

SECTION 1: PROSPECTUS SUMMARY

This section of the prospectus summarises the salient features of the offer which are qualified in its entirety by reference to the detailed information and financial statements contained elsewhere in this prospectus as well as the disclosures of material information provided in other documents available as part of this share offer.

Basis and Purpose of the Offer:

The basis and purpose of the Offer among other things are:

- To fulfill Clydestone's stated aim of being listed on the Ghana Stock Exchange and to encourage the public to become part owners of a company with significant growth prospects.
- As a vehicle to raise additional working capital not only to expand the Company's operations in Ghana but also for investment in selected African countries.

The Company:

Clydestone Ghana Ltd. (CLYD) was established in June 1989 as a private company limited by shares. CLYD is one of Ghana's premier IT solution companies and has deployed cutting edge solutions in Ghana in the areas of Financial Document Processing and Corporate Networking since its incorporation. The company is wholly owned by its founder and Managing Director, Paul Jacquaye. The Company was converted into a public limited liability company on August 26, 2003.

In 1994, Clydestone became the Authorised Distributor for the Unisys Corporation (USA) in Ghana and also an Authorised Cisco Systems (USA) reseller in 1998. In response to market opportunities a subsidiary company, **Remittance Processing Ghana Ltd. (RPGL)** was registered and incorporated on March 23, 1999.

RPGL was established in 1999 as the pioneer provider of remittance processing services in Ghana using automated image-based remittance processing equipment and software. RPGL in partnership with the Ghana Postal Services Company Ltd. (GPSC) offers an efficient and secure bill payment processing and collection services under the brand name Rapid Payment Alliance '(RPA) PAYPOINT'. The RPA provides 232 payment points out of the 330 post offices countrywide. Currently, the company collects and processes payments for the Electricity Company Ltd of Ghana (ECG), Ghana Water Company Ltd (GWC), and Multichoice Ltd. providers of the DSTV service in Ghana. The Company is pursuing aggressive marketing strategies to increase its clientele base.

Authorised Business:

The nature of business which CLYD is authorised to carry on include:

- Image Based Document Processing Payment Solutions
- System Integration
- Outsourcing
- Network Design, Installation and Technical Support
- Computer and Communication Technology
- Project Management, Training & Consultancy

RPGL's authorised businesses are as follows:

- Electronic Processing of Documents
- Computer Services
- Information Technology Consultancy

The ICT Industry and Market in Ghana:

The aspect of the ICT market that Clydestone's operations occur may be divided into two main categories - the Financial Document Processing (FDP) category and the Local and Campus Area Networks (LCAN) category. Competitive comparison between these two major areas of business activity shows marked differences.

Financial Document Processing is a very specialised market, with three companies Unisys, NCR and IBM (with a combined market share of 84%) dominating the world market. In Ghana the local representatives of IBM have not pursued opportunities in this field because IBM specialises in large sites. The local market is therefore dominated by Unisys (represented by Clydestone) and NCR through its local office.

The Networking market in Ghana is much more congested with a multitude of companies, ranging from sole proprietorship to the biggest IT suppliers in Ghana, purporting to offer network products. The market is highly segmented – the majority of opportunities are for low specification installations catering for tens of users at most, while there are relatively fewer opportunities for large, high quality installations at the corporate end of the market.

Currently RPGL is the only specialised remittance processing company in the Ghanaian market, the company therefore do not have any direct competitors. Remittance processing in Ghana was practically born when RPGL commenced operations. Prior to this a few financial institutions offered bill payment collection services to the Utilities companies. These companies however, have fallen short of providing full remittance processing service in two major respects. In the first place, location points were extremely limited. Secondly, and more importantly, no company had deployed enabling technology to give the utility companies the capacity to process the high volumes of payments required.

RPGL's ability to provide the utility companies with bill collection and processing services by deploying enabling technology has helped ease utility companies' data entry problems and

reduced the “balance carried forward” scenario where customer accounts were not updated promptly before the next billing cycle.

The Share Offer:

This is an unrestricted open cash share offer comprising 10,600,000 shares representing 31.18% of total post-offer shareholding of the Company is being sold by CLYD.

The offer is being made to individuals and institutions resident in Ghana and to residents, individuals and institutions in a limited number of foreign jurisdictions whose laws allow them to invest under the terms of the offer.

Key Details of the Offer:

- Existing Shares Outstanding.....26,000,000
- Additional Shares to be Issued.....8,000,000
- Total Expected Shares.....34,000,000
- Number of Ordinary Shares Offered10,600,000
- Number of Authorised Ordinary Shares100,000,000
- Offer Price per Share.....¢500
- Current Market Capitalisation¢13,000,000,000
- Value of Additional Shares to be Issued.....¢4,000,000,000
- Value of Off-loading by Sole Shareholder.....¢1,300,000,000
- Total Value of Ordinary Shares Offered.....¢5,300,000,000
- Expected Total Market Capitalization.....¢17,000,000,000

Listing of CLYD Shares:

Application was made to the Ghana Stock Exchange (GSE), and the stock exchange approved in accordance with section 280 of the Companies Code, 1963 (Act 179) as amended by Section 145 (2) of the Securities Industry Law 1993, (PNDCL 333) and Securities Industry (Amendment) Act, 2000, (Act 590), for listing the shares hereby offered and the other issued shares of the Company on the GSE. The GSE has given approval for the listing of the said shares.

Symbol: CLYD

Underwriting of Shares:

NTHC Limited, Flotation Managers, shall underwrite up to 5% of the shares being offered under the offer. NTHC has no affiliation with CLYD.

Units of Sales :

Minimum of 200 shares and thereafter in multiples of 100. The minimum Cedi amount will therefore be ¢100,000 and there after in multiples of ¢50,000.

Minimum Subscription:

The offer is seeking to raise a total of ₵5.3 billion and has set itself a minimum subscription of ₵2.65 billion. In the event that this amount is not obtained, all application monies received will be refunded without interest to the applicants and the offer accordingly cancelled.

Payment Terms:

Payment in full on application except for group installment payment plans approved by the vendor.

Cheques, Postal and Money Orders, which will be presented for payment, should be made payable to the Receiving Agents at whose office the Application Form is to be lodged and should be crossed **CLYD SHARE OFFER** and endorsed **COMMISSION TO DRAWERS ACCOUNT**.

Non-resident share offer Applicants should refer to Section 8 herein.

Completing the Application Form:

Applications must be made on the accompanying Application Form or clear copies thereof and must be for a minimum of 200 shares and thereafter in multiples of 100.

The completed Application Form together with the amount payable on application must be lodged during normal business hours while the Offer is open, at any of the offices of the Receiving Agents indicated on page viii.

No Application will be accepted for consideration by the Directors, or treated as binding until after the closing of the Offer on *Friday, April 16, 2004 at 5.00 pm*.

Return of Excess Application Money:

If any application is not accepted, or is accepted for smaller number of shares than applied for, the amount paid, or balance of the amount paid on application will be returned by crossed cheque in the currency of payment, and dispatched by registered mail three weeks after the Offer closes, in which event no bank commission, or transfer charges will be payable by the applicant on the amount returned.

The Company and its authorised dealers and brokers reserve the right to withhold share certificates and remittances for surplus application monies pending clearance of cheques.

Arrangements have been made for the registration by the Company of all the shares now being offered for subscription, in the name of persons entitled thereto, as well as those of the same class already in issue, in the names of persons entitled thereto.

Brokerage Fees:

Brokerage fees will be paid by Clydestone Ghana Limited with the support of the African Projects Development Facility (APDF). Total expenses for the flotation are not expected to exceed 10% of the proceeds.

Statutory and General Information:

Clydestone Ghana Ltd. (CLYD) was incorporated as a private company limited by shares on June 16, 1989. In 1994, CLYD became the Authorised Distributor for the Unisys Corporation in Ghana and also an Authorised Cisco reseller in 1998. In response to market opportunities a subsidiary company by name **Remittance Processing Ghana Ltd.** was registered and incorporated on March 23, 1999.

By a shareholders resolution passed on August 26, 2003 the Company adopted new Regulations and was constituted into a Public Limited Liability Company.

As a public limited liability company, one-third of the directors must retire annually, but *retiring directors are eligible for re-election*. Subsequent to the share offer, the number of current directors may be *expanded* to make room for representatives of new shareholders after the offer.

Where to Obtain Copies of the Prospectus:

The Application lists for the shares being offered will open at 9.00am GMT on Friday, March 19, 2004 and close at 5.00pm on Friday, April 16, 2004.

Copies of the Mini Prospectus together with Application Forms are being provided as a pullout supplement on selected dates in *Ghana's leading newspaper, Daily Graphic*, and may also be obtained from the offices of all receiving agents including brokers and banks.

Terms of the Offer:

The Shares hereby offered are subject to the terms of this Share Offer, the Application Form, and the Regulations of the Company. The said shares shall be ordinary shares and will rank equally in all respects with all other issued ordinary shares of the Company including voting rights and all other rights attached thereto.

Purchase of shares offered herein and subsequent transfers thereof shall only be made subject to applicable laws.

Managers of the Offer: NTHC Limited.

Sponsoring Broker: NTHC Securities Limited

Experiences, Technical Capabilities & Prospects:

Since inception, Clydestone has dominated the Ghanaian financial document processing market. The company has been involved in various installations including the National Inter-bank Automated Clearing and Settlement System for Ghana at the Bank of Ghana (BOG). The company has also been involved in World Bank contracts and has undertaken projects in Zambia and Nigeria.

In the LCAN market, Clydestone has undertaken major installations to large corporate clients that are at the forefront of Information and Communications Technology (ICT) use in Ghana. These include Stanchart, Barclays, Unilever, Anglo Gold, GCNET etc. The company was also involved in launching Ghana's first Electronic Voucher Recharge system. Its subsidiary, RPGL, is the first company to deploy Ghana's first image based remittance processing site for some utilities companies in Ghana.

Clydestone intends to leverage its expertise to win more business in other parts of Africa in the following areas:

- Financial Document Processing for Banks in Nigeria and other African Countries
- Approach to Post Offices in the regions for Postal Order Automation
- Remittance Processing Solutions for Utilities through in house automation or Outsourcing

The Company's association with Unisys Corporation and Cisco Systems, both of the USA also affords it the ability to deploy other solutions in other industry segments of the ICT market especially the telecommunication and transportation sectors.

Risk Factors:

Any investment in the securities of a Company entails certain risks. As a consequence, in considering a purchase of the securities being offered, prospective investors should consider the risk of *CLYD*'s inability to control deterioration in the economic conditions both at the global level and at the local level. In addition, the exposure to fluctuations in the value of local currency, the *Cedi* against the major currencies, the *British Sterling*, *Euro*, and the *United States Dollar*, in which the prices of IT Software and Hardware are set on the world market constitutes a major risk to the operations of Clydestone Ghana Limited.

Shares:

The Company has an authorised number of ordinary shares of 100,000,000 of which 26,000,000 have been issued and 10,600,000 shares are being offered for sale through this offer. The ordinary shares of the Company are transferable in multiples of one share in accordance with the Regulations of the Company by transfer on the prescribed form.

Significant Issues:

As a public Company, CLYD's shares are fully transferable. No shares are agreed, or proposed to be issued for any consideration other than cash except for approved group installment payment schemes.

No commissions have been granted, or paid by the Company within the two years immediately preceding the date of this Offer for Subscription, or are payable for acquiring any shares or debentures of the Company. All the expenses of this offer will be paid by CLYD with the support of APDF.

As regards post flotation arrangements on CLYD's governance and management, *public investors' representatives* may be appointed to the Board to assure continued sound leadership toward value creation in the interest of all shareholders. The Board currently includes three (3) independent directors but this may be expanded to reflect the results of the offer.

Working Capital:

The Directors of the Company are of the opinion that the Company's internally generated funds are not sufficient to meet its expansionary programme as well provide adequate working capital. This Public Offer therefore aims not only at raising additional working capital but also for investment in projects in selected African countries.

Dividend Policy:

Based on the forecast results, the Board of Directors of CLYD should be in a position to declare a minimum dividend of 20% of the Company's net earnings. The Board, however, *will ensure that any proposed dividend distribution does not jeopardise the Company's ability to operate effectively.*

The payment of all dividends remains at the discretion of the Board of Directors and will be determined on the basis of the Company's cash flows, earnings, capital requirements, operating and financial conditions, and other relevant factors.

Ordinary Shares:

Ordinary shareholders of the Company are entitled to *one vote for each share held on record* on matters submitted to a vote of shareholders and are entitled to share proportionately in all assets of the Company available to shareholders and for distribution to shareholders upon liquidation, dissolution, or winding up of the Company's affairs.

Treasury Shares

The Company has no shares in treasury.

Allotment and Dispatch of Certificates:

A Share Certificate in respect of the number of shares for which the Application is accepted will be sent by registered mail not later than Friday, April 16, 2004.

The Managers reserve the right to accept or reject any Application in whole or in part for reasons given under Section 8.3 (f) herein. Applications, which are received after the application lists have closed, will not be considered.

If the total number of shares applied for exceeds the number of shares offered, the basis of allotment will be decided by the Board of Directors of the Company in consultation with the Ghana Stock Exchange and the advice of the Managers in such a way as to bring about an appropriate spread of shares.

Summary Financial Information⁵:

The following provides key financial information of the Company

Clydestone (Ghana) Limited and Subsidiary

Profit and Loss Account for the Five Years to 31st December 2003

	*				
	2003	2002	2001	2000	1999
	¢'000	¢'000	¢'000	¢'000	¢'000
Turnover	8,960,001	6,366,262	4,496,090	1,695,686	677,955
Cost of Sales	(3,987,165)	(2,644,186)	(2,649,721)	(547,791)	(174,602)
Selling, general & admin	(3,841,694)	(3,098,250)	(2,308,406)	(1,059,005)	(736,659)
Operating Profit/(Loss)	1,131,142	623,826	(462,037)	88,890	(233,306)
Other Income	-	45,000	949	4,450	649
Profit/(Loss) before tax	1,131,142	668,826	(461,088)	93,340	(232,657)
Taxation	(145,925)	(242,893)	(38,591)	(111,070)	-
National Reconstruction Levy	-	(16,308)	(15,411)	-	-
Profit/(Loss) after tax	985,217	409,625	(515,090)	(17,730)	(232,657)
Minority Interest	(110,507)	17,253	90,776	40,982	5,490
Group Profit/(Loss) transferred To Income Surplus Account	874,710	426,878	(424,314)	23,252	(227,167)

*Management Accounts

⁵ Consolidated accounts were computed by adding the financial statements of CLYD and RPGL and adjusted for minority interest of 16.2% for RPGL.

