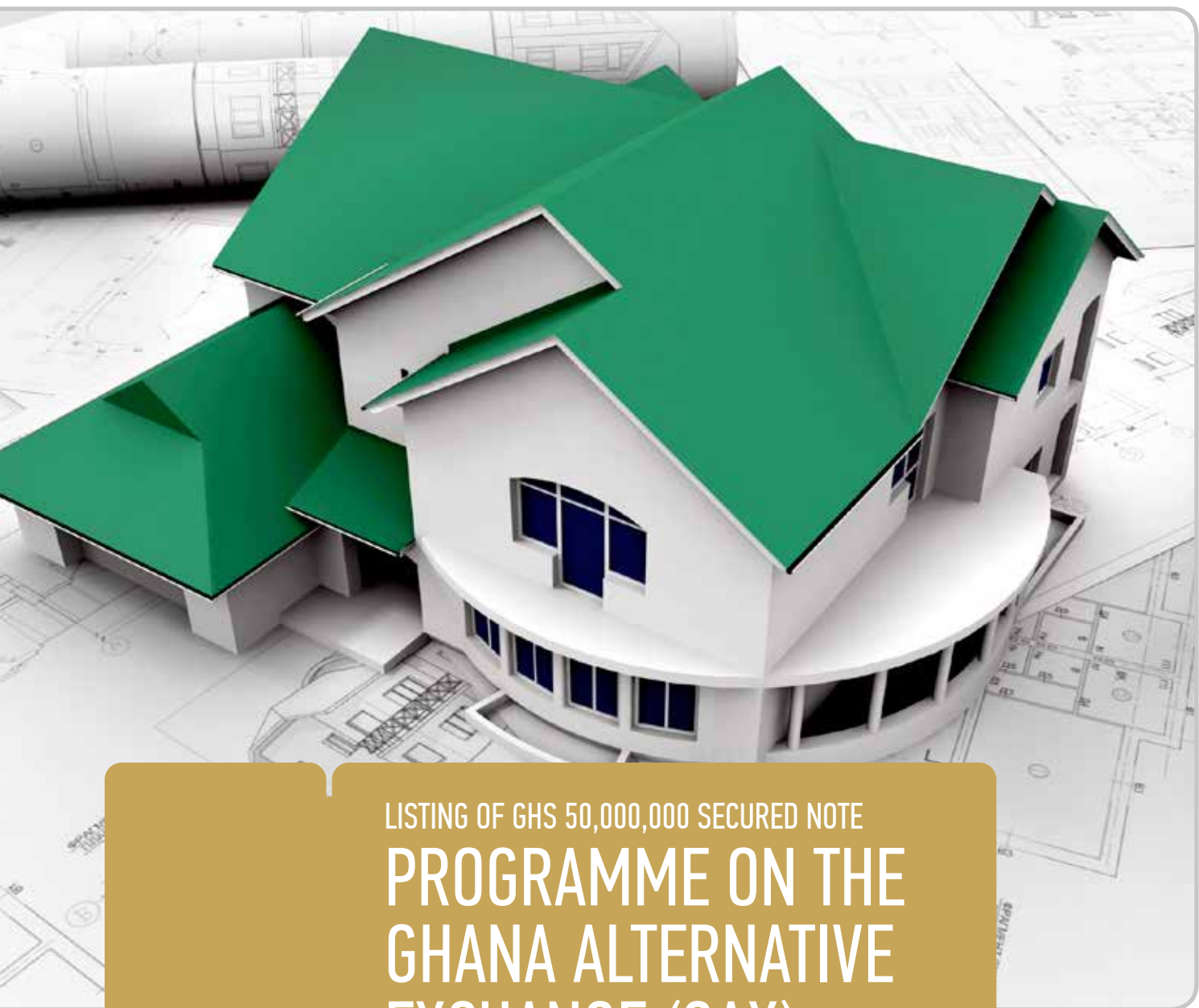


# EDENDALE PROPERTIES PLC



## LISTING OF GHS 50,000,000 SECURED NOTE PROGRAMME ON THE GHANA ALTERNATIVE EXCHANGE (GAX)

*Document Dated 11th September, 2015*





EDENDALE PROPERTIES PLC



LISTING OF GHS 50,000,000 SECURED NOTE  
PROGRAMME ON THE  
GHANA ALTERNATIVE  
EXCHANGE (GAX)

Document Dated 11th September, 2015

Lead Sponsor  
& Arranger



Co-Arranger &  
Sponsor



Note  
Trustee



Security Trustee



Legal Advisor



GAX Corporate Advisor



Reporting Accountants



## EDENDALE PROPERTIES PLC

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LISTING OF GHS 50,000,000 SECURED NOTE

# PROGRAMME ON THE GHANA ALTERNATIVE EXCHANGE (GAX)

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*Document Dated 11th September, 2015*

# IMPORTANT INFORMATION AND DISCLAIMERS

**THIS PROGRAMME MEMORANDUM CONTAINS IMPORTANT INFORMATION ABOUT THE ISSUER AND THE NOTES. PROSPECTIVE INVESTORS SHOULD CAREFULLY READ THIS DOCUMENT AS WELL AS CONSULT THEIR PROFESSIONAL INVESTMENT ADVISERS AND DEALERS ABOUT THE SOUNDNESS OF THEIR CHOICE TO INVEST IN THIS PROGRAMME PRIOR TO MAKING A PURCHASE.**

Edendale Properties Plc (the “**Issuer**”, “**Edendale**”, or the “**Company**”), a public company with limited liability and incorporated under the laws of Ghana, has established this Note Programme (the “**Programme**”) to an aggregate amount of GHS 50,000,000. Pursuant to the Note Programme, Edendale may, from time to time, issue notes (“**Notes**”). Notes issued under the Programme will be denominated in Ghanaian Cedis. The maximum aggregate principal amount of all Notes from time to time outstanding under the Programme will not exceed the equivalent of GHS 50,000,000. The final offer price, aggregate principal amount and interest, if any, payable in respect of the Notes, and all other terms and conditions not contained herein which are applicable to each Series and each Tranche, as defined under the terms and conditions (the “**Terms and Conditions**”), shall be set out in an Applicable Pricing Supplement which pertains to the Notes of such Series or Tranche. Each Applicable Pricing Supplement shall be subject to the approval of the Securities and Exchange Commission (“**SEC**”).

This Programme Information Memorandum (“**Programme Memorandum**”) has been reviewed and approved by the SEC in accordance with section 9 of the Securities Industry Act, 1993 (PNDCL 333) (as amended) (the “**Securities Industry Act**”) and the Securities and Exchange Commission Regulations, 2003 (L. I. 1728). In its review, the SEC examined the contents of this Programme Memorandum to ensure that adequate disclosures have been made. To ascertain the financial soundness or value of the Notes, prospective investors are advised to consult

a dealer, investment adviser or other professional duly authorised for appropriate advice.

The Ghana Stock Exchange (“**GSE**”) has also given its approval for the listing of all the Notes on the Ghana Alternative Market (“**GAX**”).

Neither the GSE nor the SEC assumes any responsibility for the correctness of any statements made, opinions expressed or reports contained in this Programme Memorandum. Neither the GSE nor the SEC has verified the accuracy and truth of the contents of this Programme Memorandum or any other documents submitted to it, and the SEC and GSE will not be liable for any claim of any kind whatsoever. Approval of the issue and/or listing of the Notes 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 Notes.

Prospective investors should pay particular attention to the factors described under the sections with the heading “**Risk Factors**” in this Programme Memorandum.

## **A. GENERAL**

The Issuer and Arrangers for the Notes issued under the Programme shall circulate this Programme Memorandum and the Applicable Pricing Supplements. In the event that the Issuer appoints and authorises Dealers to circulate this Programme Memorandum and the Applicable Pricing Supplement, in respect of a specific Series or Tranche of Notes, the Dealers appointed shall be

identified in the Applicable Pricing Supplement. The Issuer may issue the Notes on a continuing basis.

This Programme Memorandum, the Applicable Pricing Supplement and/or any other information supplied in connection with the Programme or any Notes:

- a. are not intended to provide the basis of any credit or other evaluation; or
- b. should not be considered as a recommendation by the Issuer, the Arrangers, the Note Trustee, the Security Trustee, Corporate Advisor, the Registrar, the Independent Accountant, the Legal Advisers, or any of their respective directors, Affiliates, advisers, or agents, that any recipient of this Programme Memorandum should purchase any Notes.

Each prospective investor should make his or her independent investigation and appraisal of the financial condition and creditworthiness of the Issuer.

To the best of the Arrangers' knowledge and belief, the Programme Memorandum constitutes full and fair disclosure of all material facts about the Programme and the Issuer. None of the Arrangers, the Note Trustee, the Security Trustee, the Corporate Adviser, the Registrar, the independent accountant, the legal advisers or any of their respective directors, Affiliates, advisers or agents, has independently verified the information contained herein. Accordingly, no representation or warranty, expressed or implied, is made by the Arrangers, the Note Trustee, the Security Trustee, the Corporate Adviser, the Registrar, the independent accountant, the legal advisers 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 Programme Memorandum or any Applicable Pricing Supplement. Nothing contained in this Programme Memorandum, 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 Arrangers, the Note Trustee, the Security Trustee, the Corporate Adviser, the Registrar, the independent accountant, the legal advisers or any of their respective directors, Affiliates, advisers or agents, in any respect.

Furthermore, none of the Arrangers, the Note Trustee, the Security Trustee, the Corporate Adviser, the Registrar, the independent accountant, or the legal advisers makes any representation or warranty or assumes any responsibility, liability or obligation in respect of the legality, validity or enforceability of any Notes, or the performance and observance by the

Issuer of its obligations in respect of any Notes, or the recoverability of any sums due or to become due from the Issuer under any Notes.

No person is authorised to give any information or make any representation not contained in this Programme Memorandum or any Applicable Pricing Supplement in connection with the Programme and any offering of Notes, and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arrangers, the Corporate Adviser, the Note Trustee, the Security Trustee, the Registrar, the independent accountant, the legal advisers or any of their respective directors, Affiliates, advisers or agents.

The distribution of this Programme Memorandum and any Applicable Pricing Supplement and the offering, sale and delivery of Notes is open to both local and foreign investors. Persons into whose possession this Programme Memorandum and any Applicable Pricing Supplements may come are required by the Issuer, the Arrangers and the Corporate Advisers to inform themselves about, and observe, the laws and restrictions of such jurisdictions.

In the event of any occurrence of a significant factor, material mistake or inaccuracy relating to the information included in the Programme Memorandum, the Issuer will prepare a supplement to this Programme Memorandum or publish a new programme memorandum for use in connection with any subsequent issue of Notes. Such supplement or new programme memorandum will be subject to the approval of the SEC.

All payments in respect of the Notes will be subject to deduction for, or on account of, Taxes in the Republic of Ghana, as described in Condition 8 of the Terms and Conditions of the Notes.

The Programme has, as at the date of this Programme Memorandum, not been rated by any rating agency. However, the Issuer may at any time obtain a rating from a rating agency for the Programme or the issue of Notes issued pursuant to this Programme.

This Programme Memorandum is to be read in conjunction with all documents specifically stated to be incorporated or referred to herein, and should be read and understood on the basis that such other documents are incorporated in and form part of this Programme Memorandum.

## B. CAUTION

Prospective investors should carefully consider the matters set forth under the caption “Risks and Mitigating Factors” in Section 9 of the Programme Memorandum.

Please consult your investment adviser, stockbroker/dealer, legal adviser or tax adviser before making any investment decision in relation to the Notes to be issued under the Programme Memorandum.

A copy of this Programme Memorandum has been delivered to the Registrar of Companies, Ghana (“Registrar-General”), for filing. The Registrar-General has not checked, and will not check, the accuracy of any statements made and accepts no responsibility therefore or for the financial soundness of the issuer or the value of the securities concerned.

In the event that this Programme Memorandum is delivered to or comes into the possession of any Recipient at any time after the date hereof, it is for, and the responsibility of, the Recipient 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 and Note Trustee at all times. Reliance on this Programme Memorandum at any time subsequent to the date hereof without reference to any such updated information subsequent to date on Programme Memorandum shall be at the Recipient’s risk.

## C. PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Unless otherwise indicated, the financial information regarding the Issuer set forth in this Programme Memorandum has been derived from:

- a. its audited income statement, statement of financial position, statement of cash flow and statement of changes in equity for the period ending 31 December 2014, included elsewhere in this Programme Memorandum. The Issuer’s financial statements, which were audited by Messrs. IAKO Consult, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and is presented in GHS, the reporting currency of the Issuer; and
- b. the financial report prepared by Messrs. Asanti, Anarfi and Associates in Ghana as the independent accountants to the Programme, which reviewed the Issuer’s historical financial statements for the period from 1<sup>st</sup> October 2013 and ending 31st December 2014.

## D. ROUNDING

Some numerical figures included in this Programme Memorandum 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 preceded them.

## E. FORWARD-LOOKING STATEMENTS

This Programme Memorandum includes “forward-looking statements”. All statements other than statements of historical facts included in this Programme Memorandum, including, without limitation, those regarding the Issuer’s financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Issuer’s present and future business strategies and the environment in which the Issuer will operate in the future. These forward-looking statements speak only as of the date of this Programme Memorandum. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Prospective purchasers of Notes should not place undue reliance on any forward-looking statements, and are cautioned that any forward-looking statements are not guarantees of future results, performance or achievements of the Issuer.

## F. MARKET SHARE AND INDUSTRY INFORMATION

Industry and market information on the Ghanaian real estate market included in this Programme Memorandum has been provided by the Issuer or has been obtained from 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.

## **G. DIRECTORS' RESPONSIBILITY STATEMENT**

The Issuer and its Directors accept responsibility for the information contained in this Programme Memorandum. This Programme Memorandum has been seen and approved by the Directors of the Issuer, 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 the document referred to above misleading. None of the Directors has any intention to realise or transfer any part of their shareholdings in the Issuer within a period of two (2) years of the date of the Programme Memorandum.

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.

The Directors do not intend to take part in this offer and warrant that no takeover offer has been made over the past or current financial year.

# Table of Contents

IMPORTANT INFORMATION AND DISCLAIMERS	ii
1. ISSUER AND TRANSACTION ADVISERS CONTACTS	1
2. LEGAL BASIS AND REASONS FOR THE NOTE PROGRAMME	3
3. DEFINITION OF KEY TERMS USED IN THIS DOCUMENT	4
4. SUMMARY OF THE PROGRAMME	10
5. GENERAL DESCRIPTION OF THE PROGRAMME	14
6. INCORPORATION OF DOCUMENTS BY REFERENCE	15
7. FORM OF THE NOTES	16
8. SECURITY	17
9. RISKS AND MITIGATING FACTORS	18
10. OVERVIEW OF THE ISSUER	23
11. FINANCIAL REPORTS AND RESULTS	30
12. OVERVIEW OF GHANA	44
13. OVERVIEW OF GHANA'S REAL ESTATE SECTOR	48
14. NOTE PROGRAMME TERMS AND CONDITIONS	52
15. SUBSCRIPTION AND SALE INFORMATION	64
16. LEGAL OPINION BY BENTSI-ENCHILL, LETSA AND ANKOMAH	65
17. GENERAL INFORMATION	71
APPENDIX I: FORM OF PRICING SUPPLEMENT	73
APPENDIX II: APPLICATION FORM	77
APPENDIX III: FORM OF GLOBAL NOTE CERTIFICATE	80
APPENDIX IV: SUMMARY PROFILE OF DEVELOPMENTS	82



# ISSUER AND TRANSACTION ADVISERS CONTACTS

<b>Issuer</b>	<p><b>Edendale Properties Plc</b> The Alberts, 2nd Floor No. 23 Sunyani Avenue, Kanda Estates, Accra Tel: +233-(0)302-777-852 Contact: <i>Kwesi Amonoo-Neizer</i> and <i>Maamle Totimeh</i> kwesi.amonoo-neizer@megafricancapital.com; maamle.totimeh@megafricancapital.com</p>
<b>Lead Sponsor and Arranger:</b>	<p><b>Databank Brokerage Limited</b> 61 Barnes Road, Adabraka Accra Tel:+233-(0)302-610-610 Contact: <i>Armah Akotey</i> armah.akotey@databankgroup.com</p>
<b>Co-Sponsor and Arranger:</b>	<p><b>Omega Capital Limited</b> The Alberts, 1st Floor No. 23 Sunyani Avenue, Kanda Estates Accra Tel: +233(0)302-201-538 Contact: <i>Nana Nketiah</i> nana.nketiah@omegacapital.com.gh</p>
<b>GAX Corporate Advisor:</b>	<p><b>Synercate Advisory Limited</b> No. 20 Off Achibold Street, Tesano Accra Tel: +233-(0)204-691-518 Contact: <i>Ivy Hesse</i> ivyhesse@synercate.com</p>
<b>Legal Advisor:</b>	<p><b>Bentsi-Enchill, Letsa &amp; Ankomah</b> 4 Momotse Avenue, Adabraka Accra Tel: +233-(0)302-208-888 Contact: <i>Seth Asante</i> and <i>Frank Akowuah</i> seth.asante@belonline.org; fnakowuah@belonline.org</p>

<b>Note Trustee:</b>	<p><b>Fidelity Bank Ghana Limited</b>  Ridge Tower, West Ridge  Accra  Tel: +233(0)302-214-490  Contact: <i>John Taricone</i>  jtaricone@myfidelitybank.net</p>
<b>Security Trustee:</b>	<p><b>CAL Bank Limited</b>  23 Independence Avenue  Accra  Tel:+233(0)302-798-334  Contact: <i>Nan Opoku</i>  nopoku@calbank.net</p>
<b>Calculation Agent, Paying Agent and Paying Bank:</b>	<p><b>Fidelity Bank Ghana Limited</b>  Ridge Tower, West Ridge  Accra  Tel:+233(0)302-214-490  Contact: <i>John Taricone</i>  jtaricone@myfidelitybank.net</p>
<b>Registrar:</b>	<p><b>Central Securities Depository (Ghana) Limited</b>  4th Floor, Cedi House  Accra  Tel: +233(0)302-689-313  Contact: <i>Kwame Addai Boa-Amponsem</i>  kwame.boa-amponsem@csd.com.gh</p>
<b>Auditors:</b>	<p>IAKO Consult  32 Samora Machel Road, Asylum Down  P.O. Box TN 617  Teshie - Nungua Estates  Accra  Contact: <i>Arnold Tetteh Okai</i></p>
<b>Reporting Accountant:</b>	<p><b>Asanti, Anarfi and Associates</b>  No. 5 Osu Crescent, Nyaniba Estates  Accra  Contact: <i>Carl Engmann</i>  asanteanarfi@yahoo.com</p>
<b>Company Secretary:</b>	<p><b>Sophia Obeng-Aboagye</b>  The Alberts, 2nd Floor No. 23  Sunyani Avenue, Kanda Estates  Accra  Tel: +233(0)302-201-538  Contact: <i>Sophia Obeng-Aboagye</i>  sophia.obeng-aboagye@omegacapital.com.gh</p>

## 2

## LEGAL BASIS AND REASONS FOR THE NOTE PROGRAMME

### 2.1 Legal Basis for the Note Programme

#### Board Resolution

On 20<sup>th</sup> April, 2015, the Directors of Edendale Properties Limited approved the establishment of a bond programme to raise additional debt financing of up to GHS50,000,000 to fund working capital requirements of the Company.

#### Shareholders' Resolution

The shareholders of Edendale Properties Limited on 20<sup>th</sup> April, 2015 passed a resolution authorising the establishment of a Note Programme to raise up to GHS50,000,000 and the listing of the Note Programme on the Ghana Alternative Market (GAX).

### 2.2 Reasons for the Note Programme and Use of Proceeds

The Issuer shall utilise the net proceeds from each issue of the Notes under this Programme as follows:

Proportion of Net Proceeds	Use of Net Proceeds
Up to 50%	Pay down or refinance any outstanding indebtedness, accruing from or falling due under this Note Programme or outstanding from existing obligations prior to the establishment of this Note Programme.
Remaining amount greater or equal to 50% of Net Proceeds	Deployed to grow the property portfolio of the Issuer

## 3

## DEFINITION OF KEY TERMS USED IN THIS DOCUMENT

Unless inconsistent with the context or separately defined in this Programme Memorandum or the Applicable Pricing Supplement, the following expressions used in this document and which form a key part of the subsection titled “**Terms and Conditions**”, shall have the following meanings ascribed to them in this Programme Memorandum and any Applicable Pricing Supplement of any subsequent Series or Tranches issued under this Note Programme, as follows:

Term	Definition
<b>Additional Amounts</b>	means additional amounts payable as a result of any change in the laws, regulations or treaties of the Republic of Ghana, or any political subdivision or any authority in or of the Republic of Ghana, having power to tax, or in the application or official interpretation of such laws, regulations or treaties (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of the Programme Memorandum;
<b>Affiliates</b>	in relation to a corporate body, means any other corporate body over which that corporate body has Control;
<b>Agency Agreement</b>	means the Agency Agreement dated 10 <sup>th</sup> September, 2015 entered between the Issuer, the Note Trustee and the Registrar, in relation to the Notes (and as amended, restated and/or supplemented from time to time);
<b>Applicable Laws</b>	means any laws or regulations (including any foreign exchange rules or regulations) of any governmental or other regulatory authority which govern the Programme, these Terms and Conditions and the Notes issued thereunder in accordance with which the same are to be construed;
<b>Applicable Pricing Supplement</b>	means the pricing supplement issued in relation to each Series or Tranche of Notes (substantially in the form set out in Appendix 1 to this Programme Memorandum) as a supplement to this Programme Memorandum, giving details of that particular Series or Tranche of Notes and the Terms and Conditions applicable to each Note in that Series or Tranche of Notes in so far as such terms and conditions are different from these Terms and Conditions;
<b>Arrangers</b>	means Databank Brokerage Limited and Omega Capital Limited;
<b>Auditors</b>	means IAKO Consult, the statutory auditors of the Issuer for the financial year ending December 2014;
<b>Corporate Adviser</b>	means Synercate Advisory Limited;

Term	Definition
Book Closure Period	means five (5) Business Days prior to each date upon which a payment of Interest or Principal Amount is due, as set out in the Applicable Pricing Supplement;
Broken Amount	means the amount of any initial or final Interest which does not correspond to the Fixed Coupon Amount and the Interest Payment Dates to which they relate, calculated in respect of a Fixed Rate Note, as provided for by the Applicable Pricing Supplement;
Business Day	means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Republic of Ghana;
Business Day Convention	means each of the Floating Rate Business Day Convention; the Following Business Day Convention, the Modified Following Business Day Convention and the Preceding Business Day Convention, which may be applicable to the calculation of interest;
Call Option	means the call option on the Notes, which may be provided to the Issuer and exercised in accordance with <b>Conditions 6.4, 6.5</b> and 6.6 of the Terms and Conditions and as set forth in the Applicable Pricing Supplement;
Central Securities Depository or CSD	means the Central Securities Depository (Ghana) Limited, a limited liability company duly incorporated under laws of Ghana, or its nominee, operating as a central securities depository where the Noteholders will be credited with the Notes, or any additional or alternate depository approved by the Issuer;
Companies Act	means the Companies Act of Ghana, 1963 (Act 179) (as amended) or any statutory re-modification or enactment thereof;
Concurrent Claims	means all secured claims of creditors of the Issuer;
Control	means, in relation to an undertaking, the ability of a person to ensure that the activities and business of that undertaking are conducted in accordance with the wishes of that person and a person shall be deemed to have control of an undertaking if that person possesses or is entitled to acquire the majority of the issued share capital or the voting rights or which has the right to nominate a majority of directors in that undertaking or the right to receive the majority of the income of that undertaking on any distribution by it of all of its income of the majority of its assets on a winding up;
Currency	means GHS;
Day Count Fraction	has the meaning provided for in <u>Condition 5.7</u> below;
Dealers	unless otherwise set out in an Applicable Pricing Supplement, means Databank Brokerage Limited and Omega Capital Limited, as well as any other dealer that may be appointed under the Programme from time to time, which appointment may be for a specific issue or on an on-going basis, subject to the Issuer's right to terminate the appointment of any dealer; and "Dealer" means any one of them, as applicable from the context;
Directors	mean the directors of the Issuer from time to time;
Early Redemption	means the early redemption of a Note prior to its due date;
Early Redemption Amount	means the amount payable upon the Early Redemption of a Note;

