE was inaugurated on November 12, 1990 and trading commenced on its floor on the same day.

A 9-member council governs the GSE. The operations of the GSE are regulated by the SEC, which is empowered by the Securities Industry Act. The GSE's membership comprises licensed dealing members (**LDMs**), associate members and government securities dealers.

The criteria for listing on the GSE include capital adequacy, profitability, spread of shares, years of existence and management efficiency. The GSE seeks to improve transparency, increase market efficiency, enhance price discovery and increase liquidity in Ghana's capital market.

#### 3.2.1 Developments and Trends

Trading on the GSE began on November 12, 1990 with 11 listed companies. As at 2002, 26 equities, 4 corporate bonds and 2 government bonds were listed on the First Official List. Currently, the number of listed equities on the Official List has increased to 36 with 1 Exchange Traded Fund, 1 preference share and 1 depository share.

The Ghana Alternative Market (the GAX) was launched in 2013 to encourage viable small and medium enterprises (SMEs) to raise funds through the GSE. 4 equities have listed on the GAX since its inception. The Ghana Fixed Income Market, which was established in 2015 by the GSE has listed a number of government bonds and corporate bonds issued by Izwe Loans Limited, AFB Ghana Limited, Edendale Properties PLC, Bayport Financial Services (Ghana) Plc, Ghana Home Loans Limited, and PBC Limited.

Some of the key developments that have helped to shape the evolution of the GSE in the last decade include:

- 2007: The passage of Central Securities Deposit Act, 2007 (Act 733) to permit the issuance of dematerialised securities, where shareholders and the board of directors of an issuer have authorised this. It also enabled the GSE to set up the GSE Securities Depository Company Limited (GSD) as well as a settlement system. It also enabled the Bank of Ghana to set up the CSD.
- 2008: GSD commenced operations in November 2008.
- 2009: The GSE launched a live automated trading system in March 2009, which was upgraded later to allow stockbrokers to trade remotely from their offices in June 2009.

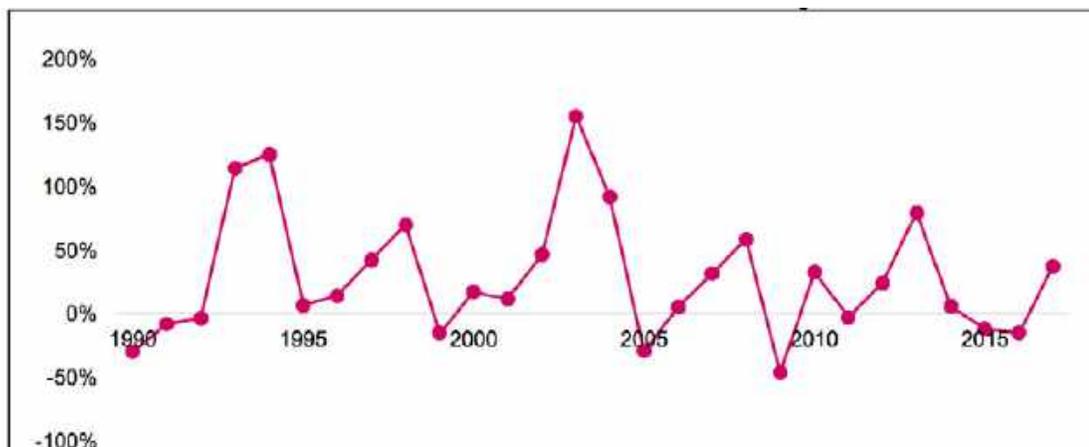
## PART 3 – OVERVIEW OF THE ECONOMY OF GHANA AND THE GSE *(continued)*

- 2011: The GSE extended trading hours from 9:30 a.m. – 1:00 p.m. to 9:30 a.m. – 3:00 p.m.
- 2013: GAX was launched as a parallel market operated by the GSE to allow viable SMEs to raise capital to finance their growth ambitions.
- 2013: The GSE agreed with the Bank of Ghana in December 2013 to merge the GSD and the CSD into a single depository known as the CSD.
- 2015: GFIM was launched to facilitate secondary market trading of fixed income securities issued by government, government agencies and corporate institutions.
- 2015: The GSE successfully upgraded its automated trading platform to international standards to boost global investor confidence in the Ghanaian market and to provide the backbone for West African capital markets integration agenda.

### 3.2.2 Performance of the GSE

The GSE has performed impressively over its 27 years of existence. It attained a peak return of 154.67% for 2003. Notably, weak macroeconomic conditions in Ghana (high inflation, high interest rate and a weak cedi) adversely impacted the equities market between 2014 and 2016. The GSE, however, has started a strong recovery since the beginning of 2017. As at end of September 2017, the benchmark composite index (GSE Composite Index) had posted a return of 37.71% on a year-to-date basis.

*Exhibit 10: Returns on the Ghana Stock Exchange*



*Source: Ghana Stock Exchange, Databank Research*

Market activity on the GSE has witnessed significant improvement mainly from the active trading of financial sector stocks. The aggregate volume of shares traded for 2016 stood at 237.08 million compared to 182.51 million recorded in 2010. Market capitalisation has also increased to GHS58.38 billion at the end of September 2017 from GHS54.05 billion recorded in January 2017. The growth in market capitalisation is attributed to price rallies in heavily weighted stocks including: Ecobank Ghana, Standard Chartered Bank, Fan Milk, Ghana Oil Company among others.

Market activity on the GSE is expected to improve in view of a stable macroeconomic environment (a stable GHS and a further decline in inflation & interest rates). It is also expected that the interest rates in the fixed income markets (currently ~12.6% p.a. for the 91-day Treasury bill) will decline to provide further impetus for equity market growth as investors seek higher returns.

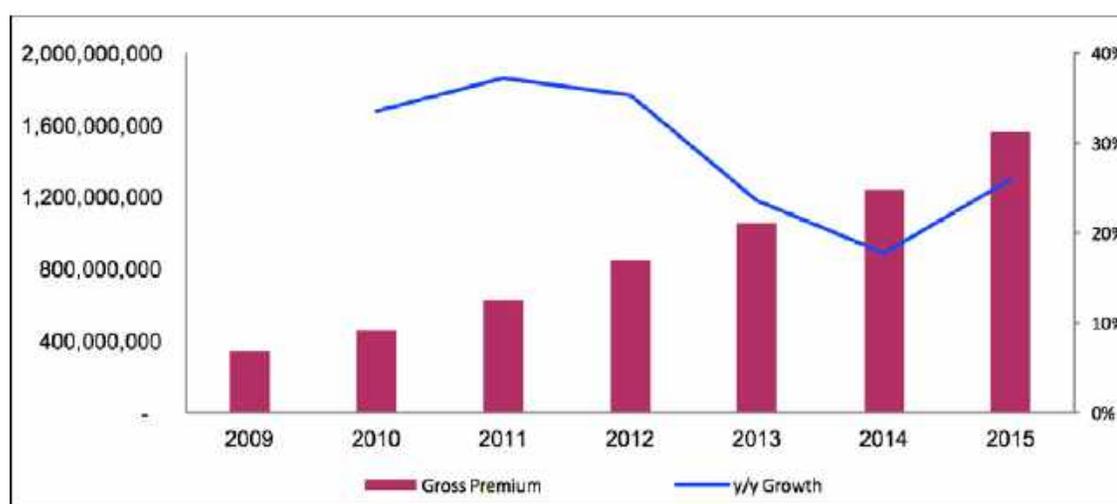
## PART 4 – INDUSTRY OVERVIEW

### 4.1 OVERVIEW OF THE INSURANCE INDUSTRY

The insurance landscape in Ghana has undergone some significant regulatory reforms in recent years. The NIC introduced new solvency guidelines and raised the minimum capital requirement to GHS15 million in 2016. The NIC has also been strictly enforcing the local content law and the localisation of certain classes of the insurance business including motor and life insurance, in a bid to improve local capacity.

The industry has recorded a growth rate of about 450% since 2009 as gross premium rose from GHS 342.97 million to GHS 1.57 billion in 2015. The impressive growth of the industry was generally aided by expansion of the economy and particularly with the commencement of crude oil production in 2010. Real GDP growth averaged 7.3% over the six-year period to 2015 with the associated growth in personal income, improvements in living standards and a growing middle class boosting the demand for insurance.

Exhibit 11: Trend in Premium Growth



Source: National Insurance Commission, Databank Research

Although the non-life insurance segment forms the significant share of the aggregate gross premium for the insurance sector (54% share between 2013 and 2015), the industry's growth is largely driven by the life insurance segment of the market. The gross premium for life insurance grew at a compounded average growth rate (CAGR) of 21% between 2011 and 2015 to GHS 705.85 million driven largely by growth in the health insurance sector (this excludes premium from NHIS).

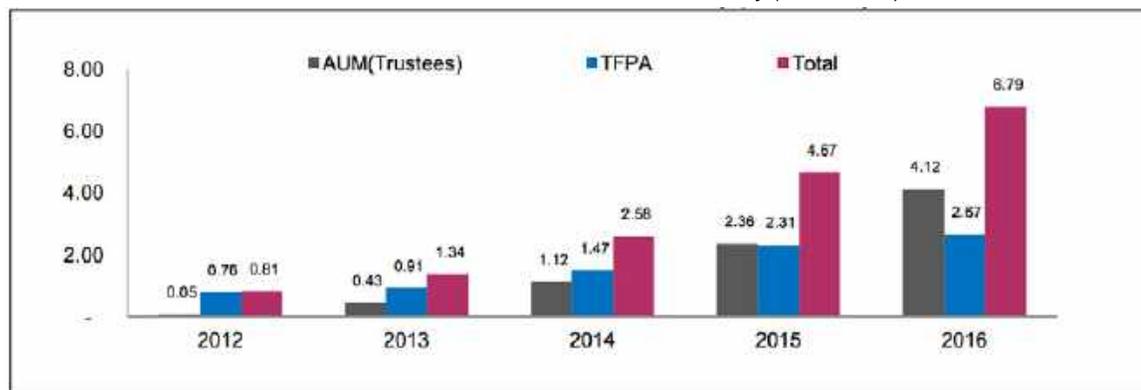
Insurance penetration is, however, low despite the strong yearly growth of the industry (2015 estimate: 1.17%) as most insurance firms were undercapitalised, which limits their ability to manage bigger risks. Following completion of the recapitalisation process within the industry, it is expected that the underwriting capacity of the industry will improve.

The low insurance penetration points to strong opportunities for the expansion of the industry. Economic growth is expected to recover over the medium term while the continuing expansion in the middle-class population, strong regulation, rising public awareness and the growing acceptance of mobile insurance products are expected to drive an overall industry growth. The increase in the minimum capital requirement to GHS 15 million (USD 3.5 million) for both the life and non-life insurance companies will enable the sector to underwrite larger ticket transactions. As a result, local companies may be capable of underwriting syndicated policies in the growing oil and gas industry.

**4.2 OVERVIEW OF THE PENSIONS INDUSTRY**

The pensions industry has witnessed a steady growth since the enactment of the Pension Act. In particular, growth has been pronounced in privately managed pensions (Tier 2 and 3 pensions) under the three-tiered pension scheme. Private pension funds currently include funds accrued in the Temporary Pension Fund Accounts (**TPFA**) and total assets under management (**AUM**) by licensed pension trustees

*Exhibit 12: Total AUM of Private Pensions Industry (GHS Billion)*



Despite the recent slowdown in Ghana’s economic growth, the total AUM of the pensions industry continued to see growth. In 2016, the total AUM grew by 45.4% y/y to GHS6.79 billion (growth since 2012: +743%). Similarly, funds under the management of trustees grew by 75% y/y to GHS 4.1billion in 2016. The strong growth in the pensions industry is partly attributable to growth in nominal wages (owing to inflationary pressures) and stricter enforcement of regulations related to the industry.

The Ghanaian economy is expected to grow at an accelerated rate over the medium term, driven by expansion in industry and agriculture. The commencement of crude oil production in new oil fields in Ghana and the industrialisation drive of the current government underscores the expected growth in industry. The agriculture sector is also expected to expand over the medium term on the back of a renewed government focus aimed at ensuring food sufficiency. The linkages between industry and other sectors of the economy is, therefore, expected to boost employment and income growth. As a result, we expect a strong growth in the pensions industry over the medium term on the back of this expected growth in the real sectors of the economy.

**4.2.1 Regulatory Framework of the Pensions Industry**

Following prolonged agitation from organised labour and pensioners on the inequalities in retirement benefits among public sector workers and inefficiencies in the pensions system in Ghana, the Government of Ghana initiated a comprehensive pension sector reform in 2004. The goal was to ensure a universal pension scheme for all employees. The presidential commission set up to oversee the pension industry reforms recommended a three-tier pension system as contained in the Pensions Act which was passed into law in December 2008. The law established the NPRA as the regulator of both public and private pension schemes in the Ghana.

The law entrusts the management of the three-tiered schemes to different service providers with varied roles in a bid to ensure transparency and efficiency in the management of the schemes. The 3 main pension service providers include:

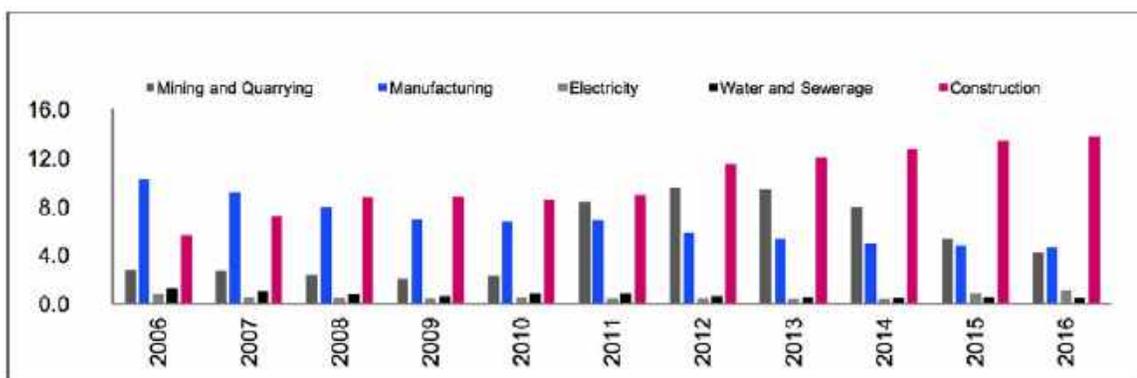
- (a) The Trustee: A company or an individual licensed by the NPRA, with the overall responsibility for the administration and management of the Tier 2 and Tier 3 schemes.
- (b) The Pension Fund Manager: An institution licensed by the SEC, registered by the NPRA and mandated by a trustee to manage pension funds.
- (c) The Custodian: An institution licensed by the SEC and registered by the NPRA to receive and keep pension funds and assets safely.

## PART 4 – INDUSTRY OVERVIEW (continued)

### 4.3 OVERVIEW OF THE REAL ESTATE INDUSTRY

Ghana's growing economy together with the expanding oil and gas industry requires investments in infrastructure as a growing population and rapid urbanisation raise the prospect of demand for housing. With an urbanisation rate of 3.5% per year, Ghana's urban population is estimated at 54% of total population as at 2015. Despite a significant slowdown in growth from 2014 – 2016, the construction sub-sector recorded the highest average growth of 12.1% per annum over the last decade within the industrial sector and remains the highest contributor (from the industrial sector) to overall GDP. Given the 2.5% annual growth rate in Ghana's population and the annual infrastructure investment need of USD 1.5 billion over the next decade, the construction sector is set to remain a major growth driver of Ghana's economy.

Exhibit 13: Contribution of each sub-sector to Ghana's GDP



Source: Ghana Statistical Service, Databank Research

#### 4.3.1 The Real Estate Market in Ghana

The rapid urbanisation of Ghana's population raises the prospect of rising demand for affordable housing. Despite the growing middle-class population, there exists a wide income disparity and the bulk of the population remain at the lower end of the income ladder. This makes affordability of real estate a crucial factor in determining property demand in Ghana. According to the 2015 National Housing Policy, affordability of housing is determined at a cost (plus taxes) not exceeding 30% of the buyer's (or the renter's) gross annual income. The supply options in Ghana's real estate market is however diverse across residential, office space, warehouse or lands for sale and lease.

#### 4.3.2 Demand for Real Estate in Ghana

Ghana's housing deficit is broadly estimated at 1.7 million units with the potential for further expansion as population growth and urbanisation continues to overwhelm supply. While this deficit requires the provision of about 150,000 housing units annually for the next 20 years, the delivery rate is estimated at less than 10% per annum. This shortfall in delivery rate creates opportunity for investments in the property market on the back of growing demand for real estate. Higher property prices in Ghana remain a key constraint to demand for houses and rental properties in Ghana, restricting the bulk of the demand to low-cost units. A 2007 survey by the Bank of Ghana revealed that high cost of input and cumbersome land acquisition and registration process are the driving forces behind the rising property prices in Ghana. With improvement in the exchange rate and inflation outlook together with the removal of the 1% special import levy, the upward pressure on input costs is expected to ease. The Government of Ghana's decision to scrap the 5% VAT on the sale of real estate in the 2017 budget is also expected to lower property prices and enhance affordability.