Clydestone (Ghana) Limited and Subsidiary
Balance Sheet for the Five Years to 31st December 2003

	*				
	2003	2002	2001	2000	1999
	¢'000	¢'000	¢'000	¢'000	¢'000
Fixed Assets					
Tangible Fixed Assets	1,254,635	1,386,626	1,289,339	1,400,400	1,328,969
Development Expenditure	-	-	-	-	15,413
	-----	-----	-----	-----	-----
	1,254,635	1,386,626	1,289,339	1,400,400	1,344,382
	=====	=====	=====	=====	=====
Pre-operational Expenses	379,068	568,601	758,135	947,669	947,669
	-----	-----	-----	-----	-----
Current Assets					
Investments	-	10,000	-	-	-
Stocks	230,837	174,847	124,520	127,643	109,408
Debtors	1,943,116	1,321,887	660,379	255,265	165,220
Taxation	267,680	56,145	82,067	-	5,906
Current Account	336,891	29,045	-	9,683	-
Cash and Bank	223,545	171,723	156,744	4,325	7,248
	-----	-----	-----	-----	-----
	3,002,069	1,763,647	1,023,710	396,916	287,782
	-----	-----	-----	-----	-----
Current Liabilities					
Creditors	1,960,051	1,652,226	1,811,391	841,065	618,509
Dividend payable	-	290,150	-	-	-
Tax payable	-	-	-	43,699	-
Due to Directors	107,739	1,222,233	975,003	1,055,603	1,143,716
Bank O/D	-	150,000	-	4,740	-
	-----	-----	-----	-----	-----
	2,067,790	3,314,609	2,786,394	1,945,107	1,762,225
	-----	-----	-----	-----	-----
Net Current Assets/(Liabilities)	934,279	(1,550,962)	(1,762,684)	(1,548,191)	(1,474,443)
	-----	-----	-----	-----	-----
Long-term Liabilities					
Loan from Shareholders	81,000	81,000	81,000	81,000	81,000
Bank Loan	180,000	-	-	-	-
	-----	-----	-----	-----	-----
	261,000	81,000	81,000	81,000	81,000
	-----	-----	-----	-----	-----
Net Assets	2,306,982	323,265	203,790	718,878	736,608
	=====	=====	=====	=====	=====
Represented by:					
Stated Capital	1,548,500	550,000	550,000	550,000	550,000
Income Surplus/(Deficit)	457,418	(417,292)	(554,020)	(129,706)	(152,958)
Minority Interest	301,064	190,557	207,810	298,584	339,566
	-----	-----	-----	-----	-----
	2,306,982	323,265	203,790	718,878	736,608
	=====	=====	=====	=====	=====

Clydestone (Ghana) Limited and Subsidiary

Cash flow Statements for the Five Years to 31st December 2003

	*				
	2003	2002	2001	2000	1999
	¢'000	¢'000	¢'000	¢'000	¢'000
Operating Profit (<i>before Returns on investments and servicing of finance</i>)	1,131,142	623,826	(462,037)	88,890	(233,306)
Prior Year Adjustment	-	-	-	-	83,043
(Profit)/Loss on disposal of assets	-	(45,000)	-	(4,450)	-
Depreciations charges	557,279	499,077	392,036	68,585	60,151
Amortization of Development expenses	189,534	189,534	189,534	15,413	15,413
(Increase)/decrease in stocks	(55,990)	(50,327)	3,123	(18,235)	25,007
(Increase)/decrease in debtors	(621,229)	(661,508)	(405,114)	(90,045)	198,934
Increase/(decrease) in creditors	307,825	(159,165)	970,326	222,556	76,243
Increase/ (Decrease) in Current Acc't	(307,846)	(29,045)	9,683	(9,683)	-
Increase/ (Decrease) Due to Directors	(1,114,494)	247,230	(80,600)	(88,113)	1,179,923
	-----	-----	-----	-----	-----
Net cash flow from operating Activities	86,221	614,622	616,951	184,918	1,405,408
Return on Investments and Servicing of Finance					
Dividends paid	(290,150)	-	-	-	-
Interest received	-	-	949	-	649
	-----	-----	-----	-----	-----
	(203,929)	614,622	617,900	184,918	1,406,057
Taxation					
Tax paid	(357,463)	(188,279)	(173,645)	(57,016)	(19,770)
Investing Activities					
Fixed assets purchased	(425,286)	(596,364)	(287,096)	(141,565)	(1,611)
Pre-operational expenses	-	-	-	-	(947,669)
Investment in Subsidiary	10,000	(10,000)	-	-	(518,007)
Proceeds from sale of Fixed Assets	-	45,000	-	6,000	-
	-----	-----	-----	-----	-----
	(976,678)	(135,021)	157,159	(7,663)	(81,000)
Financing					
Stated Capital	998,500	-	-	-	-
Shareholders' Loan	-	-	-	81,000	-
Bank Loan	180,000	-	-	-	-
	-----	-----	-----	-----	-----
Increase/(decrease) in cash and cash equivalents	201,822	(135,021)	157,159	(7,663)	-
	=====	=====	=====	=====	=====

* Management Accounts

Documents For Inspection:

Copies of the following documents in respect of the business and affairs of *Clydestone Ghana Limited* and the share offer are available for inspection at the registered offices of *Clydestone Ghana Limited* and *NTHC Limited*, during normal business hours of any working day from Friday, March 19, 2004 to Friday, April 16, 2004:

- The Approved Regulations of *Clydestone Ghana Limited*.
- *Clydestone Ghana Limited* audited accounts for the five years ended December 31, 2002 and an unaudited accounts for the year ended December 31, 2003.
- *Clydestone Ghana Limited* Certificate of Incorporation.
- *Clydestone Ghana Limited* Certificate to Commence Business.
- Undertaking by *Clydestone Ghana Limited* in support of its Application for Admission to the Exchange's Official List.
- *Clydestone Ghana Limited* Tax Clearance Certificate.
- *Clydestone Ghana Limited* Social Security & National Insurance Trust Clearance Certificate.
- *Clydestone Ghana Limited* Fixed Assets Valuation Report.
- A copy of the *Clydestone Ghana Limited* Share Offer Prospectus.

To the best knowledge of the Managers of the offer, this prospectus constitutes a full and true disclosure of all material facts about *Clydestone Ghana Limited* and the share offer, and the Advisors and Managers will not be held responsible for any inaccuracies in all information obtained from the Company.

SECTION 2: DESCRIPTION OF THE OFFER

2.1 The Share Offer

This CLYD share offer for public subscription is an open cash offer. The offer will be made to all interested investors, institutions and individuals, resident in Ghana and, residents, institutions and individuals in a limited number of other countries whose laws allow them to invest under the conditions of the offer. The Managers of the share offer expect to underwrite up to 5% of the total amount.

Clydestone Ghana Limited expects to raise an amount of ₵5.3 billion from the proceeds of this offer including cash and deferred payments. ₵4.0 billion of the amount will be used to increase working capital to enable CLYD expand its operations beyond the shores of Ghana. The current shareholders are also divesting ₵1.3 billion of their shareholdings.

2.2 The Application

Each application must be for a minimum of 200 shares, and in multiples of 100 shares thereafter. The latest time for receipt of application forms is Friday, April 16, 2004⁶.

If your application is successful, in whole, or in part, a share certificate in respect of the shares for which your application has been accepted will be sent to you. If there is excess demand under the share offer, you may receive fewer shares than you might have expected to receive on the basis of the maximum amount you had expressed a willingness to invest in the share offer.

If your application is not accepted, or is accepted in part, or if the amount of the application divided by the offered price does not equal a whole number of shares, a refund for the appropriate amount, without interest, will be returned to you three (3) weeks after the offer closes (excluding holidays).

The right is reserved to present for payment all cheques, bankers drafts, and money postal orders on receipt. It is a condition of the offer that all cheques, or other remittances must be honoured on first presentation. No interest will be paid to applicants on any monies held on behalf of applicants, or on behalf of the Company.

2.3 Minimum Aggregate Take-up From All Subscriptions

The offer is seeking to raise a total of ₵5.3 billion and has set itself a minimum subscription of ₵2.65 billion. In the event that this amount is not obtained, all application monies received will be refunded without interest to the applicants and the offer accordingly cancelled.

⁶ The Managers in consultation with CLYD, and the Ghana Stock Exchange, may extend the offer period.

2.4 Over Subscription, Allotment and Issue of Additional Shares

In the case of an over subscribed share offer, the current shareholder will be allowed to divest further up to 10% of his shareholdings. However, the allotment process will ensure that the company's interest is paramount and that the current shareholder's interest will be subordinated in all cases.

2.5 Registration

The Register of the members of the Company will be maintained by NTHC Limited, Martco House, No. D542/4, Okai Mensah Link, Adabraka, P. O. Box KIA 9563, Airport, Accra, Ghana. Shares allotted pursuant to the offer will be registered in the Register along with the shares already issued.

2.6 Dealings

It is expected that dealings in CLYD's shares will commence on an unconditional basis on the Ghana Stock Exchange and can only take place through a licensed dealing member of the Exchange. The shares will be traded on the Ghana Stock Exchange in cedis and dealings are expected to take place in lots of 100 shares among the licensed dealers. Under the law as it currently stands, short selling (i.e. where the seller does not own the relevant shares nor have the unconditional right to sell them at the time of sale) on, or through the Ghana Stock Exchange is a criminal offence.

2.7 Listing

Application has been made to the Ghana Stock Exchange for all of the 26,000,000 ordinary shares outstanding and any additional new shares issued as described herein to be admitted to the Exchange's Official List. The Ghana Stock Exchange has given approval for the listing of the said shares.

2.8 Dividend Withholding Tax

Under current Ghanaian legislation, tax is withheld from dividend payments by the Company at the rate of 10 per cent. No further Ghanaian tax is payable on dividends received.

2.9 Capital Gains

Exemption on capital gains tax on disposal of securities was first granted on November 12, 1990, the date of commencement of operations of the GSE, for a period of five years.

By the Capital Gains (Amendment) Act, 1996, (Act 513) the period of exemption from the payment of capital gains tax on securities listed on the Exchange was extended for another five (5) years commencing 11th November, 1995 and ending 11th November, 2000. Subsequently, the exemption has been extended for a further five (5) years ending November, 2005.

2.10 Gift Tax

Under the Internal Revenue Act 2000, liability to gift tax may arise by gift of shares in the Company if the open market value of the shares at the time of the gift exceeds ₵500,000.00 (*subject to certain exemptions*). The tax is payable by the donee of the gift. The applicable statutory rate varies as follows:

- Not exceeding ₵500,000.00 - Nil
- Exceeding ₵500,000.00 - 10% of excess over ₵500,000.00

2.11 Stamp Duty

The Stamp Duty (Amendment) Act, 1996, (Act 510) has granted foreigners as well as Ghanaians general exemption from all stamp duties in respect of transfers of shares in companies listed on the Ghana Stock Exchange.

2.12 Restrictions on foreign share ownership of listed securities

Non-Resident foreign portfolio shareholders are restricted to a maximum of 10% shareholdings in any one listed security, for a single investor.

Total non-resident foreign shareholding cannot exceed seventy-four (74) percent for any one listed security. Ghanaians resident abroad and foreigners resident in Ghana are not subject to these restrictions. There is no restriction on the repatriation of capital, dividends, and interest payments on any listed securities.

Exchange control is currently governed by the Exchange Control Act (ECA), which imposes restrictive measures on the dealings in, and transfers of foreign currency. The effect of the law is however subject to amendment by the Central Bank.

With regard to external residents, general dispensation has been granted by the Bank of Ghana Notice No. BG/EC/93/1 dated June 22nd, 1993, which removes all restrictions in parts IV and V of the ECA with respect to securities listed on the GSE. It grants permission for external residents to deal in securities listed on the Exchange without prior Exchange Control approval, and assures full and free foreign exchange remittability of original capital or principal amounts, any gains, dividends or interest payments, and related earnings and refunds in respect of investments made by external residents in such securities.

2.13 Corporate Tax

The Internal Revenue Act 2000 (Act 592) prescribes a corporate tax of 30% for all listed companies. This in effect is a 2.5% rebate from what would otherwise have been paid if the company is not listed.

In its 2004 Budget Statement, the Government announced plans to put corporate tax at 30% for all companies listed or unlisted. However, companies listing on the GSE for the first time will pay tax at 25% for the first three years of full listing.

SECTION 3: COMPANY PROFILE

3.0 Incorporation and History

CLYDESTONE GHANA LIMITED (CLYD)

Clydestone Ltd. (Clydestone) was incorporated as a private company limited by shares on June 16, 1989. The company is wholly owned by its founder and CEO, Paul Jacquaye. Upon incorporation, Clydestone operated principally as a vendor of general office equipment. Over the years it has become a tightly focused Information Technology company with a competitive advantage in Financial Document Processing and Corporate Networking. It converted into a public limited liability company on August 26, 2003.

In 1994, Clydestone became the Authorised Distributor for the Unisys Corporation (USA) in Ghana and also an Authorised Cisco Systems (USA) reseller in 1998. In response to market opportunities a subsidiary company, **Remittance Processing Ghana Ltd (RPGL)** was registered and incorporated on March 23, 1999.

Clydestone has established itself as an outstanding premier provider of Information Technology (IT) solutions in Ghana. The company has introduced and deployed cutting edge solutions in Ghana in the area of Payment Systems, Remittance Processing, Transaction Switching and Networking. The business objectives and goals of Clydestone have been successfully implemented and achieved with the support of the complementary business activities of Clydestone's subsidiary company, Remittance Processing Ltd.

Clydestone is a recognized leading provider of fully integrated Image-Based Document Processing and Networking Solutions in Ghana. The company has pioneered, among other things, the introduction and delivery of new technologies into the financial services sector of the Ghanaian economy, which have revolutionized the business operations of companies.

Clydestone offers networking, hardware and software installation services, systems integration, training and technical support, with a young and dynamic team trained to provide the very highest levels of customer service.

The nature of business, which the company is authorised to carry, includes:

- Image Based Document Processing Payment Solutions
- System Integration
- Outsourcing
- Network Design, Installation and Technical Support
- Computer and Communication Technology
- Project Management, Training & Consultancy

REMITTANCE PROCESSING (GHANA) LIMITED (RPGL)

RPGL was established in 1999 as the pioneer provider of remittance processing services in Ghana using automated image-based remittance processing equipment and software. RPGL in partnership with the Ghana Postal Services Company Ltd.(GPSC), offers an efficient and secure bill payment processing and collection services under the brand name Rapid Payment Alliance '(RPA) PAYPOINT'. The RPA provides 232 payment points out of the 330 payment points countrywide. The company collects and processes payments for the Electricity Company Ltd of Ghana (ECG), Ghana Water Company Ltd (GWC), and Multichoice Ltd. providers of the DSTV service in Ghana.

RPGL's authorised business purposes are as follows:

- Electronic Processing of Documents
- Computer Services
- Information Technology Consultancy

RPGL utilizes the latest technology (UNISYS Image-Based Document Processor and Remittance Processing Application Software from Business Systems Limited of the UK) to process the bills with a High Speed of 500 documents per minute.

RPGL is the only specialised remittance processing company in the Ghanaian market and as a result has no direct competitors or any noteworthy competition.

3.2 Shares and Stated Capital**CLYDESTONE GHANA LIMITED (CLYD)**

	<u>Number of Issued Shares</u>	<u>Issued Share Capital (¢)</u>
Number of shares of no par value		<u>Authorised Shares</u> 100,000,000
Issued for cash	200,000	200,000
Issued for cash	2,200,000	5,500,000
Issued for cash	54,030,000	540,300,000
Transfer from surplus	1,600,000	4,000,000
Total (2002)	58,030,000	550,000,000
Issued for cash (2003)	19,970,000	998,500,000
Total	78,000,000	1,548,500,000
	(52,000,000)	-
Consolidation (2003)	26,000,000	1,548,500,000

Clydestone issued additional shares of 19,970,000 in respect of a transfer of directors loan to stated capital. This resulted in a total issued shares of 78,000,000, which were later consolidated at a ratio of 3:1 to 26,000,000. Additional 8,000,000 shares are expected to be raised from the flotation of CLYD on the GSE. The Board of Directors passed all the relevant resolutions in respect of these shares on August 26, 2003.

SUBSIDIARY: REMITTANCE PROCESSING GHANA LIMITED (RPGL)

	<u>Authorised Shares</u>	
Number of shares of no par value	1,000,000,000	
	<u>Number of Issued Shares</u>	<u>Issued Share Capital (¢)</u>
Issued for cash	92,648,600	926,486,000
Issued for other Consideration ⁷	120,350,000	1,203,500,000
Total	212,998,600	2,129,986,000

Note

The stated capital of CLYD remained fixed at ¢550 million since 1997 and that of RPGL has been fixed at ¢2.13 billion since 1999. The stated capital of CLYD, has, however been increased to ¢1.55 billion through a special resolution by the directors on August 26, 2003.