Term	Definition
Event of Default	means an event contemplated in <b>Condition 17</b> below;
Exercise Notice	means the formal notification by the Issuer of the exercise of a Call Option;
Final Redemption	means the Final Redemption of a Note on the Maturity Date;
Final Redemption Amount	means the Principal Amount of a Note payable in respect of each Note, upon Final Redemption thereof;
Financial Indebtedness	means any obligation of the Issuer (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent for or in respect of: (i) Indebtedness for Borrowed Money (as defined below); or (ii) bonds, standby letters of credit, guarantees or other similar instruments issued in connection with the performance of contracts;
Fixed Coupon Amount	means the amount of Interest in respect of a Fixed Rate Note (as set forth in the Applicable Pricing Supplement);
Fixed Interest Period	means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date;
Fixed Rate Notes	means Notes entitled to a fixed rate of Interest (as set forth in the Applicable Pricing Supplement);
Floating Rate Business Day Convention	means a Business Day Convention specified in <b>Condition 5.5</b> below;
Floating Rate Notes	mean Notes entitled to a floating rate of Interest (as set forth in the Applicable Pricing Supplement);
Following Business Day Convention	means a Business Day Convention specified in <b>Condition 5.5</b> below;
GHS	means the lawful currency of the Republic of Ghana, being the Ghanaian Cedi, any divisions thereof, or any successor currency;
Global Note Certificate	a certificate evidencing title to the issued Notes under the Programme and issued to the Note Trustee as nominee for the Noteholders;

Term	Definition
<b>Indebtedness for Borrowed Money</b>	means any indebtedness of the Issuer for or in respect of: <ul style="list-style-type: none"> <li>i. monies borrowed;</li> <li>ii. amounts raised by acceptance under any credit facility;</li> <li>iii. amounts raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or similar instruments;</li> <li>iv. amounts raised pursuant to any issue of shares of any person, which are expressed to be redeemable;</li> <li>v. the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with generally accepted accounting standards in the jurisdiction of incorporation of the lessee, be treated as finance or capital leases;</li> <li>vi. the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred primarily as a means of raising finance or financing the acquisition of the relevant asset or service; and</li> <li>vii. amounts raised under any other transaction (including any forward sale or purchase agreement and the sale of receivables on a “with recourse” basis) having the commercial effect of a borrowing;</li> </ul>
<b>Interest</b>	means the amount of interest payable on a Note (as set forth in the Applicable Pricing Supplement and <u>Condition 5</u> );
<b>Interest Commencement Date</b>	means the date that Interest shall commence to accrue/be calculated (as set forth in the Applicable Pricing Supplement);
<b>Interest Determination Date</b>	means the date upon which Interest is calculated for a specified Interest Period and as set forth in the Applicable Pricing Supplement;
<b>Interest Period</b>	means, in relation to a Tranche or Series of Notes, each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date, as specified in the Applicable Pricing Supplement;
<b>Interest Payment Date</b>	the date for the payment of Interest (as set forth in the Applicable Pricing Supplement) or, if no express Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, the last day of the Interest Period commencing on the preceding Interest Payment Date, or, in the case of the first Interest Payment Date, commencing on the Interest Commencement Date;
<b>Interest Rate</b>	means the rate of Interest (as set forth in the Applicable Pricing Supplement and <u>Condition 5</u> );
<b>Issue Date</b>	in relation to each Tranche or Series of Notes, the date specified as such (as set forth in the Applicable Pricing Supplement);
<b>Issue Price</b>	means the price at which the Notes may be issued, either on a fully paid or partly paid basis (as specified in the Applicable Pricing Supplement). The price and amount to be issued under any Series or Tranche of Notes will be determined by the Issuer, the relevant Dealer(s) and the Placing Agent at the time of issue in accordance with prevailing market conditions;
<b>Issuer</b>	means Edendale Properties Plc, a company registered in the Republic of Ghana on 2 <sup>nd</sup> December, 2013 with registration number PL000252015

Term	Definition
Last Day to Register	means 17:00 on the last Business Day before the first day of a Book Closure Period;
Maturity Date	means, in respect of a Series or Tranche of Notes, the date upon which the Notes are to be finally redeemed and all amounts due on the Notes are to be repaid by the Issuer and as set forth in the Applicable Pricing Supplement;
Maximum Interest Rate	means the maximum rate of the Interest that may be payable on a Floating Rate Note, as agreed by the Issuer, Arranger and Dealer (if any) and as set forth in the Applicable Pricing Supplement;
Minimum Interest Rate	means the minimum rate of the Interest that may be payable on a Floating Rate Note, as agreed by the Issuer, Arranger and Dealer (if any) and as set forth in the Applicable Pricing Supplement;
Modified Following Business Day Convention	means a Business Day Convention specified in <u>Condition 5.5</u> below;
Note	means a note issued under an Applicable Pricing Supplement to this Programme;
Note Trustee	means Fidelity Bank Ghana Limited, or such other person as may be appointed under the Trust Agreement and specified in the Applicable Pricing Supplement as the Note Trustee;
Noteholder	means a holder of a Note from time to time and recorded as such in the Register;
Optional Redemption	means the redemption of a Note upon exercise of the Call Option, as specified in the Applicable Pricing Supplement;
Optional Redemption Amount	means the amount payable upon exercise of the Call Option (as specified in the Applicable Pricing Supplement);
Optional Redemption Date	means the date for redemption of Notes (as specified in the Exercise Notice);
Placing Agent	unless otherwise set out in an Applicable Pricing Supplement, means the Arrangers;
Preceding Business Day Convention	means a Business Day Convention specified in Condition 5.5 below;
Principal Amount	means the face value of the Notes, inclusive of any additional amounts which may be payable under the Terms and Conditions;
Programme	means the GHS 50,000,000 Note Programme, as amended from time to time, under which the Issuer may, from time to time, issue Notes denominated in the Currency and having such maturity as may be set forth in the Applicable Pricing Supplement;
Programme Memorandum	means this programme memorandum issued by the Issuer on the date stated hereon (as amended, restated and/or supplemented from time to time);
Recipient	means a person to whom this Programme Memorandum has been sent by a Dealer or Placing Agent on behalf of the Issuer;



Term	Definition
<b>Redemption</b>	means Final Redemption or Early Redemption (as the case may be);
<b>Redemption Amount</b>	means the amount payable on the Redemption of a Note on the Redemption Date (as set forth in the Applicable Pricing Supplement);
<b>Redemption Date</b>	means the date upon which a Series or Tranche of Notes is redeemed by the Issuer (as set forth in the Applicable Pricing Supplement);
<b>Reference Rate</b>	means the benchmark interest rate so specified in the Applicable Pricing Supplement for each Series or Tranche of Floating Rate Notes to be issued under the Programme;
<b>Register</b>	means the register of the Noteholders maintained by the CSD in electronic form;
<b>Registrar</b>	means the Central Securities Depository (Ghana) Limited appointed as agent and registrar for the Issuer under Clause 4 of the Agency Agreement;
<b>Relevant Time</b>	means the time on the Interest Determination Date, if any) specified in the Applicable Pricing Supplement for calculating the Interest Rate and Interest Payable on a Note;
<b>Security Agreement</b>	means the mortgage agreement dated 10th September, 2015 and entered into between the Issuer and the Security Trustee, under which the Issuer has charged its immovable property located at D43 East Cantonments, Accra (which is on a 1.79-acre land, consists of six (6) townhouses and is known as “Yaa Kobe Gardens”) in favour of the Security Trustee for the benefit of the Noteholders;
<b>Security Trustee</b>	means CAL Bank Limited or such other person as may be appointed under the Trust Agreement and specified in the Applicable Pricing Supplement as the Security Trustee
<b>Series</b>	means a Series of Notes in which the Notes shall have the same Maturity Date and identical terms as to Interest and redemption (except that, among Series, the Issue Dates, Interest Commencement Dates, Interest Payment Dates and amounts of the first interest payment and related matters may differ);
<b>Special Resolution</b>	means a special resolution of the Noteholders of a Series or Tranche of Notes and as further defined in the Trust Agreement;
<b>Taxes</b>	has the meaning provided for in Condition 8 below;
<b>Terms and Conditions</b>	means the terms and conditions recorded herein and in accordance with which Notes shall be issued in terms of the Programme, which terms and conditions may be amended by an Applicable Pricing Supplement;
<b>Tranche</b>	means a tranche of Notes which are identical in all respects;
<b>Transfer Form</b>	has the meaning provided for in Condition 3.1 below;
<b>Trust Agreement</b>	means the trust agreement dated 10th September, 2015 and entered into between the Issuer, the Note Trustee and the Security Trustee (as amended, restated and/or supplemented from time to time); and
<b>USD</b>	means United States Dollars, the lawful currency of the United States of America.

# 4 SUMMARY OF THE PROGRAMME

The following is qualified in its entirety by the remainder of this Programme Memorandum and, in relation to the terms and conditions of any particular Series or Tranche of Notes, the Applicable Pricing Supplement:

Factor	Summary Description
<b>Issuer:</b>	Edendale Properties Plc, a public limited liability company duly incorporated under the laws of the Republic of Ghana with registration number PL000252015
<b>Description:</b>	A note issuance programme
<b>Size:</b>	<p>Up to GHS 50,000,000 aggregate Principal Amount of Notes outstanding at any one time. The Issuer may increase this aggregate nominal amount that may be issued under this Programme, subject to the approval of the SEC.</p> <p>Subject to any Applicable Laws and the relevant corporate approvals, the Issuer may, without consent of the Noteholders, increase the aggregate nominal amount of the Notes that may be issued under the Programme by issuing a supplementary programme memorandum thereof to Noteholders in accordance with the Terms and Conditions.</p> <p>Upon the issuance of such a supplementary programme memorandum, all references in the Programme Memorandum or any other agreement, deed or document in relation to the Programme to the aggregate amount of the Notes, shall be and shall be deemed to be references to the increased aggregate nominal amount</p>
<b>Use of Proceeds:</b>	The Issuer will use up to 50% of net proceeds from any Series or Tranche to pay down or pay-off any outstanding debt obligations and the remaining proportion shall be utilised to grow the property portfolio of the Issuer
<b>Type of Notes:</b>	The Notes shall be secured notes, description of which shall be contained in accompanying Pricing Supplement for each Series or Tranche
<b>Currency of Notes:</b>	The Currency of the Notes shall be GHS
<b>Lead Arranger and Sponsoring Broker:</b>	Databank Brokerage Limited
<b>Co-Arranger and Co-Sponsor:</b>	Omega Capital Limited
<b>Placement and Receiving Agents and Dealers</b>	Any person appointed by Issuer and designated as such with respect to any Series or Tranche under this Note Programme

<b>Note Trustee</b>	Fidelity Bank Ghana Limited
<b>Security Trustee</b>	CAL Bank Limited
<b>Paying Agent and Paying Bank</b>	Fidelity Bank Ghana Limited
<b>Calculation Agent</b>	Any person appointed by Issuer and designated as such with respect to any Series or Tranche issued under this Note Programme and, for the time being, shall be Fidelity Bank Ghana Limited
<b>Method of Issue:</b>	Notes may be issued by a public offer or private placement, and subsequently listed on the GAX on a syndicated or non-syndicated basis. The Issuer may, from time to time, issue a Series of Notes or one or more Tranches of Notes
<b>Issue Price</b>	Notes may be issued at any price on a fully paid or discounted basis as specified in the applicable Pricing Supplement. The price and amount to be issued by the Issuer, at any time, will be determined by Issuer and the relevant transaction parties at the time of issue in accordance with prevailing market conditions at time of issue
<b>Maturities</b>	Such maturities as may be agreed between Issuer and any applicable transaction parties at time of issue of Series or Tranche
<b>Denominations</b>	Notes may be issued in such denominations as may be outlined in the Applicable Pricing Supplement accompanying such Series or Tranche
<b>Sale</b>	Notes may be available for sale within the Republic of Ghana only
<b>Interest Payment Date</b>	The date of payment of interest on a Note (as set out in the Applicable Pricing Supplement)
<b>Interest Periods</b>	May be monthly, quarterly, bi-annually or such other periods deemed appropriate and as set out in Applicable Pricing Supplement
<b>Interest Rates</b>	This will be as indicated in the Applicable Pricing Supplement
<b>Fixed Rate Notes</b>	A fixed Interest Rate will be payable on such date or dates as may be agreed between the Issuer, the Arranger and the relevant parties on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer, the Arranger and the relevant Dealer(s) as set forth in the Applicable Pricing Supplement
<b>Floating Rate Notes</b>	<p>Each Floating Rate Note will bear interest on its outstanding Principal Amount from (and including) the Interest Commencement Date (as defined in the Applicable Pricing Supplement) to the date of its Redemption at the rate per annum (expressed as a percentage) equal to the rate of Interest specified in the Applicable Pricing Supplement.</p> <p>Interest on Floating Rate Notes will be calculated by reference to such Reference Rate or benchmark and as adjusted for any applicable margin, or as may be agreed among the Issuer, the Arranger and the relevant parties and specified in the Applicable Pricing Supplement. Floating Rate Notes may also have a maximum Interest Rate, a minimum Interest Rate or both, as specified in the Applicable Pricing Supplement. Interest on Floating Rate Notes will be payable on the payment dates and for the Interest Periods specified in, or determined as described</p>

<b>Redemption</b>	Notes shall be subject to Early Redemption or Optional Redemption and as stated in the Applicable Pricing Supplement, be redeemed in whole, at the Principal Amount thereof plus accrued Interest, if any, at their stated maturity date
<b>Optional Redemption</b>	If specified in an Applicable Pricing Supplement, Notes shall be subject to redemption in whole or in part at their Principal Amount or an appropriate part thereof plus accrued Interest, if any, prior to their stated maturity date at the option of the Issuer. The Issuer may exercise the right to optional redemption if it decides to restructure its balance sheet or refinance its existing indebtedness. The Issuer shall exercise this option to redeem the Notes in the manner contemplated under Conditions 6.4, 6.5 and 6.6 of the Terms and Conditions
<b>Early Redemption</b>	The Notes are subject to redemption, as stated in the Applicable Pricing Supplement, in whole or in part of their Principal Amount or appropriate part thereof plus accrued Interest, if any, prior to their stated Maturity Date at the option of the Issuer; in the event of certain changes in taxation or legislation in the Republic of Ghana (Condition 6.3)
<b>Status of Notes</b>	The Notes shall constitute direct, general, unconditional and secured obligations of the Issuer and will, at all times, rank <i>pari passu</i> among themselves
<b>Negative Pledge</b>	The Issuer agrees that, so long as any Notes remain outstanding, it shall not create or permit to exist any mortgage, charge, lien, pledge or other security interest upon or with respect to any of its undertakings, assets or revenues to secure any Financial Indebtedness unless the Notes are secured equally and rateably with such other Financial Indebtedness
<b>Events of Default</b>	Events of Default in respect of the Notes include, but are not limited to, the events set out in Condition 17 of the Terms and Conditions)
<b>Taxation</b>	The Issuer is a Ghana resident for tax purposes. All payments of principal and interest in respect of the Notes will be made in compliance with income tax laws of Ghana. Currently, the Issuer is required by the Internal Revenue Act, 2000 (Act 592) (as amended), to withhold tax at the rate of 8% on all interest payments to Noteholders, except where the Noteholders are exempted by Applicable Law. Noteholders are advised to seek professional tax advice concerning their specific tax obligations relating to investing in the Notes
<b>Form and Delivery of Notes</b>	The Notes shall be in registered form and held electronically on the Central Securities Depository. The Issuer shall issue a single Global Note Certificate to the Note Trustee (in respect of each series or tranche of Notes) who will hold all the Notes as nominee for the Noteholders
<b>Book Closure Period</b>	The Register will be closed five (5) Business Days prior to each Interest Payment Date each year until the Redemption Date or for such other periods as the Issuer may determine, subject to the prior approval of the SEC
<b>Last Day to Register</b>	17:00 GMT on the last Business Day before the first day of a Closure Period
<b>Redemption Payments</b>	Payment of principal and interest income due on that Note will be paid by the Note Trustee on Redemption Dates
<b>Selling Restrictions</b>	For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of offering material in the Republic of Ghana see section titled "Subscription and Sale", below

<b>Register</b>	<p>The Register will be maintained electronically in a book-entry form on the Central Securities Depository System and a single Global Note Certificate will be issued to the Note Trustee in respect of each Series and Tranche of Notes</p> <p>The Register will be held and updated by the CSD, which shall record each Series and Tranche of Notes, the number of Notes in each Series and Tranche, the Number of Notes in each Series and Tranche held by each Noteholder and the names and addresses and bank account details of each Noteholder</p>
<b>Noteholders</b>	The holder of a Note or Notes from time to time and recorded as such in the Register
<b>Governing Law:</b>	The Notes, the Trust Agreement, the Security Agreement and the Agency Agreement will be governed by, and construed in accordance with, Ghanaian law
<b>Listing</b>	All Notes issued under the Programme will be listed on the GAX. Trading in the Notes is subject to the trading, clearing and settlement rules and procedures of the GSE
<b>Programme Expiry</b>	The Programme will expire five (5) years from the date of this Programme Memorandum. All Notes issued prior to the expiry of the Programme will be valid and remain contractual obligations of the Issuer
<b>Cost and Expenses of the Programme</b>	The total cost and expense of the Programme is not anticipated to exceed five per cent (5%) of the total proceeds of the Notes. The Issuer will bear all costs relating to the Programme. The cost of the Programme is summarised below:

**Table 1: Estimated Transaction Expenses**

<b>Item</b>	<b>Amount in GHS</b>	<b>% of Programme</b>
Legal Advisory	340,000	0.68%
Financial Advisory	705,000	1.41%
Reporting Accountants	36,000	0.07%
Trustee Fees	215,000	0.43%
Regulatory Fees – SEC	25,000	0.05%
Regulatory Fees – GSE	20,000	0.04%
Central Securities Depository Fees	14,000	0.03%
Printing and Publicity Expenses	100,000	0.20%
<b>Total Fees and Expenses</b>	<b>1,455,000</b>	<b>2.91%</b>

# 5

## GENERAL DESCRIPTION OF THE PROGRAMME

The final Issue Price, aggregate Principal Amount and Interest and any other terms and conditions not contained in the Terms and Conditions (which are applicable to any Series or Tranche) will be agreed between the Issuer, the Arranger and, if applicable, the relevant Dealer(s) at the time of issuance in accordance with prevailing market conditions and will be set forth in the Applicable Pricing Supplement issued in respect of the Series or Tranche. Each Applicable Pricing Supplement will be submitted for approval by the SEC.

The Notes will be issued in one or more Series or Tranches by the Issuer under the Programme. The Notes shall constitute Senior Notes and shall be Floating Rate or Fixed Rate.

The Issuer has entered into the Trust Agreement with the Note Trustee and the Security Trustee, in terms of which the Note Trustee acts as trustee for the protection and enforcement of the rights of the Noteholders under the Terms and Conditions and the Security Trustee acts as trustee for the protection and enforcement of the rights of the Noteholders under the Security Agreement. The Issuer has also entered into the Agency Agreement with the Note Trustee (as Calculating Agent, the Paying Agent and Paying Bank) and the CSD (as depository and Registrar). In addition, the Issuer has entered into the Security Agreement with the Security Trustee.

Notes will be issued under the Programme in Series with all Notes in a Series having the same maturity date and identical terms (except that the Issue Dates, Issue Price, Interest Commencement Dates, amounts of the first interest payment and related matters may be different). Notes in each Series may be issued in one or more Tranches, each with different Issue Dates, Issue Price, Tranche Amount, Interest Commencement Dates and amount of first Interest payment, with, however, the Notes in each Tranche having identical terms in all respects. Details applicable to each Series and Tranche will be specified in the Applicable Pricing Supplement.

The Noteholders are bound by, subject to, and are deemed to have knowledge of all the provisions of this Programme Memorandum, the Applicable Pricing Supplement, the Trust Agreement, the Agency Agreement and the Security Agreement. In certain circumstances, the Note Trustee can (subject to it being indemnified and/or secured to its satisfaction) be required, by Noteholders holding, at least, 30% of the aggregate Principal Amount of the Notes outstanding or by a Special Resolution of the Noteholders, to exercise its powers under the Trust Agreement. Copies of the Trust Agreement will be available for inspection during usual business hours at the offices of the Note Trustee, for the time being, at Ridge Tower, West Ridge, Accra, Ghana.

### 5.1 SUMMARY ROLE OF NOTE TRUSTEE

The Note Trustee is the primary representative of all Noteholders and acts in their interest to ensure that all necessary terms underlying the offer are adhered to. The full details of these responsibilities are contained in the Trust Agreement accompanying this Programme Memorandum.

### 5.2 SUMMARY ROLE OF SECURITY TRUSTEE

The Security Trustee's primary responsibility is to hold immovable property charged for the benefit of Noteholders under the Security Agreement in relation to this Note Programme on behalf of all Noteholders. The full details of these responsibilities are contained in the Security Agreement and Trust Agreement accompanying this Programme Memorandum.

### 5.3 SUMMARY ROLE OF CALCULATION/PAYING AGENT

The Calculation Agent is primarily responsible for the determination of the Interest Rate for Floating Rate Notes and the calculation of any Principal Amount and Interest due from time to time. The Paying Agent is responsible for the processing of any Principal Amount and Interest due to each individual Noteholder when required. The full details of these responsibilities are contained in the Agency Agreement accompanying this Programme Memorandum.

## 6

## INCORPORATION OF DOCUMENTS BY REFERENCE

The following documents are incorporated by reference and form part of the Programme Memorandum. The content of these documents shall, where appropriate, modify and supersede the contents of this Programme Memorandum. These documents will be available for inspection, on request, at the principal place of business of the Issuer or the offices of the Note Trustee during normal business hours:

- a. all supplements to the Programme Memorandum circulated by the Issuer from time to time;
- b. the Trust Agreement;
- c. the Agency Agreement;
- d. the Security Agreement;
- e. each Applicable Pricing Supplement relating to any Series or Tranche of Notes issued under this Programme Memorandum;
- f. the financial report as prepared by Messrs Asante, Anarfi and Associates dated June, 2015;
- g. the audited financial statements of the Issuer for the financial year ending 31<sup>st</sup> December, 2014;
- h. the audited annual financial statements (and notes thereto), and any interim quarterly financial statements (whether audited or unaudited) published subsequent to such annual financial statements of the Issuer for the subsequent financial years prior to each issue of Notes;
- i. the valuation report dated 11th September, 2013 in respect of the mortgaged property referred to in the Security Agreement; and
- j. the deed of assignment dated 20th February, 2015 and entered into between the Issuer and Mechanical Lloyd Company Limited in respect of the mortgaged property referred to in the Security Agreement;
- k. the escrow account agreement dated 21st August, 2015 and entered into between the Issuer and Fidelity Bank Ghana Limited.

# 7

## FORM OF THE NOTES

**The details of the form of the Notes shall be as follows:**

- a. the Notes shall be held electronically on the CSD;
- b. all Noteholders will be required to open and maintain CSD accounts prior to a purchase under this Note Programme, if they do not own one already, to which all purchases will be credited upon allotment;
- c. the Register will be maintained electronically on in book-entry form on the CSD and no certificates will be issued to individual Noteholders;
- d. the CSD shall maintain a Register, which shows a record of Noteholders' respective electronic book entries in the CSD system, the particulars of Noteholders and their respective holdings;
- e. entry on the Register shall represent proof of ownership of the rights in a Note;
- f. the Issuer shall issue a single Global Note Certificate to the Note Trustee (in respect of each Series or Tranche of Notes), who will hold the Global Note Certificate as a nominee for the Noteholders; and
- g. if Notes are transferred subsequent to issue, rights of ownership will be transferred via entries in the Register, per the CSD securities transfer rules.



# 8

## SECURITY

### 8.1 FORM OF SECURITY

The Notes are secured by a first priority fixed charge over the Issuer's present and future rights, title and interest in, under, and to D43 East Cantonments, Accra (which is on a 1.79-acre land, consists of six (6) townhouses and is known as "Yaa Kobe Gardens") under the terms of the Security Agreement. The security created under the Security Agreement is held and administered by the Security Trustee for the benefit of Noteholders.

### 8.2 THE SECURITY AGREEMENT

**The key features of the Security Agreement include:**

- a. the parties to the Security Agreement are the Issuer and the Security Trustee;
- b. the Issuer grants security over the mortgaged property under the terms of the Security Agreement to the Security Trustee in favour of the Noteholders;
- c. the Security Trustee acts as security agent on behalf of the Noteholders under the terms of the Security Agreement;
- d. the rights, powers and remedies of the Noteholders are exercised in accordance with terms of the Security Agreement; and
- e. the Security Agreement is governed by Ghanaian law.

# 9 RISKS AND MITIGATING FACTORS

Prior to making an investment decision, prospective purchasers of the Notes should carefully consider, along with the information referred to in this Programme Memorandum, the following risk factors associated with an investment in Ghana, Issuer's industry, the Issuer and the Notes. The risks and uncertainties below are not the only ones the Issuer and the Notes face. Additional risks and uncertainties not presently known to the Issuer, or that it currently believes are immaterial, could also impair the Issuer's business operations and, as a result, its ability to service its payment obligations under any Notes. Investors should pay particular attention to the fact that the Issuer is governed by a legal and regulatory environment in the Republic of Ghana which in some respects may differ from that prevailing in other countries.