Demand for office space, especially in prime locations, is driven by the need for support and professional services as the economy expands. A 2015 real estate report published by PwC (the **PwC Report**) further noted that the price for office space rental range from USD 35/m<sup>2</sup> to USD 40/m<sup>2</sup> per month, with a prime yield of 10% per annum.<sup>1</sup>

## PART 4 – INDUSTRY OVERVIEW (continued)

### 4.3.3 Supply of Real Estate in Ghana

The real estate market is highly competitive involving developers, mortgage finance companies, contractors and brokers. The Ghana Real Estate Developers Association (**GREDA**) was established under the Companies Act as a private company limited by guarantee. The GREDA currently has membership in excess of 160 real estate developers with the freedom to operate as entrepreneurs in an open and competitive environment.

Exhibit 14: List of major retail stores in Ghana



According to the PwC Report, new developments in Ghana’s housing market are being driven by new apartment block facilities mostly funded by foreign investors from Turkey, South Africa and the Middle East. The increasing supply of high-end apartments in Ghana’s urban centres is mainly underpinned by the country’s burgeoning energy sector, particularly the oil and gas industry. Demand is however driven by both expatriates and Ghanaians employed in the energy sector on account of the high-income levels within this class of the population. Construction of shopping malls in major cities and its attendant retail and departmental stores have also gained prominence in the real estate space in Ghana. A number of shopping malls have been established following the success of Accra Mall. The diagram above (exhibit 14) shows major shopping centres in Ghana. Based on estimates from PwC, Accra Mall receives an average of 4 million visitors per year, indicating the growing attraction of retail and departmental stores.

<sup>1</sup> Real Estate - Building the future of Africa (PwC, March 2015)

## PART 5 – INFORMATION ON ENTERPRISE GROUP LIMITED

### 5.1 CORPORATE HISTORY AND BACKGROUND OF EGL

EGL is a holding company incorporated on November 24, 2008. The original entity was EIC, established in 1924 and is the oldest insurance company in Ghana. It was listed on the GSE in 1991 as the first insurance company to be publicly listed in Ghana.

Following a restructuring of the group in 2010, EGL become the holding company of the Group, and was subsequently listed on the GSE with a simultaneous delisting of EIC.

### 5.2 THE GROUP

#### 5.2.1 The Group's Vision and Mission

(a) **Vision**

“In all our markets, our pedigree will be recognised, our strength respected, our expertise valued and our solutions sought by all who desire an advantage in life.”

(b) **Mission**

The Group's mission is to “provide all who come into contact with us their desired advantage because...we are the best at what we do!”

#### 5.2.2 Group Structure

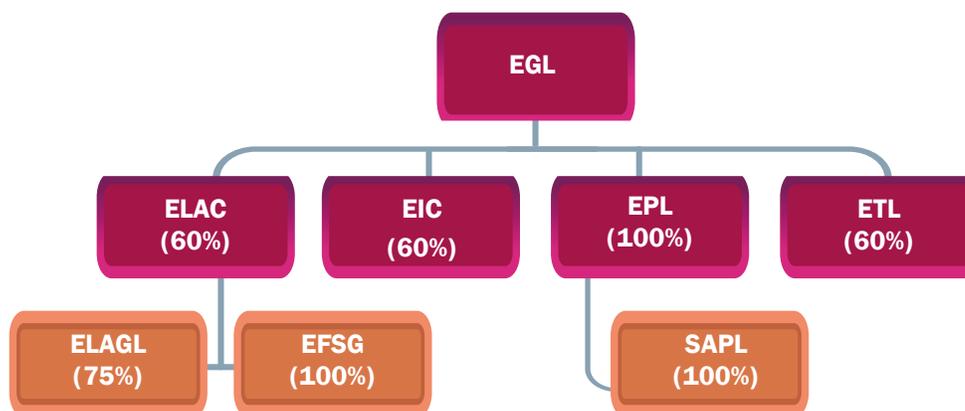
EGL directly and indirectly owns 7 operating subsidiaries namely - ELAC, EIC, ETL, EPL, Enterprise Life Assurance (Gambia) Limited, Enterprise Funeral Services Ghana Limited and Seventh Avenue Properties Limited.

ELAC owns Enterprise Life Assurance (Gambia) Limited (**ELAGL**) and Enterprise Funeral Services Ghana Limited (**EFSG**). EFSG is trading as ‘Transitions – The Funeral People’.

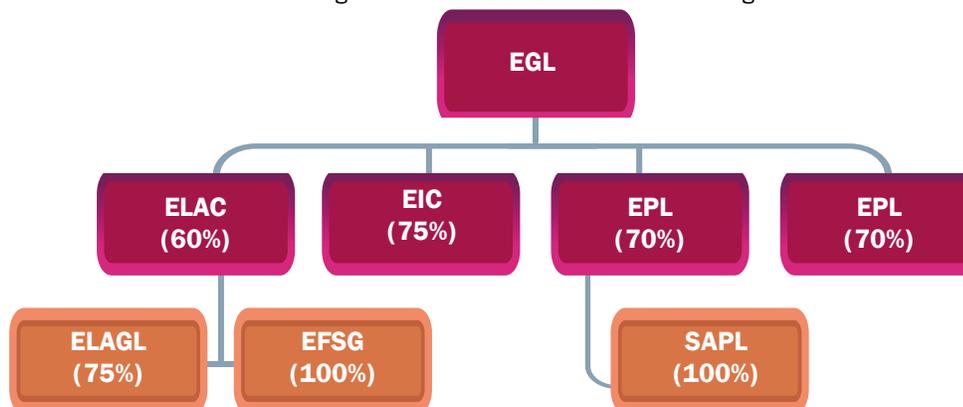
EPL wholly owns Seventh Avenue Properties Limited (**SAPL**).

The percentage of ownership structure is shown in the table below:

*Exhibit 15: Holdings of EGL in its Subsidiaries before the Rights Issue*



*Exhibit 16: Holdings of EGL in its Subsidiaries after the Rights Issue*



### 5.2.3 Group Business Overview

(a) **EIC – General Insurance**

EIC is the oldest insurance company in Ghana, which has been in operation since 1924. It takes its roots from the Royal Exchange Assurance Corporation of the United Kingdom, which commenced business in the Gold Coast in 1924, then became Guardian Royal Exchange Assurance Ghana Limited and subsequently, Enterprise Insurance Company Limited. EIC is regulated by the NIC.

EIC is a leading insurer in fire, marine, motor and general accident. Over the years, EIC has introduced innovative products such as the profit sharing policies and Hei Julor plus.

EIC's strategic partner is BSH, which has a 40% stake in the company. It was the first insurance company to be listed on the GSE and is currently the highest ranked general insurance company in the 2016 Ghana Club 100 listing.

(b) **ELAC – Life Assurance**

ELAC is Ghana's leading life insurance company and is regulated by the NIC.

ELAC operates as a specialist life insurance company, providing affordable and innovative life assurance products designed to meet the needs of policyholders and the public.

ELAC is co-owned by BSH, which has a 40% stake in the company.

(c) **ETL – Pension Trust**

ETL is licensed by the NPRA to operate as a corporate trustee. ETL is currently the largest corporate trustee in Ghana with over GHS 1 billion (approximately USD 250 million) in assets under management.

In addition to being a corporate trustee, ETL provides administration services to master trust schemes, employer sponsored schemes and group personal pensions.

ETL is co-owned by BSH, which has a 40% stake in the company.

## PART 5 – INFORMATION ON ENTERPRISE GROUP LIMITED *(continued)*

### (d) **EPL – Property Management**

EPL was set up to ensure the efficient use of the Group's assets by providing property management services to EGL and its subsidiaries.

The services rendered include retail leasing and consulting, corporate real estate services and facilities management. EPL is also responsible for carrying out lease negotiations, property acquisitions, refurbishment and renovations as well as standardising office spaces for the Group.

EPL is currently wholly owned by the Group. After the Rights Issue, it will be co-owned by BSH with a 30% stake in the company.

### (e) **EFSG – Funeral Services**

EFSG trading as Transitions – The Funeral People is a pre-funeral and burial services provider for ELAC's policy holders and third-party "walk in" clients.

EFSG is the first fully integrated funeral services provider to offer assurance, funeral and private burial services in Ghana.

EFSG is wholly-owned by ELAC.

### (f) **ELAGL – Life Assurance in The Gambia**

ELAGL operates as a life insurance company in The Gambia, providing affordable and innovative life assurance products designed to meet the needs of policyholders and the general public. ELAGL is co-owned by The Trust Bank in Gambia, which has a 25% stake in the company.

### (g) **SAPL – Property Development and Management**

SAPL is engaged in property development, property management and marketing of commercial properties. SAPL is wholly-owned by EPL.

## 5.2.4 **Outlook for the Group**

EGL intends to broaden its international investments to include other sub-Saharan economies. With the recent successful agreement with its new strategic partner BSH (which is wholly owned by LSAI – a strategic African investment account with Prudential Financial Inc. as its investor and Leap Frog as its manager) EGL intends to embark on a rapid growth agenda both in Ghana and across West Africa, with a key focus being Nigeria and Ivory Coast.

EGL expects that its new partnership with BSH will provide both technical as well as financial support that will allow EGL to grow rapidly in the medium term. EGL also expects that this commitment is a key part of achieving its goal of becoming a USD 1 billion company over the next 5-10 years. Thus far, majority of EGL's portfolio of businesses have been in general insurance, pension fund trustee and administration, however the Group expects to diversify increasingly into real estate and health care over the next 5 years.

## 5.3 **SHAREHOLDING AND CAPITAL STRUCTURE OF EGL**

### 5.3.1 **Share Capital**

EGL was registered with 200,000,000 shares in 2008. This was increased to 1,000,000,000 shares by a special resolution passed at the AGM held on August 8, 2017.

## PART 5 – INFORMATION ON ENTERPRISE GROUP LIMITED (continued)

As of the date of this Circular, EGL has 133,820,825 issued shares and a stated capital of GHS 37,268,000.

As at the date of this Circular, EGL has 3,625 ordinary shareholders. The details of the top 20 ordinary shareholders of EGL (as at the date of this Circular) are as follows:

*Exhibit 17: Top 20 Shareholders*

No.	Shareholder	No. of Shares	Percentage
1	Grace Strategic Ventures Limited	38,808,040	29.00
2	Std Noms/CS Sec (US) LLC/Africa Opportunity Fund LP	15,159,237	11.33
3	Cleartide Asset Holdings Limited	12,967,878	9.69
4	Social Security and National Insurance Trust	8,292,318	6.20
5	SCGN/SSB & Trust AS Cust for Kimberlite Frontier Africa Master Fund, L.P-RCKM	7,864,372	5.88
6	Ventures and Acquisitions Limited	7,820,700	5.84
7	SCGN/Epack Investment Fund Limited	4,541,055	3.39
8	Janet Snowden Maxwell	2,967,500	2.22
9	SCGN/Citibank New York Re Norges Bank	2,155,300	1.61
10	Std Noms TVL Pty/ BNYM Sanv/Vanderbilt University	1,142,191	0.85
11	SCGN/SSB & Trust AS Cust for Conrad N Hilton, Foundation-00fg	1,038,316	0.78
12	Damsel / Anthony Oteng-Gyasi	1,006,600	0.75
13	SCGN/Ghana Medical Association Pension Fund	801,000	0.60
14	Estate of Dr. P. K. Anim-Addo	625,000	0.47
15	HFCN/ EDC Ghana Balanced Fund Limited	609,591	0.46
16	Ghana International School Staff Provident Fund	600,000	0.45
17	Francis F. D. Doodoo	593,845	0.44
18	George Banasco Otoo	531,700	0.40
19	SCGN/Databank Balanced Fund Limited	526,100	0.39
20	Universal Insurance Consultants Staff Provident Fund	500,000	0.37
<b>Total Holding of Top 20 Shareholders</b>		<b>108,550,743</b>	<b>81.12</b>
<b>Total Holding of Remaining Shareholders</b>		<b>25,270,082</b>	<b>18.88</b>
<b>Total Issued Shares</b>		<b>133,820,825</b>	<b>100.00</b>

As at January 2017, Ventures and Acquisitions Limited was the majority shareholder of the Issuer, with a shareholding of 34.84%. Pursuant to a share transfer agreement dated June 22, 2017, Ventures and Acquisitions Limited transferred 29% of its shares in the Issuer to Grace Strategic Ventures Limited.

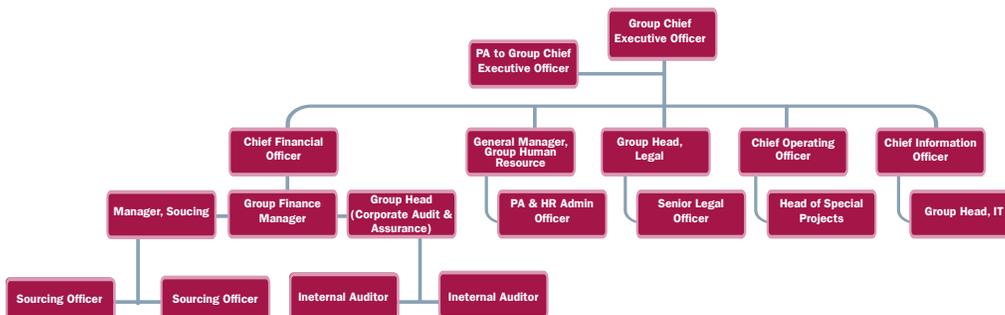
### 5.3.2 Indebtedness of EGL

EGL does not have any outstanding indebtedness as at the date of this Circular. However, EGL (wholly owned by EGL) obtained a long-term facility of up to USD 15 million in 2016 from Standard Chartered Bank Limited to support the construction of an office complex, known as 'Advantage Place', on the 7th Avenue at Ridge West, Accra. The facility is secured by a first ranking mortgage over the buildings, improvements and land interest comprised in the office complex. EGL and SAPL are guarantors of the facility.

## 5.4 GOVERNANCE STRUCTURE OF EGL

### 5.4.1 Organisational Structure

Exhibit 18: Organisational Structure of EGL



### 5.4.2 The EGL Board

The EGL Board sets the Group’s strategic direction and reviews its financial performance, ensuring that conditions that promote strong, sustainable financial performance are promoted. To do this end, the EGL Board directs and monitors the affairs of the Group using a framework that makes it easy to assess risks through clear procedures, enabling long-term value delivery to stakeholders

The EGL Board oversees that the appropriate standards of business practice are set and implemented and obligations to shareholders achieved. Each of the Directors has extensive knowledge of capital markets, finance and administration and private sector development and management.

As at the date of this Circular, EGL has 8 directors, comprising a non-executive chairman, 4 non-executive Directors and 3 executive Directors. The current members of the EGL Board are as follows:

Exhibit 19: Profile of Directors

No	Director	Position	Age	Date Appointed	Other Directorships
1	Trevor Trefgarne	Chairman	73	November 24, 2008	ELAC, EIC, EPL and Franklin Templeton Investment Funds SICAV
2	Keli Gadzekpo	Chief Executive Officer	55	October 18, 2010	ELAC, EIC, EPL, ETL, SAPL (see 5.4.3 (b) for details)
3	Martin Eson-Benjamin	Non-Executive Director	68	November 5, 2010	EPL, EIC, CFAO Ltd, College of Health Sciences and Ecobank Ghana Ltd
4	George Otoo	Non-Executive Director	63	November 24, 2008	EPL, Databank Epack Investment Fund Ltd and Ghana Reinsurance Ltd
5	Angela Ofori-Atta	Non-Executive Director	56	October 1, 2015	EIC, EFGS, DFS, DFHL, DAM-SEL and Alpha Ghana Ltd
6	Cleland Cofie Bruce	Executive Director	59	November 18, 2016	ETL, ELAGL, Intel Opera Ltd, HSB Ghana Ltd
7	Daniel Larbi-Tieku	Executive Director	54	November 18, 2016	EFGS and Randance Ltd
8	Fiiifi Kwakye	Non-Executive Director	54	November 18, 2016	ELAC, ETL, Afina Asset Management Co. Ltd, Phlox Services Ltd and ACA Development Ltd
9	Douglas Lacey	Non-Executive Director	59	December 8, 2017	N/A