3.3 Products/Services**CLYDESTONE GHANA LIMITED:**

- Financial Document Processing (FDP)
- Local and Campus Area Networks (LCAN)

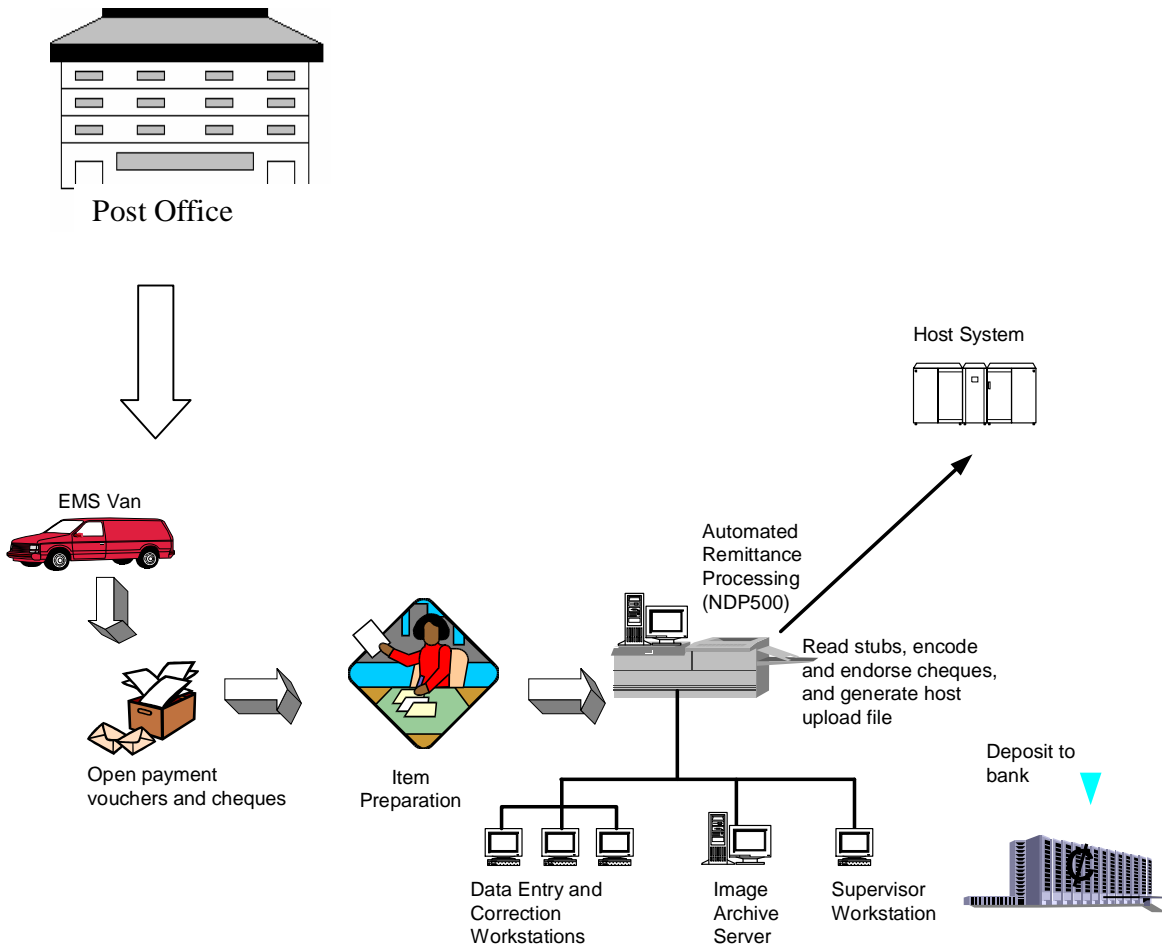
Clydestone currently provides FDP services to the following financial institutions in Ghana: Bank of Ghana; Ghana Commercial Bank Limited (GCB); SSB Bank Limited (SSB); National Investment Bank Limited (NIB); Ghana Postal Services Company Limited (GPSC), Ecobank Ghana Limited (EGL); CAL Merchant Bank Limited (CAL); Metropolitan and Allied Bank Limited (MABL); First Atlantic Merchant Bank Limited (FAMBL); Stanbic Bank Limited (SBL); International Commercial Bank (Ghana) Limited (ICBL); Amalgamated Bank Limited (ABL); Unibank Limited (UL); Prudential Bank Limited (PBL) and HFC Bank Limited.

Clydestone has installed and continues to maintain and support Local & Campus Area Network (LCAN) services for the following high profile corporate clients: Barclays Bank of Ghana Ltd.; Standard Chartered Bank Ghana Ltd.; Unilever Ghana Ltd.; British American Tobacco (Ghana); Ghana Airways; GCNet; Irani Brothers; Twifo Oil Palm Plantation (TOPP); French Embassy Trade Commission; and Agence Francaise de Development.

⁷ Refers to the cost of equipment transferred from CLYD to RPGL

REMITTANCE PROCESSING GHANA LIMITED (RPGL)

RPGL specialises in the collection and processing of utility bills. The diagram below illustrates RPGL’s collection and processing system:



- Customers pay their bills at designated counters located in every post office in the serviced regions.
- Specially trained Ghana Post personnel collect the payment and provide the customer with a receipt.
- At the end of each day, the payments made at the Post Offices (bill stubs, cheques and schedule of cash payments) are boxed up along with item listings.
- Cash is collected by Ghana Post’s bankers and lodged in a special collection account.
- Items are couriered to RPGL processing site for a speedy, overnight processing.
- The processing uses a medium speed track capable of running 500 documents per minute.
- An electronic file is generated containing all the relevant data needed for automatic updating of customer account receivables.

- The process also generates an image-based archive with an electronic audit trail for reference and efficient resolution of queries.
- After the overnight processing of these payments all cheques are submitted to the utility company's bankers for presentation at the Clearing House.
- The utility company's account is at the same time credited with the total cash payments received.

3.4 Shareholding Structure

The current shareholding structure of Clydestone and its subsidiary company (Remittance Processing Limited) is presented below:

Company: Clydestone Ghana Limited			
Shareholder	Nationality	No. of Shares	(%) of Shares
Paul Jacquaye	Ghanaian	26,000,000	100.00
Subsidiary: Remittance Processing Ghana Limited			
Shareholder	Nationality	No. of Shares	(%) of Shares
Clydestone (GH) Ltd.	-	178,492,827	83.80
Anthony Moukarzel	Lebanese	21,299,860	10.00
Nana Benyin Hutchful	Ghanaian	10,649,930	5.00
Chris Holden	British	2,555,983	1.20
Total		212,998,600	100

SECTION 4: THE INFORMATION & COMMUNICATION TECHNOLOGY (ICT) INDUSTRY AND MARKET REVIEW

4.1 Overview

The growth of the IT industry has been dramatic and, information and communication technologies (ICTs) now play a fundamental part in many, if not all, of the critical infrastructure upon which a modern society depends. In the developed world the use of ICTs within organisations of all types is approaching ubiquity with many such systems being viewed as mission critical. In 2002 global spending on ICT reached \$2.4 trillion.

The African IT Market is still in its infancy compared to the more developed economies and has enormous potential. With the emergence of GSM Mobile Telephony many non-IT users are becoming conversant with technology. The internet revolution is also driving the growth of overall computer sales around the continent.

In Ghana, the above global trends are evident and offer a multitude of business opportunities for IT companies. The government's ICT development policy will help to further propel overall ICT awareness. The financial services industry in Ghana (e.g. banks) has spent massively on automation in the last few years, and continues to do so.

4.2 Market Analysis - CLYDESTONE GHANA LIMITED (CLYD)

CLYD's operations may be divided into two main categories namely, Financial Document Processing Systems (FDP) and Local/Campus Area Networks (LCAN)

(a) Financial Document Processing Systems

FDP may be defined as the processing of financial documents (cheques, Giro Credits, Postal Orders, Utility Payments, etc) using Magnetic Ink Character Recognition (MICR) or Optical Character Recognition (OCR) reading and sorting machines.

Nature of Market

The specialised nature and limited size of the Financial Document Processing market has meant that it makes sense to attempt to address the whole spectrum of client requirements. The comprehensive nature of the Unisys product offerings has greatly aided CLYD's business opportunities.

Purchase of FDP equipment is frequently a lengthy process. Customers wish to assess the capabilities of the equipment and the vendors prior to placing an order. Pre-sales support is therefore an extremely important consideration in the market.

Clydestone sells systems that are vital to the clearing and settlement operations of banks and other clients. The most important market requirements are support, service, training, and installation.

MICR Clearing

MICR Clearing was introduced into Ghana in 1997-1998. Banks were required by Bank of Ghana to meet certain minimum requirement to participate in the clearing-house. This led to an initial flurry of sales. It is anticipated that as cheque volumes increase and first generation systems sold to the banks come to the end of their life spans, opportunities for systems replacements and up-grades will increase significantly.

Market Participants and Competition

There are currently only two companies in Ghana involved in this market: Clydestone and NCR. This competition reflects that on the world scale between the two dominant players Unisys and NCR.

NCR is a multinational and has a representative office in Accra, Clydestone is 100% Ghanaian owned and represents Unisys in this market under the terms of a renewable Associate Agreement with Unisys Africa, based in Johannesburg (South Africa).

(b) Local and Campus Area Networks

Nature and Trends

The most obvious and important trend in the overall market is declining prices especially for active devices as competition has increased and new technology has become more mainstream.

Clydestone has concentrated on corporate customers where the benefits of well designed, professionally installed and supported systems are much more apparent. This has distinguished Clydestone from the majority of suppliers.

By concentrating on high-end users able to appreciate the benefits of well designed, professionally installed and supported networks, Clydestone has managed to partially offset the declining price trend. In addition, the Company has benefited from repeat businesses in the area of upgrades for existing clients.

Market Participants and Competition

At the corporate end of LCAN market, there are a number of participants, most of which are small to medium size enterprises with interest in other sectors of the ICT industry as well. Major players include Beltway, Comsys, Coalition Ventures, IPMC, NCR, NCS and Samburg.

The strengths of these companies include strong links with certain corporate organisations, often as a result of personal contacts. Major weaknesses include lack of focus on this market segment. Most of these companies have other lines of businesses that tend to take priority over networking.

There are two distinct processes in the corporate market, firstly the initial breakthrough with the client (the opportunity to carry out a first project with them) and secondly the repeat business once the initial business has been won.

The initial breakthrough is frequently a more drawn out affair as customers assess the capabilities of the vendors prior to embarking upon a long-term relationship. Pre-sales support is therefore extremely important.

Winning repeat business requires regular contacts to emphasize the on-going nature of the ability to fulfill requirements in a timely and cost effective manner while providing high quality service and support.

4.3 Market Strategy

i. Local Business Media

It is expected that listing on the Ghana Stock Exchange will significantly raise the profile of Clydestone, particularly in the business media. Clydestone will build upon this through targeted advertising in both the print and the electronic media.

Clydestone will also investigate the possibility of obtaining permission from its partner organisations (Unisys and Cisco especially) to re-publish articles / papers on pertinent high technology stories.

It is intended that Clydestone becomes a household name amongst the business-sector-reading elite and an authoritative source of information in its chosen fields.

ii. Seminars

Carefully targeted seminars can be an extremely effective means of promoting company awareness and pushing specific product lines. CLYD plans to organise seminars with specialist speakers sourced through the company's overseas partners. The guest list will be exclusive consisting of both existing Clydestone customers and potential customers from similar profile organisations.

Speakers will concentrate on giving customers an in depth knowledge of the Company's products and its underlying technology. The idea is to create the impression of being part of an exclusive 'club' at the forefront of IT development in Ghana.

iii. Specific Strategies

The strategies specific to each of the two main market segments are discussed below.

(a) Financial Document Processing Systems

The specialised nature and limited size of the Financial Document Processing market has meant that it makes sense to attempt to address the whole spectrum of client requirements. The comprehensive nature of the Unisys product offerings has greatly aided Clydestone in this direction.

The Company sells systems that are vital to the clearing and settlement operations of the client banks; the most important market needs are support, service, training, and installation. Clydestone's specialization in this area has enabled it to establish a solid reputation for fulfilling these needs.

(b) Local and Campus Area Networks

With regards to this market, Clydestone has concentrated on corporate customers where the benefits of well designed; professionally installed and supported systems are much more apparent. This has allowed the company to distinguish itself from the majority of other suppliers.

4.4 Clydestone's Presence in the Market

(a) Financial Document Processing Systems

Central Clearing Houses

In December 1996 Unisys, with Clydestone's direct involvement signed an agreement with the Bank of Ghana to install Ghana's first (and to date only) Automated Clearing House in Accra. Clydestone was contracted to install and support the system, which went live in January 1998. The system provided for the National Inter-bank Clearing and Settlement, the Bank of Ghana's own In and Out clearings and a Bureau and Disaster Recovery Service to all Banks. The project was the first in Sub-Saharan Africa (excluding South Africa) to deploy an image-based solution for cheque processing. Ever since the site went live Clydestone has provided fully comprehensive support services to the Bank of Ghana for this mission critical system.

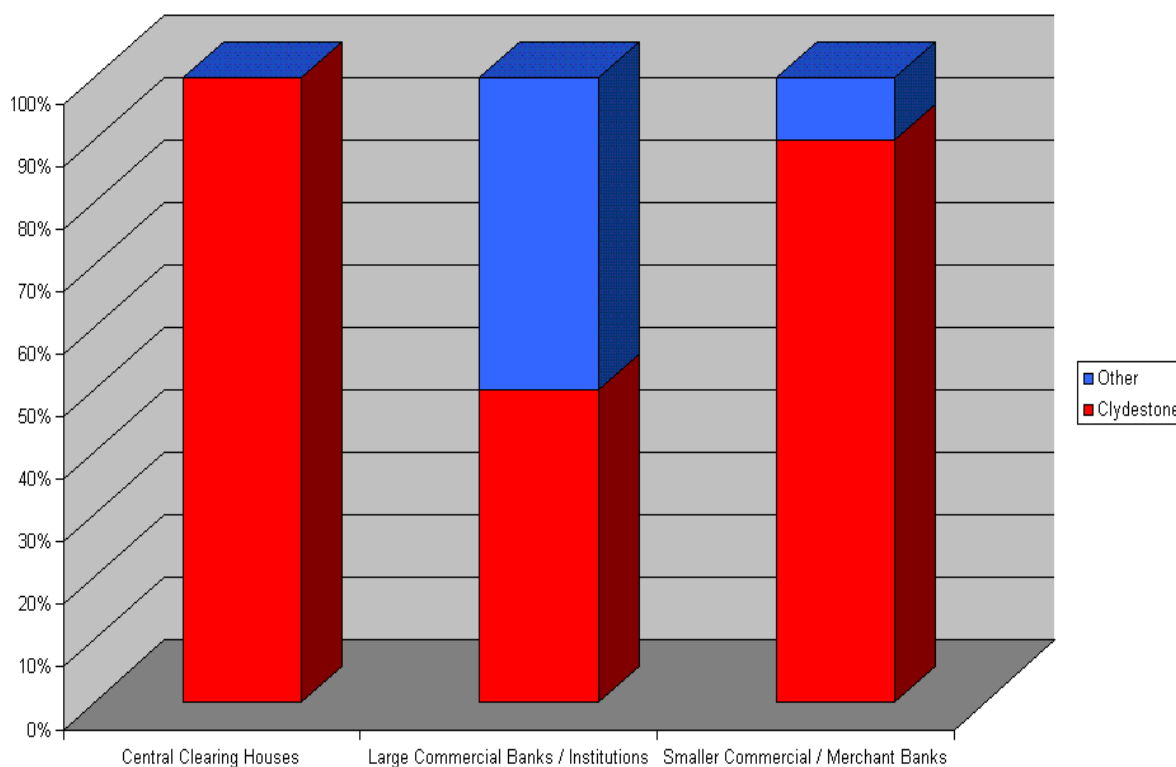
In 2002, further functionality was added to the system. Clydestone with Application Software Developers Aperta (UK) Ltd. were contracted by the Bank of Ghana to deliver a centralised automated paper-based credit clearing system for Ghana. The project required the customisation of the existing automated cheque clearing system to facilitate the processing of credit vouchers. Clydestone took the overall responsibility for project management, software installation and testing.

Large Commercial Banks / Institutions

Out of the list of Large Commercial Banks / Institutions, Clydestone achieved a market share of 50% (by site number). The Company's customers in this market segment are Ghana Commercial Bank (GCB), SSB Bank (SSB), National Investment Bank (NIB) and Ghana Postal Services Company (GPSC).

It also includes the deployment of the bespoke Automated Postal Order Processing System for Ghana Postal Services Company. Together with Ikam Ltd. (security printers) new machine-readable MICR postal orders were designed. Clydestone developed an application called Postal Order Proof Of Deposit (POPOD) to process en-cashed Postal Orders and store their details on a Central Database. The system went live in April 1999 and has resulted in a dramatic decrease in Postal Order fraud.