## 9.1 RISK FACTORS RELATING TO REPUBLIC OF GHANA

### 9.1.1 Political Risks

**Risk:** The Issuer's profitability and operations is exposed to the general political factors prevalent within Ghana. Such risks include political unrests due to election disputes, ruling government changes as well as government decisions about taxes, currency decisions, trade barriers and tariffs, labour laws, environmental and construction regulations, among others. Such risks are difficult to forecast and all businesses within Ghana are equally exposed to these risks, although their actual specific impact may be different for each industry and business. The most important political risk factor within the African continent has been government changes and election disputes. This has threatened the stability of a significant number of African countries with a significant number of them degenerating into civil strife and political unrest.

**Mitigation:** *The Ghanaian political climate has been relatively stable since democratic elections and power changeovers began in 2000. The 2012 election dispute was a significant test of the maturity of our political and democratic systems and demonstrated the determination of the people to allow established systems to work. The general stability within Ghana is expected to persist.*

### 9.1.2 Economic Risks

**Risks:** The Issuer's investment holdings, developments and operational results may be positively or negatively affected by economic factors such as economic growth and fluctuations and policies affecting them, exchange rate movements and policy changes, interest rates and inflation policies among others. Such factors are closely linked to the political risk factors and government decisions and stance concerning these factors.

**Mitigation:** *The Issuer positions its business and conducts its operations to reduce the adverse impact of such risk factors to the extent possible.*

### 9.1.3 Regulatory Risks

**Risk:** The real estate sector primarily falls under the regulatory oversight of the Ministry of Works and Housing. The Ministry recently launched a National Housing Policy to primarily improve access to housing especially at the low to middle income segment of the market and the real estate market in general. These policies as well as any future regulatory changes from regulatory institutions with direct or indirect oversight over real estate and construction sector may have positive or negative consequences for the Issuer's business.

**Mitigation:** *The Issuer has currently fulfilled all regulatory obligations currently in force and continuously monitors ongoing regulatory change dialogues to anticipate likely changes and position its business to reduce adverse impact of such changes as well as to take advantage of positive changes.*

## 9.2 RISK FACTORS RELATING TO ISSUER'S INDUSTRY – REAL ESTATE SECTOR

### 9.2.1 Relative Illiquidity of Real Estate Holdings

**Risk:** Real estate assets are generally illiquid due to their large lot sizes and the significant cash outlays required. Such factors may affect Issuer's ability to diversify its portfolio of holdings as well as the disposal of assets in a timely manner and at satisfactory prices, especially in times of adverse industry and general market conditions. This may affect returns realised on assets as well as the timeliness of cash flows generated from such sales and hence, the Issuer's financial condition and ability to meet its obligations as they fall due.

**Mitigation:** *The Issuer reduces this risk by targeting the cash rich end of the market segment – the high end and top of the middle income end of the market. Issuer also ensures that its properties are located in the most sought after (prime) geographical locations.*

### 9.2.2 Inherent Subjectivity of Property Valuations

**Risk:** The relative limited nature of data on the real estate market especially with respect to costs, values and sale prices implies that inputs used in the valuation of real estate properties are largely subjective and valuation assumptions are based on the best effort estimates of property valuers. There is no guarantee or assurance that property valuations will reflect actual sales prices obtained.

**Mitigation:** *To mitigate this risk, the Issuer engages experienced valuers and performs frequent valuations of its property holdings. The Issuer also undertakes frequent market data gathering and research and leverages the extensive investment analysis experience of its team to support its investment decision making process.*

### 9.2.3 Environmental Risk

**Risk:** Real estate developments are subject to strict regulatory guidelines to mitigate risk of loss of lives and property as well as impact on the environment. Such factors include requirement to remove hazardous substances or remediate effectively as well as laws and regulations that limit developments and types of developments on properties owned or leased by the Issuer. These factors may affect the Issuer's ability to sell or rent out such affected properties, form the basis for third party claims for damages as well as affect ability to use such properties as security in future borrowings.

**Mitigation:** *The Issuer commissions appropriate experts to inspect and certify prospective properties prior to acquisitions. It also checks and adheres to restrictions*

*and guidelines of the Environmental Protection Agency that may affect any of its developments and properties.*

### 9.2.4 Fluctuations in Property Values from Factors Beyond Issuer's Control

**Risk:** The Issuer's property investments may also be affected by industry conditions beyond its control. Market value of its properties as well as rental income and costs may be adversely affected by such factors as changes in regulatory requirements, changes in economic and political conditions, changes in financial conditions of renters and lessees, changes in accounting standards and tax consequences, changes in demand and supply within market segment and real estate industry in general as well as changes in general financial market conditions.

**Mitigation:** *The Issuer manages these risks through its overall investment analysis, investment and development approach by ensuring the optimal choice of locations, optimal mix of rentals to sales and the appropriate target market.*

### 9.2.5 Expansion in the Issuer's sector of operation

The Issuer's business is subject to the risk of more participants rapidly entering its space of operations. This increases the Issuer's risk from competition in this market segment.

## 9.3 RISK FACTORS RELATING TO ISSUER – ISSUER'S BUSINESS OPERATIONS

### 9.3.1 Cash Flow Risk – Rental and Sales Income Volatility

**Risk:** The Issuer may be unable to achieve revenue and cash flow targets projected from rental income and sales of units. The rental income shortfall may be as a result of dramatic increase in rented accommodation supply and/or a decrease in demand or a fall in rents. Failure to lease or rent out spaces at projected volumes and rates or after current tenants terminate their leases or rental contracts, could cause expected revenues to be lower than projected, which may affect Issuer's ability to meet obligations.

Sale of units may also be lower than projected, both in terms of number of units sold as well as value of property for a number of reasons, such as general economic conditions, demand and supply fluctuations and cost increases.

**Mitigation:** *The Issuer focuses on the most attractive properties and locations and expends effort in ensuring the right mix of rentals to sales as well as commercial to residential units. Costs associated with properties are well controlled and kept at low levels through savings*

in maintenance work, property adjustments aiming at satisfying tenant needs, and/or avoidance of expenses related to finding new tenants. Additional steps will also be taken to ensure more sustainable and secure lease and rental incomes, including checking each tenant's credit standing prior to investment, signing long-term tenancy agreements, and/or supporting tenant loyalty through an attractive mix of tenants and good property locations.

### 9.3.2 Necessary Permits

**Risk:** The Issuer's ability to generate its desired returns will depend on its ability to obtain necessary permits or approvals from regulatory agencies in connection with existing or new development projects. Failure to obtain such approvals or permits may affect the Issuer's ability to embark on new developments, complete ongoing ones or modify existing structures and may adversely affect the Issuer's operations and its ability to meet obligations in a timely manner.

**Mitigation:** The Issuer endeavours to obtain all necessary permits prior to commencement of any development.

### 9.3.3 Construction risk

**Risk:** The Issuer has entered into, and will in future enter into, construction agreements with building contractors to construct and develop its projects. Any material increase in the costs of, or delay in, completing construction projects may adversely affect the profitability of the Issuer and/or reduce its net asset value growth. This may affect the Issuer's ability to meet its sale time, sale value and revenue targets for its holdings and, hence, its ability to meet obligations as they fall due. Such cost factors include, but are not limited to the following:

- a. building scope and design changes;
- b. increases in the rate of inflation of building materials;
- c. changes in laws, regulations or government which increase the costs of compliance with such laws, regulations or policies such as policies relating to environmental and health and safety compliance;
- d. unforeseen expenditures arising from defects affecting the existing buildings and which need to be rectified; and
- e. increases in taxes and other regulatory charges.

**Mitigation:** The Issuer mitigates this risk by limiting changes to ongoing developments, securing majority of funds needed for construction as well as necessary building materials to reduce the risk of delays during the construction process. The Issuer ensures that sufficient resources are allocated to development project budgets and construction times are managed satisfactorily.

### 9.3.4 Operations Risk

**Risk:** Operational expenses of the Issuer may increase unexpectedly without a corresponding increase in turnover and this may have material adverse effect on the Issuer's financial position and its ability to meet its obligations.

Factors which could increase operating and other expenses include but are not limited to the following:

- a. increases in the rate of inflation;
- b. increases in taxes and other statutory charges;
- c. performance failure by sub-contractors;
- d. increases in operating costs;
- e. increases in borrowing costs;
- f. adverse currency movements that affects costs of imported materials;
- g. changes in laws, regulations or government which increase the costs of compliance with such laws, regulations or policies such as policies relating to environmental and health and safety compliance;
- h. increases in insurance premiums; and
- i. unforeseen expenditures arising from defects affecting the existing buildings and which need to be rectified.

**Mitigation:** The Issuer endeavours to anticipate, to the extent possible, all probable sources of operational risk and puts in measures to reduce their adverse impact.

### 9.3.5 Material Losses in Excess of Insurance

**Risk:** In some cases, certain types of losses may be uninsurable or are not economically insurable. The Issuer may suffer material losses in excess of insured values from such factors as physical damage caused by fire or other causes and insurance proceeds may be insufficient to repair or replace a property if it is damaged or destroyed. In the event of such an uninsured loss or a loss in excess of insured limits, the Issuer may lose capital invested in the affected property as well as anticipated future revenue from that property. In addition, the Issuer may be liable to repair damage caused by uninsured risks and may also remain liable for any debt or other financial obligation related to that property.

**Mitigation:** The Issuer maintains appropriate insurance cover for its properties and developments where possible and economically feasible. No assurance can, however, be given that material losses in excess of insurance proceeds will not occur in the future.

### 9.3.6 Liability from Disposals

**Risk:** The Issuer may be required to give certain representations and warranties during disposal of certain properties. In the event that such representations and warranties turn out to be inaccurate, the Issuer may be subject to liability following the disposal of such property holdings.

**Mitigation:** The Issuer will endeavour to limit the occurrence of such events, to the extent possible, by ensuring the accuracy of such representations and warranties where needed.

### 9.3.7 Disputes or Litigations

**Risk:** The Issuer may be involved in disputes or litigation concerning representations and warranties from others concerning acquisitions and contracts and may have difficulties in recovering any losses and incur costs to third parties as a result of such disputes or litigation.

**Mitigation:** The Issuer endeavours to limit the occurrence of such events to extent possible by conducting appropriate due diligence and research prior to entering into contracts or making acquisitions to ascertain the accuracy of such warranties and representations.

### 9.3.8 Interest Rate Risk from Borrowings

To the extent that the Issuer incurs floating rate indebtedness, changes in interest rates may increase its cost of borrowing. The Issuer's borrowings will generally be secured against its assets. The structure and specific covenants of any financing arrangements when breached may render borrowings immediately payable in whole or in part, together with any attendant cost. The Issuer might be forced to sell underlying assets to meet such obligations, with the risk that the Issuer may not be able to refinance outstanding debt or that the terms of such refinancing may be less favourable than the existing terms of outstanding debt.

There can be no assurance that the Issuer will be able to raise additional funds when needed or that such funds will be available on terms favourable to the Issuer. In the event that Issuer is unable to obtain additional financing as needed, the Issuer may be required to alter its strategic plans and reduce the scope of any developments. This may affect projected revenues expectations.

### 9.3.9 Exchange Rate Risk

**Risk:** The Issuer may be subject to exchange rate risk from any foreign currency debts outstanding or issued as a result of its revenues not exactly aligned with the changes in exchange rates while part of its costs are denominated in foreign currency.

**Mitigation:** The Issuer mitigates this risk by maintaining appropriate prices for its properties against such adverse rate movements.

### 9.3.10 Business Operations Risk

The Issuer's ability to generate its desired returns will depend on its ability to identify and acquire suitable properties at satisfactory expected yields and to overcome potentially significant competition in doing so. This ability may be limited by significant competition for such properties identified by competing buyers. This may cause prices of such properties to be driven up and may have a material adverse effect on the Issuer's ability to acquire properties at satisfactory prices and terms.

### 9.3.11 Tax Changes Risk

Changes in tax laws or their interpretation could affect the Issuer's financial condition or prospects. Such changes could affect the value of the investments held by the Issuer or affect the Issuer's ability to obtain its forecasted investment returns from capitalised values of property holdings, property sales and rental income. Such changes may lead to larger tax obligations than anticipated and may affect the Issuer's financial condition and ability to meet obligations.

## 9.4 RISK FACTORS RELATING TO THE NOTES

### 9.4.1 Suitability of Notes for Prospective Investors

Investors in the Notes must evaluate and determine the appropriateness of these Notes as an investment. If an investor does not have sufficient knowledge and experience to appreciate the risks of these Notes, they should seek professional advice as may be required before making an investment decision to invest in these Notes.

### 9.4.2 Secondary Market and Trading Liquidity Risk

**Risk:** Prospective investors' ability to trade these Notes and obtain current pricing may be affected by prevailing market conditions within the capital market in Ghana. Prospective investors should give due consideration to the generally illiquid conditions of the capital market in Ghana and to the possibility that they may need to hold Issues till maturity.

**Mitigation:** *The Notes under this Programme will be listed on the GAX to enhance liquidity, price discovery and availability of pricing information to mitigate this risk.*

#### **9.4.3 Coupon Rate Volatility – Floating Rate Notes**

The Floating Rate Notes will be subject to coupon rate uncertainty as they will be based on the prevailing level and volatility of the referenced Government of Ghana security rate of interest or any other referenced benchmark specified in Applicable Pricing Supplement at time of resetting.

#### **9.4.4 Early or Optional Redemption Risk**

**Risk:** The Issuer may redeem any particular Tranche or Series of Notes prior to the Maturity Date. This may affect expected cash flows, timing of such cash flows and projected market values that the Noteholders expect from holding Notes till maturity.

**Mitigation:** *The impact of such an early redemption is expected to be minimal due to the medium term nature of notes under this Programme.*

#### **9.4.5 Change of Regulation**

The Terms and Conditions are based on Ghanaian laws and regulations and, as such, are subject to any potential changes in the laws and regulatory framework under which the Issuer operates.

# 10

## OVERVIEW OF THE ISSUER

This section highlights key aspects of the Issuer's business operations. Prospective investors should read the entire Programme Memorandum, including, where necessary, the Issuer's audited consolidated financial statements and related notes, included elsewhere in this Programme Memorandum, together with the Applicable Pricing Supplement before making an investment decision.

### 10.1 PROFILE OF ISSUER

The Issuer was incorporated on 2<sup>nd</sup> December, 2013, under the Companies Act, as a private real estate holdings and development company. It was converted into a public limited liability company by a special resolution of its shareholders on 20<sup>th</sup> April, 2015.

The Issuer has, since its establishment, progressively acquired various immovable properties in both high-end and middle income ranges including residential properties and parcels of land earmarked for both commercial and residential developments. The total estimated value of the acquisitions is USD 33.08 million. This has been accomplished through both direct acquisitions and the consolidation of the real estate interests of its related businesses.

Edendale currently has, in its portfolio of properties, fourteen (14) town homes, forty (40) middle income apartments and 0.55 acres of land under development into an apartment complex under a joint venture

arrangement. The properties are all situated in the prime locations of Cantonments, East Legon, Airport Residential Area, Ringway and Legonman in Accra. All properties are wholly owned by Edendale, except the ongoing development on the 0.55 acre land. This is a joint venture in which Edendale has 50% interest and is entitled to fourteen (14) apartments upon completion. The full details of holdings can be found under section '10.6 below.

Edendale's vision is to provide high-end residential and office properties as an alternative asset class for institutional and high net worth individual investors.

### 10.2 SHAREHOLDING STRUCTURE

Edendale has 100,000,000 authorised ordinary shares of no par value and 50,000,000 authorised preference shares of no par value. Edendale has issued 7,293,290 of its ordinary shares and 150,072 of its preference shares.

Table 2: Summary of Share Information

Authorised Ordinary Shares	100,000,000
Issued shares	7,293,290
Authorised Preference Shares	50,000,000
Issued Preference Shares	150,072

The details of the shareholders of Edendale are as follows:

Table 3: Ordinary Shareholders of Edendale

Name of Shareholder	No. of Shares	% Holding
Mega African Capital Limited	2,547,761	34.93%
Acorn Properties Limited	1,417,571	19.44%
Gillian Adrianna Darko	623,109	8.54%
Kalysta Yvette Darko	623,108	8.54%
Terence Ronald Aye Darko	623,108	8.54%
Danielle Maxine Darko	623,108	8.54%
Hagion Properties Limited	508,387	6.97%
Rehoboth Capital Limited	253,138	3.47%
Others	74,000	1.01%
<b>Total</b>	<b>7,293,290</b>	<b>100%</b>

Table 4: Preference Shareholders of Edendale

Name of Shareholder	No. of Shares	% Holding
Axis Pension Plan	5,772	3.85%
Cedar Pension Scheme	51,948	34.62%
Cedar Provident Scheme	92,352	61.54%
<b>Total</b>	<b>150,072</b>	<b>100.00%</b>

### 10.3 PROFILE OF SIGNIFICANT INSTITUTIONAL ORDINARY SHAREHOLDERS

#### 10.3.1 Mega African Capital Limited

See paragraph 11.5 (Overview of Management Company) below.

#### 10.3.2 Acorn Properties Limited

Acorn Properties Limited is a private limited liability company incorporated on April 21, 2008 under the Companies Act. The principal activities of the company are real estate development, real estate investments and real estate properties services.

#### 10.3.3 Hagion Properties Limited

Hagion Properties Limited is a private limited liability company incorporated on November 2012 under the Companies Act. The principal activities of the company are real estate development, real estate investments and management of real estate assets.

#### 10.3.4 Rehoboth Capital Limited

Rehoboth Capital Limited is a private limited liability company incorporated on April 2012 under the Companies Act. The principal activities of the company are investment and consultancy services.

### 10.4 BOARD PROFILE AND CORPORATE GOVERNANCE

#### 10.4.1 Profile of Board Members

The Issuer is governed by a six (6)-member board of directors, chaired by Terence Ronald Darko. The summarised profiles of the Directors are set out below:

##### a. Terence Ronald Darko – Board Chairman (Non-Executive Director)

Terence has over 30 years' experience in business management. He became the Managing Director of Mechanical Lloyd Company Limited in 1977. Before that, he was on an attachment with Massey Ferguson (U.K.) Limited between 1975 and 1976. He also has extensive experience in real estate development and management.

His other directorships/appointments are as follows:

- ▶ member of board of trustees of the Social Security and National Insurance Trust;
- ▶ member of the governing council of the Private Enterprise Foundation;
- ▶ member of the board of Private Sector Development Strategy II;



- president of the Ghana Employers Association; and
- chairman of the board of directors of Ecobank Ghana Limited.

**b. Kwesi Amonoo-Neizer**  
(Non-Executive Director)

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Kwesi is the Managing Director of Mega African Capital Limited, an Africa-focused investment company listed on the GSE with investment holdings in both listed and unlisted securities in five African countries. He is also director at Oak Partners Limited, a private advisory firm with over USD 20 million in investments. In his previous role as the head of investments at Oak Partners Limited, Kwesi mobilised USD 30 million for investment activities of the firm as well as the provision of financing for strategically located real estate projects in Ghana.

Prior to his current role, Kwesi was an executive director of Databank Asset Management Limited, a leading investment management firm in West Africa. He was instrumental in the establishment of this company in 1996 and spearheaded its growth until his departure in September 2008.

He is a board member of Mechanical Lloyd Company Limited, Zigma Investment Club, Haradali Capital (Tanzania), Acorn Properties Limited, Easy Loans (Malawi) and Omega Capital Limited.

**c. Nana Kumapremereh Nketiah**  
(Non-Executive Director)

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Nana is an experienced strategist, corporate revivalist and research consultant with particular expertise in private equity/venture capital, hedge funds and real estate investment management.

Prior to joining Edendale, Nana played a pioneering role in the establishment and growth of All-Time Capital Limited, an investment management company in Ghana, where he grew the funds under management to over USD 80 million as well as spearheading the implementation of the strategic policies at the company.

Nana also worked with Databank Asset Management Limited as the Head of Real Estate and Institutional Funds with responsibilities for product development, stock valuation and portfolio management for over seven years.

**d. Maamle Totimeh – Managing Director**

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Maamle has over 10 years' experience in investment banking. She was a Vice President at Databank Asset Management Limited where she was a fund manager. She was responsible for the management of the Databank Money Market Fund, which grew into the biggest mutual fund in Ghana with funds under management of USD 40 million. She is currently the head of treasury and administration at Mega African Capital Limited and is also responsible for the real estate portfolio of Mega African Capital Limited.

**e. Suzy Puplampu – Director and General Manager**  
(Investor Relations)

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Suzy is a partner in charge of wealth management at Oak Partners Limited and part of team of four (4) partners. She currently manages over 74 high net worth clients and twelve (12) institutional accounts with estimated total funds under management of USD 18 million invested in equity, money market and real estate assets.

She is also directly responsible for the real estate fund of Oak Partners Limited. Suzy also worked closely with the fund manager of Acorn Properties Limited, a private real estate company involved in property financing and development, to raise USD 3 million initial funds.

Prior to joining Oak Partners Limited, Suzy was a Vice President at Databank where she was in charge of the Private Wealth Management unit with direct responsibility for 85 individual client portfolios.

**f. Sophia Obeng-Aboagye – Director and General Manager**  
(Property Management)

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Sophia is the Head of Business Development at Omega Capital Limited with responsibility for accelerating the growth of the entire business as well as the management of the fixed income unit and the Hagion Housing Projects of Omega Capital Limited.

She has over eight (8) years' experience in the area of fixed income and investment banking. Prior to her current role, she worked with Databank Brokerage Limited as the Head of Fixed Income where she was the Head of Origination and Placement, spearheading debt management and product development and played a principal role in the growth of the fixed income arm of Databank.

Table 5: Summary Profile of Directors

Director	Age	Nationality	Qualifications	Directorship Type	Other Directorships
Terence Ronald Darko	64	Ghanaian	B.A.	Chairman (Non-Executive)	<ul style="list-style-type: none"> <li>Ghana Employers Association</li> <li>Private Enterprises Federation, Ghana</li> <li>Social Security and National Insurance Trust</li> <li>Private Sector Advisory Council</li> <li>Ecobank Ghana Ltd</li> <li>Mechanical Lloyd Co. Ltd</li> </ul>
Kwesi Amonoo-Neizer	52	Ghanaian	BSc, MSc, MBA	Non-Executive	<ul style="list-style-type: none"> <li>Oak Partners Limited</li> <li>Omega Capital Limited</li> <li>Edendale Properties Plc</li> <li>Easy Loans (Malawi)</li> <li>Mechanical Lloyd Company</li> <li>Haradall Capital (Tanzania)</li> <li>Zigma Investment Club</li> <li>Acorn Properties Limited</li> </ul>
Nana Nketiah	40	Ghanaian	Bsc, MBA	Non-Executive	<ul style="list-style-type: none"> <li>Omega Capital Ltd</li> <li>Omega Money Market Fund PLC</li> <li>Berr Ghana Ltd</li> </ul>
Maamle Totimeh	37	Ghanaian	Bsc, EMBA	Managing Director	Axis Pensions Trust Ltd
Suzy Pupilampu	41	Ghanaian	ACCA, MBA, Doctoral Student	Executive	<ul style="list-style-type: none"> <li>Galaxy Balanced Fund</li> <li>Acorn Properties</li> </ul>
Sophia Obeng-Aboagye	36	Ghanaian		Executive	<ul style="list-style-type: none"> <li>Omega Partners</li> <li>Omega Money Market PLC</li> <li>Man Capital Properties</li> <li>Wintrust Microfinance</li> </ul>

## 10.4.2 Board Practices

### a. Meetings

The Directors meet quarterly to review reports submitted by Mega African Capital Limited (as the Issuer's management company) and to review strategies. Additional meetings are convened when deemed necessary.

Table 6: Board Committees and Functions

Meeting	Frequency	Areas Covered	Director Responsible
<b>Executive Committee</b>	Monthly	Oversee operations of the board of directors, the Issuer and the management company	Terence Darko
<b>Financing Committee</b>	Weekly	Review financing needs and capital sources and structure of the Issuer. Oversee implementation of fund raising plans	Nana Nketia
<b>Investment Committee</b>	Weekly	Review portfolio holdings, status of ongoing developments and identify evaluate and recommend potential opportunities	Kwesi Amonoo-Neizer
<b>Sales and marketing Committee</b>	Weekly	Oversees development and implementation of the Marketing and sales plans and strategies and identifies potential markets and clients, their needs Promotes the Issuer's services to prospective clients to generate revenue Guides development of service delivery mechanisms; Represents the Issuer to the community	Sophia Obeng-Aboagye
<b>Finance and Internal Audit Committee</b>	Quarterly	Oversees development and implementation of budgets and appropriate financial controls and terms for financing	Suzy Puplampu

### b. Conflicts of Interest

The Issuer is not aware of any sources or potential sources of conflicts of interest between the Issuer and the duties of Mega African Capital Limited (as its management company) and the Directors. The directors of Mega African Capital Limited and the Issuer are not permitted to participate in the Programme.