## PART 5 – INFORMATION ON ENTERPRISE GROUP LIMITED *(continued)*

### 5.4.3 Profiles of Board Members

- (a) **Mr. Trevor Trefgarne**, *(Chairman), British, 73 years*  
Trevor Trefgarne was appointed as the Chairman of EGL in 2008. He is a graduate of the Cranfield School of Management.  
**Other directorships:** ELAC, EIC, EPL, Franklin Templeton Investment Funds SICAV.
- (b) **Keli Gadzekpo**, *(Group Chief Executive Officer), Ghanaian, 55 years*  
Keli Gadzekpo was appointed as the Group Chief Executive Officer of EGL in 2014. He is a Certified Public Accountant. He holds an undergraduate degree from Brigham Young University and a graduate degree from Harvard University.  
**Other directorships:** ELAC, EIC, EPL, ETL, SAPL, EFGS, ELAGL, Databank Asset Management Services Limited (DAMSEL), Databank Financial Services Limited (DFS), Databank Epack Investment Fund Limited, Phyto-Riker Pharmaceuticals Limited, GSVL, V&A, Family Ventures and Offices Limited, Structured Capital Limited, Ecolodge Mole Operating Company Limited, One Point Payments Limited, Women's World Banking Savings and Loans Company Limited, the Bank of Ghana and Electricity Company of Ghana Limited.
- (c) **Mr. Martin Eson-Benjamin**, *(Non-Executive Director), Ghanaian, 68 years*  
Martin Eson-Benjamin was appointed as a non-executive Director of EGL in 2010. He is the immediate past Chief Executive Officer of Millennium Development Authority, Ghana. He holds an undergraduate degree from the University of Ghana.  
**Other directorships:** EPL, EIC, CFAO Limited, College of Health Sciences and Ecobank Ghana Limited.
- (d) **Mr. George Otoo**, *(Non-Executive Director), Ghanaian, 63 years*  
George Otoo is the immediate past Chief Executive Officer of EGL. He is a Chartered Insurer and is a member of the Chartered Insurance Institute, UK and holds a diploma from the West Africa Insurance Institute.  
**Other directorships:** EPL, Databank Epack Investment Fund Limited, SAPL and Ghana Reinsurance Company Limited.
- (e) **Prof. (Mrs.) Angela Ofori-Atta**, *(Non-Executive Director), Ghanaian, 56 years*  
Prof. Angela L. Ofori-Atta was appointed as a non-executive Director EGL in 2015. She is a Professor at University of Ghana Medical School. She holds an undergraduate degree from the University of Ghana and graduate and doctorate degrees from the University of British Columbia.  
**Other directorships:** EIC, EFSG, Databank Financial Services Limited (DFS), Databank Financial Holdings Limited (DFHL), Databank Asset Management Services Limited (DAMSEL) and Alpha Ghana Limited.
- (f) **Mr. Cleland Cofie Bruce**, *(Executive Director), Ghanaian, 59 years*  
Cleland Cofie Bruce is the Group Chief Operations Officer. He was appointed an executive Director of EGL in 2016. He was formerly the executive Director for ELAC. He is an Insurance Practitioner and is a Member of the Chartered Insurance Institute, UK and a Fellow of the Insurance Institute of Ghana.  
**Other directorships:** ETL, ELAGL, Intel Opera Limited, and HSB Ghana Limited.
- (g) **Daniel Larbi-Tieku**, *(Executive Director), Ghanaian, 54 years*  
Daniel Larbi-Tieku is the Group Chief Finance Officer. He was appointed an executive Director of EGL in 2016. He is a Chartered Accountant and was formerly the General Manager, Finance of ELAC. He holds an undergraduate degree from the University of Ghana and is a Fellow of the Association of Chartered and Certified Accountants (UK) and a member of the Institute of Chartered Accountants, Ghana.  
**Other directorships:** EFSG and Randace Limited.

## PART 5 – INFORMATION ON ENTERPRISE GROUP LIMITED *(continued)*

- (h) **Fifi Kwakye**, *(Executive Director), Ghanaian, 54 years*  
Fifi Kwakye was appointed as an executive Director of EGL in 2016. He is an Investment Banker and was previously employed as the Executive Director, Operations of First Atlantic Bank Limited. He holds an undergraduate degree from the University of Ghana and graduate degree from University of Birmingham. He is a member of the Institute of Chartered Accountants, Ghana and the Chartered Institute of Taxation.

**Other directorships:** ELAC, ETL, Afina Asset Management Company Limited, Phlox Services Limited, ACA Developments Limited.

- (i) **Douglas Lacey**, *(Non-Executive Director), South African, 59 years*  
Douglas Lacey is Special Advisor to Leapfrog Strategic African Investments, the USD350 million Strategic Managed Account owned by Prudential Financial Inc and LeapFrog Investments. He has over 35 years' experience in emerging markets. He is a Chartered Insurer and holds a Master's Degree in Business Leadership.

### 5.4.4 Board Committees

The EGL Board has 3 committees i.e. the Strategic and Investments Committee, the Audit Committee and the Joint Human Resource Committee. The details of the committees are as follows:

*Exhibit 20: Board Committees*

Committee	Areas Covered	Committee Members
Strategic and Investments Committee	<ul style="list-style-type: none"> <li>▪ provides strategic direction for the attainment of the Group's corporate vision and objectives through growth and development.</li> <li>▪ identifies and prioritises investment opportunities to deliver the Group's targets</li> </ul>	<ul style="list-style-type: none"> <li>▪ Keli Gadzekpo (Chairman)</li> <li>▪ Trevor Trefgarne</li> <li>▪ Cleland Cofie Bruce</li> <li>▪ Daniel Larbi-Tieku</li> <li>▪ George Otoo</li> <li>▪ Emmanuel Idun</li> </ul>
Audit Committee	<ul style="list-style-type: none"> <li>▪ evaluating whether management is setting the appropriate control culture with regard to internal control and risk management, and ensuring that recommendations made by EGL's external auditors, and agreed to by the committee, are implemented by management</li> <li>▪ ensuring that there is a clear understanding of roles and responsibilities across the Group</li> <li>▪ providing assurance that financial disclosures made by management reasonably reflects EGL's financial condition, results of operation and plans, and long-term commitments</li> <li>▪ providing reasonable assurance that EGL is complying with the relevant laws and regulations, the Group's code of conduct, is conducting its affairs ethically, and is maintaining effective control on conflict of interest, misconduct and fraud</li> </ul>	<ul style="list-style-type: none"> <li>▪ Martin Eson-Benjamin (Chairman)</li> <li>▪ Trevor Trefgarne</li> <li>▪ Keli Gadzekpo</li> <li>▪ Douglas Lacey</li> </ul>

**PART 5 – INFORMATION ON ENTERPRISE GROUP LIMITED** (continued)

Committee	Areas Covered	Committee Members
Joint Human Resource Committee	<ul style="list-style-type: none"> <li>▪ assists the EGL Board in fulfilling its responsibilities with respect to human resources matters for the Group.</li> <li>▪ determines executive and directors' remuneration after appropriate surveys, and reviews performance contracts annually.</li> <li>▪ responsible for reviewing the Group's human resources policy to ensure that its implementation is in line with its stated objectives</li> </ul>	<ul style="list-style-type: none"> <li>▪ Prof Angela Ofori-Atta (Chairman)</li> <li>▪ Trevor Trefgarne</li> <li>▪ Keli Gadzekpo</li> <li>▪ Cleland Cofie Bruce</li> <li>▪ Daniel Larbi-Tieku</li> <li>▪ Douglas Lacey</li> </ul>

5.4.5 **Other Director Matters**

(a) **Directors' Holdings**

4 members of the EGL Board hold an aggregate of about 0.51% of the issued shares in EGL. The details of their shareholdings are as follows:

*Exhibit 21: Directors' Remuneration*

Name of Shareholder	No. of Shares	Percentage
George Otoo	531,700	0.397%
Cleland Codie Bruce Jr.	116,185	0.087%
Keli Gadzekpo	32,500	0.024%
Martin Eson-Benjamin	4,110	0.003%

(b) **Directors' Remuneration**

The aggregate of Directors' remuneration for the period ended December 31, 2016 is GHS 286,031 (2015: GHS 288,986). The details of remuneration for directors for the 2017 financial year is in the table below:

*Exhibit 22: Directors' Remuneration*

	2014 GHS'000	2015 GHS'000	2016 GHS'000
EGL	2,930	3,378	3,290
Group	5,333	5,816	5,661

(c) **Family Relationships**

Angela Ofori-Atta is married to a shareholder of Ventures and Acquisitions Limited. Ventures and Acquisitions holds 5.84% of the issued shares of the Issuer.

(d) **Other Director Disclosures**

The Issuer is not aware of any conflicts, or any potential conflicts, between the duties of the Directors to the Issuer and their private interests or other duties.

## PART 5 – INFORMATION ON ENTERPRISE GROUP LIMITED *(continued)*

### 5.4.6 Senior Management

- (a) **Keli Gadzekpo** (Group Chief Executive Officer)  
Please see [section 5.3.3 \(b\)](#) for his profile
- (b) **Cleland Cofie Bruce (Jnr)** (Group Chief Operations Officer)  
Please see [section 5.3.3 \(f\)](#) for his profile
- (c) **Daniel Larbi-Tieku** (Group Chief Financial Officer)  
Please see [section 5.3.3 \(g\)](#) for his profile
- (d) **Alexander Ahenkorah-Anane** (Group Head, Audit and Corporate Assurance)  
Alexander Ahenkorah-Anane was appointed in 2016. He is a Chartered Accountant by profession. He was previously the Chief Finance Officer of EIC and worked with KPMG. He has undergraduate and graduate degrees from the University of Ghana. He is a member of the Institute of Chartered Accountants, Ghana.
- (e) **Sadia Chinery-Hesse** (Group Head, Legal & Company Secretary)  
Sadia Chinery-Hesse was appointed in 2014. She is a Solicitor and a Chartered Secretary. She was previously employed as General Counsel and Company Secretary of Stanbic Bank Ghana Limited. She holds an undergraduate degree from the University of London and a graduate degree from the University of Dundee, Scotland.  
**Other directorships:** Comsec and Allied Services Limited and the G4Security Group of Companies.
- (f) **Seyram Akotey** (Group Chief Information Officer)  
Seyram Akotey was appointed in 2017. He is an Information Technology specialist and has worked with Decision-i Company Limited as the Principal Consultant and he also was Head of IT and Chief Information Officer at Vodafone Ghana. He holds an undergraduate degree in Computer Information Systems Design from Kingston University, UK and a graduate degree Information Systems Management from Cranfield University, U.K.  
**Other directorships:** Innovare Technologies Limited and Decision-i Company Limited
- (g) **Amma K. Ansah** (Group Head, Human Resources)  
Amma Korantema Ansah was appointed in July 2011. She previously worked with Standard Chartered Bank and Agricultural Development Bank. She holds an undergraduate degree from the University of Ghana and graduate degree from London School of Economics.  
**Other Directorships:** Peak Lyceum Limited, Sansqua Construction and Engineering Limited, and Databank Foundation

### 5.5 EMPLOYEES

EGL has 18 permanent employees and 1 fixed-term contract employee at the date of the Circular. Of the 18 permanent employees, 14 are in managerial roles. The historical information on the staff strength of the Issuer and its subsidiaries are shown in the table below:

*Exhibit 23: Information on Staff Strength*

Nature of Employment	EGL			Group		
	2014	2015	2016	2014	2015	2016
Permanent	12	15	17	323	346	384
Fixed term contract	-	1	1	82	90	74
Total	12	16	18	405	436	458

## PART 5 – INFORMATION ON ENTERPRISE GROUP LIMITED *(continued)*

### 5.6 PROFILE OF KEY IMMOVABLE PROPERTY OF THE EGL AND SUBSIDIARIES

The details of the Issuer and its subsidiaries' immovable property is provided in the table below:

*Exhibit 24: Summary of Key Immovable Property*

Name of Entity	Location	Nature of Use	Owned/Rented	Duration	Start Date	End Date
EGL	Accra (High Street)	Head Office	Rented	12 Months	January 2017	December 2017
EIC	Accra (High Street)	Head Office	Rented	12 Months	January 2017	December 2017
EIC	Accra (Airport Residential Area)	Branch	Rented	12 Months	September 2017	August 2018
EIC	Tema	Branch	Rented	12 Months	January 2017	December 2017
EIC	Accra (Spintex)	Branch	Rented	24 Months	January 2017	December 2019
EIC	Takoradi	Branch	Rented	12 Months	June 2017	May 2018
EIC	Kumasi (Market)	Branch	Rented	24 Months	November 2016	November 2018
EIC	Kumasi (Mbrom)	Branch	Rented	36 Months	March 2016	February 2019
EIC	Koforidua	Branch	Rented	60 Months	February 2013	January 2018
EIC	Tamale	Branch	Rented	36 Months	October 2015	September 2018
EIC	Cape Coast	Branch	Rented	24 Months	March 2017	February 2018
ELAC	Accra (Nima)	Branch	Owned	-	-	-
ELAC	Accra (Dansoman)	Branch	Rented	24 Months	July 2017	January 2019
ELAC	Tamale	Branch	Rented	36 Months	April 2016	March 2019
ELAC	Kumasi (Amakom)	Branch	Rented	36 Months	March 2016	February 2019
ELAC	Accra (DZORWULU)	Branch	Rented	24 Months	May 2016	April 2018
ELAC	Accra (Spintex)	Branch	Rented	24 Months	February 2016	January 2018
ELAC	Sunyani	Branch	Rented	36 Months	July 2016	June 2019
ELAC	Takoradi	Branch	Rented	12 Months	February 2017	January 2018
ELAC	Koforidua	Branch	Rented	24 Months	June 2016	May 2018
ELAC	Accra (North Industrial Area)	Branch	Rented	24 Months	March 2016	February 2018
ELAC	Cape Coast	Branch	Rented	12 Months	May 2015	May 2018
ELAC	Tema	Branch	Rented	24 Months	June 2016	May 2018
ELAC	Accra (High Street)	Head Office	Rented	3 Months	October 2017	December 2017
ELAC	Accra (Adabraka)	Branch	Rented	12 Months	March 2017	March 2018
ELAC	Kumasi (Ahodwo)	Branch	Rented	24 Months	November 2016	November 2018
EPL	Accra (High Street)	Head Office	Owned	-	-	-
EPL	Accra (Ridge)	Offices	Owned	-	-	-
ETL	Accra (High Street)	Head Office	Rented	12 Months	January 2017	December 2017
ETL	Accra (Airport Residential Area)	Branch	Rented	24 Months	September 2017	August 2019

### 5.7 INSURANCE

The Issuer's subsidiary EPL holds valid insurance policies covering the following designated risks and assets:

*Exhibit 25: Summary of Insurance Policies*

Property/Interest Covered	Policy Type	Insured Value
Advantage Place, Accra (Seventh Avenue Ridge)	<ul style="list-style-type: none"> <li>Asset all risk</li> <li>Public Liability</li> </ul>	<ul style="list-style-type: none"> <li>Asset all risk is for \$24.5 million being 90% of the construction cost</li> </ul>

## PART 5 – INFORMATION ON ENTERPRISE GROUP LIMITED (continued)

Property/Interest Covered	Policy Type	Insured Value
		<ul style="list-style-type: none"><li>Public liability is for \$100,000</li></ul>
Alema Avenue, Accra (Airport Residential Area)	Home and Personal Asset Protection	GHS2.5 million
Drake Avenue, Accra (Airport Residential Area)	Home and Personal Asset Protection	GHS5 million
Enterprise House, Accra, (High Street)	Asset all risk	GHS6 million

### 5.8 LITIGATION AND LEGAL PROCEEDINGS

Neither EGL nor any of its Directors has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months prior to the publication of this Circular which may have, or have had during the recent past, a significant effect on EGL's financial position or profitability.

### 5.9 MATERIAL AGREEMENTS

As indicated under [section 1.1.2.2](#) (*Consolidation of Shareholding in Subsidiaries*), EGL has entered into certain transactions pursuant to replacing Sanlam with BSH as a strategic partner in EIC, ELAC and ETL.

Under the Option Agreement, EGL and BSH have agreed on the Buyback. The Buyback will be funded primarily by the transfer of up to 30% of EGL's issued shares in EPL to BSH. Any shortfall in the consideration for the Buyback will be paid for with a portion of the proceeds from the Rights Issue. The amount of funds expected to be utilised out of the proceeds of the Rights Issue for the Buyback is USD 18,979,833 (or its GHS equivalent). The Buyback in relation to the shareholding in ELAC has already occurred pending payment for same by EGL.

EGL has also entered into a cooperation agreement dated June 22, 2017, under which BSH has committed to provide technical support to the Group and to work together with EGL on EGL's growth agenda (as set out under [section 1.1.2.1](#) (*Growth Agenda*)).

### 5.10 DIVIDEND POLICY AND HISTORY

A key component of EGL's strategy is to improve rewards to shareholders through consistent and sustainable dividends, dividend growth and yield. To be able to achieve this, there is the need to generate profits and positive retained earnings. EGL's share of profit on the balance sheet of operating subsidiaries companies is paid as dividend to EGL after satisfying all legal, statutory and operational requirements. EGL's dividend policy is to maintain real dividend growth indexed to the consumer price index for each year to shareholders

*Exhibit 26: Historical Dividend Paid and Pay-out Ratio*

Financial Year	Dividend Per Share	Dividend Pay-out Ratio
2016	-	-
2015	0.050	24.2%
2014	0.215	74.7%
2013	0.045	18.9%
2012	0.032	21.6%

## PART 6 – ADDITIONAL INFORMATION

### 6.1 LISTING OF ORDINARY SHARES

The GSE has granted permission to EGL to list the Shares on Offer on the GSE. Following the completion of the Rights Issue, dealings in the Shares on Offer can be done on the GSE. Where applicable, dealings would need to be announced on the GSE in accordance with its rules.

### 6.2 REGULATIONS OF EGL

EGL is authorised under its Regulations to undertake the following activities:

- (a) investment;
- (b) real estate development;
- (c) management consultancy; and
- (d) control the activities of the subsidiaries or operating units it shall establish, operate or acquire for the provision of insurance and its incidental agencies and services, investments, real estate development and management consultancy.