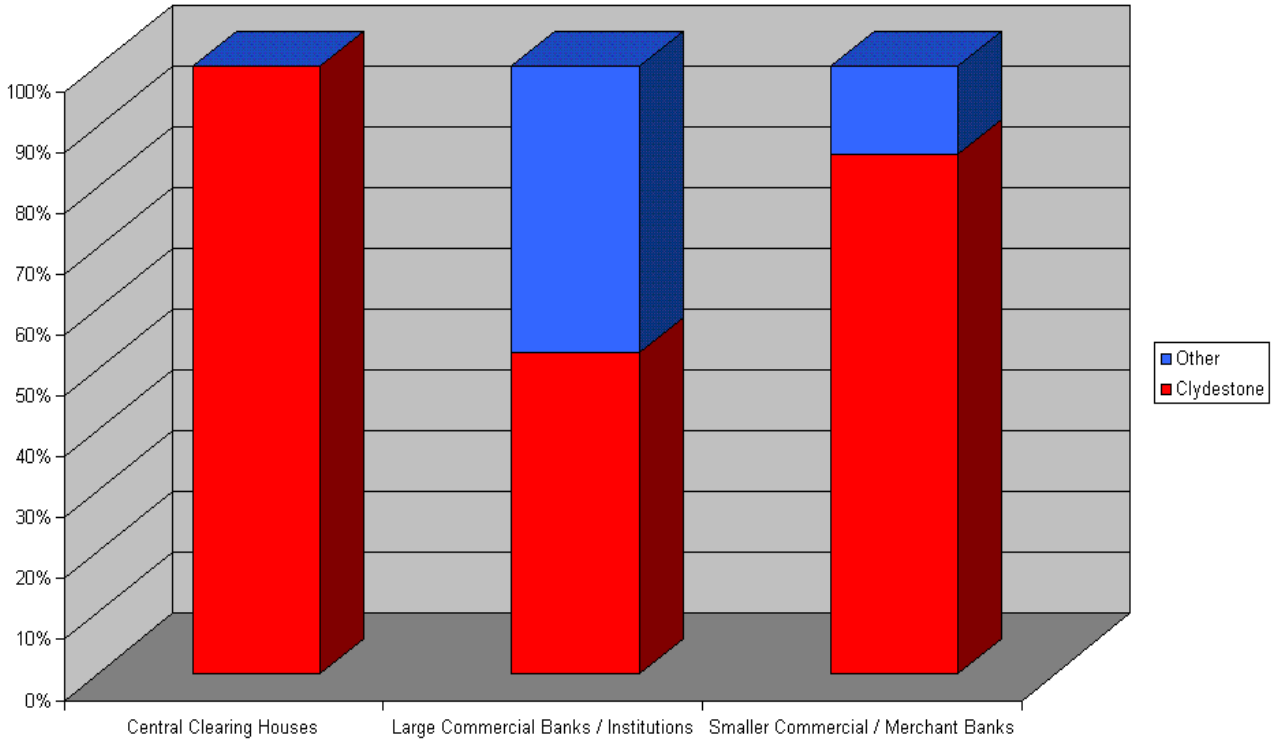
Clydestone - Financial Document Processing Market Share by Number of Sites



Smaller Commercial / Merchant Banks

Out of the list of Smaller Commercial / Merchant Banks, Clydestone has a market share of over 80% (by site number). Customers in this market segment include Ecobank Ghana Limited, CAL Merchant Bank Limited, Metropolitan and Allied Bank, First Atlantic Merchant Bank Limited, Stanbic Bank Limited, International Commercial Bank Limited, Amalgamated Bank Limited, Unibank Limited Prudential Bank Limited and HFC Bank Limited.

Clydestone - Financial Document Processing Market Share by Approximate Value



(b) Local and Campus Area Networks

Although this market is harder to define and quantify, Clydestone has had a great deal of success in winning over a number of high profile corporate clients including:

- Barclays Bank (Ghana) Limited
- Standard Chartered Bank (Ghana) Limited
- Unilever Ghana Limited
- British American Tobacco (Ghana) Limited
- Ghana Airways
- GCNet
- Irani Brothers & Others
- Twifo Oil Palm Plantation Limited
- French Embassy Trade Commission
- Agence Française de Development

Some examples of assignment undertaken by Clydestone are described below:

Standard Chartered Bank Limited – High Street.

Clydestone worked on a number of projects including the installation of a structured cabling system totaling **620 nodes** during the refurbishment of the Head Office. Both data and voice services were delivered over the same common cabling system using Cat5e.

Clydestone helped build the data centre, the hub for SCB's nation-wide network. The network features a Gigabit Ethernet fibre backbone switch connecting the five floors of the bank. The mission critical nature of the data centre required that redundant features were incorporated in the design for system fault tolerance.

Active devices deployed included 1x Bay Networks Accelar Routing Switch 120, 14 x BayStack Switches and 9 x Cisco Catalyst 2900 Switches.

Standard Chartered Bank Limited – Regional Data Centre Opebia House

Standard Chartered Bank set up a Regional Data Centre for West Africa at Opebia House, Accra. Clydestone installed a **240 node** LAN to provide the underlying infrastructure along with racking and ServSwitches to support the server cluster. A total of 8 x Cisco Catalyst 2900 switches were provided.

Barclays Bank Limited – High Street

During the refurbishment of the Head Office, Clydestone worked on a number of projects - installing a structured cabling system totalling **450 nodes**.

A Fast Ethernet backbone was installed between each of the 5 floors. Switching has been provided by a total of 18 Cisco Catalyst 1900 and 2900s

Unilever Ghana Limited

The entire factory network in Tema was upgraded. Unilever has an extensive fibre network **with 15 individual fibre links** to the data centre. Clydestone made use of a Cisco Catalyst 2912MF XL all fibre switches to aggregate the Fast Ethernet workgroups over 100Base FX connections.

All the old Cat3 cabling was upgraded to Cat5e and a total of **230 nodes** installed. Factory made and tested patch leads were used to replace improperly made ones, which had caused problems of cable systems imbalance seriously degrading the cable system performance when operating at high data rates. All the cables – Cat5 and fibre – are patched in rack mount patch panels. End user locations were provided with a mix of Cisco Catalyst 1900 and 2900 workgroup switches.

Subsequent projects have added a further **250 nodes** to the networking including projects for new Marketing and Customer Services Departments and an ERP Training Centre.

GCNet Fibre Optic Connections - GCNet Office Premier Towers to CEPS HQ

This project covered conduit construction and installation of a 550m **fibre optic** cable between GCNet's offices in Premier Towers and CEPS Headquarters.

The fibre optic cable was a specialised 8-core cable that is water, UV, oil, insect and rodent resistant. The fibre was terminated at both ends with SC pigtails (fusion spliced) placed in patch panels and housed in data cabinets. All the links were tested and certified prior to commissioning.

The configuration provides a 200Mbps fibre optic connection between 2 x Cisco Catalyst 2900 series switches located at each end.

GCNet Fibre Optic Connections - CEPS Admin Building to CEPS Office in AFGO Warehouse

Clydestone proceeded to carry out a similar project for GCNET at Kotoka International Airport. This involved the overhead stringing of 200m of fibre optic cable between the Customs Excise and Preventive Services (CEPS) Administrative Building and the CEPS office in the AFGO State Warehouse Building at Kotoka International Airport. 2 x Cisco Catalyst 2900 series switches were deployed.

British American Tobacco – Takoradi Factory

Clydestone upgraded BAT's extensive fibre optic campus network at its Takoradi factory. The network contains 11 fibre links from the data centre to key production and administrative locations around the factory. The fibre network covers a total distance of 1km.

The second phase of the upgrade, the migration from shared 10Mbps Hubs to Cisco Switches. A Central Cisco Catalyst 2912 FX provided fibre switching to the workgroups were a further 11 x Cisco 1548 and 2900 Catalyst switches were deployed.

Ghana Airways – Head Office LAN

Clydestone installed a 112-node network for Ghana Airways' corporate head office at Ghana Airways House for the new IT office on the ground floor and the third floor. 2 x Cisco 2900 Switches were supplied.

4.5 Market Analysis - REMITTANCE PROCESSING GHANA LTD.

Market Needs

Utility companies in Ghana have for a long time had a serious problem with bill collection. All of them have suffered from accumulated unpaid customer bills. This is a manifestation of a poor bill collection/payment process in particular and a very limited number of collection/payment centres. Customers find it extremely inconvenient to access to the utilities payment centers.

Fulfillment of Market Needs by RPGL

The remittance processing (RP) in Ghana was practically born when RPGL commenced operations. Prior to this a few banks such as Ecobank and Merchant bank offered bill payment collection services to the Utilities companies. However, they fell well short of a full function RP service in two major respects. Firstly, the number of locations at which they were represented was extremely limited. Secondly, and more importantly, no one had deployed enabling technology to give them capacity to process the high volumes of payments.

The Rapid Payment Alliance currently provides 232 payment points out of 330 post offices countrywide. State-of-the-art remittance processing sites are able to handle large volumes, using image-based document archiving for future reference. Returned cheques are handled quickly and efficiently enabling utilities to extend the convenience of cheque payment to its customers with minimal risk. RPGL offers its customers a truly secure, reliable, convenient and efficient payment processing system.

The Company's ability to provide the utility companies with clean and accurate customer payment data for updating their account's receivable is a major benefit. This helps ease their data entry problems and reduces the "balance carried forward" scenario where customer accounts are not updated promptly before the next billing cycle due to inefficient updating methods.

Market Participants and Competition

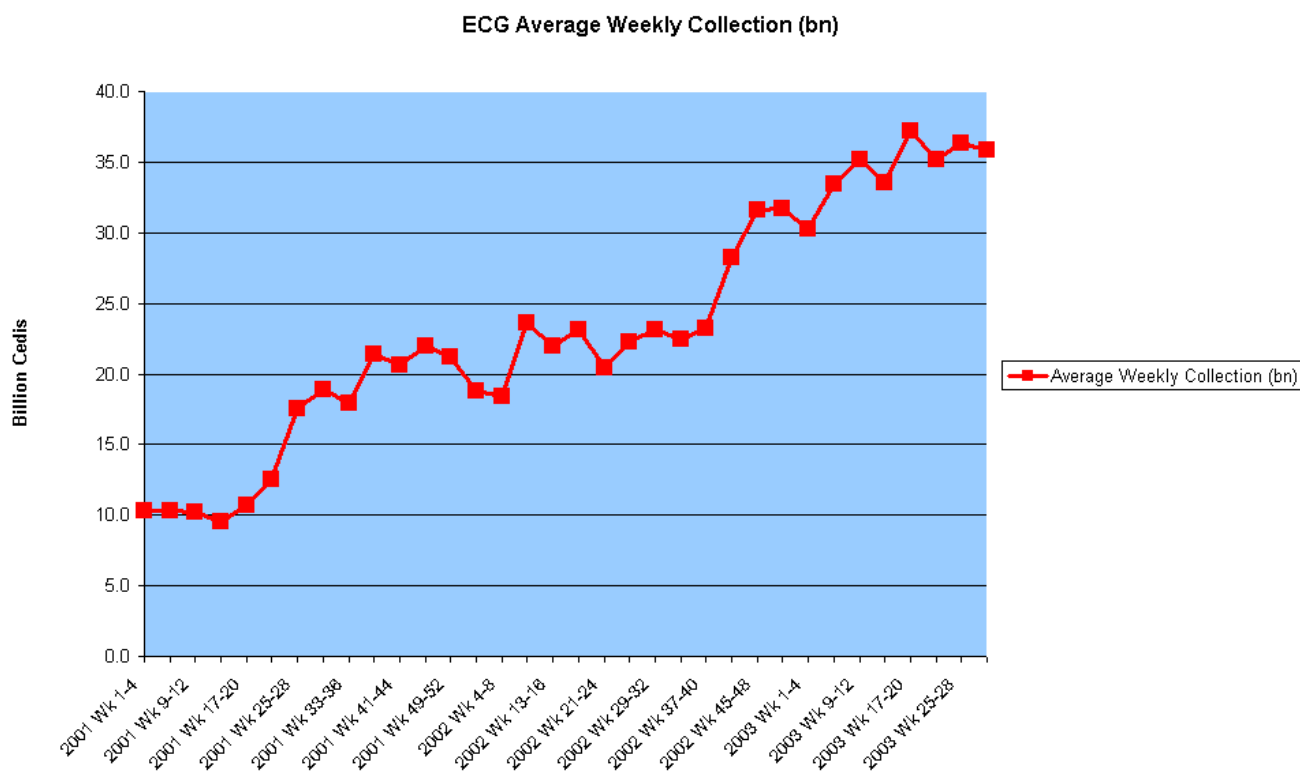
Currently RPGL is the only specialised RP Company on the Ghanaian market, the company therefore enjoys a monopoly in its area of operations.

Current Clientele

RPGL currently has contracts with the following services providers: Electricity Company of Ghana Limited (ECG), Ghana Water Company (GWC) and Multichoice Ghana Limited. Services are provided in Greater Accra, Western, Central, Eastern, Volta, and Ashanti Regions.

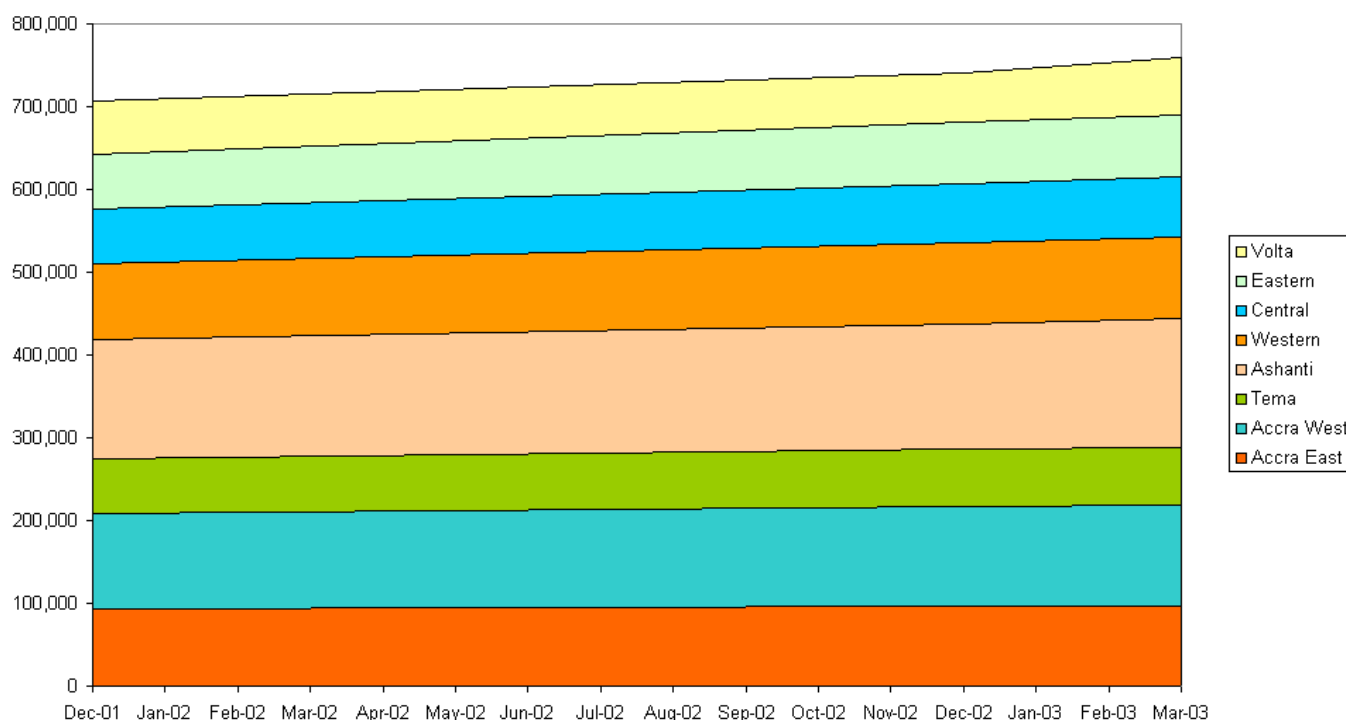
Market Growth

ECG figures show a strong growth of almost 350% in average weekly collection between January 2001 and July 2003.



This largely stems from aggressive tariff increases approved by the Public Utilities Regulatory Commission. It also reflects growing demand within the economy and increased consumer numbers. Between Dec 2001 and March 2003 the total number of active consumers has grown (across all regions) by 7.4% from 706,000 to 758,000.