### c. Related Party Transactions

The Issuer has outstanding related party transactions between itself and Mega African Capital Limited (as its management company) and with some of the Directors as outlined below:

Table 7: Related Party Transactions

Party	Transaction Type	Value (USD)	Maturity
Mega African Capital Limited	Unsecured Debt	4,253,379	4th August, 2016
Terence Ronald Darko	Unsecured Debt	1,500,000 1,500,000	31st December, 2015 30th June, 2016
Acorn Properties Limited	Unsecured Debt	2,796,539	31st May, 2016
Hagion Properties Limited	Unsecured Debt	985,342	31st May, 2016
Rehoboth Capital Limited	Unsecured Debt	532,524	31st May, 2016

**d. Business Address**

The Issuer’s business address is the address of Mega African Capital Limited (as its management company) at 2<sup>nd</sup> Floor of The Alberts, 23 Sunyani Avenue, Kanda Estates, Accra.

**e. Employees**

As already indicated under paragraph 11.5 (Overview of Management Company) below, the Issuer’s operations

are fully outsourced to a management company. The Issuer has no employees.

**f. Insurance**

The Issuer holds a valid insurance policy covering the following designated risks and assets with respect to mortgaged property:

Table 8: Insurance Policy

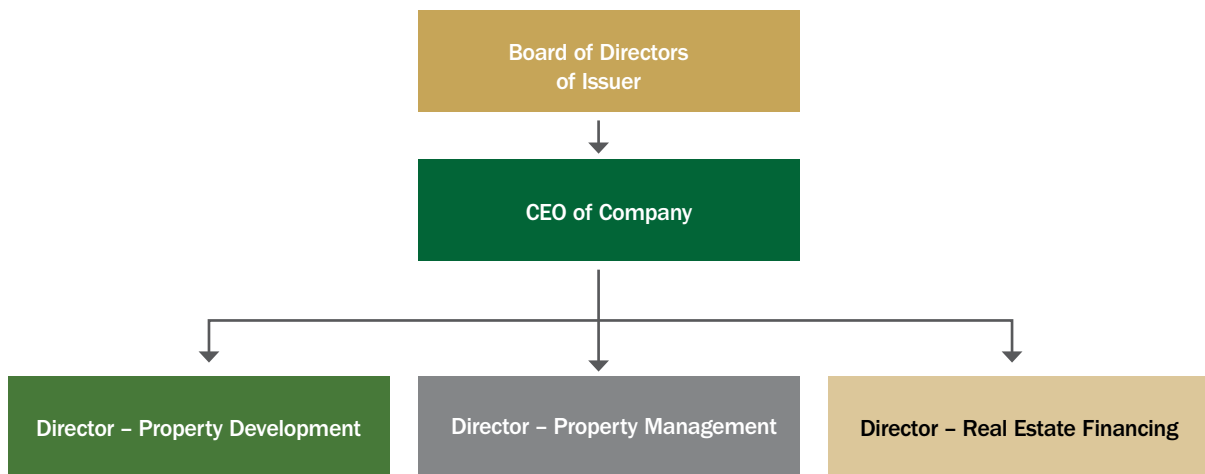
Type	Property/Interest Covered	Insured Value (GHS)
Fire and allied perils	Yaa Kobe	21,000,000

**10.5 OVERVIEW OF ADVISOR**

Mega African Capital Limited advises the issuer on real-estate transactions and facilities management.

Mega African Capital Limited is a GSE-listed investment company incorporated in April 2008 to initially provide investment exposure to African securities on behalf of high net worth individuals. It was later converted into a public company and listed on the GSE to expand its offering to other investors, especially on the retail side. With a combined experience of over fifty (50) years, the principals of Mega African Capital Limited have extensive experience in the management of various asset classes and listed and unlisted securities across Africa including the area of management of real estate assets in Ghana.

**Organisational Management Structure**



**10.6 OVERVIEW OF ISSUER’S BUSINESS**

Edendale’s primary business is the acquisition of existing residential and commercial buildings as well as purchase of land for investment purposes. This is accomplished through the refurbishment of existing buildings and the construction of new commercial and residential buildings to generate sales revenue from appreciated assets and rental income.

Edendale has three (3) main operating units namely: the “Property Development” unit which is responsible for development of real estate projects of the Company; the “Property Management” unit responsible for overseeing the management of the Company’s

properties; and the “Real Estate Financing” unit, which sources for funding for projects.

Since its establishment, Edendale has acquired a number of completed residential buildings and lands prime locations of Cantonments, East Legon, Airport Residential Area, Ringway and Legonman in Accra. All properties are wholly owned by Edendale, except the ongoing development on the 0.55 acre land. This is a joint venture in which Edendale has 50% interest and is entitled to fourteen (14) apartments upon completion. Below are the summary details of the current portfolio of holdings:

Table 9: Current Property Assets of Issuer

Asset Type	Location	Value (USD)	Target Market	Occupancy/ Completion Status
6 Town Houses	Cantonments, Accra	9,400,000	High End	Occupied
40 Apartments	Legonman, Lajoya	3,280,000	Middle Income	38% Occupancy (15Units)
2 Town House	Cantonments, Accra	2,600,000	High End	Occupied
8 Town Houses*	East Legon, Accra	4,000,000	High End	Under construction - December 2015 scheduled completion
4 Town Houses	Airport, Accra	6,800,000	High End	Unoccupied
**Developments on 0.55 acre of land	Ringway, Accra	1,000,000	High End	25% complete
2 Executive Houses	Airport, Accra	6,000,000	High End	Occupied
<b>TOTAL</b>		<b>33,080,000</b>		

\*Expected value at completion and scheduled for December 2015 completion. \*\*Estimated Value of land

### 10.7 OPERATIONAL PROCESSES OF ISSUER

The Issuer capitalises on the deep knowledge and years of extensive experience of its team in the real estate market in Ghana as well as their superior experience with investment management and analysis across Africa to ensure the delivery of superior value and returns to investors. The Issuer focuses on maximising operational efficiency in the various phases of its approach through a number of value adding decision processes as summarised below:

Table 10: Summary of Operational Processes

Process	Description of Activities	Value Addition of Process
<b>Pre-Acquisition</b>	The Issuer conducts thorough investment due diligence (sector, location, tenants, costs, legal setup, development options, etc.) prior to the acquisition of any property or establishment of any joint interest in projects.	
<b>Acquisitions</b>	In this phase, the Issuer acquires full or joint ownership interests in undeveloped lands or existing buildings.	The Issuer adds value at this stage by: <ul style="list-style-type: none"> <li>a. Identifying and acquiring properties in prime locations.</li> <li>b. Identifying and collaborating with reputable partners on joint ventures</li> </ul>
<b>Developments</b>	During this phase, the Issuer either refurbishes the property for resale or rental, in the case of purchases of existing buildings; or commences construction work for new projects.	Value is added at this stage by ensuring that costs are kept under tight control through <ul style="list-style-type: none"> <li>a. Sourcing of relatively cheap funds</li> <li>b. Avoiding delays in the refurbishment or construction process</li> <li>c. Identifying the best use of the property at location in question such as for residential or commercial use</li> </ul>
<b>Post-Development</b>	<ul style="list-style-type: none"> <li>a. Active asset management, analysis, reporting, issue management, etc.</li> <li>b. Ongoing macro and micro market monitoring</li> </ul>	
<b>Sales</b>	At this stage, completed properties are put up for either sale, rentals or lease.	The Issuer adds value at this stage by determining the optimal allocation or mix of the property for either rental or outright sale. This ensures that the Issuer's revenue sources are properly balanced to support its operations as well as maximize its return on investment.

# 11 FINANCIAL REPORTS AND RESULTS

## 11.1 REPORTING ACCOUNTANT REPORT ON HISTORICAL FINANCIAL INFORMATION

Board of Directors  
Edendale Properties Plc  
The Alberts, 2<sup>nd</sup> Floor  
23 Sunyani Avenue  
Kanda Estates  
Accra



No. 5 First District, Nyaninla Estates, Oka,  
Accra, Ghana  
P.O. Box 07506,  
Cantonments, Accra, Ghana  
Telephone: (233) 077434432, 0774837453  
Email: asanteanarfi@yahoo.com

Dear Sir,

### REPORT OF THE INDEPENDENT REPORTING ACCOUNTANT TO THE DIRECTORS OF EDENDALE PROPERTIES PLC ON THE GSE GAX LISTING OF A BOND PROGRAMME

We have reviewed the historical financial information and adjustments of the audited financial statements relating to the period ended December 31, 2014 set out on pages 34 to 36 of the due diligence report.

#### Responsibilities of Directors and Reporting Accountants

Preparations of the financial statements are the responsibility of the management of the Company and were audited by IAKO Consult of Accra. For the relevant period, the Auditors issued an unqualified audit report. The Directors of the Company are also responsible for the contents of the Information Memorandum in which this report is included. It is our responsibility to compile the financial information and report our opinion to you.

#### Scope of the review

We conducted our review in accordance with International Auditing Standards applicable to review engagements. This standard requires that we plan and perform the review to obtain moderate assurance that the historical financial information and adjustments relating to the period ended December 31, 2014 are free of material misstatement. A review is limited primarily to enquiries of the company personnel and analytical procedures applied to financial data and this provides less assurance than an audit. We have not performed an audit of the above mentioned historical financial information and adjustments thereto and accordingly, we do not express an audit opinion thereon.

#### Review of opinion

Based on our review, nothing has come to our attention that causes us to believe that the historical financial information for the period ended December 31, 2014 are not fairly presented, in all material respects, in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act in Ghana.

Signed by Paul Kwasi Asante [ICAG/P/1300]  
For and on behalf of;  
Asante, Anarfi & Associates [ICAG/F/2015/189]  
Chartered Accountants  
P.O. Box CT 7606  
Cantonments, Accra  
Dated: June, 2015

## 11.2 HISTORICAL FINANCIAL PERFORMANCE

The following financial statements are extracts from the Issuer's audited financial statements for the period up to 31<sup>st</sup> December 2014. Further information on the Issuer's financial affairs, including its accounting policies, notes to its financial statements and the independent accountant's report are contained in the full report. Copies of this can be obtained from the registered offices of the Issuer during normal business hours of any working day as well as the offices of the Note Trustee.

### Statement of Financial Position

For the year ended 31 December, 2014

	<b>2014</b>
	<b>GHS</b>
<b>ASSETS</b>	
<i>Non-Current Assets</i>	
Property, plant & equipment	4,291
Investment properties	108,924,138
Financial Assets at fair value through profit and loss	6,000
	<b>108,934,429</b>
<i>Current Assets</i>	
Loans and Receivables	8,000,000
Cash and bank balances	80,828
	<b>8,080,828</b>
	<b>117,015,527</b>
<b>LIABILITIES SHAREHOLDER'S FUNDS</b>	
<i>Current Liabilities</i>	
Short term loans	42,793,347
Loan from Shareholder	14,399,998
<i>Accounts payable</i>	<b>1,181,952</b>
Deferred tax liability	36
<b>TOTAL LIABILITIES</b>	<b>58,375,332</b>
Stated Capital	57,868,546
Retained earnings	771,378
	<b>58,646,901</b>
<b>SHAREHOLDERS FUNDS</b>	<b>58,646,901</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS</b>	<b>117,015,257</b>

## Statement of Comprehensive Income

For the year ended 31 December, 2014

	<b>2014</b>
	<b>GHS</b>
<b>Rental Income</b>	728,467
Lease rental on operating lease	(26,804)
<b>Net rental income</b>	<b>701,663</b>
Valuation gain on investment properties	6,399,308
Sundry income	6,976
<b>Total operating income</b>	<b>7,107,947</b>
<b>Finance Cost</b>	(6,315,442)
Other operating expenses	(20,200)
Depreciation	(891)
<b>Total operating expenses</b>	<b>(6,336,533)</b>
<b>Net profit before taxation</b>	<b>771,414</b>
Taxation	(36)
<b>Net profit after taxation</b>	<b>771,378</b>
<b>Other comprehensive income</b>	-
<b>Total comprehensive income</b>	<b>771,378</b>



## Statement of Cash Flows

For the year ended 31 December 2014

	2014 GHS
<b>Operating activities</b>	
Profit from operations	771,378
<b>Adjustments for:</b>	
Depreciation	891
Decrease/(increase) in loans and receivables	(8,000,000)
Deferred tax	36
Revaluation surplus	(6,399,308)
(Decrease)/increase in payables	1,181,952
<b>Net cash generated from operating activities</b>	<b>(12,445,051)</b>
<b>Taxation</b>	-
<b>Cash flow included in investing activities:</b>	
Investment properties	(102,524,830)
Financial assets – FVTPL	(6,000)
Purchase of plant, property and equipment	(5,182)
<b>Net cash from investing activities</b>	<b>(102,536,012)</b>
<b>Cash flows from financing activities</b>	
Preference shares issued	14,399,998
Ordinary shares issued	57,868,546
Short term loans	42,793,347
<b>Net cash used in financing activities</b>	<b>115,061,891</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>80,828</b>
Cash and cash equivalents at beginning of year	-
<b>Cash and cash equivalents at end of year</b>	<b>80,828</b>

## Statement of Changes in Equity

For year ended 31 December, 2014

	Stated Capital	Retained Earnings	Total
Balance as at 31 December 2014			
At the beginning of the year	-	-	-
Profit/(loss) for the period	-	771,378	771,378
Issuance of ordinary shares	57,868,546	-	57,868,546
<b>At the end of the year</b>	<b>57,868,546</b>	<b>771,378</b>	<b>58,639,924</b>

### 11.3 STRATEGY AND OUTLOOK FOR ISSUER

#### 11.3.1 Competitive Edge

The Issuer's competitive advantage lies in its ability to leverage the extensive experience of its management team in investment analysis and management and its access to large pool and network of high net worth individuals and institutional investor relationships cultivated and maintained over the years from managing assets for such pool of investors. Issuer utilises this experience to identify the best opportunities in the industry and market segment and to generate competitive income and total returns to meet its obligations and to maximize return on capital.

The Issuer also leverages its network to establish mutually beneficial joint ventures to enable it participate in, initiate and complete development projects that otherwise may not have been available or where financing hurdle would have been too high for it to solely embark on. This advantage has enabled the Issuer to gain access to prime properties and developments such as Eagle's Court and the ongoing developments at Ringway Estates.

#### 11.3.2 Sales and Marketing Strategies and Projected Income

The primary target market of the Issuer's properties, especially its residential units, are high net worth individuals and institutional investors. The primary sources of potential client leads are from the Issuer's pool of high net worth individuals and institutions. The Issuer leverages its strong connections to this target market to build and expand its pool of potential clients. The Issuer's management team has built and maintained these relationships and networks from over twenty-five (25) years of managing investments and portfolios for such a clientele base of high net worth individuals and institutional investors including real estate assets.

This source is augmented by active referrals from such clientele as well as active new client acquisitions from identified potential clients outside this pool.

#### 11.3.3 Core Portfolio and Operational Management Strategies

The key approaches the Issuer utilises for portfolio management are as follows:

**a. Core Investment Type Segmentation and Management Strategy** – The Issuer manages its portfolio of holdings by employing the following core strategies:

- **build and sell** – This strategy applies to new developments started by the Issuer alone or through joint ventures. Units may be sold outright, rented or leased based on the optimal mix determined;
  - **buy and hold** – The Issuer employs this strategy to optimise capital return and tenant mix while waiting for the right time to sell based on favourable market conditions;
  - **buy and resell** – The Issuer uses this strategy to acquire properties that become available and seller are cash strapped and in desperate need to offload quickly at significant discounts to market value;
  - **buy, renovate and sell** – Here, acquired units are renovated and subsequently put up for sale, existing leases are either increased or replaced and empty spaces are put up for sale, rental or lease;
  - **buy, redevelop and sell** – The Issuer modifies the use and/or structure of existing space and may add new spaces to enhance the properties' appeal before putting it on the market for sale, rental or leasing; and
  - **land banks acquisition** - The Issuer buys land and holds for capital appreciation for subsequent sale or development.
- b. Optimal Mix of Sales, Rental and Lease Revenue** – The Issuer seeks to generate income through both sales of units as well as rental and leases. The Issuer conducts extensive market research to determine the optimal mix and allocation of units to each income category.
- c. Optimum Financing Timing and Structure for Developments** – The primary risk of new real estate development projects is the potential loss from uncompleted projects as a result of inadequate funds. When projects are halted because expected financing does not materialise, the developer is unable to realise any return on the funds already committed in project because the building is not yet in sellable form. This can lead to significant losses when the waiting period for additional funds to materialise is extended. The Issuer seeks to ensure that majority of the funding required for development projects is secured prior to commencement rather than on an as available or off-plan basis.

- d. Acquisition of high value properties** – In the acquisition of investment properties, the Issuer expends extensive effort on research and analysis prior to selection of opportunities. Issuer focuses on acquisition of properties at prime locations with high future potential and demonstrated appreciation value as well as the selection of the best potential use of property at such location such as for residential or commercial purposes. These factors together ensure the relative liquidity of properties at time of sale as well as income generated from both capital appreciation and rentals. These factors also enhance Issuer's balance sheet and cash flows and ultimately, its ability to raise financing for further purchases and developments.
- e. Sector and Geographic Segmentation** – The Issuer seeks to maintain an optimal mix of both residential and commercial properties in its portfolio of holdings across the urban areas of Ghana to ensure both locational and income source diversification.
- f. Strategic Joint Ventures** – The Issuer also seeks to form joint development interests with identified strategic partners to expand its opportunity sets and capacity. The Issuer is looking to enter into at least one such venture every two years with an estimated twenty (20) to thirty (30) units per project and expects to own 50% of such ventures.
- g. Obtain Cheaper Sources and Favorable Tenure Financing** – The Issuer will also seek to obtain cheaper sources of financing through a combination of both equity capital, sourcing of cheaper debt and the refinancing of existing debt at cheaper rates as and when market conditions are favourable. This will ensure better matching of the duration of its funds with the value realisation horizon of its investment holdings as well as the reduction of overall costs.

## 11.4 REPORTING ACCOUNTANT REPORT ON PROSPECTIVE FINANCIAL INFORMATION

Board of Directors  
Edendale Properties Plc  
23 Sunyani Avenue  
Kanda Estates Accra



No. 5 Osu Crescent, Nyaniba Estates, Osu,  
Accra, Ghana  
P. O. Box CT7506,  
Cantonments, Accra, Ghana  
Telephone: (233) 277-424-522, 277-897-933  
E-mail: asanteanarfi@yahoo.com

Dear Sir,

### INDEPENDENT REPORT ON PROSPECTIVE FINANCIAL INFORMATION OF THE COMPANY

#### INTRODUCTION

This report has been prepared at the request of the Directors of Edendale Properties Plc for inclusion in an Information Memorandum for the establishment and listing of a Bond Programme.

The directors of the Company are solely responsible for the preparation and presentation of the prospective financial information including the assumptions on which the forecast is based.

#### SCOPE OF REPORT

We have reviewed the financial forecasts of Edendale Properties Plc for the period December 31, 2015 to December 31, 2019 as set out on pages 39 to 41, together with the assumptions on the forecasts as set out herein. The financial forecasts include the result shown by the unaudited interim financial statements for the three-month period to March 31, 2015. They have been prepared for the purpose of providing investors considering the Offer with a guide to the future profitability of the Company. The Directors are responsible for the preparation and presentation of the forecasts and the information contained therein, including the assumptions on which they are based.

We disclaim any assumption of responsibility for any reliance on this report or on the forecasts to which it relates for any other purpose other than that for which it was prepared.

Our review of the forecasts has been conducted in accordance with International Auditing Standards applicable to review engagements. Our review was limited primarily to inquiries as to the process used in preparing the forecast, discussion with management and directors of the company, consideration of the data supporting the assumptions, amount and other disclosures as well as testing of the inclusion of the assumptions into the forecasts.

Our review is substantially less in scope than an audit examination conducted in accordance with International Accounting Standards. In addition, prospective financial information, such as forecasts, relate to events and actions that have not yet occurred and may not occur. While evidence may be available to support the assumptions on which the forecast is based, such evidence is generally future orientated. Accordingly, actual results may vary from the information presented in the Information Memorandum and such variations may be material.

#### STATEMENT

In our opinion, based on our review, which is not an audit, nothing has come to our attention that:

- i. The directors' assumptions included do not provide a reasonable basis for the preparation of the forecasts;
- ii. The forecasts included herein are not presented on a basis consistent with the accounting policies adopted by the company and in accordance with applicable International Accounting Standards; and,
- iii. The forecasts set out herein do not give effect in all material respects to the best estimate assumptions set out herein.

**SUBSEQUENT EVENTS**

To the best of our knowledge and belief, after making reasonable inquiries, there have been no material items, transactions or events outside the ordinary business of the Company which require comment on, or adjustment to, the information contained in our report or which would cause such information to be misleading.

**DECLARATION IN REGARDS TO INFORMATION MEMORANDUM**

The involvement of Asante, Anarfi & Associates in the preparation of the Information Memorandum is limited solely to the preparation of this Report and the Independent Accountant's Report for which, normally, professional fees will be received.

Neither Asante, Anarfi & Associates nor any associate of Asante, Anarfi & Associates has any interest in the Company. Apart from the above-mentioned fees, neither Asante, Anarfi & Associates nor any associate of Asante, Anarfi & Associates will receive any other benefits, either directly or indirectly, for or in connection with the preparation of this report.

The giving of our consent for the inclusion of this report in the Investment Prospectus should not be taken as an endorsement of or a recommendation by Asante, Anarfi & Associates of any participation in the offer by any intending investors.

Asante, Anarfi & Associates gives no assurance or guarantee whatsoever in respect of the future success of or financial returns associated with this Bond Programme being offered pursuant to the Information Memorandum and disclaims responsibility for liability for statements or omissions in other parts of the Information Memorandum.

We consent to the inclusion of this Report in the Prospectus in the same form and context in which it is included.



Signed by Paul Kwasi Asante (ICAG/P/1300)

For and on behalf of;

Asante, Anarfi & Associates [ICAG/F/2015/189]

Chartered Accountants

P. O. Box CT 7606

Cantonments, Accra

Dated: June, 2015

## 11.5 INTERIM FINANCIAL STATEMENTS FOR FIRST QUARTER OF 2015

The following financial statements are extracts from the Issuer's interim financial statements for the period from 1<sup>st</sup> January, 2015 up to 31<sup>st</sup> March 2015. Further information on the Issuer's financial affairs, including its accounting policies, notes to its financial statements and the independent accountant's report are contained in the full report. Copies of this can be obtained from the registered offices of the Issuer during normal business hours of any working day as well as the offices of the Note Trustee.

### Statement of Financial Position

For the first quarter ended 31 March 2015

	Q1 2015 GH¢
<b>ASSETS</b>	
<b>NON-CURRENT ASSETS</b>	
Plant, property and equipment	4,036
Financial assets at FVTPL	6,000
Investment properties	126,946,125
<b>Total non-current assets</b>	<b>126,956,161</b>
<b>CURRENT ASSETS</b>	
Loans and Receivables	8,000,000
Financial assets at FVTPL	417,611
Cash and bank balances	73,276
<b>Total current assets</b>	<b>8,490,887</b>
<b>TOTAL ASSETS</b>	<b>135,447,048</b>
<b>LIABILITIES AND SHAREHOLDERS' FUNDS</b>	
<b>CURRENT LIABILITIES</b>	
Deferred tax	36
Accounts payable and accruals	925,230
Short term loans	52,005,106
<b>Total current liabilities</b>	<b>52,930,372</b>
<b>NON-CURRENT LIABILITIES</b>	
Preference shares	14,399,998
<b>TOTAL LIABILITIES</b>	<b>67,330,370</b>
<b>NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS</b>	
Stated capital	57,869,546
Retained earnings	10,247,132
<b>TOTAL NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>68,116,678</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' FUNDS</b>	<b>135,447,048</b>

## Statement of Comprehensive Income

For the first quarter ended 31 March 2015

	Q1 2015
	GH¢
<b>Revenue</b>	
Rental income	259,621
Gain/(loss) on valuation of investment properties	18,020,986
Other attributable income	2,218
<b>Total operating income</b>	<b>18,282,825</b>
<b>Operating expenses</b>	
Operating expenses	(2,301)
Finance costs	(8,804,519)
Depreciation	(255)
<b>Total operating expenses</b>	<b>(8,807,075)</b>
<b>Profit before tax</b>	<b>9,475,750</b>
<b>Taxation</b>	<b>-</b>
<b>Net income attributable to shareholders</b>	<b>9,475,750</b>
<b>Other comprehensive income</b>	<b>-</b>
<b>Net profit for the year</b>	<b>9,475,750</b>
<b>Total comprehensive income</b>	<b>9,475,750</b>

## Statement of Cash Flow

For the first quarter ended 31 March 2015

	Q1 2015 GH¢
<b>Cash flow from operating activities</b>	<b>(8,801,702)</b>
<b>Net cash flow from operating activities</b>	<b>(8,801,702)</b>
<b>Cash flow from investing activities</b>	
Purchase of fixed assets	-
Purchases of investment properties	(998)
Purchase of financial assets	(417,611)
<b>Net cash flow from investing activities</b>	<b>(418,609)</b>
<b>Cash flow from financing activities</b>	
Capital contributions received from shareholders	1,000
Preference shares issued	-
Tenured deposits	9,211,759
<b>Net cash flow from financing activities</b>	<b>9,212,759</b>
Net increase/(decrease) in cash for the period	(7,552)
Balance at beginning period	80,828
<b>Closing cash balance</b>	<b>73,276</b>

## Statement of Changes in Equity

For the first quarter ended 31 March 2015

	Q1 2015		
	Stated Capital GH¢	Retained Earnings GH¢	Total Equity GH¢
Balance as at 1 January 2015	57,868,546	771,379	58,639,925
Net profit for the period		9,475,753	9,475,753
Shares issued	1,000		1,000
<b>Balance at 31 March 2015</b>	<b>57,869,546</b>	<b>10,247,132</b>	<b>68,116,678</b>



## 11.5 PROJECTED FINANCIAL PERFORMANCE

The following financial statements are extracts of the Issuer's projected financial statements for the period up to 2015 to 2019. Further information on the Issuer's financial affairs, including its accounting policies, notes to its financial statements and the independent accountant's report are contained in the full report. Copies of this can be obtained from the registered offices of the Issuer during normal business hours of any working day.