### 6.3 DIRECTORS

**Power to vote on a proposal, arrangement or contract in which a director is materially interested:** Subject to compliance with section 207 of the Companies Act, a Director may enter into any contract with EGL and such contract or any other contract of EGL in which any Director is in any way interested shall not be liable to be avoided nor shall any Director be liable to account for any profit made thereby by reason of the Director holding the office of director. In addition, subject to compliance with section 207 of the Companies Act, any Director may act by himself or his firm in a professional capacity for EGL, except as an auditor, and he or his firm shall be entitled to proper remuneration for professional services as if he were not a Director.

- (a) **Power to vote on compensation:** All fees and remuneration payable to directors in whatever capacity is subject to approval of shareholders of EGL in accordance with section 194 of the Companies Act.
- (b) **Directors borrowing powers:** Subject to section 202 of the Companies Act, the EGL Board may exercise all such powers of the Company, including power to borrow money and to mortgage or charge its property and undertaking or any part thereof and to issue debentures as are (by the Companies Act or the Regulations) required to be exercised by the members in a general meeting.
- (c) **Retirement and non-retirement of directors:** Appointment of Directors is governed by sections 181, 298 and 299 of the Companies Act. There is no retirement age for Directors.
- (d) **Number of qualifying shares to be held by a director:** A Director need not hold any shares in EGL.

### 6.4 DESCRIPTION OF THE SHARES OF EGL

Holders of ordinary shares of EGL are entitled to the following rights and obligations attached to their shares:

- (a) **Dividend Rights:** Dividends are declared at the discretion of the Directors in accordance with legal requirements applicable to EGL. There is no right to dividends unless declared by the directors.
- (b) **Voting Rights:** Each ordinary share is entitled to one vote at any meeting of the shareholders of EGL. Any member of EGL is entitled to attend and vote at a meeting of the Shareholders of the Company and shall be entitled to appoint a proxy to attend and vote in his place.
- (c) **Rights to share in EGL's profits:** Apart from entitlement to declared dividends, shareholders have no right to share in EGL's profits.
- (d) **Rights of members to share in any surplus in the event of liquidation:** If EGL is wound up, the liquidator may, with the approval of a special resolution and any other sanctions required by the Companies Act, divide among the members in specie or kind, the whole or part of the assets of EGL and may determine how such divisions shall be carried out between the members or different classes of members.

## PART 6 – ADDITIONAL INFORMATION *(continued)*

### 6.5 LIABILITY OF SHAREHOLDERS TO FURTHER CAPITAL CALLS BY EGL

Shareholders have no obligation to provide additional equity capital to EGL.

### 6.6 CONVENING OF ANNUAL GENERAL AND EXTRAORDINARY GENERAL MEETINGS

All meetings of shareholders of EGL are convened by the directors in accordance with section 150 of the Companies Act, subject to the rights of shareholders to requisition meetings of the shareholders of EGL in accordance with section 297 of the Companies Act.

### 6.7 TAXATION

The following is a general guide to the material taxation consequences in Ghana arising for investors regarding ownership and disposition of ordinary shares in EGL. The summary, which is intended as a general guide only, does not purport to be an exhaustive analysis of all possible tax considerations and investors should in all cases satisfy themselves as to the tax consequences of the ownership or disposition of shares by consulting their own tax advisers.

*If you are in any doubt as to your taxation position or if you are subject to tax in any jurisdiction other than Ghana, you should consult an appropriate professional adviser immediately.*

- (a) **Dividend Withholding Tax:** There is a final withholding tax of 8% on all dividends received by shareholders.
- (b) **Capital Gains Tax:** Capital gains earned on the disposal of listed shares are exempt from capital gains tax. The exemption is valid until 2021.
- (c) **Stamp Duty:** Under the Stamp Duty Act, 2005 (Act 689) transfers of shares in a company are exempt from stamp duty.

### 6.8 SHARE CERTIFICATES/SECURITIES DEPOSITORY

- (a) Share certificates will not be issued in respect of the Shares on Offer. All Shares on Offer will be allotted electronically on the CSD to each successful applicant
- (b) All Qualifying Applicants who already have CSD Accounts should quote their CSD number at the appropriate section of the Application Form.
- (c) All Qualifying Applicants who have not opened CSD Accounts should immediately contact the Sponsoring Broker or any stockbroker or licensed dealing member of the GSE to open a CSD Account

## **PART 6 – ADDITIONAL INFORMATION** *(continued)*

### **6.9 EXCHANGE CONTROLS**

Exchange control is currently governed by the Foreign Exchange Act, 2006 (Act 723) and other applicable notices issued by the Bank of Ghana. Under the current foreign exchange regime, no regulatory approval is required for non-residents to invest in the Shares on Offer or any shares of EGL. Further, non-residents are guaranteed free transferability of their capital and income through authorised dealer banks.

### **6.10 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents in respect to the business and affairs of EGL and the Rights Issue may be inspected at the registered offices of EGL and the Lead Manager during normal business hours of any Business Day:

- (a) this Circular;
- (b) the certificate of incorporation and certificate to commence business of EGL;
- (c) the Regulations;
- (d) extracts of minutes of meetings of the EGL Board and the shareholders of EGL approving the Rights Issue and additional listing of the Shares on Offer;
- (e) EGL's audited annual reports for the last 5 years up to December 31, 2016;
- (f) the financial due diligence report on EGL dated December 20, 2017; and
- (g) the Escrow Account Agreement dated December 19, 2017.

## PART 7 – ADDITIONAL TERMS OF THE OFFER

### 7.1 GENERAL CONDITIONS

If you receive a copy of this Circular and/or the Application Form in any territory other than Ghana, you should not treat it as constituting an offer or an invitation to make an offer, nor should you use such application form, unless you are in a territory where such an offer or invitation may lawfully be made to you without compliance with any securities registration or other legal requirements by EGL.

If you are in a territory outside Ghana in which this Rights Issue may lawfully be made, it is your responsibility if you wish to make an application, to satisfy yourself as to the full observance of the laws of the relevant territory in connection with your application, including obtaining any governmental or other consents and compliance with other necessary formalities, and paying transfer or other taxes or duties required to be paid in such territory in respect of the shares acquired by you under this Circular.

### 7.2 APPLICATION

An Applicant to this Rights Issue is either a Qualifying Shareholder or a renounee that has been named by a Qualifying Shareholder or has acquired Rights and is interested in acquiring the Shares on Offer under the terms of this Circular.

#### 7.2.1 Application under the Rights Issue

Qualifying Shareholders are entitled to subscribe to 1 new ordinary share for every 3.6543 ordinary shares registered in their name and additional shares in excess of their Rights entitlement as at the close of business on February 27, 2018.

Enclosed with this Circular is an Application Form and the Application Guidelines, which will be completed by Qualifying Shareholders. Qualifying Shareholders may take any one of the following actions under this Offer:

- (a) **Fully subscribe to their rights under this Offer:** Qualifying Shareholders must complete the Application Form and pay only for their entire allocation under this Offer, returning same to the receiving agents not later than 5:00 p.m. on March 28, 2018.

Qualifying Shareholders exercising this option must complete Section A of the Application Form, in accordance with the instructions set out under the enclosed Application Guidelines.

- (b) **Fully subscribe for their rights AND apply for additional shares in excess of what they are entitled to under the Rights Offer:** In addition to 7.2.1(a) above, Qualifying Shareholders may apply to subscribe for additional shares (extra shares above what they are entitled to under this Rights Issue) and pay for such additional shares, returning the duly completed Application Form and payment covering both their rights and additional shares applied for to the Receiving Agents not later than 5:00 p.m. on March 28, 2018.
- (c) **Partially subscribe to their rights only:** Qualifying Shareholders may apply for only part of the shares they are entitled to under this Rights Issue and return the duly completed Application Form together with payment to the Receiving Agents not later than 5:00 p.m. on March 28, 2018. Qualifying Shareholders may take no further action on their remaining Rights and empower the Directors to allot such unsubscribed portion of their rights as the Directors deem fit to shareholders who have applied for extra shares. Qualifying Shareholders must complete Sections A and B of the Application Form, in accordance with the instructions set out under the Application Guidelines.
- (d) **Take no action:** Qualifying Shareholders who choose not to apply for shares under this Offer, or who fail to make payment for the shares they have applied for under this Offer, or who fail to meet the deadline of 5:00 p.m. on March 28, 2018 for returning the Application Form and making payment to the receiving agents, may be deemed to have not taken any action under this Rights Issue. Qualifying Shareholders who take no action under these terms empower the Directors to allot such unsubscribed rights as they deem fit.

## **PART 7 – ADDITIONAL TERMS OF THE OFFER** *(continued)*

### **7.3 OFFER TO PURCHASE SHARES**

- (a) As an applicant, you offer to subscribe to the number of shares indicated on your Application Form under the terms and conditions of this Offer and on the basis of the information set out in this Circular and subject to the Regulations.
- (b) You agree that your application to acquire shares cannot be revoked after March 28, 2018 or such later date as the Directors and Managers may agree, and promise that any cheque, banker's draft or money or postal order will be honoured on first presentation and that this paragraph constitutes an agreement between you and EGL. It becomes binding when your application is posted, or in the case of delivery by hand, received by the Receiving Agents. However, EGL will not be held liable if you use a wrong address in posting. You must pay all bank commissions, transfers and other bank charges related to your application.
- (c) A thumb print on an Application Form will be accepted instead of a signature thereon only if it is duly certified in accordance with Applicable Law.
- (d) (If your Application Form is not completed correctly or is amended, or if any cheque, banker's draft, money or postal order is found to be less than the amount stated on your Application Form, it may still be treated as valid. In such a case, EGL's decision as to whether to treat the application as valid, and how to construe, amend or complete it shall be final. You will not, however, be treated as having applied to purchase a number of shares which, when multiplied by the offer price, gives a value greater than the amount remitted.
- (e) An application may be rejected in whole or in part at the discretion of the EGL if the application is incomplete or illegible, or if it is determined that the applicant is not eligible to participate in this offer.

### **7.4 ACCEPTANCE OF OFFER**

- (a) Acceptance of your offer will be made if your application is received, valid, processed and not rejected.
- (b) The acceptance may be of the whole or any part thereof and in the latter event the number of shares you offer to purchase may be reduced.
- (c) If your application to purchase shares is accepted (in whole or in part), there will be a binding contract under which you will be required to purchase the shares in respect of which your application has been accepted and has not been terminated.

### **7.5 PAYMENT FOR SHARES**

- (a) You undertake to pay the purchase price for the shares in respect of which your application is accepted. The cheque or bankers' draft or other remittances may be presented for payment before acceptance of your application, but this will not constitute acceptance of your application, either in whole or in part.
- (b) If the application is invalid, rejected or not accepted in full, or if the amount of the application divided by the offer price does not result in a whole number of shares or if the circumstances described in paragraph 7.3 (d) do not occur prior to the dates respectively specified therein, the proceeds of the cheque or other remittances or the unused balance of those proceeds (as the case may be) will be refunded without interest.
- (c) If the remittances are not honoured on first presentation, then at any time until EGL has received cleared funds in respect of this Rights Issue, the EGL Board, may terminate the agreement to purchase the share(s).

## **PART 7 – ADDITIONAL TERMS OF THE OFFER** *(continued)*

### **7.6 RENUNCIATION**

- (a) The right to subscribe to the Rights Issue may be renounced in whole or in part only by completing the Application Form in accordance with the instructions therein, or by taking no action.
- (b) Qualifying Shareholders who wish to exercise some of their rights and to renounce the remainder in favour of a different person or persons, may complete Sections A and B of the Application Form in accordance with the instructions provided in the Guide to Completing the Application Form.

Qualifying Shareholders who fully or partially renounce their rights will have their holding in the Company diluted. Shareholders who do not renounce their rights to other qualified applicants may trade their rights for value on the GSE through the Sponsoring Brokers or a licensed dealing member of the GSE.

The Application Form must then be lodged with any of the Receiving Agents, together with payment for the shares to be received not later than 5:00 p.m. March 28, 2018.

### **7.7 PROCEDURE IN RESPECT OF RIGHTS NOT TAKEN UP OR RENOUNCED**

If a properly completed Application Form and payment in full is not received by March 28, 2018, the Rights will be deemed to have been declined by the shareholders. These shares will then be available to Qualifying Shareholders applying for extra shares under the Offer and allotted by the Directors as they deem fit.

### **7.8 WARRANTIES**

By completing and submitting the Application Form:

- (a) you warrant and represent that you have full legal capacity and are duly authorised to contract and, having read and understood the Circular, you agree to be bound by the terms of the Circular and you irrevocably apply for the number of the Shares on Offer contemplated in your Application Form;
- (b) you warrant and represent that you are a Qualifying Applicant (or that the person on whose behalf you are applying is a Qualifying Applicant) and that all of the information provided by you in the Application Form (and the supporting documents) is complete, true and correct in all respects;
- (c) you warrant and represent that the source of funds you use for our payment for the Shares on Offer are not the proceeds of unlawful activities constituting a crime or a contravention of any Applicable Law, whether in Ghana or in any other jurisdiction;
- (d) you acknowledge that EGL will rely on the truthfulness and completeness of the information provided and statements made by you when making its decision to issue Shares on Offer to you;
- (e) you agree that EGL is entitled to verify your details and that you are obliged to assist in such verification promptly when requested to do so;
- (f) you acknowledge that EGL or other persons may have claims and rights against you because of the details that you put in your Application Form, and providing false information could be a criminal offence;

## **PART 7 – ADDITIONAL TERMS OF THE OFFER** *(continued)*

- (g) you warrant and represent that your application for (and holding of) Shares on Offer does not (and will not) contravene any Applicable Law or result in a breach of or default under any agreement or other instrument to which you are a party or by which you are bound;
- (h) you warrant and represent in making your application, you are not relying on any information or representation concerning EGL not contained in this Circular. You agree that no person responsible for the Circular or any part of it will have liability for any such other information or representation;
- (i) you warrant and represent that if you sign (or make a thumb print on) or submit an Application Form and are not the applicant, you have authority to do so on behalf of the applicant; and
- (j) you acknowledge that the terms of the Rights Issue as set out in this Circular are legally binding on, and enforceable against, you.

### **7.9 SUPPLY AND DISCLOSURE OF INFORMATION**

EGL, the Managers and their agents shall have full access to all information relating to, or deriving from, the cheque or banker's draft or other remittance accompanying your application and its processing. If EGL or its agents request any information about your application you must promptly disclose it to them.

### **7.10 MISCELLANEOUS**

- (a) The rights and remedies of EGL, under these terms and conditions are in addition to the rights and remedies, which would otherwise be available to each of them, and the exercise or partial exercise of one will not prevent the exercise of others.
- (b) If you deliver your Application Form to EGL, you authorise the Company to send any money returnable to you in the same manner. You also authorise EGL to send to you notification for the number of shares for which your application is accepted by registered mail, posted to the address provided on the application form or to be collected by you at the office of EGL.
- (c) All documents and monies sent or delivered by you will be sent or delivered at your own risk. Any cheque will be made payable to you (or first person named in any joint application).
- (d) You agree to be bound by the Regulations once the shares you have agreed to purchase have been transferred to you.
- (e) Your application and the acceptance of that application and the contract resulting there from will be governed by, and construed in accordance with the laws of Ghana. You irrevocably submit to the jurisdiction of the Ghanaian courts in respect of the matters relating to this transaction. This does not prevent an action being taken against you in any other jurisdiction.
- (f) Words defined in the Circular and not defined in these terms and conditions have the same meaning in these terms and conditions, in your Application Form and in the guide to the Application Form. In the case of joint applicants, references to an applicant in these terms and conditions are to each of the joint applicants and their liability is joint and several.

## APPENDIX A – LEGAL COMPLIANCE CERTIFICATE



E59s6

8-Dec-17

The Director-General  
Securities and Exchange Commission  
30, Third Circular Road  
Cantonments, Accra  
Ghana

The Managing Director  
The Ghana Stock Exchange  
5<sup>th</sup> Floor, Cedi House  
Accra

Dear Sirs,

### ENTERPRISE GROUP LIMITED: RENOUNCEABLE RIGHTS ISSUE AND ADDITIONAL LISTING OF SHARES ON THE GHANA STOCK EXCHANGE

#### 1. Introduction

We have acted as legal counsel to Enterprise Group Limited (“EGL”), a public limited liability company incorporated under the laws of Ghana, in connection with its proposed renounceable rights issue to raise up to the GHS equivalent of USD 50,000,000 (the “Rights Issue”) and an additional listing of new issued shares on the Ghana Stock Exchange (the “Additional Listing”).