Active ECG Subscribers

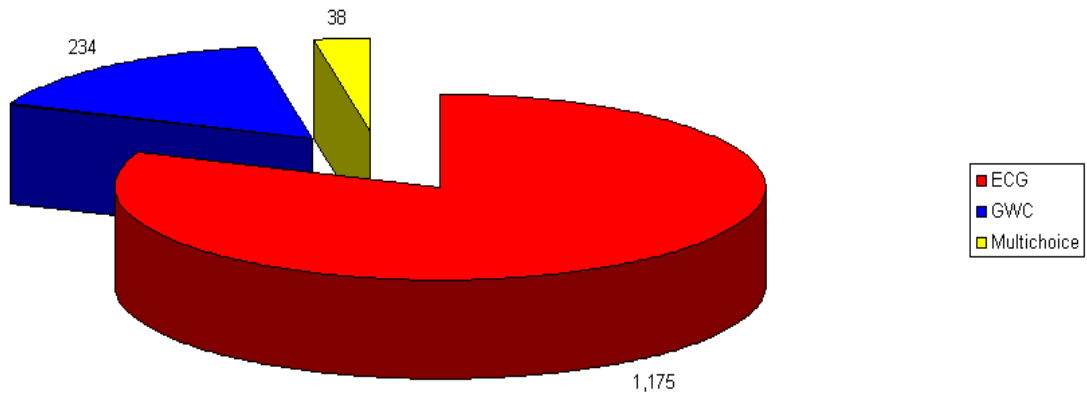


RPGL is however not permitted to collect bills for what ECG terms “Special Load Tariff” customers (SLTs). Therefore any estimate of the market size excludes SLTs, which currently account for 35% of ECG collections. ECG figures for the year 2003 to Week 33 give non-SLT billing as ₵746 Billion; giving a yearly total of approximately ₵1,175 billion.

Current estimates put GWC collections at approximately ₵4.5 billion per week after the March 2003 tariff increases. This gives a yearly total of approximately ₵234 billion.

Multichoice Limited currently has approximately 6000 subscribers, each paying a minimum of ₵532,400 per month, this gives an annual revenue collection of approximately ₵38 billion.

Estimated Annual Revenue Collection 2003 (Billion Cedis)



SECTION 5: DIRECTORS, MANAGEMENT & ORGANISATION

5.1 Directors

(i) DIRECTORS					
NAME	FORMER NAMES	ADDRESS	BUSINESS OCCUPATION	OTHER DIRECTORSHIPS	APPOINTED
Paul Jacquaye	-	16 Adebeto Close North Labone, Accra Box CT 1003, Accra	Business Executive	Remittance Processing Ghana Ltd Transaction Solutions Ghana Ltd.	June, 1989
Christopher Holden	-	No 5 2 nd Ringway Estate, Accra Box CT 1003, Accra	Business Executive	Remittance Processing Ghana Ltd Transaction Solutions Ghana Ltd.	November, 2002
George Prah	-	26 Seventh Road Tesano, Accra	Business Executive	Securities Disc. Company IKON Limited South Akim Manufacturing Ltd.	January, 1998
Helena Naana Nelson (Mrs.)	Helena Naana Halm	P. O. Box TF 369 Accra.	Management Consultant	LEXCROFT Consulting	September 2003
Edmund Arnong	-	P. O. Box 672 Accra.	Chartered Accountant	Ivory Finance Co. Ltd Jet Sawmills Ltd Mepe Area Rural Bank	January, 2004
(ii) SECRETARY					
Edgbaston Services Ltd	-	F C Lokko Camt 50 Lokko Road Osu, Box A476 La, Accra	Corporate Secretaries	-	January 1998

5.1.1

Currently three of the directors are independent (non-executive) on the board. However, as part of the post flotation governance arrangements, additional directors may be added to the current board of directors to make room for representation from new shareholders and to ensure continued effective management and sound leadership in the interest of all shareholders.

5.2 Management

5.2.1 Management's Vision, Mission and Strategy

CLYD intends to build on its' established reputation and experience to grow into a major player in the fields of Payment Systems and Corporate Networking in Sub-Saharan Africa. The company's mission is to work in partnership with customers to enable them enjoy tangible benefits from their ICT investment.

In pursuit of its' Corporate Vision, CLYD intends to follow the following strategies:

- **Access to Additional Capital for Expansion**
CLYD has historically been forced to invest using retained earnings from its main operations – this has placed constraints on the pace of expansion. Clydestone intends to raise long-term capital through listing on the GSE. By issuing new shares for flotation on the market, Clydestone intends to unlock sufficient capital for the company.
- **Expansion of Existing FDP Business in Ghana**
CLYD intends to further the FDP business in Ghana through programs that encourage both existing customers to upgrade their equipment in order to benefit from increased system functionality and potential customers to migrate from systems supplied by competing vendors. The company intends to introduce to the market concepts such as cheque truncation, low speed image workflow and archiving.
- **Expansion of Existing Networking Business in Ghana**
CLYD intends to expand the Networking business in Ghana through the introduction of new products to its portfolio such as Network Security and Wireless Networking. In this direction, Clydestone will host seminars in conjunction with Cisco Systems (Africa) to stimulate awareness and strengthen links with potential corporate customers.

- **Move into Wholesaling of Structured Cabling Products**

The Company intends to import structured cabling products in bulk from the UK to be used both for existing LAN / CAN business and re-sold to other network installers. This is expected to protect margins of the current networking business and build volumes through the wholesaling operation.

- **International Expansion – Financial Document Processing**

Financial Document Processing opportunities exist in a number of African countries. CLYD intends to leverage the experience gained in Ghana to offer similar services across the sub-region.

- **International Expansion – Remittance Processing**

Opportunities exist across Africa for services in the area of bill payment collection and processing - utility companies across the continent suffer from problems similar to those experienced in Ghana:

- Poor bill payment infrastructure
- Massive accounts receivable back log
- Customer dissatisfaction

A similar Value Proposition to that offered by RPGL to utilities in Ghana is therefore likely to be extremely attractive. Kenya, Tanzania and Nigeria have been identified as potential locations for new business.

5.2.2 Profile of Management Personnel of CLYD & RPGL

Paul Jacquaye – Group Chief Executive Officer

Paul Jacquaye is the Group Chief Executive Officer of Clydestone and RPGL. He was educated at the North Herts College in Hitchin, Herts UK, where he obtained a Diploma in Business Studies in 1981 and at West London College where he obtained an Advanced Diploma in Business and Management Studies in 1983. He has 14 years of management experience in the Ghanaian IT Industry including the establishment of RPGL in 1999 and Transaction solutions Ghana Limited (TranSol) in 2002. He was an advisor to the Interbank Committee on Clearing Automation for Ghana and helped deploy Ghana and Africa's first Image Based Interbank Clearing and Settlement System. Mr. Jacquaye has helped eight other banks in Ghana to deploy their MICR Document Processors.

(a) CLYDESTONE GHANA LIMITED

Chris Holden – Managing Director

Chris Holden is the Managing Director of Clydestone. Prior to this, he was the General Manager and worked for the company since 1998. He was educated at Durham University, where he obtained a Bsc. Degree in Geography 1991 and the University of East Anglia where he obtained a MA Degree in Rural Development in 1993. Since joining Clydestone Ghana Limited in 1998, he has been responsible for customer relations with Bank of Ghana regarding the ongoing support, operation and development of the Accra Automated Clearing House. He has acted as Project Manager for several new installations of Unisys Document Processing solutions and Contract Manager on several enterprise scale, Campus / Local Area Networks for leading banks and businesses.

Paul Frank – Technical Manager

Paul Frank joined Clydestone Ghana Limited in September 2003, as Technical Manager. He was educated at St. Petersburg University (former USSR), where he obtained a Bsc and Msc in Electrical Engineering in 1994 and 1995 respectively. He is a Cisco Certified Network Associate and a Microsoft Certified Systems Administrator. He has worked extensively in the computer industry both locally and abroad. He was an IT Consultant to Clayson Steel in Canada and prior to that he was the Senior Network Administrator at the Social Security and National Insurance Trust (SSNIT) for four years. Mr. Frank replaced Mr. Tiekou Bortei-Doku who left to pursue a Masters Degree programme in the United States

Samuel Nii Okang Adjetey - Finance and Accounts Manager

Samuel Nii Okang Adjetey joined the company in 2001 as the Finance and Accounts Manager. He holds CA Part II and a student of CA Part III. Prior to joining CLYD, he worked with Voscon Chartered Accountants as a Senior Auditor for 6 years. He also worked with the Ministry of Education, Project Management Unit as an Accounts Officer for 3 years.

(b) REMITTANCE PROCESSING GHANA LTD. (RPGL)**Nana Benyin Hutchful – Managing Director**

Nana Benyin Hutchful has been the Managing Director of RPGL since 1999. He was educated at University of Ghana, Legon, where he obtained a B.A. Degree in Economics. He has gained significant experience of Remittance Processing operations and Customer Relationship Management. Previously, he worked for Ghana Commercial Bank for 21 years, including most recently as their computerization Project Manager.

Edward Abbey - Finance and Accounts Manager

Edward Abbey joined Clydestone Ghana Limited in 1996 as an Accountant. Since 2001 he has filled the position of Finance and Accounts Manager for RPGL. He holds a Bachelor of Commerce degree from the University of Cape Coast and has completed the Foundations Level of ACCA. He previously worked with Tema Lube Oil Company Limited and Ridge Alumetal Company Ghana Limited as Costing Officer and Finance Officer respectively between 1992 and 1996.

5.3 Organisational Chart – CLYDESTONE

5.4 Employment

Clydestone employs 19 permanent workers made up of four (4) management staff, three (3) senior staff and twelve (12) junior staff. Its subsidiary company, RPGL, has a staff strength of twenty (20) permanent workers made up of three (3) management staff, three (3) senior staff and fourteen (14) junior staff. The distribution of staff according to the various levels is shown below:

Level	CLYD	RPGL
Management	4	3
Senior Staff	3	3
Junior Staff	12	14
Total	19	20

Over the last three years, CLYD has had very insignificant labour turnover.

5.5 Additional Disclosures

5.4.1 Bankruptcy Petitions

No petition under any bankruptcy law has been filed against any director, or persons nominated to become directors, or any partnerships of which such persons were partners, or of any company in which such persons were directors.

5.4.2 Criminal Proceedings or Convictions for Fraud or Dishonesty

No person who is a director, or has been nominated to become a director, has been convicted in a criminal proceeding, or is a named subject of any pending criminal proceeding related to an offence involving fraud or dishonesty.

5.4.3 No Prohibition against Financial Advisory or Capacity to Hold Office

No person who is a director, or has been nominated to become a director has been the subject of any other judgment, or ruling of any court of competent jurisdiction, tribunal, or government body permanently, or temporarily enjoining him from acting as an investment advisor, dealer in securities, director, or employee of a corporate body, or engaging in any type of business practice, or activity, or profession.

5.4.4 Directors Emoluments & Fees

Total Directors' remuneration and expenses for the year ended December 31, 2002 was ₵280.56 million and for December 31, 2003 was ₵201.50 million

There were no Directors Fee paid in 2002. Total Directors Fee for the year ended December 31, 2003 was ₵25.0 million (i.e ₵5.0 million per Director). The number of directors is expected to increase from 5 to 7 and directors fee will be ₵1.0 million per director per meeting in 2004.

5.4.5 Materiality of Interests of Directors in Company's Business & Affairs

No director of the company is materially interested in any material contract, or arrangement subsisting at the time of this prospectus that is significant to the business of the company.

5.4.6 Materiality of Interests of Management in Company's Business & Affairs

No member of management, or any other persons related to them have any material interest directly, or indirectly.

5.4.7 Directors' Powers to Borrow & Charge the Company's Assets

The Directors may exercise all the powers of the company to borrow money and to mortgage, or charge its property and undertaking, or on any part thereof, and to issue debentures. Such powers can be varied by amending the Company's Regulations.

5.4.8 Affiliations & Affiliated Companies and Businesses

Clydestone Ghana Limited has affiliations with Remittance Processing Ghana Limited but none with Transactions Solutions Ghana Limited.

SECTION 6: THE FINANCIAL INFORMATION

6.1 Financial Forecast

ACCOUNTANT'S REPORT

ANDAH & ANDAH

Chartered Accountants, Management Consultants, Training, Research & Taxation Advisors
VAT Reg. No: 624V008202

P. O. Box 5845
Accra-North
Ghana

A-Lang House
No. 284/4 Brewery Road
Accra

Direct Dial +233 (21) 25 23 72/4
Facsimile +233 (21) 22 99 16
E-mail andah@wwwplus.com

20th February 2004

The Board of Directors
Clydestone (Ghana) Limited & Subsidiary
FC Lokko Court
50 Lokko Road, Osu
P. O. Box A476
La - Accra

The Directors
NTHC Limited
Martco House
P. O. Box 9563
Airport – Accra

Dear Sir(s)/Madam(s),

Financial Forecasts

We have reviewed the accounting policies and calculations for the financial forecast of Clydestone (Ghana) Limited & Subsidiary for the four-year period to 31st December 2007 as set out in Section 6 of this prospectus. We conducted our work in accordance with *"Investment Circular Reporting Standards"* in the *"Auditing Handbook"* as well as *"Examination of Prospective Financial Information"*. We believe reasonable evidence and assurance have been obtained as basis for our conclusion and opinion.

In our opinion the financial forecasts, for which the Directors are solely responsible, so far as the accounting policies and calculations are concerned, have been properly compiled using the assumptions made by the Directors of the company as set out in Section 6 of this prospectus and is presented on a basis consistent with the accounting policies currently adopted by the company.

Yours faithfully,



Andah & Andah
Chartered Accountants

Partners: K. B. Andah, B. A. (Fens); FCCA; CA

Kobby Andah, CA; MBA

6.1.1 Underlying Assumptions

Financial projections for Clydestone and its subsidiary, RPGL were based on a careful analysis of the audited accounts in the last five (5) years. In arriving at the projections, the following assumptions were made:

CLYDESTONE

- Revenue is expected from the following sources: payment systems, system integration, outsourcing, networking, computer and communication technology and consulting.
- Revenue has been projected to increase by an average of 35% during 2004-2006 and 30% thereafter.
- Total direct cost accounts for an average of 40% of revenues.
- Staff/Directors cost represents an average of 12% of revenues.
- Selling, General and Adm. Expenses accounts for an average of 26% of revenues.
- 2 Weeks outstanding of Adm & General expenses represent accruals

REMITTANCE

- Income represents a service charge on payments collected from consumers on behalf of the Electricity Company of Ghana (ECG), Ghana Water Company Limited (GWCL) and Multi Choice - Ghana (MCG) through Ghana Postal Services Company Limited's (GPSC's) Post Offices.
- Payments are electronically processed by Remittance Processing Ghana (RPGL) at a service charge on payments. Income earned is shared between RPGL and Ghana Post.
- Direct Cost is 45% of total income earned.
- Staff/Directors as a percent of sales is estimated at 8%.
- Selling, General and Adm. (SGA) Expenses as a percent of sales is projected at 22%.
- 2 Weeks outstanding of Adm & General expenses represent accruals

The following annual rates of depreciation have been used:

		<u>CLYDESTONE</u>	<u>REMITTANCE</u>
• Motor Vehicle	-	20.0%	20.0%
• Office Equipment	-	20.0%	20.0%
• Furniture/Fittings	-	33.3%	33.3%

The following assumptions have also been made:

- Consolidated accounts are computed from adding the two accounts and adjusting for minority interest of 16.2% for Remittance.
- Corporate tax of 35% includes 2.5% national reconstruction levy. Subsequent to the preparation of these estimates, the corporate tax for companies fully listed on the GSE has been proposed at 25% for the first three years. CLYD hopes to benefit from this facility during 2004 – 2006.
- That irrespective of the future ownership structure, the company will continue as a going concern.
- That there will be no changes to the company's present line of business activity and that there will be no significant reduction in the range of products.
- That the company does not intend to dispose of all or part of its key assets.