### Projected Income Statement of Issuer

2015 to 2019

INCOME STATEMENT	2015	2016	2017	2018	2019
	Forecast	Forecast	Forecast	Forecast	Forecast
Rental Income	3,053,700	4,846,608	5,801,504	7,589,182	8,348,100
Sale of assets	3,484,000	11,190,400	10,530,000	11,583,000	12,741,300
Other Revenue					
<b>Total Turnover</b>	<b>6,537,700</b>	<b>16,037,008</b>	<b>16,331,504</b>	<b>19,172,182</b>	<b>21,089,400</b>
Property Management	134,755	205,461	313,878	465,046	511,550
<b>Gross Turnover</b>	<b>6,402,945</b>	<b>15,831,547</b>	<b>16,017,625</b>	<b>18,707,136</b>	<b>20,577,849</b>
<b>Revaluation Gains</b>	<b>22,464,000</b>	<b>23,334,400</b>	<b>19,763,760</b>	<b>22,488,324</b>	<b>25,621,573</b>
<b>Selling, General And Admin Expenses</b>					
Salaries and Wages	-	-	-	-	-
Maintenance	40,018	62,342	66,344	107,728	118,500
Depreciation	219,080	175,264	140,211	112,169	89,735
Refurbishment	264,640	303,518	327,976	372,565	423,854
Insurance	146,225	129,820	150,820	150,820	150,820
Other SG&A/AM Fee	793,980	142,829	184,875	231,672	236,839
<b>Total SG&amp;A</b>	<b>1,463,943</b>	<b>813,773</b>	<b>870,226</b>	<b>974,953</b>	<b>1,019,749</b>
Finance Cost	9,115,634	10,087,628	10,142,240	9,901,651	9,517,353
Exchange loss on loans	12,511,044	12,684,629	7,538,768	5,890,605	5,710,229
<b>Net Profit/ (Loss) Before Taxes</b>	<b>5,776,324</b>	<b>15,579,917</b>	<b>17,230,151</b>	<b>24,428,251</b>	<b>29,952,092</b>
Taxes	(1,061,245)	1,224,132	1,248,251	2,786,818	2,512,112
<b>Profit/ (Loss) After Taxes</b>	<b>6,837,569</b>	<b>14,355,786</b>	<b>15,981,900</b>	<b>21,641,433</b>	<b>27,439,979</b>
Dividends	-	739,522	1,001,032	1,566,106	2,008,150
<b>Profit/ (Loss) After Taxes And Dividends</b>	<b>6,837,569</b>	<b>13,616,264</b>	<b>14,980,868</b>	<b>20,075,327</b>	<b>25,431,830</b>

## Projected Balance Sheet of Issuer

2015 to 2019

BALANCE SHEET	2015	2016	2017	2018	2019
	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Fixed Assets</b>	877,210	701,947	561,736	449,567	359,832
<b>Current Assets</b>					
Investments	116,672,000	131,758,400	149,922,160	170,810,484	196,432,057
Receivables					
Cash and Bank Balance	14,397,980	15,394,117	13,841,268	14,335,575	17,698,500
<b>Total Current Assets</b>	<b>131,069,980</b>	<b>147,152,517</b>	<b>163,763,428</b>	<b>185,146,059</b>	<b>214,130,557</b>
<b>Total Assets</b>	<b>131,947,190</b>	<b>147,854,464</b>	<b>164,325,164</b>	<b>185,595,626</b>	<b>214,490,389</b>
<b>Current Liabilities</b>					
Short term loan	15,894,723	14,305,251	12,874,726	11,444,201	10,013,675
Deposits from Tenants					
Accrued Expenses	19,850	3,571	4,622	5,792	5,921
Deferred Tax	19,623	28,028	31,067	30,918	28,993
<b>Total Current Liabilities</b>	<b>15,934,196</b>	<b>14,336,850</b>	<b>12,910,414</b>	<b>11,480,910</b>	<b>10,048,589</b>
Long Term Loan	34,441,780	38,330,136	41,246,403	43,871,043	46,758,147
Shareholder's Loan*	16,086,640	16,086,640	16,086,640	16,086,640	16,086,640
<b>Total Liabilities</b>	<b>66,462,616</b>	<b>68,753,626</b>	<b>70,243,457</b>	<b>71,438,593</b>	<b>72,893,377</b>
Stated Capital	57,868,546	57,868,546	57,868,546	57,868,546	57,868,546
Income Surplus	7,616,028	21,232,292	36,213,160	56,288,487	83,728,466
Revaluation Surplus	-	-	-	-	-
<b>Total Shareholders' Funds</b>	<b>65,484,574</b>	<b>79,100,838</b>	<b>94,081,706</b>	<b>114,157,033</b>	<b>141,597,012</b>
<b>Total Liabilities And Shareholders' Funds</b>	<b>131,947,190</b>	<b>147,854,464</b>	<b>164,325,164</b>	<b>185,595,626</b>	<b>214,490,389</b>

## Projected Cash Flow Statement of Issuer

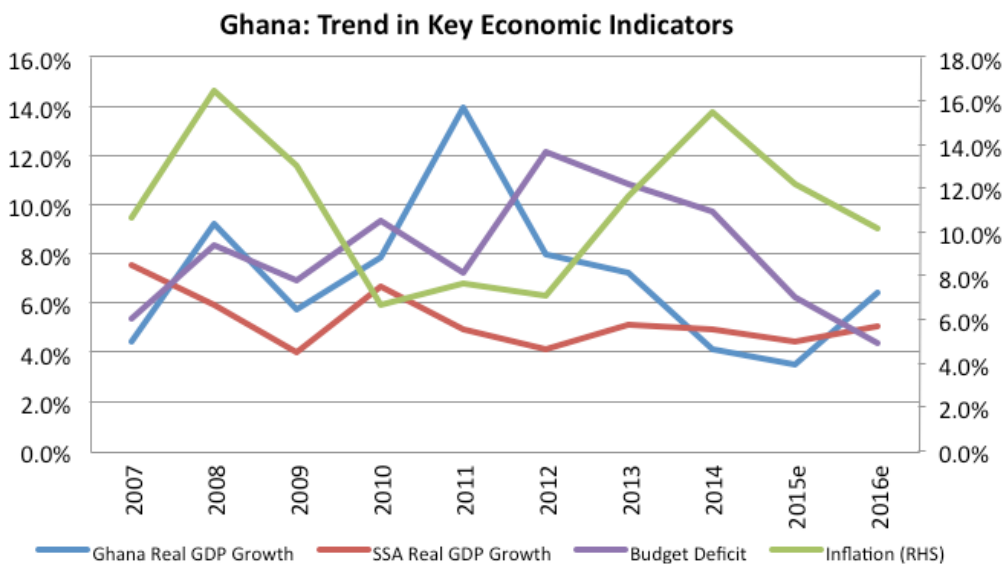
2015 to 2019

CASH FLOW STATEMENT	2015	2016	2017	2018	2019
GHS	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Operating Activities</b>					
Profit before tax and dividend	(4,176,632)	4,930,146	5,005,159	7,830,532	4,330,519
Tax	(1,061,245)	1,224,132	1,248,251	2,786,818	2,512,112
Depreciation	219,080	175,264	140,211	112,169	89,735
Dividend	-	739,522	1,001,032	1,566,106	
<b>Operating Cash Flows B/F Movement Of Capital</b>	<b>(2,896,307)</b>	<b>3,141,756</b>	<b>2,896,087</b>	<b>3,589,776</b>	<b>1,908,142</b>
Decrease/(Increase) in Investments	14,722,138	8,248,000	1,600,000	1,600,000	-
Decrease/(Increase) in Receivables	8,000,000	-	-	-	-
(Decrease)/Increase in Accrued Expenses	19,850	(16,279)	1,051	1,170	129
(Decrease)/Increase in Deposit from Tenants	(1,174,907)	-	-	-	-
(Decrease)/Increase in Deferred Tax	19,623	8,405	3,038	(149)	(1,925)
<b>Cash Generated From Operations</b>	<b>18,690,397</b>	<b>11,381,882</b>	<b>4,500,177</b>	<b>5,190,797</b>	<b>1,906,346</b>
<b>Investing Activities</b>					
Purchase of plant, property and equipment	(1,092,000)	-	-	-	-
<b>Financing Activities</b>					
(Decrease)/Increase in Shareholders Loan*	(21,801,344)	-	-	-	-
(Decrease)/Increase in Long Term Loans	15,136,420	3,888,356	2,916,267	2,624,640	2,887,104
(Decrease)/Increase in Short Term Loans	3,383,679	(14,274,101)	(8,969,293)	(7,321,130)	(1,430,525)
(Decrease)/Increase in Stated Capital	-	-	-	-	-
	<b>(3,281,245)</b>	<b>(10,385,745)</b>	<b>(6,053,026)</b>	<b>(4,696,490)</b>	<b>1,456,579</b>
(Decrease)/Increase in cash and cash equivalent	14,317,152	996,137	(1,552,849)	494,308	3,362,925
Cash and bank balance at 1 Jan	80,828	14,397,980	15,394,117	13,841,268	14,335,575
<b>Cash And Bank Balance At 31 Dec</b>	<b>14,397,980</b>	<b>15,394,117</b>	<b>13,841,268</b>	<b>14,335,575</b>	<b>17,698,500</b>

## 12

OVERVIEW OF  
GHANA

The outlook on the Ghanaian economy is positive. GDP growth rates are expected to increase from the 3.5% projected for 2015 to 6.4% and 9.2% in 2016 and 2017 respectively. Despite these positive projections, economic activity slowed in 2014 to 4.2% due to the high fiscal deficit (9.4%) which resulted in sharp depreciation (32.5%) in the GHS, rising inflation rate (17%) and erratic power supply. Inflation has strayed into double digits since February 2013 after remaining in single digits between May 2010 and February 2013.



Source: IMF

The Bank of Ghana continues to work around its single digit target going forward (medium term target:  $8\% \pm 2\%$ ), in a bid to strengthen the local currency. This will help stabilise the performance of the GHS against major trading currencies like the US Dollar and Euro<sup>1</sup>.

After a relatively poor performance in 2014 and the first quarter of 2015, the GHS is expected to stabilise in 2015 with the strengthening of Bank of Ghana policies under the 3-year IMF programme (which commenced in April 2015). The pace of depreciation of the GHS is expected to slow down as a result of the measures to be introduced. Reducing the Bank of Ghana's financing of fiscal deficit (to zero in 2016) is one of the major strategies to be implemented under the IMF program

to strengthen Ghana's monetary policy and sustain a low and stable exchange rate; this is expected to pay off in the medium term. The Government of Ghana's commitment to the fiscal consolidation measures under the IMF program would be required to also support a stable macroeconomic environment. The GHS regained stability in the second half of 2014 to January 2015, due to the inflows from the Eurobond (USD1 billion) and COCOBOD loan (USD1.7 billion) while the IMF program was expected to start by February 2015 (at the latest). The pace of the depreciation of the GHS increased in February 2015 due to the delay in the start of the IMF program and the persistent energy crisis but is expected to slow down and regain stability given the start of the IMF program since April 2015.

<sup>1</sup> Ghana Macro-economic report: Africa Economic Outlook ([www.africaneconomicoutlook.org](http://www.africaneconomicoutlook.org))

The agriculture sector recorded the highest growth of 5.2% in 2014, followed by services (4.1%), with industry recording the lowest growth of 3.9% (the lowest in 6 years) due to the erratic power supply. Agriculture's contribution to GDP in 2014 was 19.9% of total GDP, 170bps lower than the 2013 contribution while industry's contribution in 2014 inched up by 70bps to 28.4%. The Service sector increased its dominance by 110bps to 51.7% as the leading contributor to Ghana's GDP.

The Ghanaian equities market posted a 5.40% return at the close of 2014, significantly lower than the 78.8% return in 2013. The sharp decline in the GSE's return was underpinned by the sharp cedi depreciation and the erratic power supply which adversely impacted operations and financial performance of listed consumer goods companies. Major gainers in 2014 included HFC Bank (56.3%), ETI (47.4%), EBG (35.5%), GOIL (93%), SOGEGH (33.3%), SCB (36.2%), MEGA (45.2%), TOTAL (20.6%) and BOPP (27.7%). Volume traded for 2014 was 204.5 million shares, compared to 308.7 million in 2013. Value traded also came in at GHS330.9 million and GHS465.9 million for 2014 and 2013 respectively.

## 12.1 OVERVIEW OF FIXED INCOME MARKET

### 12.1.1 Market Overview

The Ghana fixed income market exists to facilitate secondary trading of all fixed income and other similar securities. Ghana's fixed income securities include corporate bonds, corporate notes, treasury bonds, treasury notes, treasury bills and other types of money market instruments (such as repos and Bank of Ghana bills). The market was established by key stakeholders in the financial services industry, including the Bank of Ghana, the GSE, the CSD, the Ghana Association of Bankers, the Ministry of Finance, Financial Market Association and License Dealing Members of the GSE ("LDMs").

The market activity and its scope of operations are governed by SEC and the Bank of Ghana. The regulatory framework of the SEC mainly covers the secondary market activities while the Bank of Ghana regulates the activities of primary dealers on the primary market.

The main objectives of the Ghana fixed income market are to improve transparency, increase market efficiency, enhance price discovery and increase liquidity in the secondary trading of fixed income securities in Ghana. Ultimately, secondary trading of fixed income securities in Ghana is expected to align with international best practices.

The main dealers on the market are.

- Primary Dealers ("PDs") authorised by the Bank of Ghana and licensed by the SEC to deal in securities in Ghana. The PDs participate in the primary auction of Government of Ghana and Bank of Ghana securities;
- Non-PD banks licensed by the SEC to deal in securities trading; and
- LDMs.

The market infrastructure which aids the operation of the Ghana fixed income market includes:

- an electronic trading and market surveillance system provided by Bloomberg L. P A; and
- a clearing and settlement system operated by the CSD with the Bank of Ghana as the settlement bank.

### 12.1.2 Market Structure and Performance

The Ghana fixed income market is dominated by Government of Ghana securities in terms of listings and trading despite the recent listing of two (2) corporate bonds. There are two (2) listed corporate securities (combined value: GHS 29.017 million) issued by Izwe Loans Limited while total outstanding Government of Ghana securities as at end of May 2015 was valued at GHS 26.47 billion. The Government of Ghana securities comprise of bills (91-day and 182-day), notes (1-year and 2-year) and bonds (3-year, 5-year, and 7-year). The 91-day bills account for the largest share (32.9%) of the total outstanding Government of Ghana securities, followed by the 182-day (21.2%) and the 3-year bond (20.7%) while the 7-year bond accounts for only 0.8% of the total outstanding Government of Ghana securities. This underscores how shallow Ghana's capital market for debt securities is and emphasizes the need to increase and deepen activities on Ghana's fixed income market (especially, the bonds market).

As at the end of May 2015, commercial banks (29.7%), foreign investors (25.1%), firms and institutions (20%) and Bank of Ghana (7%) were the largest holders of Government of Ghana securities. The large size of Government of Ghana securities on Ghana's fixed income market is primarily explained by the country's high fiscal deficit which has necessitated the high appetite for government borrowing in order to close the fiscal gap.

Trading activity on Ghana's fixed income market is highly concentrated in the 3-year Government of Ghana securities and a substantial amount of bills discounting also occurs over-the-counter. Activity in the longer-dated

securities (5-year and 7-year) is relatively low with no trades recorded at all for the 7-year bonds since April 2014. One of the reasons for the low secondary market activity in the 5-year and 7-year securities is the dearth of adequate market information, and low transparency which inhibits market efficiency and price discovery.

### **12.1.3 Outlook**

Secondary market trading on Ghana's fixed income (particularly on the longer end of the market) has been much muted over the past years mainly on account of high macroeconomic volatility and the resultant upward trend in yields. Since the completion of the last IMF program in July 2012, yields on short term securities in particular have generally assumed an upward trend, crossing the 20% mark, and thus increasing the appeal of short term securities at the expense of medium term securities and secondary market trading.

Consequently, there is less optimism about the short term outlook for the fixed income market as investors remain wary of adverse impact of the rising inflation and GHS depreciation on their investment. Trading activity on the secondary bonds market is expected to be constrained in the near term as short term yields (currently with an upside potential) are not expected to decline sharply (in the event of a downward trend) over the next twelve (12) months due to the macroeconomic uncertainty. With inflation anticipated to peak in the fourth quarter of 15 before assuming a downward trend in 2016, yields could decline relatively faster in early 2017 (without adjusting for possible Government of Ghana expenditure shock in election year 2016). It is, however, expected that the Government of Ghana's domestic borrowing to be relatively restrained in the election year 2016, given the early indications of government's commitment to implementation of the IMF policies and conditionality. This should ease the upward pressure on yields and possibly narrow the bid-ask spread, culminating in enhanced market liquidity and trading activity on the fixed income market in the medium term (possibly after 2017).

The introduction of an electronic trading platform should also improve price discovery and boost trading activity. The e-trading platform and surveillance system is expected to improve information flow to all market participants and boost confidence in the market.

## **12.2 OVERVIEW OF THE GHANA STOCK EXCHANGE**

The GSE was incorporated as a company limited by guarantee in July 1989 with trading commencing on 12<sup>th</sup> November, 1990. A 13-member Council governs the exchange. The operations of the GSE are regulated by the SEC, which is empowered by the Securities Industry Act. The criteria for listing on the GSE include capital adequacy, profitability, spread of shares, years of existence and management efficiency.

### **12.2.1 Developments and Trends**

The GSE started operating with 11 listed companies. As at 2002, 26 stocks, 4 corporate bonds and 2 government bonds had been listed on the First Official List. This later increased to thirty five (35) listed equities, one (1) Exchange Tradable Fund, one (1) preference share and one (1) depository share as several companies listed on the First Official List. The GSE also has listed a number of government bonds and corporate bonds issued by IZWE loans.

In 2007, the Central Securities Depository Act, 2007 (Act 733) was passed to permit the issuance of dematerialised shares, where shareholders and board of directors of an issuer have authorised this. The passing of the law paved the way for the GSE to achieve several milestones in its development. These milestones include the incorporation and operation of the GSE Securities Depository Company Limited (the "GSD") and the establishment of a Clearing and Settlement System. In December 2013, an agreement was signed between the Bank of Ghana and the GSE for the merger of the Central Securities Depository (Ghana) Limited (the "CSD") and the GSD. Thus from January 2014, both the CSD and the GSD operate as a single depository, the CSD.

Further to that, the GSE completed the automation of its trading system with the support of the Government of Ghana's Economic Management and Capacity Building project. The GSE introduced major changes in trading activities in 2011 to complement the automated trading regime. Trading hours, which were initially 09.30 hours to 13.00 hours, were extended, and the new trading period is from 09.30 hours to 15.00 hours. This affords dealers more time to interact with clients during the day while also allowing non-resident investors in different time zones more time to participate in the trading session through their local brokers.

### 12.2.2 Ghana Alternative Market

The GAX is a parallel market to the GSE's First Official List focusing on businesses with potential for growth. The GAX accommodates companies at various stages of their development, including start-ups and existing enterprises, both small and medium. There are several benefits due the small to medium scale companies that qualify to be listed on this market. This alternative market affords companies the opportunity to secure long term capital, broaden their investor base and provide liquidity for their shareholders / investors<sup>2</sup>.

### 12.2.3 Performance of the GSE

The performance of the GSE has been remarkable in recent years, experiencing improved volume trades and increased market capitalisation following the listing of index heavy weights such as Tullow Oil Plc and Ecobank Transnational Inc. The market capitalisation at the end of March 2015 was approximately GHS 65 billion. Following annual rallies of 23.81% and 78.81% in 2012 and 2013 respectively, returns on the benchmark GSE Composite Index ("GSE-CI") slowed down recording a 5% return in 2014. As the downturn in the general economy dampened returns on the exchange. Returns on the market remain low as at the end of Q1-2015. The GSE-CI and the GSE Financial Stock Index ("GSE-FSI") have returned -0.47% and 1.05% respectively. We anticipate the broad market performance will pick up as the general economy firms up with the implementation of the 3 year IMF program.



Table 11: Other Market Information

<b>Trading Days</b>	<b>Trading takes place every working day</b>
<b>Trading Hours</b>	Pre-opening period: 9:30hrs to 10:00hrs (GMT) Market opens for continuous trading: 10:00hrs to 15:00hrs (GMT)
<b>Clearing &amp; Settlement</b>	Trade settlement is done electronically using a web-based application. Settlement occurs three (3) business days (T+3) after the trade date. The System allows for mutual settlement of trade on T+0 or T+1 basis

Trade and general information on the GSE can be found on the GSE website - <http://www.gse.com.gh>;

<sup>2</sup> Ghana Stock Exchange: Ghana Alternative Market (GAX) Rules and Benefits

## 13

OVERVIEW OF GHANA'S  
REAL ESTATE SECTOR**13.1 DEVELOPMENT OF THE HOUSING SECTOR IN GHANA**

In Ghana, the need to provide adequate and suitable accommodation for residents is generally recognised as a national imperative. The need, however, remains largely unsatisfied, especially at the lower to middle income segments of the housing sector. The key characteristics of the Ghanaian real estate market include the following:

Table 12: Key Characteristics and Challenges of the Real Estate Market in Ghana

Characteristic	Description
<b>Low ownership to rental proportion*</b>	Only about 32.7% of residents in urban areas own their homes, with over 45% renting.
<b>Private Sector Driven</b>	Over 80% of developments are initiated and driven by the private sector, largely with no government assistance or interventions.
<b>High Cost of Construction</b>	Construction costs are high and mainly attributed to high cost of building materials which are mainly imported and subject to exchange rate effects.
<b>Inadequate Access to Construction Financing</b>	The cost of construction is high due to the fact that most building products are imported and, hence, exposed to currency fluctuations, which have generally been adverse. Access to construction finance for real estate projects have been inadequate due to the perceived risk of funds lock-up in uncompleted projects as a result of construction funds dry-up or land ownership issues and litigations.
<b>High Cost of Mortgages</b>	Access to mortgage financing is limited especially for the low income and lower end of the middle income categories. This is mainly due to unfavourable terms such as cost of funds, duration and high initial deposit requirements. Ironically, those who need it most are those who cannot afford it. An estimated 1% of population can afford mortgage financing;
<b>Rapidly Widening Housing Deficit</b>	The housing deficit is estimated to be over 1.7million housing units. This is expected to widen to over two (2) million units by 2018 if steps are not taken to provide at least 190,000 housing units per year;
<b>Advance Payment Requirement for Rentals</b>	Although the law mandates a maximum rent advance payment period of six (6) months, most property owners demand a minimum of at least one (1) to as much as three (3) years especially in urban areas where demand for housing far exceeds supply.
<b>Complicated Land Ownership Process</b>	Land ownership in Ghana is fraught with numerous challenges resulting from the complicated land ownership structure. Challenges include multiple sales of same piece of land to different buyers and delays in land registration and titling process.



**High Proportion of Commercial to Residential Structures**

A large proportion of real estate developments have been focused on non-residential commercial units, particularly, office buildings.

**High Demand in Urban Areas**

Demand for housing units in urban areas is high and due to rapid rural-urban migration in search of better jobs and needed proximity to basic amenities and infrastructure.

**Housing Stock Growth below Housing Need growth**

The need for housing units is estimated to be growing at over 17% per annum while housing stock is growing at an average rate of 4.4%\*.

\*2010 Population and Housing Census – Ghana Statistical Service data

**13.2 GOVERNMENT POLICY INITIATIVES**

Over the years, most national policy initiatives have been directed at the provision of affordable residential housing for the middle and low income segments of the market, especially in urban areas. These include the National Housing Policy and Action Plan (1987 – 1990) and the National Shelter Strategy (1993) and Urban II Project. The key characteristics of these initiatives among others were:

- improved delivery of housing finance and access to credit for construction;
- cost effectiveness for construction industry and programme to promote local building materials;
- improved access to land and title regulations; and
- housing sector reform to develop a housing finance system and increase stock of affordable housing.