#### 2. Documents examined

- 2.1 For the purpose of giving this opinion we have examined a draft copy of the shareholders’ circular for the Rights Issue (the “Circular”).
- 2.2 Unless otherwise indicated, all expressions defined in the Circular have the same meanings when used in this opinion.
- 2.3 In addition, we have examined originals or copies certified to our satisfaction of the following documents:
  - 2.3.1 the certificate of incorporation of EGL dated October 22, 2013;
  - 2.3.2 the certificate to commence business of EGL dated October 23, 2013;
  - 2.3.3 the regulations of EGL dated November 18, 2008, ratified by shareholders of EGL on June 2, 2011 and as amended by special resolution dated August 8, 2017 (the “Regulations”);
  - 2.3.4 an extract of the minutes of a meeting of the board of directors of EGL held on September 15, 2017 which indicates that the Rights Issue and Additional Listing were approved by the board of directors of EGL (the “First Board Approval”);

LEX  MUNDI

Kofi Bentsi-Enchill  
D. K. D. Letsa  
Ace Anan Ankomah  
Sethi Acaate  
Susan B. A. Kinspky

# 4 Monrovia Avenue  
Adabraka, Accra  
PO Box GP 1052  
Accra,  
Ghana

Tel: (+233) 030 2208088;  
(+233) 030 2221171  
(+233) 030 2224012  
(+233) 030 2229996  
Fax: (+233) 030 2208001

Website: [www.lexonline.org](http://www.lexonline.org)  
Email: [bel@lexonline.org](mailto:bel@lexonline.org)  
[bent@ofrionline.com.gh](mailto:bent@ofrionline.com.gh)

In association with  
Lex Mundi  
Lex Africa  
Udo Udoama & Belo-Osogie

LEXAfrica 

LEGAL PRACTITIONERS, NOTAIRES PUBLICS & TRADEMARK AGENTS

- 2.3.5 a written resolution of the board of directors of EGL dated November 10, 2017, approving the Circular and any other transaction documents in respect of the Rights Issue (the "Second Board Approval"); and
  - 2.3.6 an extract of the minutes of a meeting of the shareholders of EGL held on August 8, 2017 which indicates that the Rights Issue and Additional Listing were approved by the shareholders of EGL (the "Shareholder Approval").
- 2.4 We have also examined such other documents and certificates, searches and records as are necessary under the laws of Ghana to enable us to give this opinion.

**3. Scope and purpose of the opinion**

- 3.1 We are qualified to practise law in Ghana. This opinion is limited to matters of Ghanaian law as in force and applied at the date of this opinion. We have not investigated the laws of any country other than Ghana and we express no opinion on the laws of any other jurisdiction.
- 3.2 This opinion is given on the basis of the assumptions set out in the Schedule (Assumptions).

**4. Opinion**

We are of the opinion that:

**4.1 Incorporation**

- 4.1.1 EGL is a public limited liability company duly incorporated under the laws of Ghana.
- 4.1.2 EGL has perpetual corporate existence and capacity to sue or be sued in its name and to carry on its business as currently conducted.
- 4.1.3 To the best of our knowledge and upon due enquiry, EGL has all the necessary power and authority to own its property and assets and to carry on its business as currently conducted and no steps have been taken (or are being taken) to appoint any administrator, receiver, liquidator or analogous person or body over, or to wind up or dissolve, EGL (or to take any analogous action) nor has a moratorium been declared on the payment of any indebtedness of EGL.

**4.2 Authorisations**

EGL has taken all necessary action to authorise the performance of its obligations under the Circular.

**4.3 Regulatory Approvals and Consents**

- 4.3.1 The approval of the Securities and Exchange Commission is required for the Rights Issue.
- 4.3.2 The approval of the Ghana Stock Exchange is required for the Additional Listing.

**4.3.3** Apart from the approvals referred to under paragraph 4.3.1 and paragraph 4.3.2, no other regulatory approvals, consents or licences or authorisations are required or advisable under Ghanaian law for the Rights Issue and/or the Additional Listing.

**4.4 Circular**

The Circular complies with the relevant provisions of Schedule 5 of the Securities and Exchange Commission Regulations, 2003 (L.I. 1728) and Schedule 7 of the Companies Act, 1963 (Act 179).

**4.5 Contractual Obligations**

To the best of our knowledge and upon due enquiry, there are no contractual agreements, obligations or undertakings preventing EGL from undertaking the Rights Issue and the Additional Listing.

**4.6 The Regulations**

**4.6.1** The Regulations comply with all legal requirements on the contents of the regulations of a public company.

**4.6.2** The Regulations comply with the requirements of Parts IV and V of the GSE Listing Rules.

**4.6.3** The Rights Issue and the Additional Listing do not contravene any provision of the Regulations or any applicable laws in Ghana.

**4.7 Taxes**

**4.7.1** The statements in the Circular regarding taxation in Ghana are correct in all material respects.

**4.7.2** The proceeds of the Rights Issue will be subject to a capital duty (at the rate of 0.5%) payable by EGL.

**4.8 Registrations and Filings**

Subject to the filing of the final Circular at the Companies Registry, no registration or filing is required at any registry in Ghana in order for the Rights Issue to be valid, binding and enforceable in accordance with the terms of the Circular.

Yours faithfully,



**Seth Asante**  
Partner/Head: Financial Institutions & Capital Markets  
Bentsi-Enchill, Letsa & Ankomah

**Schedule**

**Assumptions**

In giving this opinion, we have assumed, and this opinion is given on the basis, that:

1. all original documents supplied to us are complete, authentic and up to date, and that all copy documents supplied to us are complete and conform to the originals;
2. the First Board Approval and the Shareholder Approval were duly passed at properly convened meetings of EGL's board of directors and shareholders, respectively;
3. the Second Board Approval was duly executed by all the directors of EGL and all requirements relating to disclosure of interest and due consideration of the commercial interests of EGL were complied with; and
4. all disclosures made to us by EGL and its officers as reflected in the Circular are materially correct as at the date of this opinion and no event has occurred which undermines or may undermine the correctness of those disclosures.

We have found nothing to indicate that the above assumptions are not justified.

1 REPORTING ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION



**CFY Partners**  
134 Robinson Crescent, Swaniako Rd  
PMB 2, North Kaneshie  
Accra, Ghana  
Telephone +233 30 2245779;  
Website [www.cfypartners.org](http://www.cfypartners.org)

The Board of Directors  
Enterprise Group Limited  
Enterprise House  
No. 11 High Street  
Accra

Dear Sirs,

**REPORT OF THE INDEPENDENT REPORTING ACCOUNTANT ON THE CONSOLIDATED AND SEPARATE FINANCIAL INFORMATION DERIVED FROM THE AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS OF ENTERPRISE GROUP LIMITED FOR THE YEARS ENDED 31 DECEMBER 2012, 2013, 2014, 2015, AND 2016**

We have reviewed the accompanying consolidated and separate financial information comprising the consolidated and separate statements of financial position, consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity, and consolidated and separate statements of cash flows which have been derived from the audited consolidated and separate financial statements of Enterprise Group Limited for the years ended 31 December 2012, 2013, 2014, 2015 and 2016.

The consolidated and separate financial statements for the years ended 31 December 2012, 2013, 2014, 2015 were audited by PricewaterhouseCoopers (pwc) and 2016 were audited by KPMG. The Auditors issued an unmodified audit opinion for each of the financial years.

**Directors' Responsibility**

The EGL Directors are responsible for the preparation and fair presentation of the summarized consolidated and separate financial information derived from the audited consolidated and separate financial statements which have been prepared in accordance with the International Financial Reporting Standards and the requirements of the Companies Act, 1963 (Act 179) and for such internal controls as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

**Independent Reporting Accountant's Responsibility**

Our responsibility is to express a conclusion on the accompanying consolidated and separate financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (revised), *Engagements to Review Historical Financial Statements*. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated and separate financial information, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also required us to comply with relevant ethical requirements.

## APPENDIX B – FINANCIAL REPORTS AND PERFORMANCE (continued)

A review of the consolidated and separate financial information in accordance with ISRE 2400 (Revised) consists primarily of making inquiries of management and others within the entity involved in financial accounting matters, applying analytical procedures, and evaluating sufficiency and appropriateness of evidence obtained. A review also requires performance of additional procedures when we become aware of matters that cause us to believe that the consolidated and separate financial information as a whole may be materially misstated.

We believe that the evidence we obtained in our review is sufficient and appropriate to provide a basis for our conclusion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated and separate financial information do not give a true and fair view, in all material respects, of the consolidated and separate financial position of EGL as at 31 December, 2012, 2013, 2014, 2015 and 2016, and of its consolidated and separate financial performance and consolidated and separate cash flows for the periods then ended, which have been derived from the audited consolidated and separate financial statements prepared in accordance with the International Financial Reporting Standards and the requirements of the Companies Act 1963 (Act 179).

### Restriction of the use of our report

This report on the historical consolidated and separate financial information of EGL has been prepared solely for the purpose of the rights issue to raise US Dollars 50 million and the shares on offer will be listed on the Ghana Stock Exchange and may, therefore, not be appropriate for another purpose. Our report is intended solely for the directors of EGL and for the purpose described above and should not be used by other parties.



Signed by: Charles Egan (ICAG/P/1028)  
For and on behalf of:  
CFY Partners (ICAG/F/2017/073)  
Chartered Accountants  
Accra, Ghana

20 December 2017

## APPENDIX B – FINANCIAL REPORTS AND PERFORMANCE *(continued)*

### 1.1 HISTORICAL FINANCIAL STATEMENTS

The following financial statements are extracts from EGL and the Group's audited financial statements for 5 years to December 31, 2016. Further information on the Issuer's financial affairs, including its accounting policies, notes to its financial statements and the Reporting Accountant's report are contained in the full report. Copies of this can be obtained from the registered offices of EGL during normal business hours of any working day.

#### 1.1.1 Financial Statements for Enterprise Group Limited (the Company)

##### Historical Income Statement for the Years Ended 31st December 2012, 2013, 2014, 2015 and 2016

The Company	2012 GHS'000	2013 GHS'000	2014 GHS'000	2015 GHS'000	2016 GHS'000
Investment income	18,708	29,403	76,777	13,091	25,075
Other income	3	3	2,373	10,303	7,717
<b>Net income</b>	<b>18,711</b>	<b>29,406</b>	<b>79,150</b>	<b>23,394</b>	<b>32,792</b>
Operating expenses	(4,048)	(5,156)	(9,436)	(9,243)	(12,219)
<b>Profit before Income tax</b>	<b>14,663</b>	<b>24,250</b>	<b>69,714</b>	<b>14,151</b>	<b>20,573</b>
Income tax expense	(774)	126	(8,273)	(874)	(4,459)
<b>Profit for the year</b>	<b>13,889</b>	<b>24,376</b>	<b>61,441</b>	<b>13,277</b>	<b>16,114</b>

##### Historical Statement of Financial Position as at 31st December 2012, 2013, 2014, 2015 and 2016

The Company	2012 GHS'000	2013 GHS'000	2014 GHS'000	2015 GHS'000	2016 GHS'000
<b>ASSTES</b>					
Property and Equipment	142	546	473	897	829
Investments in subsidiaries	34,285	34,005	30,562	30,562	30,562
Investment securities	15,584	23,367	19,929	16,496	2,017
Loans and Receivables	205	1,614	28	14	501
Deferred income tax asset	2,664	2,790	2,566	2,697	201
Due from related parties	2,256	2,164	17,695	59,232	66,052
Cash and Cash equivalents	934	11,477	39,515	15,151	37,833
<b>Total Assets</b>	<b>56,070</b>	<b>75,963</b>	<b>110,768</b>	<b>125,049</b>	<b>137,995</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserve</b>					
Stated Capital	31,599	31,599	33,169	35,920	37,268
Other reserves	545	545	407	518	352
Income surplus account	21,993	41,645	74,730	84,704	94,127
<b>Total equity</b>	<b>54,137</b>	<b>73,789</b>	<b>108,306</b>	<b>121,142</b>	<b>131,747</b>

**APPENDIX B – FINANCIAL REPORTS AND PERFORMANCE** *(continued)*

<b>The Company</b>	<b>2012</b> <b>GHS'000</b>	<b>2013</b> <b>GHS'000</b>	<b>2014</b> <b>GHS'000</b>	<b>2015</b> <b>GHS'000</b>	<b>2016</b> <b>GHS'000</b>
<b>Liabilities</b>					
Trade and other payables	1,932	2,174	2,462	2,902	3,373
Due to related parties	1	-	-	-	50
Current income tax liability	-	-	-	1,005	2,825
<b>Total Liabilities</b>	<b>1,933</b>	<b>2,174</b>	<b>2,462</b>	<b>3,907</b>	<b>6,248</b>
<b>Total equity and Liabilities</b>	<b>56,070</b>	<b>75,963</b>	<b>110,768</b>	<b>125,049</b>	<b>137,995</b>

**Historical Cash Flow Statement as at 31st December 2012, 2013, 2014, 2015 and 2016**

<b>The Company</b>	<b>2012</b> <b>GHS'000</b>	<b>2013</b> <b>GHS'000</b>	<b>2014</b> <b>GHS'000</b>	<b>2015</b> <b>GHS'000</b>	<b>2016</b> <b>GHS'000</b>
<b>Cash flows from operating activities</b>					
Cash (used in)/ generated from operations	(5,388)	3,240	(14,964)	(38,703)	(8,364)
Investment Income received	14,869	27,721	22,435	13,721	25,040
Income Tax paid	-	-	(8,049)	-	(143)
<b>Net Cash generated from operations</b>	<b>9,481</b>	<b>30,961</b>	<b>(578)</b>	<b>(24,982)</b>	<b>16,533</b>
<b>Cash flows from investing activities</b>					
Capital contribution in subsidiaries	(9,354)	-	(8,368)	-	-
Purchase of Property and equipment	(112)	(591)	(321)	(685)	(652)
Proceeds from partial disposal of subsidiary	-	-	65,468	-	-
Proceeds from Sale of Property and equipment	-	-	-	-	89
<b>Net Cash Used in investing activities</b>	<b>(9,466)</b>	<b>(591)</b>	<b>56,779</b>	<b>(685)</b>	<b>(563)</b>
<b>Cash flow from financing activities</b>					
Dividends paid	(2,100)	(4,724)	(28,356)	(3,303)	(6,691)
Proceeds from issues of ordinary shares	-	-	193	1,885	1,021
<b>Net Cash used in financing activities</b>	<b>(2,100)</b>	<b>(4,724)</b>	<b>(28,163)</b>	<b>(1,418)</b>	<b>(5,670)</b>
Net increase/(decrease) in cash and cash equivalents	(2,085)	25,646	28,038	(27,085)	10,300
Cash and cash equivalents at beginning of the year	3,019	934	26,580	54,618	27,533
<b>Cash and cash equivalents at end year</b>	<b>934</b>	<b>26,580</b>	<b>54,618</b>	<b>27,533</b>	<b>37,833</b>

The cash flow statement for the 2014 financial year was re-presented to include an amount of GHS15,103,000 as cash and cash equivalent. The said amount being treasury bills with original maturities less than 3 months.

Accordingly, an adjustment has been made to the 2013 closing cash and cash equivalents to agree with the 2014 opening cash and cash equivalent.

## APPENDIX B – FINANCIAL REPORTS AND PERFORMANCE (continued)

### 1.1.2 Financial Statements for the Group

#### Historical Income Statement for the Years Ended 31st December 2012, 2013, 2014, 2015 and 2016

The Group	2012 GHS'000	2013 GHS'000	2014 GHS'000	2015 GHS'000	2016 GHS'000
Investment income	27,467	64,841	50,876	64,299	81,259
Fair value gains on investment property	4,038	3,160	23,641	10,687	4,363
<b>Net investment income</b>	<b>31,505</b>	<b>68,001</b>	<b>74,517</b>	<b>74,986</b>	<b>85,622</b>
Gross insurance premium revenue	132,288	186,166	228,745	304,446	374,129
Insurance premium ceded to reinsurers	(17,290)	(22,965)	(26,792)	(41,692)	(59,297)
Net premium written	114,998	163,201	201,953	262,754	314,832
Change in unearned premium	(3,070)	(5,418)	1,979	(9,042)	(6,740)
<b>Net insurance premium revenue</b>	<b>111,928</b>	<b>157,783</b>	<b>203,932</b>	<b>253,712</b>	<b>308,092</b>
Other income	2,261	5,184	9,925	20,607	26,832
<b>Net Income</b>	<b>145,694</b>	<b>230,968</b>	<b>288,374</b>	<b>349,305</b>	<b>420,546</b>
Insurance benefits and claims	(28,256)	(48,816)	(83,327)	(108,802)	(133,685)
Change in insurance contract liabilities - life fund	(32,742)	(65,910)	(46,594)	(69,319)	(73,525)
<b>Net benefits and claims</b>	<b>(60,998)</b>	<b>(114,726)</b>	<b>(129,921)</b>	<b>(178,121)</b>	<b>(207,210)</b>
Operating expenses	(31,349)	(41,393)	(53,896)	(70,073)	(93,424)
Net commission income/(expense)	(20,685)	(27,085)	(34,976)	(42,070)	(44,147)
<b>Net expenses</b>	<b>(113,032)</b>	<b>(183,204)</b>	<b>(218,793)</b>	<b>(290,264)</b>	<b>(344,781)</b>
Profit before national fiscal stabilisation levy and income tax	32,662	47,764	69,581	59,041	75,765
National fiscal stabilisation levy		(1,481)	(2,750)	(2,743)	(3,879)
Income tax credit/(expense)	(2,767)	(6,610)	(5,533)	(4,731)	(3,885)
<b>Profit for the year</b>	<b>29,895</b>	<b>39,673</b>	<b>61,298</b>	<b>51,567</b>	<b>68,001</b>
<b>Attributable to:</b>					
Owners of the parent	19,377	31,229	37,994	27,572	34,439
Non-controlling interest	10,518	8,444	23,304	23,995	33,562