6.2 Projected Financial Statements in ₵' 000

6.2.1 Income Statements

Clydestone (GH) Limited and Subsidiary

Consolidated Forecast Profit and Loss Account for the Four Years to 31st December 2007

	2004 ₵'000	2005 ₵'000	2006 ₵'000	2007 ₵'000
Turnover	12,599,093	18,597,786	27,735,829	37,739,021
Cost of Sales	(5,352,239)	(7,964,878)	(11,935,553)	(16,273,319)
Gross Profit	7,206,854	10,632,908	15,800,276	21,465,702
Gen. Admin & Selling	(4,945,614)	(6,983,647)	(9,614,881)	(12,509,669)
Trading Profit before tax	2,261,240	3,649,261	6,185,395	8,956,033
Taxation	(791,434)	(1,277,242)	(2,164,888)	(3,134,612)
Profit After Tax	1,469,806	2,372,019	4,020,507	5,821,421
Minority Interest	(116,344)	(218,159)	(419,680)	(635,596)
Profit Attributable To Group	1,353,462	2,153,860	3,600,827	5,185,825
	=====	=====	=====	=====

Income Surplus Account For the Four Years to 31st December 2007

Balance as at 1st January	457,418	1,810,880	3,964,740	7,565,567
Profit for the Year	1,353,462	2,153,860	3,600,827	5,185,825
	-----	-----	-----	-----
Balance as at 31st December	1,810,880	3,964,740	7,565,567	12,751,392
	=====	=====	=====	=====

Lead Manager: NTHC Limited
Sponsoring Broker: NTHC Securities Limited

Clydestone (GH) Limited**Forecast Profit and Loss Account for the Four Years to 31st December 2007**

	2004 ¢'000	2005 ¢'000	2006 ¢'000	2007 ¢'000
Turnover	5,987,049	8,082,516	10,911,397	14,184,815
Cost of Sales	(2,394,820)	(3,233,006)	(4,364,559)	(5,673,926)
	-----	-----	-----	-----
Gross Profit	3,592,229	4,849,510	6,546,838	8,510,889
Gen. Admin & Selling Exp	(2,435,876)	(3,272,030)	(4,347,005)	(5,590,904)
	-----	-----	-----	-----
Trading Profit before tax	1,156,353	1,577,480	2,199,833	2,919,985
Taxation	(404,724)	(552,118)	(769,942)	(1,021,995)
	-----	-----	-----	-----
Profit after Tax	751,629	1,025,362	1,429,891	1,897,990
	=====	=====	=====	=====

Income Surplus Account
For the Four Years to 31st December 2007

Balance as at 1st January	684,991	1,436,620	2,461,982	3,891,873
Profit for the Year	751,629	1,025,362	1,429,891	1,897,990
	-----	-----	-----	-----
Balance as at 31st December	1,436,620	2,461,982	3,891,873	5,789,863
	=====	=====	=====	=====

Remittance Processing (GH) Limited**Forecast Profit and Loss Account for the Four Years to 31st December 2007**

	2004	2005	2006	2007
	¢'000	¢'000	¢'000	¢'000
Turnover	6,572,044	10,515,270	16,824,433	23,554,206
Cost of Sales	(2,957,420)	(4,731,872)	(7,570,995)	(10,599,393)
	-----	-----	-----	-----
Gross Profit	3,614,624	5,783,399	9,253,438	12,954,813
Gen. Admin & Selling Exp	(2,509,740)	(3,711,617)	(5,267,878)	(6,918,664)
	-----	-----	-----	-----
Trading Profit before tax	1,104,884	2,071,782	3,985,560	6,036,048
Taxation	(386,710)	(725,124)	(1,394,946)	(2,112,617)
	-----	-----	-----	-----
Profit After Tax	718,174	1,346,658	2,590,615	3,923,431
	=====	=====	=====	=====

Income Surplus Account
For the Four Years to 31st December 2007

Balance as at 1st January	(271,567)	446,607	1,793,265	4,383,880
Profit for the Year	718,174	1,346,658	2,590,615	3,923,431
	-----	-----	-----	-----
Balance as at 31st December	446,607	1,793,265	4,383,880	8,307,311
	=====	=====	=====	=====

6.2.2 Balance Sheets

Clydestone (GH) Limited and Subsidiary
Consolidated Forecast Balance Sheet for the Four Years to 31st December 2007

	2004 ¢'000	2005 ¢'000	2006 ¢'000	2007 ¢'000
Fixed Assets	952,494	2,679,037	1,921,327	1,412,757
Current Assets	8,036,939	10,426,316	17,887,379	20,698,950
Current Liabilities	(3,336,447)	(4,962,877)	(7,419,742)	(10,113,945)
Net Assets	5,652,986	8,142,476	12,388,963	11,997,762

Represented by:

Shareholders' fund	5,273,213	7,544,545	11,371,352	10,344,555
Minority Interest	379,773	597,931	1,017,611	1,653,207
	5,652,986	8,142,476	12,388,963	11,997,762

Clydestone (GH) Limited
Forecast Balance Sheet for the Four Years to 31st December 2007

	2004 ¢'000	2005 ¢'000	2006 ¢'000	2007 ¢'000
Fixed Assets	149,060	840,592	639,918	439,244
Current Assets	4,559,515	5,418,958	7,759,101	10,678,848
Current Liabilities	(1,501,751)	(2,027,364)	(2,736,942)	(3,558,025)
Net Assets	3,206,824	4,232,186	5,662,077	7,560,067

Represented by:

Shareholders fund	3,206,824	4,232,186	5,662,077	7,560,067
-------------------	-----------	-----------	-----------	-----------

Remittance (GH) Limited
Forecast Balance Sheet for the Four Years to 31st December 2007

	2004	2005	2006	2007
	¢'000	¢'000	¢'000	¢000
Fixed Assets	803,434	1,838,444	1,281,409	973,513
Current Assets	3,375,538	4,788,003	9,682,941	15,787,388
Current Liabilities	(1,834,696)	(2,935,513)	(4,682,800)	(6,555,921)
	-----	-----	-----	-----
Net Assets	2,344,276	3,690,934	6,281,550	10,204,980
	=====	=====	=====	=====
Represented by:				
Shareholders fund	2,344,276	3,690,934	6,281,550	10,204,980
	=====	=====	=====	=====

6.2.3 Cash Flows

Clydestone (GH) Limited and Subsidiary Forecast Cash Flow Statement for the Four Years to 31st December 2007

	2004 ¢'000	2005 ¢'000	2006 ¢'000	2007 ¢'000
Cash Inflows	11,864,404	17,536,730	26,106,242	35,967,522
Cash Outflows	(9,234,468)	(16,208,409)	(20,274,767)	(28,378,583)
Net Cash flows	2,629,936	1,328,322	5,831,475	7,594,939

Clydestone (GH) Limited Forecast Cash Flow Statement for the Four Years to 31st December 2007

Cash Inflows	5,785,263	7,810,105	10,543,642	13,759,271
Cash Outflows	(4,685,279)	(7,223,074)	(8,571,253)	(11,265,068)
Net Cash flows	1,099,984	587,032	1,972,389	2,494,203

Remittance Processing (GH) Limited Forecast Cash Flow Statement for the Four Years to 31st December 2007

Cash Inflows	6,079,141	9,726,625	15,562,600	22,208,251
Cash Outflows	(4,611,836)	(9,102,805)	(11,929,495)	(17,449,759)
Net Cash flows	1,467,305	623,820	3,633,105	4,758,492

6.3 Historical Financial Statements

ACCOUNTANT'S REPORT

ANDAH & ANDAH

Chartered Accountants, Management Consultants, Training, Research & Taxation Advisors
VAT Reg. No: 624V008202

P. O. Box 5845
Accra-North
Ghana

A-Lang House
No. 284/4 Brewery Road
Accra

Direct Dial +233 (21) 25 23 72/4
Facsimile +233 (21) 22 99 16
E-mail sagecl@wwwwplus.com

20th February 2004

The Board of Directors
Clydestone (Ghana) Limited & Subsidiary
FC Lokko Court
50 Lokko Road, Osu
P. O. Box A476
La - Accra

Dear Sir(s)/Madam(s)

Accountants' Report on Historical Financial Information

We have reviewed the financial information set out in parts one, two and three of our report. The information has been prepared for inclusion in the Prospectus of Clydestone (Ghana) Limited & Subsidiary for listing on the Ghana Stock Exchange.


The financial information is based on the audited financial statements of Clydestone (Ghana) Limited & Subsidiary for the four (4) years ended 31st December 2002 and management accounts for the twelve (12) months ending 31st December 2003, after making such reclassifications and adjustments, as we considered necessary.

Preparations of the financial statements are the responsibility of the management of the Company and were audited by Voscon Chartered Accountants of Accra. The Directors of the Company are also responsible for the contents of the Prospectus in which this report is included. It is our responsibility to compile the financial information and report our opinion to you.

We conducted our work in accordance with "Investment Circular Reporting Standards" in the "Auditing Handbook" as well as "Examination of Prospective Financial Information."

In our opinion the financial information present fairly, in all material respects, the state of affairs of Clydestone (Ghana) Limited & Subsidiary for the four (4) years and twelve (12) months to 31st December 2003, and its results and cash flows for the period then ended.

Yours faithfully,



Andah & Andah
Chartered Accountants

Cc: The Directors
NTHC Limited
P. O. Box 9563
Airport - Accra

Partners: K. B. Andah, B. A. (Hons), FCCA; CA

Kobby Andah, CA; MBA

6.3.1 Income Statements (1999-2003)

Clydestone (Ghana) Limited and Subsidiary

Profit and Loss Account for the Five Years to 31st December 2003

		*				
		2003	2002	2001	2000	1999
		¢'000	¢'000	¢'000	¢'000	¢'000
		8,960,001	6,366,262	4,496,090	1,695,686	677,955
		(3,987,165)	(2,644,186)	(2,649,721)	(547,791)	(174,602)
		(3,841,694)	(3,098,250)	(2,308,406)	(1,059,005)	(736,659)
		-----	-----	-----	-----	-----
		1,131,142	623,826	(462,037)	88,890	(233,306)
		-	45,000	949	4,450	649
		-----	-----	-----	-----	-----
		1,131,142	668,826	(461,088)	93,340	(232,657)
		(145,925)	(242,893)	(38,591)	(111,070)	-
		-	(16,308)	(15,411)	-	-
		-----	-----	-----	-----	-----
		985,217	409,625	(515,090)	(17,730)	(232,657)
		(110,507)	17,253	90,776	40,982	5,490
		-----	-----	-----	-----	-----
		874,710	426,878	(424,314)	23,252	(227,167)
		=====	=====	=====	=====	=====

Income Surplus Account for the Five Years to 31st December 2003

		*				
		2003	2002	2001	2000	1999
		¢'000	¢'000	¢'000	¢'000	¢'000
		(417,292)	(554,020)	(129,706)	(152,958)	(8,834)
		-	-	-	-	83,043
		874,710	426,878	(424,314)	23,252	(227,167)
		-	(290,150)	-	-	-
		-----	-----	-----	-----	-----
		457,418	(417,292)	(554,020)	(129,706)	(152,958)
		=====	=====	=====	=====	=====

Clydestone (Ghana) Limited

Profit and Loss Account for the Five Years to 31st December 2003

	*				
	2003	2002	2001	2000	1999
	¢'000	¢'000	¢'000	¢'000	¢'000
Turnover	4,221,574	3,903,164	3,321,252	1,695,686	677,955
Cost of Sales	(1,982,301)	(1,545,127)	(2,121,032)	(547,791)	(174,602)
Selling, general & admin	(1,790,275)	(1,631,555)	(1,104,705)	(806,030)	(702,768)
Operating Profit/(Loss)	448,998	726,482	95,515	341,865	(199,415)
Other Income	-	45,000	949	4,450	649
Profit/(Loss) before tax	448,998	771,482	96,464	346,315	(198,766)
Taxation	(145,925)	(239,047)	(38,591)	(111,070)	-
National Reconstruction Levy	-	(16,308)	(12,620)	-	-
Profit/(Loss) after tax	303,073	516,127	45,253	235,245	(198,766)

Income Surplus Account for the Five Years to 31st December 2003

	*				
	2003	2002	2001	2000	1999
	¢'000	¢'000	¢'000	¢'000	¢'000
Balance at January 1	381,918	155,941	110,688	(124,557)	(8,834)
Prior Year Adjustment	-	-	-	-	83,043
Profit/(Loss) for the Year	303,073	516,127	45,253	235,245	(198,766)
Proposed Dividend	-	(290,150)	-	-	-
Balance at Dec. 31	684,991	381,918	155,941	110,688	(124,557)

* Management Accounts

Remittance Processing (Ghana) Limited

Profit and Loss Account for the Five Years to 31st December 2003

	*				
	2003	2002	2001	2000	1999
	¢'000	¢'000	¢'000	¢'000	¢'000
Turnover	4,738,427	2,463,097	1,174,838	-	-
Cost of Sales	(2,004,863)	(1,099,059)	(528,689)	-	-
Selling, general & admin	(2,051,419)	(1,466,695)	(1,203,701)	(252,974)	(33,891)
Operating Profit/(Loss)	682,145	(102,657)	(557,552)	(252,974)	(33,891)
Other Income	-	-	-	-	-
Profit/(Loss) before tax	682,145	(102,657)	(557,552)	(252,974)	(33,891)
Taxation	-	-	-	-	-
National Reconstruction Levy	-	(3,846)	(2,791)	-	-
Profit/(Loss) after tax	682,145	(106,503)	(560,343)	(252,974)	(33,891)

Income Surplus Account for the Five Years to 31st December 2003

	*				
	2003	2002	2001	2000	1999
	¢'000	¢'000	¢'000	¢'000	¢'000
Balance at January 1	(953,712)	(847,209)	(286,866)	(33,891)	-
Profit/(Loss) for the Year	682,145	(106,503)	(560,343)	(252,974)	(33,891)
Balance at Dec. 31	(271,567)	(953,712)	(847,209)	(286,865)	(33,891)

* Management Accounts

6.3.2 Balance Sheet (1999-2003)**Clydestone (Ghana) Limited and Subsidiary****Balance Sheet for the Five Years to 31st December 2003**

		*				
	Note	2003	2002	2001	2000	1999
		¢'000	¢'000	¢'000	¢'000	¢'000
Fixed Assets						
	5					
Tangible Fixed Assets		1,254,635	1,386,626	1,289,339	1,400,400	1,328,969
Development Expenditure		-	-	-	-	15,413
		-----	-----	-----	-----	-----
		1,254,635	1,386,626	1,289,339	1,400,400	1,344,382
		=====	=====	=====	=====	=====
Pre-operational Expenses						
		379,068	568,601	758,135	947,669	947,669
		-----	-----	-----	-----	-----
Current Assets						
Investments in Subsidiary	13	-	10,000	-	-	-
Stocks	7	230,837	174,847	124,520	127,643	109,408
Debtors	8	1,943,116	1,321,887	660,379	255,265	165,220
Taxation	6	267,680	56,145	82,067	-	5,906
Current Account		336,891	29,045	-	9,683	-
Cash and Bank		223,545	171,723	156,744	4,325	7,248
		-----	-----	-----	-----	-----
		3,002,069	1,763,647	1,023,710	396,916	287,782
		-----	-----	-----	-----	-----
Current Liabilities						
Creditors	10	1,960,051	1,652,226	1,811,391	841,065	618,509
Dividend payable	12	-	290,150	-	-	-
Tax payable	6	-	-	-	43,699	-
Due to Directors		107,739	1,222,233	975,003	1,055,603	1,143,716
Bank O/D	9	-	150,000	-	4,740	-
		-----	-----	-----	-----	-----
		2,067,790	3,314,609	2,786,394	1,945,107	1,762,225
		-----	-----	-----	-----	-----
Net Current Assets/(Liabilities)		934,279	(1,550,962)	(1,762,684)	(1,548,191)	(1,474,443)
		-----	-----	-----	-----	-----
Long-term Liabilities						
Loan from Shareholders		81,000	81,000	81,000	81,000	81,000
Bank Loan		180,000	-	-	-	-
		-----	-----	-----	-----	-----
		261,000	81,000	81,000	81,000	81,000
		-----	-----	-----	-----	-----
Net Assets		2,306,982	323,265	203,790	718,878	736,608
		=====	=====	=====	=====	=====
Represented by:						
Stated Capital	11	1,548,500	550,000	550,000	550,000	550,000
Income Surplus/(Deficit)		457,418	(417,292)	(554,020)	(129,706)	(152,958)
Minority Interest		301,064	190,557	207,810	298,584	339,566
		-----	-----	-----	-----	-----
		2,306,982	323,265	203,790	718,878	736,608
		=====	=====	=====	=====	=====