One key outcome of these initiatives, especially as a result of the World Bank-funded Urban II Project, was the establishment of Home Finance Corporation (now HFC Bank) in 1991. Primarily established to source long term funds for mortgage lending and to channel these funds through primary lending institutions for affordable housing finance, access to such financing has generally been unattainable for the intended target segment of low income earners due to the fact that the structure and costs associated with conventional mortgages are generally inappropriate for the target group.

The government recently renewed its drive to tackle ever increasing housing deficit which is currently estimated at over 1.7 million units and recently launched a new ‘National Housing Policy’ in March 2015 through the Ministry of Water Resources, Works and Housing. Highlights of this policy document include:

- establishment of an enabling environment for private sector led housing delivery;
- provision of decent, affordable housing;
- establishment of a ‘National Housing Fund’ to be channelled towards the provision of affordable mortgages, construction finance, slum upgrades and support of small-scale local building materials producers.

These will be augmented by specific strategies for implementation by a ‘National Housing Authority’. Recent projects announced by the government under this initiative include the Saglemi Housing Project in Prampram which is scheduled to deliver 1,502 affordable housing units by March 2016 and additional 9,000 units over six years and the USD 50 million project to provide affordable housing units for security services personnel.

**13.3 CHARACTERISTICS AND NEEDS OF REAL ESTATE MARKET SEGMENTS****13.3.1 High End Segment**

The key characteristics of this segment are:

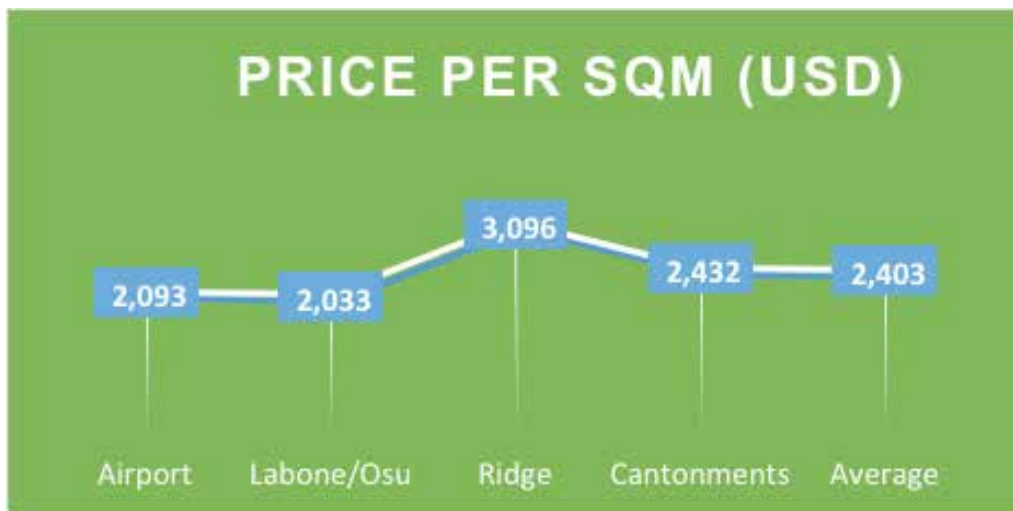
- cost for properties in this segment ranges from USD 800 to USD 1,200 per square metre, excluding the cost of land;
- typical facilities include, sports and recreational areas, security, water storage and stand-by generators
- rental rates range from USD 3,000 to USD 6,000 per month (paid monthly or bi-annually);
- the need for willingness and ability to pay to have an unimpeded access to quality healthcare facilities, good road infrastructure, good educational facilities, excellent communication and telecommunication networks, among others;

- their preferred properties are located in prime locations in urban areas in close proximity to such essential infrastructure and amenities. In Accra, prime locations include Ridge, Labone, Osu, Cantonments, Airport;
- access to financing is usually not a problem as their incomes provide easy access to mortgage and other sources of financing if needed and they can usually afford to self-finance;
- they may hold property for investment purposes or as primary residence; and
- property developments for this market segment is mainly private sector led and provided.

Table 13: Typical property costs

Type	Airport (USD)	Cantonments (USD)	Labone/Osu (USD)	Ridge (USD)	Average Price (USD)
2 Bedroom	331,500	387,495	351,000	-	356,665
3 Bedroom	455,000	458,940	429,000	-	449,380
4 Bedroom	460,200	560,840	650,000	-	555,280
Penthouse	600,000	993,365	675,000	-	756,122
Townhouse	716,250	780,000	810,000	888,101	798,588
Average Cost	512,290	636,128	583,000	888,101	654,955

Chart 1: Price Per Square Metre



**Implication:** The generally underdeveloped nature of basic infrastructure and amenities outside the urban areas (particularly capital cities) creates a huge demand for housing in central locations close to these necessary amenities and infrastructure. This has generally served to increase the demand for housing in areas with close proximity to such infrastructure from both expatriates and Ghanaians alike. This demand is not expected to wane and will drive returns on capital if construction costs are controlled.

**13.3.2 Middle Income Segment**

The key characteristics of this segment are:

- this segment falls within the USD 50,000 to USD 180,000 housing cost bracket;

- middle income households are expected to grow by an average of 100,000 per year;
- inadequate access to quality homes and attractive mortgage financing;
- housing deficit in this segment accounts for about 50% of housing deficit;
- housing demand to be centred in urban areas of Accra, Kumasi and Takoradi;
- the need for and willingness to pay to gain reasonable access to good social amenities and infrastructure at reasonable costs;
- more limited means implies that housing units for this segment are located on the outskirts of prime locations;

- property is usually held as primary residence and those purchased for investment purposes are by high income earners or high net worth individuals and institutions;
- usually, semi-detached and detached units, apartment complexes of between two (2) to three (3) bedrooms; and
- mainly private sector led and provided.

**Implication:** *Huge deficit and demand opportunity in this bracket and an opportunity to earn reasonable returns on capital if construction costs are controlled.*

### **13.3.3 Lower Middle to Low End Market Segment**

The key characteristics of this segment are:

- falls below the USD 50,000 housing cost bracket;
- housing units increasingly being pushed towards the outskirts of urban centres;
- primarily low cost multi-storey apartment units ;
- low cost or affordable and locally sourced (if available) building materials are utilized to keep costs of units low;
- government sector led and supported by various initiative to reduce costs and provide access to financing for ease of ownership; and
- inability to access financing to own units without some form of government support or assistance.

**Implication:** *Returns on capital may be limited by rising costs and inability to pass on such costs due to low incomes of target market.*

# 14 NOTE PROGRAMME TERMS AND CONDITIONS

The following are the Terms and Conditions of the Notes to be issued by the Issuer under the Note Programme. The Applicable Pricing Supplement in relation to any Series or Tranche of Notes may specify other terms and conditions, which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Series or Tranche of Notes. The Terms and Conditions, as replaced or modified by the Applicable Pricing Supplement, will be incorporated by reference in each Note.

The Notes are issued subject to the Trust Agreement. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Agreement.

Copies of the Trust Agreement are available for inspection by the Noteholders, upon request, at the registered office of the Note Trustee, being at the date hereof, Ridge Tower, West Ridge, Accra, Ghana and for so long as any Notes remain outstanding.

## 1. ISSUE

- 1.1. A total Principal Amount of fifty million Ghanaian Cedis (GHS 50,000,000) is authorised for issue under this Programme.
- 1.2. The Notes are issued by the Issuer in accordance with and subject to the Terms and Conditions, which were approved by resolutions of the Directors passed on 20<sup>th</sup> April, 2015 and resolutions of the shareholders of the Issuer passed on 20<sup>th</sup> April, 2015.
- 1.3. Each Note shall be held subject to the Terms and Conditions, which Terms and Conditions shall be binding on the Issuer and each Noteholder.
- 1.4. The Directors may issue Notes to such Recipients and on such dates as the Directors deem fit. The Issuer reserves the right, in its sole discretion, to refuse any application in whole or in part, or to accept some applications for the Notes in full and others in part, or to refuse all applications for the Notes on any basis determined by it.
- 1.5. The Principal Amount of each Note issued by the Directors shall be as recorded in the Applicable Pricing Supplement.
- 1.6. The Noteholders are, by virtue of their subscription for or purchase of the Notes, deemed to have notice of, entitled to the benefit of and are subject to all the provisions of the Trust Agreement.

## 2. FORM, DENOMINATION AND TITLE

- 2.1. Each Note may be a Fixed Rate Note or a Floating Rate Note as indicated in the Applicable Pricing Supplement.
- 2.2. Each Note shall rank pari passu with all other notes issued under this Programme.
- 2.3. Notes shall be issued in such denomination of aggregate Principal Amounts as set forth in the Applicable Pricing Supplement.
- 2.4. All Noteholders will be required to open and maintain CSD accounts, which will be credited with the Notes upon allotment.
- 2.5. Notes will be electronically maintained on the CSD with an identifying number that will be recorded in the Register.
- 2.6. Title to the Notes shall pass by registration in the Register, unless Applicable Laws provide otherwise or provide for additional formalities for transfer of title. In so far as Applicable Law requires notification to the debtor for a valid transfer of title to the

Notes, the registration of the transfer in the Register shall constitute evidence of this notification. Except as ordered by a court of competent jurisdiction or as required by law, the Noteholder, as reflected in the Register, shall be deemed to be and may be treated as the absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the Noteholder.

- 2.7. The Issuer shall issue a single Global Note Certificate to the Note Trustee in respect of each series or tranche of Notes. The CSD shall maintain a record of Noteholders' respective electronic book entries in the Register showing the particulars of Noteholders and their respective holdings.
- 2.8. The Issuer, Note Trustee, and CSD shall recognise a Noteholder as the sole and absolute owner of the Notes registered in that Noteholder's name in the Register (notwithstanding any notice of change of ownership or writing thereon or notice of any previous loss or theft thereof) and the Note Trustee shall not be bound to request in writing the CSD to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which the Notes may be subject.

### 3. TRANSFERS OF NOTES AND THE REGISTER

- 3.1. No transfer of Notes may be registered unless a form of transfer has been delivered to the CSD as per the rules of CSD relating to transfer of securities. Each form of transfer shall be in writing in the usual form or in any other form approved by the CSD. Each form shall be signed by the Noteholder or his duly authorised agent and be delivered to the CSD in respect of the Notes to be transferred and such evidence as to identity, title, authority and legal capacity of the transferor and transferee and their respective agents, if any, as the Issuer or the CSD, may reasonably require (the "Transfer Form").
- 3.2. The Register shall contain the name, address and bank account details of the Noteholders. The Register shall set out the Principal Amount of the Notes issued to any Noteholder and shall show the date of such issue, the date upon which

the Noteholder became registered as such and the unique serial numbers of all securities as pertains in the CSD system.

- 3.3. The CSD shall make information on Noteholders contained in the Register available to any Noteholder or any person authorised in writing by the Noteholder as they may reasonably request. The CSD shall not record any transfer other than on Business Days or while the Register is closed.
- 3.4. The Register shall be closed during the Book Closure Period. Noteholders entitled to participate in a distribution of Interest, or a Redemption Amount shall be those registered as such on the Last Day to Register.
- 3.5. The CSD shall alter the Register in respect of any change of name, address or bank account number of any of the Noteholders of which it is notified in accordance with these Terms and Conditions.
- 3.6. In the case of an exercise of the Issuer's right to Early Redemption or a partial redemption of a holding of Notes held in the CSD system, the CSD will change the holdings in the Register to reflect the redemption and the balance of the holding not redeemed.
- 3.7. Exchange and transfer of Notes and securities on registration, transfer, partial redemption or exercise of an option shall be effected according to the rules of the CSD and subject to charges by the CSD and brokers.
- 3.8. No Noteholder may require the transfer of a Note to be registered:
- 3.8.1 during a Book Closure Period; or
- 3.8.2 after any such Note has been called for Redemption.

### 4. STATUS OF THE NOTES

- 4.1. The Notes constitute direct, general, unconditional, and secured obligations of the Issuer. The Notes rank, and will at all times rank, **pari passu** among themselves and at least **pari passu** in right of payment with all other present and future secured obligations of the Issuer (subject to Condition 4.2), save only for such obligations as may be preferred by mandatory provisions of Applicable Laws.
- 4.2. So long as any Note remains outstanding, the Issuer shall not create, incur, assume or permit to arise or subsist any mortgage, charge,

lien, pledge or other security interest (each a “**Security Interest**”) upon the whole or any part of its undertakings, assets or revenues, present or future, to secure any Financial Indebtedness unless, at the same time or prior thereto, the Issuer’s obligations under the Notes are secured equally and rateably therewith, to the satisfaction of the Note Trustee or have the benefit of such other arrangement as may be approved by a Special Resolution (as defined in the Trust Agreement) of the affected Noteholders, save that the Issuer may permit to subsist a Security Interest (without the obligation to accord the Notes an equivalent Security Interest as aforesaid) in respect of Financial Indebtedness which has an initial maturity of not less than 1 (one) year and whose maximum aggregate Principal Amount outstanding at any time does not exceed twenty million Ghanaian cedis (GHS 20,000,000).

- 4.3. The Issuer shall not pay or declare dividends on any of its shares, while Interest is outstanding on the Notes.

## 5. INTEREST AND OTHER CALCULATIONS

- 5.1. Each Fixed Rate Note bears Interest on its outstanding Principal Amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate, such Interest being payable in arrears on each Interest Payment Date up to the Maturity Date.

- 5.2. If a Fixed Coupon Amount or a Broken Amount is specified in an Applicable Pricing Supplement, the amount of Interest payable on each Interest Payment Date in respect of the Fixed Interest Period will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and, in the case of the Broken Amount, will be payable on the particular Interest Payment Date(s) specified hereon.

- 5.3. Interest shall cease to accrue on each Note on the Redemption Date, unless payment of the Principal Amount is improperly withheld or refused, in which event, Interest shall continue to accrue (before as well as after judgment) at the Interest Rate in the manner provided in this [Condition 5](#) to the date of actual payment.

- 5.4. Each Floating Rate Note bears Interest on its outstanding Principal Amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to

the Interest Rate, such Interest being payable in arrears on each Interest Payment Date up to the Maturity Date.

- 5.5. If any date referred to in these Terms and Conditions would otherwise fall on a day that is not a Business Day then such date is subject to adjustment by:

5.5.1 the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment;

5.5.2 the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day;

5.5.3 the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or

5.5.4 the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

- 5.6. For the purposes of any calculations of Interest required pursuant to these Terms and Conditions (unless otherwise specified):

5.6.1 all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up);

5.6.2 all Interest and Interest Rate figures shall be rounded to two decimal places (with halves being rounded up); and

5.6.3 any Currency amount that falls due and payable shall be rounded to the nearest unit of the Currency (with halves being rounded up). For these purposes “**unit**” means the lowest amount of the Currency.

- 5.7. The amount of Interest payable in respect of any Note for any Interest Period shall be calculated by

multiplying the Interest Rate and the outstanding Principal Amount by the Day Count Fraction, unless the amount of Interest (or a formula for its calculation) is specified in the Applicable Pricing Supplement in respect of such Interest Period (the “**Applicable Pricing Supplement Interest Amount**”), in which case the Interest payable in respect of such Note for such Interest Period shall equal the Applicable Pricing Supplement Interest Amount. Where any Interest Period comprises two or more Interest Periods, the amount of Interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Periods.

“**Day Count Fraction**” in this Condition 5 means:

- 5.7.1 if “Actual/365” or “Actual/Actual” is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- 5.7.2 if “Actual/365 (Fixed)” is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- 5.7.3 if “Actual/360” is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360; and
- 5.7.4 if “30/360”, “360/360” or “Bond Basis” is specified in the Applicable Pricing Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12, 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).
- 5.8. As soon as practicable after the Relevant Time as the Note Trustee may be required to calculate any rate or amount, obtain any quotation or make any determination

or calculation, it shall determine Interest in respect of each specified denomination of the Notes for the relevant Interest Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, or Optional Redemption Amount to be notified to the Issuer, the Registrar and the Noteholders, no later than the 4th Business Day after such determination.

- 5.9. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5.5, the Interest and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Note Trustee shall (in the absence of manifest error) be final and binding upon all parties.
- 5.10. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in Ghana, to act as such in its place.

## 6. REDEMPTION, PURCHASE AND CANCELLATION

- 6.1. Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified thereon at its Final Redemption Amount.
- 6.2. The Early Redemption Amount payable in respect of any Note shall be the Final Redemption Amount unless otherwise specified in the Applicable Pricing Supplement.
- 6.3. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than thirty (30) Business Days’ but no more than sixty (60) Business Days’ notice to the Noteholders (which notice shall be irrevocable), at the Principal Amount, together with Interest accrued to the Redemption Date, if, immediately before giving such notice,

the Issuer satisfies the Note Trustee that the Issuer has or will become obliged to pay any Additional Amount. Prior to the publication of any notice of redemption pursuant to this Condition 6.3, the Issuer shall deliver or procure delivery to the Note Trustee of:

6.3.1 a certificate signed by two Directors of the Issuer stating that the obligation to pay an Additional Amount has occurred or will occur (irrespective of whether the obligation is then effective); and

6.3.2 an opinion in form and substance satisfactory to the Note Trustee of independent legal advisers of recognised standing, to whom the Note Trustee shall have no reasonable objection, to the effect that the Issuer:

6.3.2.1 has or will become obliged to pay any Additional Amounts; or

6.3.2.2 has or will become obliged to make any additional withholding or deduction as a result of such change or amendment (irrespective of whether the obligation is then effective).

The Note Trustee shall accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in Condition 6.3.2.1 and Condition 6.3.2.2 above. Upon expiry of any such notice as referred to in this Condition 6.3, the Issuer shall be bound to redeem the Notes in accordance with this Condition 6.3.

6.4. In exercising a Call Option, the Issuer may, subject to any Applicable Laws and on giving not less than thirty (30) Business Days' but no more than sixty (60) Business Days' irrevocable notice to the Noteholders, redeem all, or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with Interest accrued to the Optional Redemption Date.

6.5. All Notes in respect of which an Exercise Notice is served shall be redeemed, on the date specified in such notice in accordance with this Condition 6.

6.6. In the case of a partial redemption pursuant to a Call Option, the notice to Noteholders shall also contain the applicable Notes to be redeemed. In the case of a partial redemption, each Note in a Series or a Tranche shall be redeemed in

the same percentage of its Principal Amount outstanding. In the case of partial redemption of all Notes, each Series or Tranche shall be redeemed in that percentage of the funds available for payment in redemption as the aggregate Principal Amount outstanding in that Series or Tranche bears to the aggregate Principal Amount of all Notes outstanding and each Note in the Series or Tranche shall be redeemed in the same percentage of Principal Amount outstanding, subject to compliance with any Applicable Laws.

6.7. The Issuer may at any time purchase or procure others to purchase for its account the Notes at any price in the open market or by tender or by private treaty. Notes so purchased may be held or resold or surrendered for cancellation, at the option of the Issuer. Any Notes so purchased, while held by or on behalf of the Issuer or any Affiliates, shall not entitle the Noteholder to vote at any meeting of Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of Noteholders.

6.8. Notes purchased by or on behalf of the Issuer, or any Affiliates may be cancelled and if so, together with all Notes redeemed by the Issuer, may not be reissued or resold and the obligations of the Issuer in respect of any cancelled Notes shall be discharged. Notes that have been cancelled shall be notified to the CSD.

6.9. Notwithstanding any provision in this Condition 6, the Issuer shall not redeem any of the Notes within 1 year of issue of same.

## 7. PAYMENTS

7.1. Payments of Principal Amount in respect of the Notes shall be made when due and the amounts credited **via** bank transfer or cheque payment to Noteholders.

7.2. Interest and Principal Amounts due on Redemption shall only be payable, in respect of Interest, to Noteholders registered as such on the Last Day to Register immediately preceding the Interest Payment Date in question, and, in respect of Redemption, to Noteholders registered as such on the Last Day to Register prior to the Redemption Date.

7.3. Subject to Conditions 7.1 and 7.2, payments of Interest and Redemption Amounts shall be made by the Issuer **via** electronic funds transfer to the account designated



- for the purpose by the Note Trustee (the “**Trustee Account**”) by 9:00am on the fourth (4<sup>th</sup>) Business Day before the Redemption Date or Interest Payment Date. Such payment into the Trustee Account by the Issuer shall be a valid discharge by the Issuer of its obligation to pay Interest or the Redemption Amount on Redemption, as the case may be.
- 7.4. Subject to Conditions 7.1 and 7.2, payments of Interest and Redemption Amounts shall be made by the Note Trustee **via** electronic funds transfer to the Noteholder. In the event that, for any reason, payment by means of electronic funds transfer is not possible, payment will be made by cheque in the manner set out in the remainder of this Condition 7.
- 7.5. Cheques in payment of Interest and Redemption Amounts shall be drawn on the Note Trustee and issued by the Note Trustee. Payment of cheques shall be a valid discharge by the Note Trustee of the obligation upon it to pay interest or the Redemption Amount on redemption, as the case may be.
- 7.6. Subject to Conditions 7.1 and 7.2, cheques shall be made payable to the order of:
- 7.6.1 the registered Noteholder; or
- 7.6.2 such other person as may have been notified in writing to the Note Trustee by the registered Noteholder (accompanied by the address of that person and such proof of authority as the Issuer or the Note Trustee may require) not later than the Last Day to Register in respect of the relevant Interest Payment Date or Redemption Date, as the case may be.
- 7.7. Cheques shall be dated with the relevant Interest Payment Date or Redemption Date, as the case may be, and shall therefore be payable on that date.
- 7.8. Subject to Condition 7.5, cheques shall be posted to the Noteholder entitled thereto in terms of Condition 7.6.1 at the address of the Noteholder in the Register (or such other address as may have been notified in writing to the Note Trustee by the Noteholder not later than the relevant Last Day to Register) or to the person referred to in Condition 7.6.2 at the address given in the notice referred to in Condition 7.6.2:
- 7.8.1 in the case of Interest, one (1) Business Day before the relevant Interest Payment Date; or
- 7.8.2 in the case of Redemption Amounts, one (1) Business Day before the Redemption Date.
- 7.9. If written notice of the intention to collect a cheque is given to the Note Trustee at least fifteen (15) Business Days before the relevant Interest Payment Date or Redemption Date, the cheque shall be available for collection by the Noteholder or other person entitled pursuant to Condition 7.5 at the office of the Note Trustee:
- 7.9.1 in the case of Interest, on the relevant Interest Payment Date; or
- 7.9.2 in the case of Redemption, on the Redemption Date.
- 7.10. If a cheque is not collected within two (2) Business Days of the date for collection set forth in Condition 7.9 above, the cheque shall be posted to the Noteholder or other person entitled thereto at his address set out in the Register (or to such other address as may have been notified in writing to the Note Trustee not later than the relevant Last Day to Register).
- 7.11. Cheques shall be posted by registered post, provided that neither the Issuer nor its agents shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 7.
- 7.12. All payments of Principal Amount and Interest in respect of the Notes are subject in all cases to any Applicable Laws, but without prejudice to the provisions of Condition 8. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- 7.13. Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, Business Day Convention per the Applicable Pricing Supplement will be initiated (i) on the due date for payment, and (ii) on the due date for payment (in the case of Interest due other than on Redemption).

7.14. Where payment is to be made by cheque, the cheque will be mailed (i) on the Business Day immediately preceding the due date for payment and (ii) on the Business Day immediately preceding the due date for payment (in the case of Interest due other than on Redemption).

7.15. If at any time a partial payment of Principal Amount and/or Interest is made in respect of any Note, the CSD shall endorse the Register with a statement indicating the amount and date of such payment.

## 8. TAXATION

All payments made by the Issuer to the Noteholders in respect of the Notes will be subject to withholding tax of 8% under the Internal Revenue Act, 2000 (Act 592) (as amended) except where the Noteholder is exempt under Applicable Laws.

## 9. PRESCRIPTION

Claims against the Issuer for payment of Principal Amount or Interest in respect of the Notes, shall become void unless presented for payment within six (6) years from the date on which such payment first becomes due.

## 10. MEETINGS OF NOTEHOLDERS, AMENDMENT, MODIFICATION, WAIVER AND SUBSTITUTION

### 10.1. Meetings of Noteholders

10.1.1 The Trust Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the modification of these Terms and Conditions and the Trust Agreement. Noteholder meetings may be convened by the Issuer or by the Note Trustee and shall be convened by the Issuer or the Note Trustee if so requested in writing by the Noteholders holding not less than 30% in aggregate of the total Principal Amount of the Notes then outstanding.