**APPENDIX B – FINANCIAL REPORTS AND PERFORMANCE** *(continued)*
**Historical Income Statement for the Years Ended 31st December 2012, 2013, 2014, 2015 and 2016**

<b>The Group</b>	<b>2012 GHS'000</b>	<b>2013 GHS'000</b>	<b>2014 GHS'000</b>	<b>2015 GHS'000</b>	<b>2016 GHS'000</b>
<b>ASSETS</b>					
Property and equipment	19,758	17,546	17,160	29,456	37,491
Intangible assets	27	23	311	302	667
Investment properties	13,006	25,743	82,339	130,993	176,237
Deferred Income tax assets	2,836	3,308	3,376	3,906	2,597
Investment securities	148,610	221,111	281,762	367,117	443,728
Inventories	-	-	-	-	260
Loans and receivables	8,899	22,782	6,216	15,284	22,739
Deferred acquisition costs	-	-	-	-	6,012
Due from re-insurers	3,971	3,014	5,378	28,717	21,266
Current income tax assets	-	-	596	230	137
Cash and bank balances	26,519	52,470	88,813	57,445	100,951
<b>Total assets</b>	<b>223,626</b>	<b>345,997</b>	<b>485,951</b>	<b>633,450</b>	<b>812,085</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserve</b>					
Stated capital	31,599	31,599	33,169	35,920	37,268
Contingency reserve	11,169	13,687	15,800	18,830	25,146
Other reserves	8,362	9,869	-	-	-
Currency translation reserve	-	-	207	810	818
Share option reserve	-	-	407	518	352
Income surplus account	35,270	59,257	129,592	150,831	172,263
Non-controlling interest	20,135	20,740	44,118	69,228	82,327
<b>Total equity</b>	<b>106,535</b>	<b>135,152</b>	<b>223,293</b>	<b>276,137</b>	<b>318,174</b>
<b>Liabilities</b>					
Deferred income tax liabilities	5,370	9,696	11,631	11,606	2,535
Life fund - insurance contract liabilities	82,734	148,644	195,238	264,557	338,167
Unearned premiums and unexpired risk provision	12,079	17,497	15,518	24,560	31,300
Outstanding claims	862	2,294	5,822	4,181	7,235
Trade and other payables	9,849	21,204	22,045	32,156	50,102
Deferred commission income	-	-	-	-	3,263
Loans and borrowings	-	-	-	-	40,425
Due to re-insurers	4,528	5,852	5,609	13,073	13,901
Due to related parties	1,490	4,344	5,118	5,901	820
Current income tax liability	179	1,314	1,677	1,279	6,163
<b>Total liabilities</b>	<b>117,091</b>	<b>210,845</b>	<b>262,658</b>	<b>357,313</b>	<b>493,911</b>
<b>Total equity and liabilities</b>	<b>223,626</b>	<b>345,997</b>	<b>485,951</b>	<b>633,450</b>	<b>812,085</b>

## APPENDIX B – FINANCIAL REPORTS AND PERFORMANCE *(continued)*

### Historical Cash Flow Statement as at 31st December 2012, 2013, 2014, 2015 and 2016

The Group	2012 GHS'000	2013 GHS'000	2014 GHS'000	2015 GHS'000	2016 GHS'000
<b>Cash flows from operating activities</b>					
Cash (used in)/generated from operations	(1,724)	95,477	(23,618)	(5,711)	(152,557)
Investment income received	16,297	34,212	52,384	66,917	79,652
National Fiscal Stabilisation Levy paid		(834)	(1,587)	(3,790)	(4,318)
Current income tax paid	(406)	(2,123)	(11,948)	(5,318)	(6,694)
<b>Net cash generated from operating activities</b>	<b>14,167</b>	<b>126,732</b>	<b>15,231</b>	<b>52,098</b>	<b>(83,917)</b>
<b>Cash flows from investing activities</b>					
Proceeds from partial disposal of subsidiaries	-	-	65,468	-	-
Purchase of intangible assets	-	-	(311)	(24)	(387)
Purchases of property and equipment	(2,114)	(3,085)	(12,080)	(11,917)	(12,795)
Proceeds from sale of property and equipment	118	24	95	178	200
<b>Net cash used in investing activities</b>	<b>(1,996)</b>	<b>(3,061)</b>	<b>53,172</b>	<b>(11,763)</b>	<b>(12,982)</b>
<b>Cash flow from financing activities</b>					
Dividends paid	(6,510)	(12,564)	(37,176)	(10,780)	(19,324)
Proceeds from issue of ordinary shares	745		193	1,885	1,021
Proceeds from loans and borrowings	-	-	-	-	40,425
Proceeds from issue of shares in subsidiary to	-	-	4,923	-	-
<b>Net cash used in financing activities</b>	<b>(5,765)</b>	<b>(12,564)</b>	<b>(32,060)</b>	<b>(8,895)</b>	<b>22,122</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6,406</b>	<b>111,107</b>	<b>36,343</b>	<b>31,440</b>	<b>(74,777)</b>
Cash and cash equivalents at beginning of year	20,113	26,519	137,626	173,969	205,409
<b>Cash and cash equivalents at end of year</b>	<b>26,519</b>	<b>37,626</b>	<b>173,969</b>	<b>205,409</b>	<b>130,632</b>

The cash flow statement for the 2014 financial year was re-presented to include an amount of GHS 85,156,000 as cash and cash equivalent. The said amount being treasury bills with original maturities less than 3 months.

Accordingly, an adjustment has been made to the 2013 closing cash and cash equivalents to agree with the 2014 opening cash and cash equivalent.



Assurance, Tax & Business  
Advisory Services

**CFY Partners**  
134 Robinson Crescent, Swankye Rd  
PMB 2, North Kaneshie  
Accra, Ghana  
Telephone +233 30 2245779;  
Website [www.cfypartners.org](http://www.cfypartners.org)

The Board of Directors  
Enterprise Group Limited  
Enterprise House  
No. 11 High Street  
Accra

Dear Sirs,

**REPORT OF THE INDEPENDENT REPORTING ACCOUNTANT ON THE CONSOLIDATED AND SEPARATE FINANCIAL INFORMATION DERIVED FROM THE AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS OF ENTERPRISE GROUP LIMITED FOR THE YEARS ENDED 31 DECEMBER 2012, 2013, 2014, 2015, AND 2016**

We have reviewed the accompanying consolidated and separate financial information comprising the consolidated and separate statements of financial position, consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity, and consolidated and separate statements of cash flows which have been derived from the audited consolidated and separate financial statements of Enterprise Group Limited for the years ended 31 December 2012, 2013, 2014, 2015 and 2016.

The consolidated and separate financial statements for the years ended 31 December 2012, 2013, 2014, 2015 were audited by PricewaterhouseCoopers (pwc) and 2016 were audited by KPMG. The Auditors issued an unmodified audit opinion for each of the financial years.

**Directors' Responsibility**

The EGL Directors are responsible for the preparation and fair presentation of the summarized consolidated and separate financial information derived from the audited consolidated and separate financial statements which have been prepared in accordance with the International Financial Reporting Standards and the requirements of the Companies Act, 1963 (Act 179) and for such internal controls as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

**Independent Reporting Accountant's Responsibility**

Our responsibility is to express a conclusion on the accompanying consolidated and separate financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (revised), *Engagements to Review Historical Financial Statements*. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated and separate financial information, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also required us to comply with relevant ethical requirements.

## 2 REPORTING ACCOUNTANT'S REPORT ON INTERIM FINANCIAL STATEMENTS *(continued)*

A review of the consolidated and separate financial information in accordance with ISRE 2400 (Revised) consists primarily of making inquiries of management and others within the entity involved in financial accounting matters, applying analytical procedures, and evaluating sufficiency and appropriateness of evidence obtained. A review also requires performance of additional procedures when we become aware of matters that cause us to believe that the consolidated and separate financial information as a whole may be materially misstated.

We believe that the evidence we obtained in our review is sufficient and appropriate to provide a basis for our conclusion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated and separate financial information do not give a true and fair view, in all material respects, of the consolidated and separate financial position of EGL as at 31 December, 2012, 2013, 2014, 2015 and 2016, and of its consolidated and separate financial performance and consolidated and separate cash flows for the periods then ended, which have been derived from the audited consolidated and separate financial statements prepared in accordance with the International Financial Reporting Standards and the requirements of the Companies Act 1963 (Act 179).

### **Restriction of the use of our report**

This report on the historical consolidated and separate financial information of EGL has been prepared solely for the purpose of the rights issue to raise US Dollars 50 million and the shares on offer will be listed on the Ghana Stock Exchange and may, therefore, not be appropriate for another purpose. Our report is intended solely for the directors of EGL and for the purpose described above and should not be used by other parties.



Signed by: Charles Egan (ICAG/P/1028)  
For and on behalf of:  
CFY Partners (ICAG/F/2017/073)  
Chartered Accountants  
Accra, Ghana

20 December 2017

## 2 REPORTING ACCOUNTANT'S REPORT ON INTERIM FINANCIAL STATEMENTS *(continued)*

### 2.1 INTERIM FINANCIAL STATEMENTS FOR THE FIRST 9 MONTHS OF 2017

The following financial statements are extracts from EGL and the Group's interim financial statements for the period from January 1, 2017 up to September 30, 2017. Further information on the EGL's financial affairs, including its accounting policies, notes to its financial statements and the Reporting Accountant's report are contained in the full report. Copies of this can be obtained from the registered offices of EGL during normal business hours of any Business

#### 2.1.1 Financial Statements for Enterprise Group Limited (the Company)

##### Unaudited Income Statement for 9 months ended September 30, 2017

The Company	2016 GHS'000	2017 GHS'000
Investment income	12,759	9,660
Other income	2,790	1,496
<b>Net income</b>	<b>15,549</b>	<b>11,156</b>
Operating expenses	(9,151)	(12,525)
Profit before income tax	6,398	(1,369)
Income tax expense	-	-
<b>Profit for the year</b>	<b>6,398</b>	<b>(1,369)</b>

##### Unaudited Statement of Financial Position as at September 30, 2017

The Company	Audited 2016 GHS'000	Unaudited 2017 GHS'000
<b>ASSETS</b>		
Property and equipment	829	1,350
Investment in subsidiaries	30,562	30,562
Deferred tax assets	201	201
Investment securities	2,017	9,170
Loans and receivables	501	517
Due from related parties	66,052	71,631
Cash and cash equivalents	37,833	28,831
<b>Total Assets</b>	<b>137,995</b>	<b>142,262</b>
<b>CAPITAL AND LIABILITIES</b>		
<b>Capital and reserves</b>	37,268	37,268
Stated capital	352	726
Other reserves	94,127	92,758
Income surplus account	<b>131,747</b>	<b>130,752</b>
<b>Total equity</b>		
<b>Liabilities</b>		
Trade and other payables	3,373	8,692
Due to related parties	50	-
Current tax liabilities	2,825	2,818
<b>Total liabilities</b>	<b>6,248</b>	<b>11,510</b>
<b>Total equity and liabilities</b>	<b>137,995</b>	<b>142,262</b>

## 2 REPORTING ACCOUNTANT'S REPORT ON INTERIM FINANCIAL STATEMENTS (continued)

### Unaudited Cash Flow Statement for 9 months ended September 30, 2017

The Company	2016 GHS'000	2017 GHS'000
<b>Cash flows from operating activities</b>		
Cash (used in)/generated from operations	(16,321)	(17,811)
Investment income received	12,759	9,660
Current income tax paid	(126)	(7)
<b>Net cash generated from operating activities</b>	<b>(3,688)</b>	<b>(8,158)</b>
<b>Cash flows from Investing Activities</b>		
Purchases of property and equipment	(647)	(901)
Proceeds from sale property & equipment	89	57
<b>Net increase in cash used in investing activities</b>	<b>(558)</b>	<b>(844)</b>
<b>Cash flow from financing activities</b>		
Dividends paid	(6,691)	-
Proceeds from issue of ordinary shares	1,238	-
<b>Net cash used in financing activities</b>	<b>(5,453)</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(9,699)</b>	<b>(9,002)</b>
Cash and Cash equivalents at beginning of period	15,151	37,833
<b>Cash and cash equivalents at end of period</b>	<b>5,452</b>	<b>28,831</b>

### 2.1.2 Financial Statements for the Group

#### Unaudited Income Statement for 9 months ended September 30, 2017

The Group	2016 GHS'000	2017 GHS'000
Investment income	59,186	85,360
Gross insurance premium revenue	286,864	353,252
Insurance premium ceded to reinsurers	(51,023)	(67,221)
Net premium written	235,841	286,031
Unearned premium	(12,631)	(8,178)
<b>Net insurance premium revenue</b>	<b>223,210</b>	<b>277,853</b>
Other income	11,920	15,545
<b>Net income</b>	<b>294,316</b>	<b>378,758</b>
Insurance benefits and claims	(97,682)	(132,797)
Change in insurance contract liabilities-Life fund	(56,926)	(74,066)
<b>Net benefits and claims</b>	<b>(154,608)</b>	<b>(206,863)</b>
Operating expenses	(64,530)	(89,663)
Commission expense	(35,289)	(42,398)
<b>Net expenses</b>	<b>(254,427)</b>	<b>(338,924)</b>
<b>Profit before national fiscal stabilisation levy and income tax</b>	<b>39,889</b>	<b>39,834</b>
National fiscal stabilisation levy	(2,306)	(2,683)
Income tax expense	(4,179)	(3,763)
<b>Profit for the period</b>	<b>33,404</b>	<b>33,388</b>
<b>Attributable to:</b>		
Owners of the parent	14,386	11,382
Non-Controlling Interest	19,018	22,006

**2 REPORTING ACCOUNTANT'S REPORT ON INTERIM FINANCIAL STATEMENTS** (continued)

**Unaudited Statement of Financial Position as at September 30, 2017**

<b>The Company</b>	<b>Audited 2016 GHS'000</b>	<b>Unaudited 2017 GHS'000</b>
<b>ASSETS</b>		
Property and equipment	37,491	39,725
Intangible assets	667	853
Investment properties	176,237	189,832
Deferred tax assets	2,597	2,597
Investment securities	443,728	566,669
Inventories	260	150
Loans and receivables	22,739	28,441
Deferred acquisition costs	6,012	9,167
Due from re-insurers	21,266	20,022
Current income tax assets	137	686
Cash and cash equivalents	100,951	109,690
<b>Total Assets</b>	<b>812,085</b>	<b>967,832</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Stated capital	37,268	37,268
Contingency reserve	25,146	29,140
Other reserves	1,170	1,544
Income surplus account	172,263	179,651
Non-Controlling Interest	82,327	96,493
<b>Total equity</b>	<b>318,174</b>	<b>344,096</b>
<b>LIABILITIES</b>		
Deferred tax liabilities	2,535	2,535
Life fund - insurance contract liabilities	338,167	412,233
Unearned premiums and unexpired risk provision	31,300	39,478
Outstanding Claims	7,235	18,042
Loans and borrowings	40,425	65,574
Trade and other payables	50,102	57,684
Deferred commission income	3,263	5,764
Due to re-insurers	13,901	19,299
Due to related parties	820	-
Current tax liabilities	6,163	3,127
<b>Total liabilities</b>	<b>493,911</b>	<b>623,736</b>
<b>Total equity and liabilities</b>	<b>812,085</b>	<b>967,832</b>

**2 REPORTING ACCOUNTANT'S REPORT ON INTERIM FINANCIAL STATEMENTS** *(continued)*

**Unaudited Cash Flow Statement for 9 months ended September 30, 2017**

<b>The Group</b>	<b>Audited 2016 GHS'000</b>	<b>Unaudited 2017 GHS'000</b>
Cash flows from operating activities		
Cash (used in)/generated from operations	(18,993)	(64,438)
Investment income received	59,605	85,850
National fiscal stabilisation levy paid	(2,260)	(3,049)
Current income tax paid	(4,301)	(7,078)
Net cash generated from operating activities	34,051	11,285
Cash flows from Investing Activities		
Purchase of intangible assets	-	(190)
Purchases of property and equipment	(23,817)	(6,433)
Proceeds from sale of property & equipment	89	364
Purchase of investment properties	-	(13,595)
Purchase of investment securities	-	-
Net increase in cash used in investing activities	(23,728)	(19,854)
Cash flow from financing activities		
Dividends paid	(16,688)	(7,840)
Proceeds from issue of ordinary shares	1,238	-
Net movement in loans and borrowings	-	25,149
Net cash used in financing activities	(15,450)	17,309
Net (decrease)/increase in cash and cash equivalents	(5,127)	8,739
Cash and Cash equivalents at beginning of year	57,445	100,951
Cash and cash equivalents at end of period	52,318	109,690

### 3 REPORTING ACCOUNTANT'S REPORT ON FINANCIAL PROJECTIONS AND ASSUMPTIONS



Assurance, Tax & Business  
Advisory Services

**CFY Partners**  
134 Robinson Crescent, Swanlake Rd  
PMB 2, North Kaneshie  
Accra, Ghana  
Telephone +233 30 2245779  
Website [www.cfypartners.org](http://www.cfypartners.org)

The Board of Directors  
Enterprise Group Limited  
Enterprise House  
No. 11 High Street  
Accra

Dear Sirs,

**REPORT OF THE INDEPENDENT REPORTING ACCOUNTANT ON THE PROJECTED CONSOLIDATED AND SEPARATE FINANCIAL INFORMATION OF ENTERPRISE GROUP LIMITED FOR THE SIX YEARS ENDING 31 DECEMBER 2017, 2018, 2019, 2020, 2021 AND 2022**

We have examined the accompanying projected consolidated and separate financial information ("the projections") of Enterprise Group Limited (EGL), which comprise the projected consolidated and separate statements of financial position for the six years as at 31 December 2017, 2018, 2019, 2020, 2021 and 2022 and the related projected consolidated and separate statements of income, projected consolidated and separate statement of changes in equity and projected consolidated and separate statements of cash flow for the years ending 31 December 2017, 2018, 2019, 2020, 2021 and 2022 in accordance with International Standards on Assurance Engagements 3400 (ISAE) "The Examination of Prospective Financial Information".