Clydestone (Ghana) Limited

Balance Sheet for the Five Years to 31st December 2003

	2003	2002	2001	2000	1999
	¢'000	¢'000	¢'000	¢'000	¢'000
Fixed Assets					
Tangible Fixed Assets	268,592	379,286	85,322	165,260	125,470
Development Expenditure	-	-	-	-	15,413
	-----	-----	-----	-----	-----
	268,592	379,286	85,322	165,260	140,883
	=====	=====	=====	=====	=====
Current Assets					
Investments	1,784,928	1,794,928	1,784,928	1,784,928	1,784,928
Stocks	230,837	174,847	124,520	127,643	109,408
Debtors	959,858	1,000,068	757,181	318,949	165,220
Taxation	-	-	38,261	-	5,906
Cash and Bank	60,118	169,793	146,140	3,883	6,717
	-----	-----	-----	-----	-----
	3,035,741	3,139,636	2,851,030	2,235,403	2,072,179
	-----	-----	-----	-----	-----
Current Liabilities					
Creditors	747,844	1,000,996	1,255,408	635,434	643,903
Dividend payable	-	290,150	-	-	-
Tax payable	35,259	73,625	-	44,198	-
Due to Directors	107,739	1,222,233	975,003	1,055,603	1,143,716
Bank O/D	-	-	-	4,740	-
	-----	-----	-----	-----	-----
	890,842	2,587,004	2,230,411	1,739,975	1,787,619
	-----	-----	-----	-----	-----
Net Current Assets/(Liabilities)	2,144,899	552,632	620,619	495,428	284,560
	-----	-----	-----	-----	-----
Long-term Liabilities					
Bank Loan	180,000	-	-	-	-
	-----	-----	-----	-----	-----
	180,000	-	-	-	-
	-----	-----	-----	-----	-----
Net Assets	2,233,491	931,918	705,941	660,688	425,443
	=====	=====	=====	=====	=====
Represented by:					
Stated Capital	1,548,500	550,000	550,000	550,000	550,000
Income Surplus/(Deficit)	684,991	381,918	155,941	110,688	(124,557)
	-----	-----	-----	-----	-----
	2,233,491	931,918	705,941	660,688	425,443
	=====	=====	=====	=====	=====

* Management Accounts

Lead Manager: NTHC Limited
Sponsoring Broker: NTHC Securities Limited

Remittance Processing (Ghana) Limited

Balance Sheet for the Five Years to 31st December 2003

	*				
	2003	2002	2001	2000	1999
	¢'000	¢'000	¢'000	¢'000	¢'000
Fixed Assets					
Tangible Fixed Assets	986,043	1,007,340	1,204,017	1,235,140	1,203,500
	-----	-----	-----	-----	-----
	986,043	1,007,340	1,204,017	1,235,140	1,203,500
	=====	=====	=====	=====	=====
Pre-operational Expenses	379,068	568,601	758,135	947,669	947,669
	-----	-----	-----	-----	-----
Current Assets					
Debtors	1,320,150	742,051	390,581	-	63,551
Taxation	302,938	129,770	43,806	500	-
Cash and Bank	163,427	1,930	10,603	442	531
	-----	-----	-----	-----	-----
	1,786,515	873,751	444,990	944	64,082
	-----	-----	-----	-----	-----
Current Liabilities					
Creditors	1,212,207	1,042,418	1,043,365	259,630	38,156
Bank O/D	-	150,000	-	-	-
	-----	-----	-----	-----	-----
	1,212,207	1,192,418	1,043,365	259,630	38,156
	-----	-----	-----	-----	-----
Net Current Assets/(Liabilities)	574,308	(318,667)	(598,375)	(258,688)	25,926
	-----	-----	-----	-----	-----
Long-term Liabilities					
Loan from Shareholders	81,000	81,000	81,000	81,000	81,000
	-----	-----	-----	-----	-----
	81,000	81,000	81,000	81,000	81,000
	-----	-----	-----	-----	-----
Net Assets	1,858,419	1,176,274	1,282,777	1,843,121	2,096,095
	=====	=====	=====	=====	=====
Represented by:					
Stated Capital	2,129,986	2,129,986	2,129,986	2,129,986	2,129,986
Income Surplus/(Deficit)	(271,567)	(953,712)	(847,209)	(286,865)	(33,891)
	-----	-----	-----	-----	-----
	1,858,419	1,176,274	1,282,777	1,843,121	2,096,095
	=====	=====	=====	=====	=====

* Management Accounts

Lead Manager: NTHC Limited
Sponsoring Broker: NTHC Securities Limited

6.3.3 Cash Flows (1999-2003)

Clydestone (Ghana) Limited and Subsidiary

Cash flow Statements for the Five Years to 31st December 2003

	*				
	2003	2002	2001	2000	1999
	¢'000	¢'000	¢'000	¢'000	¢'000
Operating Profit (<i>before Returns on investments and servicing of finance</i>)	1,131,142	623,826	(462,037)	88,890	(233,306)
Prior Year Adjustment	-	-	-	-	83,043
(Profit)/Loss on disposal of assets	-	(45,000)	-	(4,450)	-
Depreciations charges	557,279	499,077	392,036	68,585	60,151
Amortization of Development expenses	189,534	189,534	189,534	15,413	15,413
(Increase)/decrease in stocks	(55,990)	(50,327)	3,123	(18,235)	25,007
(Increase)/decrease in debtors	(621,229)	(661,508)	(405,114)	(90,045)	198,934
Increase/(decrease) in creditors	307,825	(159,165)	970,326	222,556	76,243
Increase/ (Decrease) in Current Acc't	(307,846)	(29,045)	9,683	(9,683)	-
Increase/ (Decrease) Due to Directors	(1,114,494)	247,230	(80,600)	(88,113)	1,179,923
Net cash flow from operating Activities	86,221	614,622	616,951	184,918	1,405,408
Return on Investments and Servicing of Finance					
Dividends paid	(290,150)	-	-	-	-
Interest received	-	-	949	-	649
	(203,929)	614,622	617,900	184,918	1,406,057
Taxation					
Tax paid	(357,463)	(188,279)	(173,645)	(57,016)	(19,770)
Investing Activities					
Fixed assets purchased	(425,286)	(596,364)	(287,096)	(141,565)	(1,611)
Pre-operational expenses	-	-	-	-	(947,669)
Investment in Subsidiary	10,000	(10,000)	-	-	(518,007)
Proceeds from sale of Fixed Assets	-	45,000	-	6,000	-
	(976,678)	(135,021)	157,159	(7,663)	(81,000)
Financing					
Stated Capital	998,500	-	-	-	-
Shareholders' Loan	-	-	-	81,000	-
Bank Loan	180,000	-	-	-	-
Increase/(decrease) in cash and cash equivalents	201,822	(135,021)	157,159	(7,663)	-

* Management Accounts

Analysis of Changes in Cash and Cash equivalent during the year

	*				
	2003	2002	2001	2000	1999
	¢'000	¢'000	¢'000	¢'000	¢'000
Balance at January 1	21,723	156,744	(415)	7,248	7,248
Net cash inflow/(outflow)	201,822	(135,021)	157,159	(7,663)	-
Balance at December 31	223,545	21,723	156,744	(415)	7,248
	=====	=====	=====	=====	=====

Analysis of Balances of Cash and Cash Equivalents as shown in the Balance Sheet

Cash and Bank	223,545	171,723	156,744	4,325	7,248
Bank Overdraft	-	(150,000)	-	(4,740)	-
Balance at December 31	223,545	21,723	156,744	(415)	7,248
	=====	=====	=====	=====	=====

* Management Accounts

Clydestone (Ghana) Limited

Cash flow Statements for the Five Years to 31st December 2003

	*				
	2003	2002	2001	2000	1999
	¢'000	¢'000	¢'000	¢'000	¢'000
Operating Profit (<i>before Returns on investments and servicing of finance</i>)	448,998	771,482	95,515	346,315	(198,766)
Prior Year Adjustment	-	-	-	-	83,043
(Profit)/Loss on disposal of assets	-	(45,000)	-	(4,450)	-
Depreciations charges	140,671	157,315	79,028	68,585	60,151
Amortization of Development expenses	-	-	-	15,413	15,413
(Increase)/decrease in stocks	(55,990)	(50,327)	3,123	(18,235)	25,007
(Increase)/decrease in debtors	40,210	(242,887)	(438,232)	(153,729)	222,492
Increase/(decrease) in creditors	(253,152)	(254,412)	619,974	(8,469)	101,637
Increase/ (Decrease) Due to Directors	(1,114,494)	247,230	(80,600)	(88,113)	1,179,923
	-----	-----	-----	-----	-----
Net cash flow from operating Activities	(793,757)	583,401	278,808	157,317	1,488,864
Return on Investments and Servicing of Finance					
Dividends paid	(290,150)	-	-	-	-
Interest received	-	-	949	-	649
	-----	-----	-----	-----	-----
	(1,083,907)	583,401	279,757	157,317	1,489,513
Taxation					
Tax paid	(184,292)	(143,469)	(133,670)	(60,965)	(19,770)
Investing Activities					
Fixed assets purchased	(29,976)	(451,279)	(5,211)	(109,926)	(1,611)
Investment in Subsidiary	10,000	(10,000)	-	-	(1,466,768)
Proceeds from sale of Fixed Assets	-	45,000	6,121	6,000	-
	-----	-----	-----	-----	-----
	(1,288,175)	(23,653)	146,997	(7,574)	1,364
Financing					
Stated Capital	998,500	-	-	-	-
Shareholders' Loan	-	-	-	-	-
Bank Loan	180,000	-	-	-	-
	-----	-----	-----	-----	-----
Increase/(decrease) in cash and cash equivalents	(109,675)	23,653	146,997	(7,574)	1,364
	=====	=====	=====	=====	=====

* Management Accounts

Analysis of Changes in Cash and Cash equivalent during the year

	*				
	2003	2002	2001	2000	1999
	¢'000	¢'000	¢'000	¢'000	¢'000
Balance at January 1	169,793	146,140	(857)	6,717	5,353
Net cash inflow/(outflow)	(109,675)	23,653	146,997	(7,574)	1,364
Balance at December 31	60,118	169,793	146,140	(857)	6,717
	=====	=====	=====	=====	=====

Analysis of Balances of Cash and Cash Equivalents as shown in the Balance Sheet

Cash and Bank	60,118	169,793	146,140	3,883	6,717
Bank Overdraft	-	-	-	(4,740)	-
Balance at December 31	60,118	169,793	146,140	(857)	6,717
	=====	=====	=====	=====	=====

* Management Accounts

Remittance Processing (Ghana) Limited

Cash flow Statements for the Five Years to 31st December 2003

	*				
	2003	2002	2001	2000	1999
	¢'000	¢'000	¢'000	¢'000	¢'000
Operating Profit (<i>before Returns on investments and servicing of finance</i>)	682,145	(102,657)	(557,552)	(252,974)	(33,891)
Depreciations charges	416,608	341,762	313,008	-	-
Amortization of Development expenses	189,534	189,534	189,534	-	-
(Increase)/decrease in debtors	(578,099)	(351,470)	(390,581)	63,551	(63,551)
Increase/(decrease) in creditors	169,789	(947)	783,735	221,474	38,156
	-----	-----	-----	-----	-----
Net cash flow from operating Activities	879,977	76,222	338,144	32,051	(59,286)
Taxation					
Tax paid	(23,170)	(89,810)	(46,098)	(500)	-
Investing Activities					
Fixed assets purchased	(395,310)	(145,085)	(281,885)	(31,640)	(1,203,500)
Pre-operational expenses	-	-	-	-	(947,669)
	-----	-----	-----	-----	-----
	461,497	(158,673)	10,161	(89)	(2,210,455)
Financing					
Stated Capital	-	-	-	-	2,129,986
Shareholders' Loan	-	-	-	-	81,000
Bank Loan	(150,000)	-	-	-	-
	-----	-----	-----	-----	-----
Increase/(decrease) in cash and cash equivalents	311,497	(158,673)	10,161	(89)	531
	=====	=====	=====	=====	=====

* Management Accounts

Lead Manager: NTHC Limited
Sponsoring Broker: NTHC Securities Limited

Analysis of Changes in Cash and Cash equivalent during the year

	*				
	2003	2002	2001	2000	1999
	¢'000	¢'000	¢'000	¢'000	¢'000
Balance at January 1	(148,070)	10,603	442	531	-
Net cash inflow/(outflow)	311,497	(158,673)	10,161	(89)	531
Balance at December 31	163,427	(148,070)	10,603	442	531
	=====	=====	=====	=====	=====

Analysis of Balances of Cash and Cash Equivalents as shown in the Balance Sheet

Cash and Bank	163,427	1,930	10,603	442	531
Bank Overdraft	-	(150,000)	-	-	-
Balance at December 31	163,427	(148,070)	10,603	442	531
	=====	=====	=====	=====	=====

* Management Account

6.4 NOTES TO THE FINANCIAL STATEMENTS

Clydestone (Ghana) Limited and Subsidiary Notes to the Financial Statements for the Five Years to 31st December 2003

1. Basis of Accounting

These financial statements have been prepared under the historical cost convention in accordance with Ghana Accounting Standards.

2. Accounting Policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the company's financial statements.

a. **Depreciation**

Depreciation is provided for on a straight-line basis at rates calculated to write off the gross value of each fixed assets over its estimated useful life.

The annual rates generally in use are as follows:

Motor Vehicle	-	20.0%
Furniture, Fixtures and Fittings	-	7.5%
Office Equipment	-	20.0%
Computers	-	30.0%

b. **Stock**

Stocks are valued at the lower of cost and net realisable value.

c. **Foreign Exchange**

Transactions dominated in foreign currencies are translated into cedis and recorded at the rates of exchange ruling at the dates of the transactions. Balances denominated in foreign currencies are translated into cedis at the exchange rates ruling on the balance sheet date.

d. **Debtors**

Debtors are stated after providing for specific debts considered to be doubtful.

e. **Sales**

Gross sales represent the value of services invoiced to customers during the year net of value added taxes and discounts.

f. **Post Balance Sheet Events**

Events subsequent to the balance sheet date are reflected only to the extent that they relate directly to the financial statements and the effect is material.

3. Operating Profit*Is stated after charging*

	*				
	2003	2002	2001	2000	1999
	¢'000	¢'000	¢'000	¢'000	¢'000
Auditors' remuneration	-	32,500	37,125	36,107	19,688
Depreciation	557,279	499,077	392,036	68,585	60,151
Amortization of Dev'ment expenses	189,534	189,534	189,534	15,413	15,413
Directors' emoluments	201,496	280,556	199,345	148,526	44,409
Prior Year Adjustment	-	-	-	-	83,043
	=====	=====	=====	=====	=====

4. Other Income

Interest Income	-	-	949	-	649
(Profit)/Loss on disposal of assets	-	(45,000)	-	(4,450)	-
	-----	-----	-----	-----	-----
	-	(45,000)	949	(4,450)	649
	=====	=====	=====	=====	=====

5. Fixed Assets**Gross Value**

At January 1	2,514,083	1,962,719	1,681,744	1,551,779	758,140
Additions	425,286	596,364	287,096	141,565	1,205,111
Disposals	-	(45,000)	(6,121)	(11,600)	(411,473)
	-----	-----	-----	-----	-----
At December 31	2,939,369	2,514,083	1,962,719	1,681,744	1,551,779
	-----	-----	-----	-----	-----

Depreciation

At January 1	1,127,457	673,380	281,344	222,809	245,702
Charge for the year	557,277	499,077	392,036	68,585	60,151
Disposal	-	(45,000)	-	(10,050)	(83,043)
	-----	-----	-----	-----	-----
At December 31	1,684,734	1,127,457	673,380	281,344	222,810
	-----	-----	-----	-----	-----

Net Book Value

At December 31	1,254,635	1,386,626	1,289,339	1,400,400	1,328,969
----------------	------------------	------------------	------------------	------------------	------------------

Development Expenditure

	-	-	-	-	15,413
	=====	=====	=====	=====	=====

	*2003 ¢'000	2002 ¢'000	2001 ¢'000	2000 ¢'000	1999 ¢'000
Disposal of Fixed Assets					
Gross Value	-	45,000	6,121	11,600	-
Aggregate depreciation	-	(45,000)	-	(10,050)	-
	-----	-----	-----	-----	-----
Net Book Value	-	-	6,121	21,650	-
Sales Proceeds	-	45,000	(6,121)	(26,090)	-
	-----	-----	-----	-----	-----
Profit/(Loss) on disposal	-	45,000	-	4,450	-
	=====	=====	=====	=====	=====

6. Taxation

At January 1	(56,145)	(82,067)	43,699	(5,906)	13,864
Payments during the year	(177,900)	(104,681)	(164,357)	(61,465)	(19,770)
Charge to profit & loss account	145,925	242,893	38,591	111,070	-
	-----	-----	-----	-----	-----
At December 31	(267,680)	(56,145)	(82,067)	43,699	(5,906)
	=====	=====	=====	=====	=====
National Reconstruction Levy	-	(16,308)	-	(15,411)	-
	=====	=====	=====	=====	=====

The above tax position is subject to agreement with the tax authorities.