10.1.2 The quorum at any such meeting for passing a Special Resolution shall be as stated in the Trust Agreement.

10.1.3 A decision to:

10.1.3.1 amend the Maturity Dates or Redemption of any of the Notes, any Interest Payment Date on the Notes;

10.1.3.2 reduce or cancel the Principal Amount of, or any premium payable on Redemption of, the Notes;

10.1.3.3 reduce the Interest Rate/s in respect of the Notes or to vary the method or basis of calculating the amount of Interest, Interest Rate/s or the basis for calculating any Interest in respect of the Notes;

10.1.3.4 if a Minimum Interest Rate and/or a Maximum Interest Rate is shown hereon, reduce any such Minimum and/or Maximum;

10.1.3.5 vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount;

10.1.3.6 vary the Currency or Currencies of payment of the Notes; or

10.1.3.7 modify the provisions concerning the quorum required at any meeting of Noteholders or any adjournment of such meeting or the majority required to pass the Special Resolution,

may only be taken following approval by a Special Resolution.

10.1.4 Any Special Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

### 10.2. Modifications & Waiver

The Note Trustee may agree, without the consent of the Noteholders, to effect:

10.2.1 any modification of any provision of the Trust Agreement or the Notes (including these Terms and Conditions) which is of a formal, minor or technical nature or is made to correct a manifest error in the opinion of the Note Trustee, provided that such modification is not prejudicial to the interests of the Noteholders; and

10.2.2 any other modification and any waiver or authorisation of any breach or proposed breach of any provision of these Terms and Conditions or the Trust Agreement which are in the opinion of the Note Trustee, not materially prejudicial to the interests of the Noteholders -provided that no such modification shall be permitted unless an opinion of legal counsel is delivered to the Note Trustee to the ef-

fect that the Noteholders will be subject to Ghana tax on the same amount and in the same manner and at the same times as would have been the case if such modification had not occurred.

Moreover, the Note Trustee may take into account, among other things, any confirmation from the rating agencies that the then current ratings of the relevant Notes would not be adversely affected in considering whether any such modification, waiver or authorisation would be materially prejudicial to the interests of the Noteholders.

Any such modification, waiver or authorisation may be given or made on such terms and subject to such conditions as the Note Trustee may in its sole discretion determine and shall be binding on the Noteholders and, if the Trustee so requires, will be notified to the Noteholders as soon as practicable thereafter, provided that the Note Trustee shall not exercise any powers conferred upon it by this [Condition 10](#) in contravention of any express direction by a Special Resolution or a request in writing made by the Noteholders of not less than 30% in aggregate Principal Amount of the affected Notes then outstanding (provided that no such direction or request shall affect any authorisation, waiver or determination previously given or made).

### 10.3. Substitutions

10.3.1 The Note Trustee may, without the consent of the Noteholders, agree on such terms as it may specify to the substitution of the Issuer's successor in business where the substitution of the Issuer is as a result of a merger, an acquisition, or other form of business combination involving the Issuer.

10.3.2 Subject to obtaining the prior consent of the Noteholders, the Note Trustee may agree on such terms as it may specify to the substitution of the Issuer where the Issuer is substituted with its Affiliate in its place as issuer under the Trust Agreement and the Notes.

## 11. NOTICES

11.1. Notices to Noteholders will be deemed to be validly given if: (i) sent by first-class mail (airmail if overseas) to them (or, in the case of joint holders, to the first-named in the Register) at their respective addresses as re-

corded in the Register; or (ii) published in a newspaper of general circulation in Ghana and approved by the Note Trustee. Each such notice shall be deemed to have been validly given on the tenth (10<sup>th</sup>) Business Day after the date of postage.

11.2. Notices to the Issuer will be deemed to be validly given if delivered to the Issuer at its registered address and clearly marked on their exterior "**Urgent - Attention: Chief Executive Officer**" (or at such other address and for such other attention as may have been notified to the holders in accordance with [Condition 11.1](#)). Such notices will be deemed to have been validly given at the opening of business on the next Business Day on which the Issuer's registered address is open for business.

11.3. Notices to the Note Trustee will be deemed to have been validly given if delivered to the registered office of the Note Trustee.

## 12. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Agreement, create and issue further securities ranking **pari passu** with the Notes in all respects (except for Interest, the first Interest Payment Date and Issue Date) and so that such further issues shall be consolidated and form a single series with the outstanding Notes. Referenced in these Terms and Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this [Condition 12](#). Any such other securities shall be constituted by a deed supplemental to the Trust Agreement.

## 13. ENFORCEMENT

13.1. At any time after the Notes become due and payable, the Note Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Agreement and the Notes, but it need not take any such proceedings unless:

13.1.1 it shall have been so directed by a Special Resolution or so requested in writing by Noteholders holding at least 30% in Principal Amount of the Notes outstanding; and

13.1.2 it shall have been indemnified to its satisfaction.

13.2. No Noteholder may proceed directly against the Issuer unless the Note Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

#### 14. INDEMNIFICATION OF THE NOTE TRUSTEE

14.1. The Trust Agreement contains provisions for the indemnification of the Note Trustee and for its relief from responsibility in certain circumstances. Subject to the fiduciary obligations of the Note Trustee to the Noteholders, the Note Trustee may enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit. The Note Trustee is not responsible for the validity, sufficiency or enforceability of the Trust Agreement or the Notes, nor is the Note Trustee obliged to take any action unless indemnified and/or secured to its satisfaction. The Note Trustee is also entitled to be paid its costs and expenses in priority to the claims of the Noteholders.

14.2. In the exercise of its powers and discretion under these Terms and Conditions and the Trust Agreement (including but not limited to those referred to in this [Condition 14](#)), the Note Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence of such exercise for individual Noteholders of Notes as a result of such Noteholders being connected in any way with a particular territory or otherwise, and the Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders

#### 15. GOVERNING LAW AND JURISDICTION

15.1. The Notes and the Trust Agreement are governed by, and shall be construed in accordance with Ghana law.

15.2. The courts of Ghana shall have exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes or the Trust Agreement.

#### 16. FINANCIAL AND PROPERTY RELATED COVENANTS

16.1. An Applicable Pricing Supplement may contain such Financial and Property Related Covenants as may be determined by the Issuer.

16.2. For the purposes of the Financial Covenants under this Condition 16:

16.2.1 “**Debt Service Coverage Ratio**” means ratio of Net Operating Income from Issuer’s properties to Issuer’s Debt Service;

16.2.2 “**Debt to Capital Ratio**” means the ratio between the Issuer’s Long Term Debt and the Issuer’s Total Capital;

16.2.3 “**Financial Covenants**” means the financial covenants, as reflected in this [Condition 16](#);

16.2.4 “**Issuer’s Debt**” means, on any day, the aggregate of the total amounts (whether in respect of principal, interest or otherwise) outstanding in terms of:

16.2.4.1 Notes under this Programme; and

16.2.4.2 any other amounts outstanding to lenders of the Issuer;

16.2.5 “**Issuer’s Debt Service**” means aggregate interest and principal payments required to service outstanding Issuer’s Debt over a period;

16.2.6 “**Issuer’s Long Term Debt**” means the aggregate of Issuer’s outstanding debt with maturities greater than one year;

16.2.7 “**Issuer’s Equity**” means:

16.2.7.1 the Issuer’s stated capital (inclusive of preference shares, if any);

16.2.7.2 *plus* the Issuer’s retained earnings;

16.2.7.3 *plus* any other distributable and non-distributable reserves belonging to the Issuer; and

16.2.7.4 *minus* the Issuer’s retained losses;

16.2.8 “**Issuer’s Loan to Value Ratio**” means the ratio between the Issuer’s Debt and the appraised values of Issuer’s property holdings;

- 16.2.9 “**Issuer’s Total Capital**” means the sum of Issuer’s Long Term Debt and Issuer’s Equity; and
- 16.2.10 “**Net Operating Income**” means:
- 16.2.10.1 net income;
- 16.2.10.2 *plus* depreciation/amortization; and
- 16.2.10.3 *plus* interest expense.
- 16.2.11 “**Note Loan to Value Ratio**” means the ratio between the nominal value of outstanding Notes issued under this Programme to the current appraised value of underlying property used as security.
- 16.3. The Issuer shall, by no later than twenty five (25) calendar days after the end of each quarter, furnish the Note Trustee with management accounts of the Issuer reflecting the Financial Covenants in respect of the period ending after the prior quarterly period.
- 16.4. The provisions of Condition 16.3 above shall not preclude the Note Trustee from itself determining the Financial Covenants at any time. The Note Trustee shall, in such regard, act as expert and its determination of the Financial Covenants shall, except in the case of manifest error, be final and binding on the Issuer.
- 16.5. For the purposes of the Property Related Covenants under this Condition 16:
- 16.5.1 “**Frequency of Appraisals of Security**” means the specified annual period frequency over which the mortgaged property referred to in the Security Agreement must be appraised by an independent appraisal professional designated by or agreed between Issuer and Note Trustee and which period shall in any case not exceed three (3) years from the date of the most recent appraisal period.
- 16.5.2 “**Adequate Insurance Cover for Security**” means the types of insurance and the insured amount receivable in the event of a claim for any economically insurable event with respect to the mortgaged property. Such cover shall at a minimum include, fire and allied perils with insurable value of no less than 50% of replacement cost of affected items. Such cover shall be kept current at all times that Notes remain outstanding;
- 16.5.3 “**Maintenance of Property**” means any physical and structural works necessary to maintain the mortgaged property in appropriate condition to prevent structural and aesthetic deteriorations that may result in a decline in value/ or realisable revenue from the mortgaged property other than from normal general market factors. Such works shall include frequency of property inspections by qualified professionals to identify any defects and maintenance works and, at a minimum, shall be conducted no less than once in any annual period by designated professional agreed between Issuer and Note Trustee; and
- 16.5.4 “**Property Related Covenants**” means the property-related covenants, as reflected in this Condition 16.

## 17. EVENTS OF DEFAULT

- 17.1. The Note Trustee may (at its discretion) or shall (if so requested in writing by the Noteholders of not less than 30% in Principal Amount of the Notes then outstanding or if so directed by a Special Resolution) (subject in each case to being indemnified and/or secured to its satisfaction), give notice to the Issuer specifying any affected Notes and that such Notes are immediately due and repayable in the Principal Amount together with accrued interest if, in the case of the Notes, any of the following Events of Default occurs:
- 17.1.1 **Non-payment:** the Issuer fails to pay the Principal Amount of any of the Notes when the same becomes due and payable either at the Maturity Date, upon Redemption, by declaration or otherwise, or the Issuer is in default with respect to the payment of Interest or Additional Amounts on any of such Notes and such default in respect of Principal Amount, Interest or Additional Amounts continues for a period of seven (7) Business Days; or
- 17.1.2 **Breach of Other Obligations:** the Issuer is in default in the performance, or is otherwise in breach, of any warranty, covenant, obligation, undertaking or other agreement under the Notes or the Trust Agreement (other than a default

or breach elsewhere specifically dealt with in this [Condition 17.1.2](#)) and such default or breach (if capable of remedy) is not remedied within 30 calendar days (or such longer period as the Note Trustee may in its sole discretion determine) after notice thereof has been given to the Issuer and, if applicable, by the Note Trustee; or

**17.1.3 Cross-default:**

- 17.1.3.1 any Financial Indebtedness of the Issuer in excess of five million Ghanaian Cedis (GHS 5,000,000), (a) becomes due and payable prior to the due date for payment thereof by reason of any default by the Issuer; or (b) is not repaid at maturity as extended by the grace period, if any, applicable thereto; or
- 17.1.3.2 any guarantee given by the Issuer in respect of the Financial Indebtedness of any other person is not honoured when due and called, provided that the aggregate Principal Amount of such Financial Indebtedness referred to in [\(Condition 17.1.3.1\)](#) or [\(Condition 17.1.3.2\)](#) exceeds five million Ghanaian Cedis (GHS 5,000,000); or

**17.1.4 Insolvency:**

- 17.1.4.1 any Person shall have instituted a proceeding or entered a decree or order for the appointment of a receiver, manager, administrator, liquidator or rehabilitation manager in any insolvency, rehabilitation, readjustment of debt, marshalling of assets and liabilities or similar arrangements involving the Issuer or all or substantially all of their respective assets and such proceeding, decree or order shall not have been vacated or shall have remained in force undischarged or unstayed for a period of sixty (60) Business Days; or
- 17.1.4.2 the Issuer shall institute proceedings under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect to be placed into rehabilitation, adjudicated as bankrupt or shall

consent to the filing of a bankruptcy, insolvency or similar proceeding against it or shall file a petition or answer or consent seeking reorganisation under any such law or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver, manager, administrator, liquidator, rehabilitation manager or trustee or assignee in bankruptcy or liquidation of the Issuer or in respect of its property, or shall make an assignment for the benefit of its creditors or shall otherwise be unable or admit its inability to pay its debts generally as they become due or the Issuer commences proceedings with a view to the general adjustment of its Indebtedness, which event in any such case is (in the sole opinion of the Note Trustee), materially prejudicial to the interests of the Noteholders; or

**17.1.5 Substantial Change in Business:** the Issuer makes or threatens to make any substantial change in the principal nature of its business as presently conducted which is (in the sole opinion of the Note Trustee) materially prejudicial to the interests of the Noteholders; or

**17.1.6 Maintenance of Business:** the Issuer fails to take any action as is required of it under the Applicable Laws or otherwise to maintain in effect its corporate existence or fails to take any action to maintain any material rights, privileges, titles to property, franchises and the like necessary or desirable in the normal conduct of its business, activities or operations which is (in the sole opinion of the Note Trustee) materially prejudicial to the interests of the Noteholders and such failure (if capable of remedy) is not remedied within thirty (30) Business Days (or such longer period as the Note Trustee may in its sole discretion determine) after notice thereof has been given to the Issuer; or

**17.1.7 Material Compliance with Applicable Laws:** the Issuer fails to comply in any material respect with any Applicable Laws for any purpose to enable it lawfully to ex-

ercise its rights or perform or comply with its obligations under the Notes or the Trust Agreement or to ensure that those obligations are legally binding and enforceable or that all necessary agreements or other documents are entered into and that all necessary consents and approvals of, and registrations and filings with, any such authority in connection therewith are obtained and maintained in full force and effect; or

**17.1.8 Invalidity or Unenforceability:** the Note Trustee is of the opinion determined in its sole discretion that any of following occurrences in this Condition 17.1.8 is materially prejudicial to the interests of the Noteholders:

- 17.1.8.1 the validity of the Notes or the Trust Agreement is contested by the Issuer;
- 17.1.8.2 it is or becomes unlawful for the Issuer to perform or comply with all or any of its obligations set out in the Notes or the Trust Agreement; or
- 17.1.8.3 the Issuer shall deny all or any of its obligations set out in the Notes or the Trust Agreement (whether by a general suspension of payments or a moratorium on the payment of debt or otherwise); or

**17.1.9 Government Intervention:**

- 17.1.9.1 all or any substantial part of the undertaking, assets and revenues of the Issuer is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government; or
- 17.1.9.2 the Issuer is prevented by any such person from exercising normal control over all or any substantial part of its undertaking, assets, revenues and, following the occurrence of any of the events specified in this Condition 17.1.9, the Note Trustee is of the opinion determined in its sole discretion that such occurrence is materially prejudicial to the interests of the Noteholders.

**17.1.10 Financial and Property Related Covenants:** If any of the Financial and Property Related Covenants in Condition 16 (*Financial and Property Related Covenants*) falls below the required thresholds contemplated therein or in the Applicable Pricing Supplement and the said default is not rectified within sixty (60) days.

**17.1.11 Negative Pledge:** The Issuer fails to remedy a breach of Condition 4.2 and such failure continues for a period of ten (10) Business Days after receipt by the Issuer of written notice from any Noteholder, Note Trustee or Security Trustee requiring same to be remedied.

# 15

## SUBSCRIPTION AND SALE INFORMATION

The Notes will be offered from time to time by the Issuer to the Dealer that is appointed by the Issuer in respect of any Series or Tranche of Notes.

Any agreement for the sale of Notes will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be sold by the Dealer and the commissions or other agreed discounts (if any) payable or allowable by the Issuer in the event of an underwriting of the Notes by the Dealer(s).

### 15.1. APPLICATION PROCEDURE

Application forms (as set out in Appendix II) for the Notes may be obtained from the head offices of the Arrangers or the Issuer. Applications must be submitted directly to the Arrangers or the Issuer at either of their respective head offices marked for the attention of the “Chief Executive Officer”, so as to arrive no later than 17:00 hours GMT on the date specified in the Applicable Pricing Supplement. Successful Applicants will be notified by the Issuer or the Arranger of the amount of Notes allotted to them immediately after the allotment date specified in the Applicable Pricing Supplement.

### 15.2. PAYMENT FOR THE NOTES AND DELIVERY

Payment for the Notes is to be made in full to the Issuer in immediately available funds by the date specified in the Applicable Pricing Supplement. The Notes will be credited electronically on the CSD.

#### Settlement Procedure

Payment of the subscription price for the Notes may be made:

- ⊙ either by banker’s cheque drawn in favour of the Edendale Properties Plc Bond Programme, such cheque to reach the Dealer no later than 15:00 hours (GMT) two (2) Business Days before the closing date against delivery of a deposit slip; or

- ⊙ by bank transfer/ remittance, to be made on the instructions of the successful applicant to his/her bank for the funds to be credited to the Issuer’s Note Programme GHS Account number as detailed below:

- ⊙ Edendale Properties Plc Bond Programme Collection Account, Fidelity Bank, Ridge Branch, Branch sort code 240101, Account No.: 130-003-194-7313, SWIFT: FBLIGHAC

### 15.3. SELLING RESTRICTIONS

#### 15.3.1 Republic of Ghana

The Notes being issued under this Programme Memorandum and the Applicable Pricing Supplement are restricted to distribution only within the Republic of Ghana and not for distribution in any other jurisdiction.

#### 15.3.2 General

The Dealer has represented, warranted and agreed that it has complied and will comply with all Applicable Laws and regulations in relation to any sale or distribution of the Notes and it will not distribute this Programme Memorandum, any Applicable Pricing Supplement or any related offering material outside the Republic of Ghana.

#### 15.3.3 Supplementary or Modified Selling Restrictions

Selling restrictions may be supplemented or modified with the agreement of the Issuer subject to the approval of the SEC. Any such supplement or modification may be set out in the Applicable Pricing Supplement (in the case of a supplement or modification only relevant to a particular Series or Tranche of Notes) or in a supplement to this Programme Memorandum.



## 16

LEGAL OPINION BY  
BENTSI-ENCHILL, LETSA  
AND ANKOMAHE/117  
06-Jul-15

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

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

Dear Sirs,

**EDENDALE PROPERTIES PLC: ESTABLISHMENT OF Ghs 50 MILLION SECURED NOTE PROGRAMME AND LISTING OF NOTES ON THE GHANA ALTERNATIVE EXCHANGE**

**1. Introduction**

We have acted as legal counsel to Edendale Properties Limited, a public limited liability company incorporated under the laws of Ghana (“**Edendale**”), in connection with the establishment of a GHS 50 million secured note programme (the “**Note Programme**”) and the proposed listing of notes issued under the Note Programme (the “**Notes**”) on the Ghana Alternative Exchange (the “**GAX Listing**”).

**2. Documents Examined**

**2.1.** For the purpose of giving this opinion, we have examined draft copies of the following documents (the “**Programme Documents**”):

2.1.1 the Note Programme Memorandum (the “**Programme Memorandum**”);

2.1.2 the trust agreement to be entered into between Fidelity Bank Ghana Limited (the “**Note Trustee**”), CAL Bank Limited (the “**Security Trustee**”) and Edendale (the “**Trust Agreement**”);

2.1.3 the agency agreement to be entered into between Edendale, the Note Trustee and Central Securities Depositories Limited (the “**Agency Agreement**”); and

2.1.4 the mortgage agreement to be entered into between Edendale and the Security Trustee (the “**Mortgage Agreement**”).

**2.2.** Unless otherwise indicated, all expressions defined in the Programme Memorandum have the same meanings when used in this opinion.

2.2.1 In addition, we have examined originals or copies certified to our satisfaction of the following documents:

2.2.2 the certificate of incorporation of Edendale dated 2nd December, 2013;

2.2.3 the certificate to commence business of Edendale dated 2<sup>nd</sup> December, 2013;

2.2.4 the regulations of Edendale adopted by special resolution on 20<sup>th</sup> April, 2015 (the “**Regulations**”);

- 2.2.5 the written resolution of the board of directors of Edendale dated 20<sup>th</sup> April, 2015 approving and authorising, **inter alia**, the establishment of the Note Programme, the issuance of the Notes by public offer and the application for the GAX Listing;
- 2.2.6 the written resolution of the shareholders of Edendale dated 20<sup>th</sup> April, 2015 approving and authorising, **inter alia**, the establishment of the Note Programme, the issuance of the Notes by public offer and the application for the GAX Listing;
- 2.2.7 the written resolution of the board of directors of Edendale dated 30<sup>th</sup> June 2015 approving and authorising, **inter alia**, the terms and conditions of the respective Programme Documents, the charging of Edendale's immovable property under the Mortgage Agreement in favour of the Noteholders, the execution and performance of the Programme Documents and the appointment of any 2 directors of Edendale to sign the Programme Documents; and
- 2.2.8 the written resolution of the shareholders of Edendale dated 30<sup>th</sup> June, 2015 approving and authorising, **inter alia**, the terms and conditions of the respective Programme Documents, the charging of Edendale's immovable property under the Mortgage Agreement in favour of the Noteholders and the execution and performance of the Programme Documents.
- 2.2.9 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 Schedule A (Assumptions) and is subject to the qualifications set out in Schedule B (Qualifications).

## 4. Opinion

Based on the preceding paragraphs, we are of the opinion that:

### 4.1. Incorporation

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

### 4.2. Powers and Authorisations

Edendale:

- 4.2.1 has the power to enter into, and perform its obligations under, the Programme Documents;
- 4.2.2 has taken all necessary action to authorise the entry into, and performance of its obligations under, the Programme Documents; and
- 4.2.3 has taken all necessary action to authorise the signature and delivery of all notices, certificates, communications and other documents to be delivered by it under the Programme Documents.

### 4.3. Regulatory Approvals and Consents

Apart from the approval of the Securities and Exchange Commission for the public offer of the Notes and the approval of the Ghana Stock Exchange for the GAX Listing, no regulatory approvals, consents, licensing or authorisations are required for the establishment of the Note Programme, the issuance of the Notes or the GAX Listing.

#### 4.4. Programme Memorandum and the Notes

- 4.4.1 The Programme Memorandum 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).
- 4.4.2 The Programme Documents and the Notes constitute the legal, valid and binding obligations of Edendale, enforceable in accordance with their terms in Ghana.
- 4.4.3 Edendale's obligations under the Notes constitute direct, general, unconditional and secured obligations of Edendale. The Notes rank and will, at all times, rank equally and rateably *pari passu* among themselves and, at least, equally and rateably *pari passu* in right of payment with all other present and future secured obligations of Edendale, save only for such obligations as may be preferred by virtue of of any provision of the insolvency and similar laws of general application in Ghana.

#### 4.5. Contractual Obligations

To the best of our knowledge and upon due enquiry, there are no contractual agreements, obligations or undertakings preventing Edendale from undertaking the Note Programme.

#### 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 Part V of the Listing Rules of the GSE.
- 4.6.3 The issue of the Notes pursuant to the GAX Listing does not contravene any provision of the Regulations.
- 4.6.4 The Note Programme does not contravene any provision of the Regulations or any applicable laws in Ghana.

#### 4.7. Security Interests

Subject to [paragraph 4.8](#) (*Tax and Stamp Duty*) and [paragraph 4.9](#) (*Registrations and Filings*) of this opinion, the security interest created, under the Mortgage Agreement, over the Property, is a valid and effective first ranking fixed charge security interest over the Property and the realisation of same will not be diminished by any preferential claims.

#### 4.8. Taxes and Stamp Duty

- 4.8.1 The statements in the Programme Memorandum regarding taxation in Ghana are correct in all material respects.
- 4.8.2 Interest payments under the Notes will be subject to withholding tax of 8%, except in relation to Noteholders who are exempt from withholding tax.
- 4.8.3 Each of the Agency Agreement and the Trust Agreement is subject to a nominal stamp duty, at a rate of GHS 0.50, by the Land Valuation Division of the Lands Commission of Ghana (the "LVD") in accordance with the Stamp Duty Act, 2005 (Act 659) (the "Stamp Duty Act") in order to be admissible in evidence, and enforceable, in the courts of Ghana.
- 4.8.4 The Mortgage Agreement is subject to an **ad valorem** stamp duty, at a rate of 0.5% of the Secured Liabilities, by the LVD in accordance with the Stamp Duty Act in order to be admissible in evidence, and enforceable, in the courts of Ghana.