The Directors of EGL are responsible for the preparation and presentation of the projected consolidated and separate financial information including the assumptions on which they are based. It is our responsibility to report on the projected consolidated and separate financial information as required by the Securities and Exchange Commission Regulations, 2003 (L.I.1728), the Companies Act, 1963 (Act 179) and the Listing Rules of the Ghana Stock Exchange.

These projections have been prepared for the purpose of the rights issue to raise US Dollars 50 million by EGL which will be listed on the Ghana Stock Exchange. The projections have been prepared using a set of assumptions that include hypothetical assumptions about future events and management's actions which cannot be confirmed and verified in the same way as past results and that are not necessarily expected to occur. Consequently, we express no opinion on the validity of the assumptions on which the projections are based or on how closely the results actually achieved will compare with the projections. These projections may not be appropriate and should not be used for purposes other than that described above.

In our opinion, the projected consolidated and separate financial information have been properly compiled on the basis of the assumptions set out in the notes and the basis of accounting used is consistent with the accounting policies normally adopted by EGL. Nothing has come to our attention that suggests that these assumptions do not provide a reasonable basis for the projections.

Partners: Charles Egan, Felix Tamalley, Yaw Asamo-Boadi, Daniel K. Quarmpah, Nii Akwil Tetteh

### 3 REPORTING ACCOUNTANT'S REPORT ON FINANCIAL PROJECTIONS AND ASSUMPTIONS *(continued)*

Even if the events anticipated under the assumptions described occur, actual results are still likely to be different from the projections since other anticipated events frequently do not occur as expected and the variation may be material. Further, we emphasise that the projected consolidated and separate financial information is not intended to, and do not, provide all the information and disclosures necessary to give a fair presentation in accordance with International Financial Reporting Standards (IFRS).

#### **Restriction of the use of our report**

These projected consolidated and separate financial information have been prepared solely for the purpose described above and may, therefore, not be appropriate for another purpose. Our report is intended solely for the directors of EGL and for the purpose described above and should not be used by other parties.



Signed by: Charles Egan (ICAG/P/1028)  
For and on behalf of:  
CFY Partners (ICAG/P/2017/073)  
Chartered Accountants  
Accra, Ghana

20 December 2017

### 3 REPORTING ACCOUNTANT'S REPORT ON FINANCIAL PROJECTIONS AND ASSUMPTIONS (continued)

#### 3.1 PROJECTED FINANCIAL PERFORMANCE

The following financial statements are extracts of EGL and the Groups' projected financial statements for 2017 to 2022. Further information on the EGL's financial affairs, including its accounting policies, notes to its financial statements and the Reporting Accountant's report are contained in the full report. Copies of this can be obtained from the registered offices of the EGL during normal business hours of any Business Day.

##### 3.1.1 Projected Financial Statements for Enterprise Group Limited (the Company)

###### Projected Income Statement for the Periods Ending December 31, 2017, 2018, 2019, 2021 and 2022

The Company	2017 GHS'000	2018 GHS'000	2019 GHS'000	2020 GHS'000	2021 GHS'000	2022 GHS'000
Investment income	20,954	29,281	32,604	35,617	38,696	42,266
Other income	1,950	2,194	2,468	2,776	3,124	3,514
<b>Net income</b>	<b>22,904</b>	<b>31,475</b>	<b>35,072</b>	<b>38,394</b>	<b>41,820</b>	<b>45,780</b>
Operating expenses	(17,630)	(20,275)	(23,113)	(26,580)	(29,238)	(32,893)
<b>Profit before income tax</b>	<b>5,274</b>	<b>11,200</b>	<b>11,960</b>	<b>11,814</b>	<b>12,582</b>	<b>12,887</b>
Income tax expense	(65)	27	(407)	(89)	(134)	(234)
<b>Profit for the year</b>	<b>5,209</b>	<b>11,227</b>	<b>11,552</b>	<b>11,725</b>	<b>12,448</b>	<b>12,653</b>

###### Projected Statement of Financial Position Ending December 31, 2017, 2018, 2019, 2020, 2021 and 2022

The Company	2017 GHS'000	2018 GHS'000	2019 GHS'000	2020 GHS'000	2021 GHS'000	2022 GHS'000
<b>ASSETS</b>						
Property and Equipment	980	19,163	25,315	24,408	23,443	23,050
Investments in subsidiaries	30,562	158,600	158,600	158,600	158,600	158,600
Investment securities	5,747	6,672	7,626	8,551	9,476	10,401
Loans and Receivables	526	500	375	356	224	235
Investment in Nigeria	-	87,888	87,888	87,888	87,888	87,888
Deferred income tax asset	198	350	193	404	646	824
Due from related parties	66,052	66,052	66,052	66,052	66,052	66,052
Cash and Cash equivalents	37,812	30,578	23,988	22,689	20,423	15,360
<b>Total Assets</b>	<b>141,878</b>	<b>369,803</b>	<b>370,037</b>	<b>368,948</b>	<b>366,752</b>	<b>362,410</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Capital and Reserve</b>						
Stated Capital	37,268	264,488	264,488	264,488	264,488	264,488
Other reserves	352	-	-	-	-	-
Income surplus account	99,336	100,750	100,980	99,684	97,159	92,593
<b>Total Equity</b>	<b>136,956</b>	<b>365,238</b>	<b>365,467</b>	<b>364,172</b>	<b>361,647</b>	<b>357,080</b>
<b>Liabilities</b>						
Trade and other payables	3,503	3,844	4,184	4,553	4,956	5,214
Current income tax liability	1,419	722	386	223	149	116
<b>Total Liabilities</b>	<b>4,922</b>	<b>4,566</b>	<b>4,570</b>	<b>4,776</b>	<b>5,105</b>	<b>5,330</b>
<b>Total equity and liabilities</b>	<b>141,878</b>	<b>369,803</b>	<b>370,037</b>	<b>368,948</b>	<b>366,752</b>	<b>362,410</b>

### 3 REPORTING ACCOUNTANT'S REPORT ON FINANCIAL PROJECTIONS AND ASSUMPTIONS *(continued)*

#### Projected Cash Flow Statement for the Periods Ending December 31, 2017, 2018 2019, 2020, 2021, 2022

The Company	2017 GHS'000	2018 GHS'000	2019 GHS'000	2020 GHS'000	2021 GHS'000	2022 GHS'000
<b>Cash flows from operating activities</b>						
Cash (used in)/ generated from operations	2,357	12,365	13,548	13,179	14,087	14,392
Income Tax paid	(1,469)	(822)	(586)	(463)	(449)	(446)
<b>Net Cash generated from operations</b>	<b>888</b>	<b>11,543</b>	<b>12,962</b>	<b>12,716</b>	<b>13,638</b>	<b>13,946</b>
<b>Cash flows from investing activities</b>						
Capital contribution in subsidiaries	-	(44,637)	-	-	-	-
Purchase of additional shares in subsidiary	-	(83,401)	-	-	-	-
Purchase of Property and equipment	(909)	(19,906)	(8,230)	(995)	(930)	(1,790)
Purchase of Equities Nigeria etc	-	(87,888)	-	-	-	-
<b>Net Cash Used in investing activities</b>	<b>(909)</b>	<b>(235,832)</b>	<b>(8,230)</b>	<b>(995)</b>	<b>(930)</b>	<b>(1,790)</b>
<b>Cash flow from financing activities</b>						
Dividend paid	-	(9,813)	(11,322)	(13,021)	(14,974)	(17,220)
Share option exercised	-	7,148	-	-	-	-
Proceeds from issues of ordinary shares	-	219,720	-	-	-	-
<b>Net Cash used in financing activities</b>	<b>-</b>	<b>217,055</b>	<b>(11,322)</b>	<b>(13,021)</b>	<b>(14,974)</b>	<b>(17,220)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(21)</b>	<b>(7,234)</b>	<b>(6,590)</b>	<b>(1,299)</b>	<b>(2,266)</b>	<b>(5,063)</b>
Cash and cash equivalents at beginning of the year	37,833	37,812	30,578	23,988	22,689	20,423
<b>Cash and cash equivalents at end year</b>	<b>37,812</b>	<b>30,578</b>	<b>23,988</b>	<b>22,689</b>	<b>20,423</b>	<b>15,360</b>

### 3 REPORTING ACCOUNTANT'S REPORT ON FINANCIAL PROJECTIONS AND ASSUMPTIONS *(continued)*

#### 3.1.2 Projected Financial Statements for the Group

##### Projected Cash Flow Statement for the Periods Ending December 31, 2017, 2018, 2019, 2020, 2021, 2022

The Group	2017 GHS'000	2018 GHS'000	2019 GHS'000	2020 GHS'000	2021 GHS'000	2022 GHS'000
Investment income	134,291	158,037	184,127	215,256	248,213	284,995
Fair Value gains on investment properties	8,303	10,841	14,931	16,671	18,646	20,137
<b>Net investment income</b>	<b>142,594</b>	<b>168,878</b>	<b>199,058</b>	<b>231,926</b>	<b>266,859</b>	<b>305,132</b>
Gross insurance premium revenue	475,143	596,655	738,045	900,275	1,080,330	1,274,789
Insurance premium ceded to reinsurers	(73,268)	(89,380)	(109,856)	(128,279)	(152,925)	(178,922)
Net premium written	401,876	507,276	628,189	771,996	927,405	1,095,868
Change in unearned premium	(13,214)	(15,000)	(18,594)	(21,912)	(26,294)	(30,239)
<b>Net insurance premium revenue</b>	<b>388,661</b>	<b>492,276</b>	<b>609,595</b>	<b>750,084</b>	<b>901,111</b>	<b>1,065,629</b>
Other income	20,245	16,672	33,006	55,813	87,347	93,462
<b>Net income</b>	<b>551,500</b>	<b>677,826</b>	<b>841,660</b>	<b>1,037,824</b>	<b>1,255,317</b>	<b>1,464,223</b>
Insurance benefits and claims	(166,352)	(204,043)	(244,550)	(303,989)	(376,173)	(444,262)
Change in insurance contract liabilities - life fund	(108,887)	(137,417)	(170,666)	(206,239)	(241,427)	(284,883)
<b>Net benefits and claims</b>	<b>(275,239)</b>	<b>(341,460)</b>	<b>(415,216)</b>	<b>(510,228)</b>	<b>(617,599)</b>	<b>(729,146)</b>
Operating expenses	(127,541)	(155,062)	(200,947)	(264,076)	(327,175)	(376,251)
Commission expense	(60,994)	(81,385)	(100,566)	(123,116)	(147,739)	(169,900)
<b>Net expenses</b>	<b>(463,774)</b>	<b>(577,906)</b>	<b>(716,729)</b>	<b>(897,420)</b>	<b>(1,092,513)</b>	<b>(1,275,296)</b>
<b>Profit before national fiscal stabilisation levy and Income tax</b>	<b>87,726</b>	<b>99,919</b>	<b>124,930</b>	<b>140,404</b>	<b>162,804</b>	<b>188,927</b>
National fiscal stabilisation levy	(4,765)	(5,337)	(6,087)	(6,527)	(6,599)	(7,623)
Income tax expense	(5,280)	(10,542)	(18,140)	(22,460)	(27,402)	(32,978)
<b>Profit for the year</b>	<b>77,680</b>	<b>84,040</b>	<b>100,703</b>	<b>111,417</b>	<b>128,803</b>	<b>148,325</b>
<b>Attributable to:</b>						
Owners of the parent	54,376	58,828	70,492	77,992	90,162	103,828
Non-controlling interest	23,304	25,212	30,211	33,425	38,641	44,498

### 3 REPORTING ACCOUNTANT'S REPORT ON FINANCIAL PROJECTIONS AND ASSUMPTIONS (continued)

#### Projected Statement of Financial Position Ending December 31, 2017, 2018, 2019, 2020, 2021 and 2022

The Group	2017 GHS'000	2018 GHS'000	2019 GHS'000	2020 GHS'000	2021 GHS'000	2022 GHS'000
<b>ASSETS</b>						
Property and Equipment	38,308	50,788	53,387	50,268	46,999	42,274
Intangible Assets	534	400	267	133	-	-
Investment properties	184,540	197,381	222,312	238,983	262,629	282,766
Investment securities	545,818	733,694	938,613	1,175,650	1,441,417	1,757,773
Loans and Receivables	23,876	22,682	17,012	16,161	10,181	10,691
Investment in Nigeria	-	87,888	87,888	87,888	87,888	87,888
Due from re-insurers	14,248	11,826	9,224	7,564	5,446	4,847
Deferred income tax asset	4,301	4,790	3,719	3,151	2,455	2,944
Current income tax	103	-	-	-	-	-
Deferred acquisition cost	8,486	10,607	12,729	15,275	18,330	21,996
Inventories	325	374	406	507	621	671
Cash and Cash equivalents	200,611	349,948	386,383	446,196	530,523	624,740
<b>Total Assets</b>	<b>1,021,150</b>	<b>1,470,378</b>	<b>1,731,939</b>	<b>2,041,776</b>	<b>2,406,489</b>	<b>2,836,588</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Capital and Reserve</b>						
Stated Capital	37,268	264,488	264,488	264,488	264,488	264,488
Contingency reserve	30,347	36,848	44,650	54,012	65,246	78,727
Other reserves	1,188	834	843	851	860	868
Income surplus account	221,438	263,952	315,320	370,930	434,884	508,011
Non-controlling interest	99,071	115,822	136,881	160,414	188,314	221,505
<b>Total equity</b>	<b>389,312</b>	<b>681,944</b>	<b>762,182</b>	<b>850,695</b>	<b>953,792</b>	<b>1,073,599</b>
<b>Liabilities</b>						
Life Fund -insurance contract liabilities	447,054	584,472	755,138	961,376	1,202,803	1,487,686
Unearned premiums and unexpired risk provision	44,514	59,514	78,108	100,020	126,315	156,553
Outstanding claims	9,730	12,791	16,459	21,019	26,661	33,325
Trade and other payables	43,046	44,886	46,426	48,108	49,564	51,294
National Stabilisation Levy	493	558	637	685	694	797
Due to re-insurers	10,614	9,776	10,381	11,604	13,448	15,670
Due to related parties	41	82	108	124	134	140
Loans and borrowings	67,717	67,717	52,867	36,907	19,597	1,207
Deferred commission income	4,595	5,518	6,367	7,415	8,899	10,679
Current income tax liability	4,033	3,120	3,267	3,823	4,582	5,638
<b>Total liabilities</b>	<b>631,838</b>	<b>788,434</b>	<b>969,757</b>	<b>1,191,081</b>	<b>1,452,697</b>	<b>1,762,989</b>
<b>Total equity and liabilities</b>	<b>1,021,150</b>	<b>1,470,378</b>	<b>1,731,939</b>	<b>2,041,776</b>	<b>2,406,489</b>	<b>2,836,588</b>

### 3 REPORTING ACCOUNTANT'S REPORT ON FINANCIAL PROJECTIONS AND ASSUMPTIONS *(continued)*

#### Projected Cash Flow Statement for the Periods Ending December 31, 2017, 2018 2019, 2020, 2021, 2022

The Group	2017 GHS'000	2018 GHS'000	2019 GHS'000	2020 GHS'000	2021 GHS'000	2022 GHS'000
Cash flows from operating activities						
Cash (used in)/ generated from operations	104,140	70,494	112,690	137,751	172,544	193,721
National Fiscal Stabilisation Levy Paid	(4,597)	(5,272)	(6,009)	(6,479)	(6,589)	(7,520)
Income Tax paid	(11,615)	(11,842)	(16,921)	(21,336)	(25,947)	(32,411)
Net Cash generated from operations	87,928	53,380	89,760	109,936	140,007	153,790
Cash flows from investing activities						
Purchase of Property and equipment	(9,000)	(24,750)	(18,000)	(11,250)	(12,656)	(12,656)
Purchase of Equities Nigeria etc	-	(87,888)	-	-	-	-
Net cash used in investing activities	(9,000)	(112,638)	(18,000)	(11,250)	(12,656)	(12,656)
Cash flow from financing activities						
Dividend paid	(6,560)	(18,274)	(20,474)	(22,913)	(25,715)	(28,527)
Share options exercised	-	7,148	-	-	-	-
Proceeds from issue of ordinary shares	-	219,720	-	-	-	-
Net movement in loans and borrowings	27,292	-	(14,850)	(15,960)	(17,310)	(18,390)
Net cash used in financing activities	20,732	208,594	(35,324)	(38,873)	(43,025)	(46,917)
Net increase/(decrease) in cash and cash equivalents	99,660	149,336	36,436	59,813	84,326	94,217
Cash and cash equivalents at beginning of the year	100,951	200,611	349,948	386,383	446,196	530,523
Cash and cash equivalents at end year	200,611	349,948	386,383	446,196	530,523	624,740