#### 4.9. Registrations and Filings

- 4.9.1 No registration or filing is required at any registry for the Agency Agreement and the Trust Agreement to be valid, binding and enforceable in accordance with their respective terms.
- 4.9.2 The particulars of the Mortgage Agreement are required to be filed with the Collateral Registry within 28 days of its execution in accordance with the Borrowers and Lenders Act, 2008 (Act 773). The Mortgage Agreement will be rendered invalid if its particulars are not duly filed with the Collateral Registry within the stipulated 28 days. However, the Collateral Registry may grant an extension of time for the filing of the particulars of the Mortgage Agreement on justifiable grounds.
- 4.9.3 The particulars of the Mortgage Agreement are required to be filed with the Companies Registry within 28 days of its execution in accordance with the Companies Act, 1963 (Act 179). The Mortgage Agreement will be rendered invalid if its particulars are not duly filed with the Companies Registry within the stipulated 28 days. However, the High Court of Ghana

na may grant an extension of time for the filing of the particulars of the Mortgage Agreement on justifiable grounds.

- 4.9.4 The particulars of the Mortgage Agreement are required to be filed with the the Lands Registry of the Lands Commission of Ghana (the “Lands Registry”) in accordance with the Land Registry Act of Ghana, 1962 (Act 122) and the Land Title Registration Act of Ghana, 1986 (PNDCL 152).
- 4.9.5 There is no timeline for the filing of the particulars of the Mortgage Agreement with the Lands Registry. However, the Mortgage Agreement will have no legal effect unless the filing is effected. It may take up to 6 months to complete the filing of the particulars of the Mortgage Agreement.
- 4.9.6 Upon completion of the filing of the particulars of the Mortgage Agreement, the Mortgage Agreement shall take effect from the date of its execution if it was presented for registration:
- 4.9.6.1 within 15 days of its execution if it was executed at the place where it was registered (in this case, in the Greater Accra Region);
  - 4.9.6.2 within 60 days of its execution if it was executed anywhere else in Ghana;
  - 4.9.6.3 within 3 months of its execution if it was executed outside Ghana.
  - 4.9.7 However, where the filing of the particulars of the Mortgage Agreement is effected later than any of the stipulated timelines under paragraph 4.9.6 above, the Mortgage Agreement shall take effect from the date of the filing.

Yours faithfully,

**Bentsi-Enchill, Letsa & Ankomah**

## Schedule A

### 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. each of the written resolutions of the board of directors of Edendale was duly executed by all the directors of Edendale and all requirements relating to disclosure of interest and due consideration of the commercial interests of Edendale were complied with;
3. each of the written resolutions of the shareholders of Edendale was duly executed by all the shareholders of Edendale after the board of directors of Edendale fully disclosed all material details relating to the transaction; and
4. all disclosures made to us by Edendale and its officers as reflected in the Programme Memorandum 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.

## Schedule B

### Qualifications

This opinion is subject to the following qualifications:

1. the enforcement of the Programme Documents may be limited by any laws relating to insolvency, reorganisation, moratorium or other similar laws affecting creditors' rights generally; and
2. any claims may be or become barred under laws relating to the limitation of actions or may be or become subject to set-off or counterclaim.

# 17 GENERAL INFORMATION

Words used in this section headed “General Information” shall bear the same meanings as when used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

## 17.1. AUTHORISATION

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of the Republic of Ghana have been given for the establishment of the Programme, the issue of Notes and for the Issuer, the Note Trustee and the Arranger to undertake and perform their respective obligations under the Programme.

## 17.2. MATERIAL CONTRACTS

Other than in the ordinary cause of business, the Issuer has not entered into any contract containing provisions under which the Issuer has an obligation or entitlement, which is, or may be, material to the ability of the Issuer to meet its obligation in respect of the Notes.

## 17.3. LITIGATION

The Issuer (whether as defendant or otherwise) is not engaged in any legal, arbitration, administration or other proceedings, the results of which might have or have had (during the twelve (12) months prior to the date of this Programme Memorandum) a significant effect on the financial position or the operations of the Issuer, nor is it aware of any such proceedings being threatened or pending.

## 17.4. CONFLICTS OF INTEREST

At the date of this Programme Memorandum, there are no potential conflicts of interest between any duties, to the Issuer, of the members of its administrative, management or supervising bodies and their private interests or other duties. However,

it cannot generally be ruled out that such persons have such interests at the time of the offer or issue of Notes. Whether this is the case will depend on the facts at the time of the offer or issue. A description of any potential conflicting interest that is of importance to an offer or issue of Notes will be included in the Applicable Pricing Supplement, specifying the persons included and types of interests.

## 17.5. AUDITORS

Messrs. IAKO Consult are currently the auditors of the Company and Asanti, Anarfi and Associates act as the independent accountants to this Programme.

## 17.6. MATERIAL CHANGE

Save as disclosed in this Programme Memorandum, there has been no material adverse change in the prospects, nor any significant change in the financial or trading position of the Issuer since December 31<sup>st</sup> 2014.

## 17.7. LISTING

The Notes will be listed on the GAX.

## 17.8. EXCHANGE CONTROLS

Currently, there are no exchange control restrictions in Ghana preventing foreign residents from freely subscribing to the Notes. Foreign investors can freely subscribe for or purchase Notes. Interest payable on Notes held by foreign investors is freely remittable out of Ghana. The proceeds of Redemption, or the sale of Notes, due to a foreign investor are freely remitted out of Ghana through an authorised dealer bank.

**17.9. DOCUMENTS AVAILABLE FOR INSPECTION**

As long as any Notes are outstanding, the following documents will be available for inspection, on request, at the principal place of business of the Issuer or the offices of the Note Trustee during normal business hours (except on Saturdays, Sundays and public holidays):

1. certified copies of the Regulations and other constitutional documents of the Issuer;
2. certified copies of the board and shareholder resolutions of the Issuer approving the Programme and the issue of the Notes;
3. a copy of this Programme Memorandum;
4. a copy of the Trust Agreement;
5. a copy of the Agency Agreement;
6. a copy of the Security Agreement;
7. copies of the audited annual financial statements of the Issuer for the period ended 31 December 2014;
8. a copy of the legal opinion of Bentsi-Enchill, Letsa & Ankomah as to compliance of the Programme with Ghanaian law requirements;
9. a copy of the opinion of Asanti, Anarfi and Associates as independent accountants to the Programme;
10. prospective financial information for five (5) years ending December 31, 2019;
11. the Global Note Certificate for each Series or Tranche of Notes held by the Note Trustee on behalf of Noteholders;
12. the title and registration documents in respect of the mortgaged property under the Security Agreement; and
13. the valuation report dated 11<sup>th</sup> September, 2013 in respect of the mortgaged property under the Security Agreement.

For and on behalf of the Issuer on [.....] 2015

.....

**Kwesi Amonoo-Neizer**  
Director

.....

**Terence Ronald Darko**  
Director (Chairman)



## APPENDIX

FORM OF PRICING  
SUPPLEMENT

DATE: [—]

**EDENDALE PROPERTIES PLC***Incorporated as a public limited liability company in the Republic of Ghana with registration number PL000252015***Issue of [Aggregate Nominal Amount of Series/Tranche] [Title of Notes] Under the  
GHS 50,000,000 Secured Note Programme**

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes, as set forth in the Programme Memorandum dated 11<sup>th</sup> September, 2015. The Notes will constitute secured obligations of the Issuer and may be redeemed at the option of the Issuer on the terms contained in the Terms and Conditions. This Pricing Supplement contains the final terms and conditions of the Notes and must be read in conjunction with such Programme Memorandum *[as so supplemented]*.

**1. Description of the Notes**

1.1	Issuer	Edendale Properties Plc
1.2	Issue:	
1.2.1	<b>Tranche Number:</b>	
1.2.2	<b>Series Number</b>	
1.3	Principal Amount:	
1.3.1	<b>Tranche:</b>	
1.3.2	<b>Series</b>	
1.4	Issue Date	
1.5	Specified Denomination of Notes	
1.6	Minimum Subscription Amount	
1.7	Subscription Multiples beyond Minimum	
1.8	Issue Price	[*] % of Aggregate Principal Amount (plus accrued interest from (insert date) if applicable)
1.9	<b>Status of the Notes</b>	
1.10	Final Redemption Amount	
1.11	Closing Date for Subscription	
1.12	<b>Date for Notification of Allotment</b>	

2. Provisions Related to Interest Payable		
2.1	Fixed Rate Note Provisions	(Delete if not applicable)
2.1.1	Fixed Rate of Interest	% Rate applicable
2.1.2	Broken Amount	(Provide details of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount)
2.1.3	Day Count Fraction	(Applicable/Not Applicable)
2.1.4	Fixed Coupon Amount	
2.1.5	Interest Commencement Date	
2.1.6	Interest Determination Dates	
2.1.7	Interest Payment Dates	(* ) each year
2.1.8	Maturity Date	
2.1.9	Other terms relating to the method of calculating interest for the Fixed Rate Notes	(Not Applicable/provide details)
2.2	Floating Rate Notes	(Delete if not applicable)
2.2.1	Interest Commencement Date	
2.2.2	Interest Rate	Reference rate Plus the Margin to be applied at the beginning of each interest payment period
2.2.3	Interest Periods	
2.2.4	Interest Payment Dates	
2.2.5	Interest Determination Date	
2.2.6	Reference Rate	
2.2.7	Method for determining Reference Rate	(Provide Details)
2.2.8	Business Day Convention	(Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (Provide Details))
2.2.9	Maximum Rate of Interest	
2.2.10	Minimum Rate of Interest	
2.2.11	Margin	(* per cent or basis points)
2.2.12	Step up Margin	
2.2.13	Party Responsible for calculating the rate of Interest and Interest Amounts	
2.2.14	Day Count Fraction	
2.2.15	Fall-back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions.	
2.2.16	Maturity Date	

<b>3. Provisions Regarding Redemption</b>	
3.1 Redemption/Payment Basis	(Redemption at Par or other (specify))
3.2 Issuer's Early Redemption	(Applicable/Not-Applicable)
3.3 Issuer's Optional Redemption	(Applicable/Not-Applicable)
3.4 Other terms applicable on Redemption	(specify)
<b>4. Distribution</b>	
4.1 Provisions regarding distribution	
4.2 Method of distribution	(Syndicated/Non-Syndicated)
<b>5. Financial and Property Related Covenants Provisions</b>	
<b>5.1 Property Related Covenants</b>	As specified in Condition 16.5 of the Terms and Conditions in the Programme Memorandum
<b>6. General Provisions</b>	
<b>6.1 Form of Notes</b>	With the exception of a Global Note Certificate issued in respect of this Series or Tranche of Notes issued under this Applicable Pricing Supplement, all Notes will be in dematerialised form and electronically registered on the Central Securities Depository.
<b>6.2 Additional selling restrictions</b>	(provide details if any)
<b>6.3 Settlement Procedures and Instructions</b>	
<b>6.4 Bank Account to which payments are to be made</b>	
<b>6.5 Listing</b>	Ghana Alternative Exchange (GAX) of the Ghana Stock Exchange
<b>6.6 Tax</b>	Interest earned on Notes is subject to 8% withholding tax unless exempted by law (attach copy of certificate of exemption where applicable).
<b>6.7 Governing Law</b>	Ghanaian Law
<b>7. Additional Information</b>	
<b>7.1 Date of receipt of approvals for issuance by Board of Directors and Shareholders</b>	(NB: only relevant where Board (or similar authorisation is required for the particular series or tranche of notes)
<b>7.2 New/Additional Agents</b>	(Specify Agents and specified offices of Agents, if new or other Agents appointed).
<b>7.3 Security</b>	(Provide details)

<b>IMPORTANT DATES AND TIMES FOR OFFER</b>	
<b>Offer Opening Date and Time:</b>	
<b>Offer Closing Date and Time</b>	Completed Applications forms must be received by Dealers at their Specified Offices before .....
<b>Allotment date</b>	All applicants will be notified of their allotment by fax/email/telephone no later than.....
<b>Payment date</b>	Payment for good value by Successful Applicants must be received by .....
<b>Issue Date</b>	The Notes will be issued by the Issuer by .....
<b>Delivery Date</b>	Notes will be credited to CSD accounts of successful paid up (receipt of cleared funds in Issuers designated collection account) applicants within 2 days of Issue date
<b>Listing on the GAX</b>	Issued Notes will be listed for trading within 2 business days of Issue date

### **MATERIAL ADVERSE CHANGE STATEMENT**

Except as disclosed in this document, There has been no significant change in the financial or trading position of the Issuer since *[insert date of last audited accounts or interim accounts (if later)]* and no material adverse change in the financial position or prospects of the Issuer since *[insert date of last published annual accounts.]* [If any change is disclosed in the Pricing Supplement, consideration should be given as to whether or not such disclosure should be made by means of a supplemental Programme Memorandum rather than in a Pricing Supplement.]

### **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. [Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing persons involved and the nature of the interest.]

### **RESPONSIBILITY**

The Issuer and its board of directors accept responsibility for the information contained in this Applicable Pricing Supplement which, when read together with the Programme Memorandum *[and the supplemental Programme Memorandum]* referred to above, contains all information that is material in the context of the issue of the Notes.

EDENDALE PROPERTIES PLC

By:

*Duly authorised signatory*

By:

*Duly authorised signatory*

# APPENDIX II APPLICATION FORM

Applicants must complete all applicable sections of the application form. Please read the section labelled ‘Notes for Completing Application Form’ below for guidance. Application will close at 1700 GMT on [ ].

<b>APPLICATION FORM</b>							
EDENDALE PROPERTIES PLC							
GHS 50,000,000 SECURED NOTE PROGRAMME SERIES/TRANCHE #							
<b>Client CSD Code:</b> .....							
<b>Broker Name/Code:</b> .....							
SECTION A: APPLICANT INFORMATION							
Individual Applicant							
	Mr.	Miss	Mrs.		Other		
<b>First Name</b>				<b>Last name</b>			
<b>Last Name</b>				<b>Previous Names</b>			
<b>ID Type</b>				<b>ID Number</b>			
<b>Email:</b>							
<b>Phone Number:</b> <small>(include country code where necessary)</small>							
<b>Address:</b>							
Joint Applicant Information							
	Mr.	Miss	Mrs.		Other		
<b>First Name</b>				<b>Last Name</b>			
<b>Last Name</b>				<b>Previous Names</b>			
<b>ID Type</b>				<b>ID Number</b>			
<b>Email:</b>							
<b>Phone Number:</b> <small>(include country code where necessary)</small>							
<b>Address:</b>							

Corporate/Institutional Applicant			
<b>Name of Company/ Institution:</b>			
<b>Registration Number:</b>			
<b>Name of Primary Contact:</b>			
<b>Email of Primary Contact:</b>			
<b>Registered Address</b>			
<b>Tax Status of Corporate Applicant:</b>			
<b>Country of Incorporation</b>			
<b>SECTION B: SUBSCRIPTION INFORMATION</b>			
<i>[To be amended to reflect the terms of Each Tranche or Series of Notes as set in the Applicable Pricing Supplement]</i>			
<b>Application Amount</b>	<b>A Nominal Value GH¢</b>	<b>B Issue Price (%) (B)</b>	<b>C Consideration (AxB)</b>
<b>SECTION C: INTEREST AND PRINCIPAL PAYMENT INFORMATION</b>			
<b>Payment Method:</b>	<input type="checkbox"/> Post	<input type="checkbox"/> Bank Account	
<b>Bank Details for Payment Via Bank</b>			
<b>Account Name:</b>			
<b>Bank Name:</b>		<b>Branch:</b>	
<b>Account Number:</b>			
<b>Sort Code:</b>		<b>Swift Code:</b>	
<b>Postal Address for Cheque Payment Via Post</b>			
<b>Postal Address:</b>			
<b>Town/City:</b>		<b>Country:</b>	
<b>Email:</b>			
<b>Telephone:</b>			
<b>DECLARATION</b>			
<p><b>To the Board of Directors of Edendale Properties Plc,</b></p> <p>I/We, the undersigned, warrant that I/we have full legal capacity to contract on behalf of the applicant stated in Section A above ("the Applicant"), and on behalf of the Applicant irrevocably and unconditionally apply for and agree to take up the nominal value of the Notes stated in Column "A" in Section B above at the price stated in Column B in Section B above, or any lesser nominal value of the Notes that may be allotted to the applicant in terms of the Trust Agreement dated 10<sup>th</sup> September, 2015. Where a lesser nominal value of the Notes is allotted to the Applicant, I agree that the relevant amount payable by the Applicant in terms of Column "C" in Section B above will be reduced pro rata to the lesser nominal value so allotted. I/We acknowledge that the Applicant will be unconditionally liable for payment in respect of the Notes allotted and that such payment will be made in full accordance with the payment procedures set out under Section 16 of the Programme Memorandum ("<i>Subscriptions and Sale</i>") by 1700 hours on [     ]</p>			

<b>Name</b>		<b>Name</b>	
<b>Designation</b>		<b>Designation</b>	
<b>Signature</b>		<b>Signature</b>	
<b>Date (DD/MM/YY)</b>		<b>Date (DD/MM/YY)</b>	
<b>Company Stamp</b>			

## SECTION D: NOTES AND INSTRUCTIONS

### 1. Completing Application Form

All applicants must have CSD accounts prior to applying for the Notes and must maintain such CSD accounts for the entire duration of Note Programme to facilitate the crediting of purchased Notes. Applicants without CSD accounts should contact their broker assist them to open their accounts.

- i. All alterations to this application form must be authenticated by full signature of applicant(s).
- ii. All applications must be made without any conditions stated by the applicant(s).
- iii. Under no circumstance whatsoever may the name of the applicant(s) be changed and if this is done then the application form will be invalid.
- iv. Applications are made subject to the provisions of the Programme Memorandum to which this form is an integral part.
- v. Photocopies or other copies of an application form shall not be accepted.
- vi. Applications are irrevocable and may not be withdrawn or amended without the written consent of the Issuer.

### 2. Acceptance of Applications

By signing an application form the Applicant undertakes to pay the Issuer on the Issue Date in same day funds the purchase price for the Notes allotted in accordance with the provisions of the Applicable Pricing Supplement.

### 3. Allotment Procedure

The Issuer reserves the right to accept or reject any application in whole or in part. The Issuer will notify successful applicants or the relevant Placing Agent of amounts allotted to them by no later than 17:00 (GMT) on *[Allotment Date]*.

### 4. Settlement Procedure

Payment of the subscription price for the Notes may be made:

- either by banker's cheque drawn in favour of the Edendale Properties Plc Bond Programme, such cheque to reach the Dealer no later than 15:00 hours (GMT) two (2) Business Days before the closing date against delivery of a deposit slip; or
- by bank transfer/ remittance, to be made on the instructions of the successful applicant to his/her bank for the funds to be credited to the Issuer's Note Programme GHS Account number as detailed below:
- Edendale Properties Plc Bond Programme Collection Account, Fidelity Bank, Ridge Branch, Branch sort code 240101, Account 130-003-194-7313, SWIFT: FBLIGHAC

### 5. Delivery of Notes

The Notes will be credited electronically onto the CSD accounts of each successful applicant within two (2) business days of the Issue Date.

## APPENDIX

FORM OF GLOBAL  
NOTE CERTIFICATE

EDENDALE PROPERTIES PLC

*Incorporated as a public limited liability company in the Republic of Ghana with registration number PL000252015*

CERTIFICATE NUMBER

SERIES NUMBER

TRANCHE NUMBER

**GHS 50,000,000 SECURED NOTE PROGRAMME****Issue of Senior (Floating/Fixed Rate) Notes Due.....**

This Note Certificate certifies that

**[Note Trustee Name and address]**

holds this certificate on behalf of Noteholders specified in the Register dated {xxx} (the "Noteholder") are, as at the date hereof, registered as the holder of [principal amount] of [Senior] [Floating/Fixed]Rate Notes referred to above (the "Notes") of Edendale Properties Plc (the "Issuer"). The Notes are subject to the terms and conditions (the "Terms and Conditions") in the Programme Memorandum dated 11<sup>th</sup> September, 2015. Expressions defined in the Terms and Conditions have the same meanings in this Note Certificate.

The Issuer, for value received, promises in accordance with the Terms and Conditions to pay to the Noteholders as the Registered holder hereof on the Redemption Date (or such earlier date as the amount payable upon prepayment in accordance with the Terms and Conditions), the Principal Amount of: [amount in figures] (amount in words)

(or so much thereof as may then be outstanding) and to pay interest on such Principal Amount from the Issue Date in arrears at the rates, in the amounts and on the dates for payment provided for in the Terms and Conditions and the Applicable Pricing Supplement together with such other sums and additional amounts (if any) as may be payable under the Terms and Conditions and the Applicable Pricing Supplement.

For the purposes of this Note Certificate, (a) the holder of the Note(s) represented by this Note Certificate is bound by the provisions of the Programme Memorandum, the Trust Agreement, the Agency Agreement, the Security Agreement and the Applicable Pricing Supplement, (b) the Issuer certifies that the Noteholder is, at the date hereof, entered in the Register as the holder of the Note(s) represented by this



Note Certificate, (c) this Note Certificate is evidence of entitlement only, (d) title to the Note(s) represented by this Note Certificate passes only on due registration on the Register, and (e) only the duly registered holder of the Note(s) represented by this Note Certificate is entitled to payments in respect of the Note(s) represented by this Note Certificate.

This Note Certificate shall not become valid for any purpose until authenticated by or on behalf of the CSD.

This Note shall be governed by, and constructed in accordance with, the laws of Ghana.

IN WITNESS whereof the Issuer has caused this Note Certificate to be executed on its behalf.

EDENDALE PROPERTIES PLC

By:  
Duly authorised signatory

By:  
Duly authorised signatory

## **CERTIFICATE OF AUTHENTICATION**

This Note is duly authenticated by or on behalf of Central Securities Depository (Ghana) Limited as Registrar (without recourse, warranty or liability)

By  
Duly authorised signatory

By:  
Duly authorised signatory

# APPENDIX IV

## SUMMARY PROFILE OF DEVELOPMENTS



### 6 TOWN HOMES

**Brief:** 6 luxurious high end town homes situated in Cantonments near the American Embassy, Accra.

**Amenities:** 24-hour security, gym and swimming pool

**Completion Date:** 2003

**Est. Value:** USD 9.4million

**Rental Income:** USD432, 000 per year

**Location:** Cantonments, Accra

**Target Market:** High End

**Available Documentation:** Tenancy Agreements & Title Certificate and Deed of Assignment



### 40 APARTMENTS

**Brief:** 40 apartments located at Legonman Lajoya, Accra

**Amenities:** 24-hour security & Recreational Area

**Completion Date:** September 2013

**Est. Value:** USD3.2 million

**Rental Income:** USD 168,000 per month

**Location:** Legonaman Lajoya, Accra

**Target Market:** Middle Income

**Available Documentation:** Contract of Sale



## 2 TOWN HOMES

**Brief:** 2 luxurious town homes situated in Cantonments, near Ghana International School, Accra.

**Amenities:** 24-hour security, gym, swimming pool

**Completion Date:** January 2014

**Est. Value:** USD 2.6 million

**Rental Income:** USD 144, 000 per year

**Location:** Cantonments, Accra

**Target Market:** High End

**Available Documentation:** Deed of Assignment



## 8 TOWN HOMES

**Brief:** 8 town homes situated in East Legon

**Amenities:** 24-hour security, gym, swimming pool

**Completion Date:** September 2015

**Est. Value:** USD 4 million

**Est. Rental Income:** USD 348,000 per year

**Location:** East Legon, Accra

**Target Market:** High End

**Available Documentation:** Contract of Sale



## 4 TOWN HOMES

**Brief:** 4 luxurious town homes situated in Airport Residential Area

**Amenities:** 24-hour security, gym, swimming pool

**Completion Date:** 2004

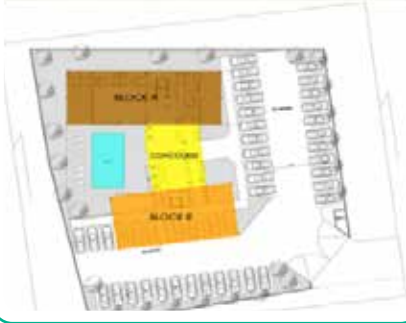
**Est. Value:** USD6.8 million

**Est. Rental Income:** USD264, 000 per year

**Location:** Airport Residential Area

**Target Market:** High End

**Available Documentation:** Deed of Assignment



## DEVELOPMENT PROJECT

**Brief:** ongoing development of 0.55 acre of land under a joint venture into 31 apartments.

**Expected Amenities:** 24 hour security, gym and swimming pool

**Est. Completion Date:** September 2016

**Est. Value of land:** USD1 million

**Location:** Ringway Estates, Accra

**Target Market:** High End

**Available Documentation:** Deed of Assignment



## 2 EXECUTIVE HOUSES

**Brief:** 2 Executive Houses on 0.64 acres of land

**Acquisition Date:** November 2014

**Est. Value of land:** USD 6 million

**Rental Income:** USD 144,000 per year

**Location:** Airport, Accra

**Target Market:** High End

**Intended Future Use:** Commercial facility with approximately 5500 sqm of rental space

**Available Documentation:** Deed of Assignment