### 3 REPORTING ACCOUNTANT'S REPORT ON FINANCIAL PROJECTIONS AND ASSUMPTIONS *(continued)*

#### 3.2 Assumptions Underlying Financial Projections

##### 3.2.1 Key Economic Assumptions

	2017	2018	2019	2020	2021	2022
Real GDP growth (%)	6.6	6.3	5.6	5.2	5.4	5.8
Inflation:						
End Year	10.5	9.0	8.2	9.9	8.5	8.9
Average	11.9	9.8	8.7	9.4	8.7	9.2
Exchange Rate						
Average GHS:USD	4.36	4.56	4.88	5.44	5.90	6.45
Year-end GHS:USD	4.50	4.63	4.95	5.32	5.77	5.98
Average GHS:Euro €	4.81	5.14	5.94	6.51	7.02	7.49
Year-end GHS:Euro €	5.08	5.25	5.88	6.75	7.15	7.62
Interest Rates:						
BoG Policy Rate (End Year)	21	19	18	17	16	15
91-day Treasury Bill Rate (weighted average)	12	12	10	10	10	10
Ghana stock Exchange capital growth	45	20	20	15	15	16
Property Fair value gains in USD (%)	4	4	4	4	4	4

##### 3.2.2 FINANCIAL ASSUMPTION:

###### (a) Insurance Premium Growth

In forecasting Insurance premiums over the 5-year period, the following management plans were adopted:

- The growth targets set out for existing businesses as contained in the 5-year strategy document be maintained. The trends reflect changes in the variables that contribute to the premiums. Thus, Enterprise Life and Enterprise Insurance continue to grow year on year at the average growth rate of the leading 7 Insurance companies plus additional margin of 3%.
- Enterprise Insurance: With a Cumulative Annual Growth Rate (CAGR) of 33% over the previous 5 years and recognizing a decreasing trend in premium income growth across the General Insurance industry, it is estimated that CAGR for the forecast period will be 27%. (2018: 30%; 2019: 28%; 2020: 28%; 2021: 26%; 2022: 26%)
- Enterprise Life: The two key elements that influence growth here are new business and recurring business. New business is estimated to grow at a minimum rate referenced to inflation while recurring will continue to be adjusted for by policy lapses.
- The decline in Life insurance premium growth appears more pronounced compared to General Insurance. CAGR for the forecast period is estimated at 23% compared to 28% in the last 5 years. (2018: 25%; 2019: 24%; 2020: 24%; 2021: 22%; 2022: 22%)

###### (b) Investment Income

Management's strategy on investment income will continue being aggressive but with caution. Currently about 80% of all investible funds are in short term instruments whose returns are seeing a decline in response to revisions in Prime rates and reduction in inflation. Over the forecast period, management will change the mix across the Group to 30% equity, 50% short term instruments and 20% long dated instruments.

### 3 REPORTING ACCOUNTANT'S REPORT ON FINANCIAL PROJECTIONS AND ASSUMPTIONS *(continued)*

- (c) **Rental Income**  
Prospects of improvement in rental income is high with the completion of Advantage Place. Over the forecast period, it is estimated that occupancy will move from current 50% to 70% in 2018, 90% in 2019 and 100% by 2020. Rents will also reflect commercial rates.
- (d) **Pension Fee Income**  
Enterprise Trustees will continue its dominance of the Pensions Industry with Fee Income growth target maintained at 50% year on year for the forecast period. This is premised on growth in Assets under management influenced by returns on investment and new schemes.
- (e) **Claims and benefit expenses**  
Claims and benefit payments have shown a direct relationship with Insurance premium growth except in exceptional situations as was the case during the 2015 flooding in Accra. Management will adopt same growth trends for Claims as with Gross premium for Enterprise Insurance. However, management is of the view that with anticipated improvement in the general economy, stress on disposable incomes should minimize. Additionally, with improvement in Customer care, the claims experience at Enterprise Life is expected to improve. Management anticipates a 2% decline year on year over the forecast period.
- (f) **Commission expenses**  
Commissions have always been influenced by the nature and structure of our distribution models. With recent reviews in distribution models, management is of the view that commission tables are allowed to span the forecast period. Therefore, growth levels will replicate 2018 trend.
- (g) **Staff Cost**  
Two key drivers of staff cost are staff numbers and salary increases. Management will continue with its strategy of restricting additions to staff numbers unless very critical to any part of the business or will support any growth agenda. This initiative was adopted in 2017 and will continue over the forecast period.
- Staff salary increases will continue to reflect the Group's policy. For any particular year, the maximum will be referenced to inflation. However, there will be a maximum of 3% to reward exceptional performance and also manage market adjustments so as to remain competitive.

### 3 REPORTING ACCOUNTANT'S REPORT ON FINANCIAL PROJECTIONS AND ASSUMPTIONS *(continued)*

- Staff bonuses and employee retention schemes as a way of motivation to drive superior performance will continue over the forecast period under existing Group policy.

(h) **Policy provisions**

Over the 5-year period these liabilities namely; Life Fund provision and IBNR will continue to be determined actuarially with assumptions that reflect the reality within the various businesses

(i) **Other Cost**

Increases in cost for all other items will be in line with inflation except where it is linked to a specific project or growth agenda.

(j) **Taxation**

Income tax rate of 25% and national stabilization levy of 5% are expected to remain unchanged

#### 3.2.3 **New Businesses:**

- (a) Entry into Nigeria
- (b) Medical Insurance Scheme
- (c) Buy Enterprise Funeral Services Ghana from Enterprise Life
- (d) Cemetery in Accra
- (e) Funeral Home in Kumasi

## APPENDIX C – APPLICATION GUIDELINES

*It is important that this Application Form be correctly completed. Applicants in doubt should consult the Receiving Agents in Appendix E for assistance. The Rights Issue is open from 9:00 a.m. on March 14, 2018 and closes at 5:00 p.m. on March 28, 2018. Applications received after the Rights Issue has closed may not be considered.*

### 1 GENERAL INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

Please read the instructions carefully before completing the relevant sections of the Application Form.

- (a) Please read the instructions carefully before completing the relevant sections of the Application Form.
- (a) There are various sections to this Application Form. Please ensure you complete all the relevant and appropriate sections in accordance with your choices and return the completed Application Form together with payment for your subscription to the receiving agents by 5:00 p.m. on March 28, 2018.
- (b) Use BLOCK letters in completing the Application Form.
- (c) Applicants over the age of 18 can buy shares in their own name. Shares may be bought for a child by a parent, grandparent or guardian who has been named as a renounee. The said adult may complete another application to buy shares in his/her own name if he/she is an existing shareholder/renounee.
- (d) Power(s) of attorney must be enclosed if a person other than the applicant is signing on behalf of an applicant who is not a minor.
- (e) Photocopies of Application Forms will be accepted only when they are clear and legible. The submission of a photocopied Application Form presumes that the applicant understands and accepts the terms and conditions of this offer.

### 2 SECTIONS OF THE APPLICATION FORM

The Application Form has the following sections:

- (a) **Section A:** To be completed by all Qualifying Shareholders participating in the Rights Issue. The enclosed letter of allotment gives each Qualifying Shareholder's entitlement in this Offer. Each shareholder must provide their CSD Account details, contact information and indicate their preferred option.
- (b) **Section B:** To be completed by all Qualifying Shareholders renouncing part or all their rights. Qualifying Shareholders who want to sell their rights to this Offer for value should contact Databank Brokerage Limited, African Alliance Securities Ghana Limited or their own stockbrokers.
- (c) **Section C:** To be completed by each renounee named in Section B. Each renounee must fill a copy of this section.

### 3 GUIDE TO COMPLETING THE APPLICATION FORM FOR QUALIFYING SHAREHOLDERS

- (a) Provisional allotment

The Directors have provisionally allotted to you the number of new ordinary shares set out under the enclosed letter of allotment. Your allotment is in the proportion of 1 new ordinary share for every 3.6543 ordinary shares registered in your name at the close of business on February 27, 2018.

## APPENDIX C – APPLICATION GUIDELINES (continued)

You may accept all or any number of the new ordinary shares offered you, renounce your rights in favour of another person(s) or take no action.

If you do not wish to participate in this offer, you do not have to do anything. Kindly note that all Qualifying Shareholders who do not submit a duly completed Application Form by 5:00 p.m. on March 28, 2018, will be deemed to have elected not to participate in this Offer. The Directors will allot the shares declined by such Qualifying Shareholders as they deem fit.

- (b) Available options if you wish to participate in the offer:

You may do ONLY ONE of the following:

- (a) Accept all the new shares allotted to you. If you select this option, kindly complete Section A of the Application Form.
- (ii) Accept all the new shares offered you and apply for more shares. If you select this option, kindly complete Section A of the Application Form.
- (iii) Accept part of the new shares offered you and renounce the remainder in favour of another party. If you select this option, kindly complete Sections A and B of the Application Form. Each renounee named under Section B must complete a copy of Section C of the Application Form.
- (iv) Renounce all the new shares offered you in favour of another party. If you select this option, kindly complete Sections A and B of the Application Form. Every renounee named under Section B must complete a copy of Section C of the Application Form.

### 4 GUIDE TO COMPLETING THE APPLICATION FORM FOR RENOUNCEES

If a Qualifying Shareholder has renounced a portion or all of his rights in your favour by naming you in Section B of the Application Form, you must complete a copy of Section C of the Application Form. General instructions for completing Section C of the Application Form are as follows:

Renounee details:

- (a) **Renounee details (Individuals)**  
Provide your CSD Account details, surname (i.e., family name), all your forenames (i.e. first/other names) and the title by which you are addressed. Also fill in your date of birth, your nationality and country of residence.
- (b) **Renounee details (Institutions/companies if applicable)**  
Provide your company name, date of incorporation, nationality and country of residence/operation.
- (c) **Address**  
Provide information with your full residential (if applicable) and postal address. The address must be current and reliable. In the case of a change in address, you should immediately inform the CSD of your new address.
- (d) **ID type, ID number/company registration number**

## APPENDIX C – APPLICATION GUIDELINES (continued)

Provide a valid identity document (ID). For the purposes of this Rights Issue, a valid ID for an individual includes a birth certificate, an unexpired national passport, an unexpired national ID, an unexpired driver's license, unexpired voter's ID or NHIS card. For companies and institutions, registration documents, Registrar-General's Form A or Form 3 or a duly executed resolution from the organisation (i.e., for un-registered institutions, clubs and other bodies) are required. A notarised or certified copy of the valid ID must be submitted with your application. The notarisation must be undertaken by a notary public. The certification must be undertaken by a legal practitioner or other recognised professional registered by his/her regulating body copies of identification. The notarised or certified copy must be stamped, dated and signed "original sighted by me" by the relevant person.

(e) **Contact information**

Provide your telephone number and email address. These details must be current and reliable. In the case of a change in telephone number or email address, you should immediately inform the CSD of your new contact details.

Subscription instruction and number of shares:

(f) **Subscription instruction and number of shares**

Indicate the number of shares renounced in your favour and write the amount payable in figures for the total number of shares you have applied for in Section A.

Renouncer details:

(g) **Name of renouncer**

Provide renouncer's depository account name (i.e. family name, first/other names).

(h) **Depository account details**

Provide details of renouncer's depository account (i.e. the depository participant/member code, depository account number and account type/suffix).

Declaration:

(i) **Declaration**

Please read the declaration carefully before signing (or thumb printing). You are required to provide the date of declaration on the form (i.e., in the space provided). The Application Form may be signed by someone else on your behalf if he/she is duly authorised to do so. An agent must enclose the original power of attorney appointing him/her (or copy certified by a notary public) unless he/she is a selling agent or financial intermediary and states the capacity in which he/she signs.

## 5 Payment for shares and delivery of application form

- a) Applicants who are resident in Ghana may pay by cash, cheque, postal/money order, or electronic funds transfer, which should be presented at the offices of any of the named Receiving Agents where the Application Form is lodged. All cheques, postal or money orders should be crossed "**EGL RIGHTS ISSUE**" and endorsed **Commission to Drawer's Account**. This endorsement must be signed by the drawer. Bank commission and transfer charges on application monies must be paid by the applicant.
- b) Applicants not resident in Ghana may purchase shares under this Offer in local currency and for this purpose, EGL allows payment for shares in GHS only. Funds should be remitted for the benefit of "**EGL RIGHTS ISSUE**" by bank transfer to Databank Brokerage Limited or an appointed receiving agent. Foreign currency will be converted to GHS by the Receiving Agent at the day's prevailing market exchange rate.

## **APPENDIX C – APPLICATION GUIDELINES** *(continued)*

- c) Any application from a person not resident in Ghana, which is not received in a form that will realise cleared funds for the full amount payable on the application by 5:00 p.m. on March 28, 2018, may be treated as invalid. Bank commissions and transfer charges on application monies must be paid by the applicant. Applications, in respect of which cheques are returned unpaid, for any reason whatsoever, will be rejected.
- d) All Applicants resident in Ghana must deliver or lodge their duly completed Application Form at the offices of the receiving agents named in Appendix E of this offer circular by 5:00 p.m. on March 28, 2018.
- e) Applicants not resident in Ghana must deliver or lodge their duly completed Application Form with Databank Brokerage Limited or the other receiving agents, whose contact details are provided in Appendix E of this Circular by 5:00 p.m. on March 28, 2018.
- f) Applicants who opt to mail their Application Form to the receiving agents are advised to use registered mail services. However, all documents mailed to the receiving agents by applicants will be at the applicant's own risk, and EGL may treat applications not received by 5:00 p.m. on March 28, 2018 as invalid.
- g) Applicants are to note that Application Forms must be lodged at the same receiving agent's office where payment is made for the shares applied for. The receiving agent will acknowledge receipt of Application Forms and funds from each applicant.



**APPENDIX D – APPLICATION FORM** *(continued)*



**SECTION B** (To be completed ONLY by qualifying shareholders renouncing some or all of rights)

i. I/We wish to take up  shares under my/our Rights

ii. I/We wish to renounce the remaining  shares in favour of the following persons:

	Name	Number of shares	Amount payable (GHC)
	Total		

\_\_\_\_\_  
Shareholder's signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Receiving agent's stamp/signature

**APPENDIX D – APPLICATION FORM (continued)**



**SECTION C** (To be completed by renounees (ONLY))

**RENOUNCEE DETAILS**

Depository account details

-  /                   -   /

(Depository participant/Member code)

(Depository account details/account number)

(Account type/suffix)

Surname/Company name

Title

First name

Middle name(s)

Date of birth/incorporation

(dd) (mm) (yyyy)

Nationality

Country of residence/operation

Address(Physical address/postal box)

Identification type: Passport  National ID  Driver's licence  NHIS

Identification number/company registration number

Telephone

Email

**SUBSCRIPTION INSTRUCTION AND NUMBER OF SHARES**

Number of shares renounced favour of renounee

Additional shares applied for

Total number of shares applied

Amount payable(Number of shares above times GHC per share)

**RENOUNCER DETAILS**

Name of renounee

Depository account details

-  /                   -   /

(Depository participant/Member code)

(Depository account details/account number)

(Account type/suffix)

**DECLARATION**

I/We hereby apply for shares on the terms and conditions set out in the Offer Circular.

I/We certify that all statements made in this application to enable me/us take-up these shares are correct and the responses are my/our own

Shareholder's signature

Date

Receiving agent's stamp/signature



To be completed by the receiving agent and then signed and returned by applicant as evidence of application

**EGL SHARE OFFER (RIGHT ISSUE) COUNTERFOIL**

Depository account details

-  /                   -   /

(Depository participant/Member code)

(Depository account details/account number)

(Account type/suffix)

Applicant's name and address	Applicant's signature and thumbprint		Receiving agent's stamp/signature/date
Name:	First signatory	Second signatory	
Address:			
Number of shares applied for:	Amount paid (GHC):		

## APPENDIX E – RECEIVING AGENTS AND ESCROW BANK

### RECEIVING AGENTS

---

**Databank Brokerage Limited**

No. 61 Barnes Road, Adabraka, Accra  
Tel: +233 302 610 610  
Contact Person: Armah I. J. Akotey  
Email: equities@databankgroup.com

**African Alliance Securities (Gh) Ltd**

2nd Floor, Heritage Towers, Accra  
Tel: +233 302 679761/2  
Contact Person: Enyonam Dagadu  
Email: securities.gh@africanalliance.com

### ESCROW BANK

---

**Standard Chartered Bank Limited**

Standard Chartered Bank Ghana Limited  
6 John Evans Atta-Mills High Street, Accra  
Tel: +233(0)302-610-750  
Contact: Beverly O. Frimpong  
Email: Beverly.frimpong@sc.com





Enterprise House  
No. 11, John Evans Atta Mills High Street  
PMB 150, GPO, Accra.  
Tel: 0302 666847-9, 0302 666856-8  
[www.enterprisegroup.com.gh](http://www.enterprisegroup.com.gh)