7. Stocks

Stocks	230,837	174,847	124,520	127,643	109,408
	=====	=====	=====	=====	=====

8. Debtors

Trade Receivables	-	1,122,975	513,731	156,127	114,648
Other receivables and prepayments	-	198,912	146,648	99,138	50,752
	-----	-----	-----	-----	-----
	1,943,116	1,321,887	660,379	255,265	165,220
	=====	=====	=====	=====	=====

9. Bank Overdraft

Amount utilised at Balance Sheet date	-	150,000	-	4,740	-
	=====	=====	=====	=====	=====

10. Creditors

Trade A/c's Receivables	1,960,051	686,991	440,061	111,591	320,942
Other A/c's Receivables	-	965,235	1,371,330	729,474	297,567
	-----	-----	-----	-----	-----
	1,960,051	1,652,226	1,811,391	841,065	618,509
	=====	=====	=====	=====	=====

11. Stated Capital

Authorised Number of Shares
At no par value

	100,000	100,000	100,000	100,000	100,000
	=====	=====	=====	=====	=====
Issued Shares Number	26,000	58,030	58,030	58,030	58,030
	=====	=====	=====	=====	=====
Issued for cash	1,548,500	546,000	546,000	546,000	546,000
Transfer from Income Surplus	-	4,000	4,000	4,000	4,000
	-----	-----	-----	-----	-----
	1,548,500	550,000	550,000	550,000	550,000
	=====	=====	=====	=====	=====

There is no share in treasury and no call or instalment unpaid on any share.

12. Dividend

At January 1	290,150	-	-	-	-
Proposed dividend	-	290,150	-	-	-
Payments during the year	(290,150)	-	-	-	-
	-----	-----	-----	-----	-----
Balance at 31 st December	-	290,150	-	-	-
	=====	=====	=====	=====	=====

13. Investments

These represent shares held in subsidiary

14. Contingencies and Capital Commitments

There were no outstanding contingencies or capital commitments as at 31st December 2002.

SECTION 7: PROSPECTS & RISK FACTORS

7.1 Prospects, Experience and Technical Capabilities

7.1.1 CLYDESTONE GHANA LIMITED

(a) Financial Document Processing

Since Clydestone and Unisys installed the National Inter-bank Automated Clearing and Settlement System for Ghana at the Bank of Ghana (BOG) in 1996, Clydestone has been at the forefront of solution provision in Financial Document Processing (FDP) in Ghana. This was further enhanced by the Company's installation of the first Image Based Remittance Processing System in 1999 and a World Bank contract for the development of a Credit Clearing System for Ghana, which was completed in June 2002.

Following the success of the BOG deal, Unisys won similar projects and installed the Automated Clearing System for Zambia, as well as two other Banks in Zimbabwe. Clydestone was invited to educate the Unisys distributor in Zambia, as well as some Banks in Zambia on FDP. The Company also assisted Inlaks (Unisys distributors in Nigeria) to install their first high speed FDP project. Clydestone's automation of a Postal Order proof of encashment for Ghana Post is a further proof of the Company's expertise in Financial Document Processing.

Clydestone intends to leverage its expertise to win more business in other parts of Africa in the following areas:

- Financial Document Processing for Banks in Nigeria and other African Countries
- Approach to Post Offices in the regions for Postal Order Automation
- Remittance Processing Solutions for Utilities through in house automation or Outsourcing

Clydestone dominates the Ghanaian FDP market. The Company intends to grow this sector by introducing the latest technologies and offering Outsourcing services to interested financial institutions. Business Process Outsourcing is a high growth sector of the ICT sector as Backward Integration is on the decline. Organisations are constantly exploring new ways to cut down operating cost. Outsourcing business process automation to specialised companies enables them to concentrate on their core business areas.

Cheque volumes are expected to increase over the years as the economy grows. Thus, the automation of the regional clearing centres in Ghana in the very near future is expected to increase the overall market share and revenue of Clydestone.

(b) Local and Campus Area Networking (LCAN)

In the LCAN market, Clydestone's installations to Large Corporate clients who are at the forefront of Information and Communications Technology (ICT) use in Ghana, confirms the Company's capabilities and experience. Some of Clydestone's customers in this segment of the ICT, Infrastructure are:

- Standard Chartered Bank Limited – Main Data Centre, Head Office (620 nodes) and Regional Data Centre for West Africa (240 nodes).
- Barclays Bank Limited – Head Office, 450 nodes
- Unilever - 15 Individual Fibre Optic Links to Data Centre and 480 nodes
- BAT- 11 Individual Fibre Links exceeding 1 Kilometer
- GcNet 550 metres Fibre Optic link between Premier Towers and CEPS' Head Office as well as a Fibre -Optic Link at KIA from Customs warehouse to AFGO
- Anglo Gold (Sadiola Mine in Mali) Mine Wide Fibre Optics Links.

The Company intends to leverage its position as providers of mission critical LCAN to existing Blue Chip clients and prospective corporate clients to drive and win new business in this sector.

(c) ICT Security

This is a high growth area where Clydestone intend to offer services to corporate clients in conjunction with Cisco Systems and Unisys of the US.

Africa's leading ICT market analysts, BMI-Tech, Knowledge recently released an IT Security End-User Study 2003, which indicates that in an era of budget freezes, cost containments and expenditure cuts, expenditure on security solutions is still growing. BMI-T's latest findings on end-user attitudes and plans with regard to IT security adoption highlight the continued focus on security as a key investment area and a critical vendor and product selection criteria. Opportunities for vendors of security products and services will continue to proliferate.

Natalie Bryden, Senior Analyst at BMI-T and co-author of the report, says that the growth has been based on a number of different factors including a growing executive awareness surrounding the security challenge, growing complexity of the IT environment coupled with mounting pressure to protect corporate assets and data held in respect to external parties such as customers suppliers and partners.

Increasingly, there is a growing interest in addressing the security challenge at a strategic level that incorporates a range of appropriate technologies and services. Senior executives will increasingly view investment in security products and services as a means to achieving good corporate governance and continuity of business.

Corporate governance: organisations worldwide are increasingly under pressure to take reasonable actions to ensure that any confidential or sensitive data held by their organisation is protected against unauthorised access and inappropriate use. Corporate governance issues are driving organisations to minimise liability against both individuals and the organisation as a whole. Consequences of non-compliance can have a major effect on company brand image, and on individuals within the management structure. Compliance becomes a clear reason to invest in security solutions.

Business continuity: as an increasing number of business processes are dependent on network based applications (i.e. e-mail, customer support, order taking, and others) downtime caused by denial of service virus attacks or infections can have dire consequences to an organisation. Firms in Ghana are looking forward to business continuity and minimise disruption to employee productivity through security measures.

(d) Transaction Switching

Clydestone in conjunction with TradeRoot Technologies of South Africa in January 2003 successfully installed an ISO 8583 Enterprise Switch for Transaction Solutions Ghana Limited (TranSol). This enabled TranSol launch Ghana's first Electronic Voucher Recharge system with Spacefon its premier client. The switch offers the following functions:

- Dispensing of Prepaid Inventory e.g. Prepaid Mobile and Prepaid Electricity Top-up
- Third Party Payments
- Electronic Funds Transfer (Debit and Credit Card transaction processing, as well as Loyalty Card Redemption)

The successful implementation of this yet another cutting edge solution in Ghana attests to Clydestone's capabilities as suppliers of mission critical transaction processing systems. Clydestone used to own shares in TranSol but sold off in 2003. Currently, there is no relationship between Clydestone and TranSol.

7.1.2 REMITTANCE PROCESSING GHANA LIMITED

The establishment of RPGL in 1999 and the deployment of Ghana's first Image Remittance Processing Site is a major achievement, in spite of the fact that utilities in Ghana use non-standard bill formats. Bills generated by ECG and GWC are not machine-readable (i.e. not Optical Character Recognition (OCR) ready). Therefore RPGL's work - around solution in processing these documents using image capture and data entry is seen as a major achievement.

Unisys Africa has expressed the desire to leverage on this achievement in Ghana to market the solution together with RPGL in other African countries, exploiting the Company's experience and using its site as a reference. (e.g. same strategy used for Cheque Clearing)

RPGL intends to approach other Postal Organisations and Utility companies in the region with the view of partnering to provide them to offer the Company's services.

7.1.3 Technical and Support Capabilities

Because of the mission critical nature of our installed sites, it is of paramount importance that the Company maintains support and back-up systems, as well as offer round the clock support contracts to its clients.

In most cases business continuity must be assured at all times. Clydestone and it's subsidiary have tackled these successfully over the years by deploying the following best practices:

- Stock of essential spare parts required for support.
- Invested in Back-up Systems and as such can offer disaster recovery services to FDP clients.
- Stock of Fibre Optics cables and Cisco Switches to offer hot swap services to LKAN clients.
- Back-to-back agreements with technology partners namely; Aperta, BSL UK, TradeRoot Technologies and Unisys.

These arrangements ensure access to large pool of experts to resolve problems that may arise in the quest to offer unrivalled service and support.

In summary, the Company's association with Unisys also affords it the ability to deploy other solutions in other industry segments of the ICT Market notably: Telecoms, Public Sector, and Transportation. Opportunities in the above sectors exist in Ghana and the Company plans to explore them together with Unisys in 2004. It also offers the Company the ability to provide a range of specialised services in ICT as and when they evolve worldwide.

7.2 Risk Factors

(a) Economy

The macro-economic environment impacts in a very direct way on both businesses. The threat of deterioration in the economic conditions prevailing in Ghana must therefore be analysed and monitored.

(b) Increased Competition in Networks

The barriers to entry into the Network design, installation and support business are relatively low as witnessed by the churn of companies entering the sector.

This increased competition inevitably leads to price pressures as clients use competitive quotes from a variety of companies anxious for business.

(c) Foreign Exchange Risk

This is the exposure to fluctuations in the value of the major currencies, the *British Pound Sterling*, *Euro*, and the *United States Dollar*, in which the prices of IT Software and Hardware are set on the world market, and also fluctuations in the value of the local currency, the Cedi, against these major currencies. These affect the value of the cost of IT software and hardware equipment and also the receivables realized from sale of such products.

(d) Market Risk

The availability of market is very important for the successful operation of any IT company. Challenges in the market include ability to retain current clients as well as increase customer patronage and the threat of new entrants into the industry. The prepayment scheme of ECG may also reduce earnings of RPGL.

Clydestone has successfully increased its customer base over the years through the delivery of quality IT solutions at affordable charges. The company has put in place various marketing strategies to further boost its income. Our market study indicates that the prepayment scheme of ECG constitutes less than 1% of its income and will therefore pose no significant threat to RPGL. Nonetheless, the company has access to the technology that can dispense all prepayment schemes.

(e) Contractual Risk

Clydestone represents Unisys Corporation (USA) in Ghana under a renewable Associate Agreement with Unisys Africa, based in Johannesburg (South Africa). The agreement provides for the purchase of equipment from South Africa. The abrogation of this agreement may make it difficult for Clydestone to purchase equipment for future use. The company, however, has other sources it can depend on, should there be an abrogation of this agreement.

SECTION 8: TERMS AND CONDITIONS OF THE OFFER

8.1 Introduction

- a. For purposes of the share offer, a “Qualifying Offer Applicant” means any natural person, corporation, partnership or other unincorporated association resident or incorporated in Ghana, an ECOWAS Territory or other Qualifying Territories.
- b. “Qualifying Territory,” means any country whose laws permit the acquisition of shares under the CLYD share offer.
- c. “ECOWAS Territory” means any country, which is a member of ECOWAS.
- d. “Receiving Agents” means any bank or stockbroker appointed by the Managers of the share offer to receive and process applications for the share offer.

If you apply for Shares in the Clydestone Ghana Limited “Share Offer” you will be agreeing with the Managers and the Company (CLYD) as set out below and accepting the conditions in 8.2 to 8.8

8.2 General Conditions

- a. If you receive a copy of this document and/or Application Form in any territory other than Ghana, you may not treat it as constituting an invitation or offer to you, nor should you in any event use such Application Form, unless in the relevant territory such an invitation could lawfully be made to you without compliance with any unfulfilled registration or other legal requirements. It is your responsibility if you are outside Ghana and/or subject to the laws of any other territory and if you receive a copy of this document and/or an Application Form and wish to make an Application, to satisfy yourself as to full observance of any governmental or other consents and compliance with other necessary formalities, and to pay any transfer charges or other taxes or duties required to be paid in such territory in respect of the offer shares acquired by you under the offer.
- b. If you are a Qualifying Offer Applicant resident outside Ghana, you may apply for a specified number of shares by completing and returning an Application Form for a specified number of Offer Shares which you wish to acquire, by hand or by registered post to The Lead Manager, NTHC, "CLYD Share Offer" Post Office Box KIA 9563 Airport - Accra, Ghana not later than 5.00 pm (Ghana Time) on April 16, 2004.
- c. For the avoidance of doubt, payments accompanying Applications from residents in Ghana must be made in Cedis, and payments accompanying Applications from non-residents applicants must be made in US Dollar or British Pound Sterling or Euro. Whether payments is made in US Dollar, British Pound Sterling or Euro, the Cedi equivalent will be credited in favour of the applicant. Uniform exchange rate of Cedis 9,200 = US\$1.00, Cedis 16,000 = £1.00 and Cedis 11,200 = Euro 1.00 will apply over the offer period.

All application monies collected will be deposited into account No. 0114091-022 at the Agricultural Development Bank (ADB), Adabraka Branch, Accra – Ghana
- d. Any Application which is not received, for any reason, from a Qualifying Offer Applicant by a Receiving Agent which will realize cleared funds for the full amount payable on application by 5.00 pm (Ghana Time) on Friday, April 16, 2004 shall be considered as invalid.
- e. All documents and remittances sent or delivered to or by Applicants will be sent or delivered at their own risk.

8.3 Offer to purchase Shares

- a. You offer to purchase from Clydestone Ghana Limited at Cedis 500 per Share the number of Offer Shares indicated in your application form (or any smaller number in respect of which your application is accepted) on these terms and conditions, and on the basis of the information contained in the Prospectus and subject to the Regulations of the Company. You agree that for all payments and transactions in this CLYD Share Offer, subsequent payments to you in any capacity will be denominated in cedis.
- b. You agree that your offer cannot be revoked prior to Friday, April 16, 2004 and promise that any cheque, bankers' draft or money/postal order accompanying your application will be honoured on first presentation and that this paragraph constitutes a collateral contract between you, the Company. It becomes binding when your application is posted to or, in the case of delivery by hand, received by, one of the Receiving Agents. All bank commissions and transfer and other charges must be paid by the applicant.
- c. A thumbprint on an application form will be accepted instead of a signature thereon.
- d. If your application form is not completed correctly or is amended, or if any accompanying cheque, bankers' draft, money/postal order or other remittance is in the wrong currency or realizes, on presentation, cleared funds, after 5.00 p.m. (Ghana time) on Friday, April 16, 2004 and/or an amount which is less than the amount due in respect of the number of Shares applied for it may still be treated as valid. In these circumstances the Managers' decision as to whether to treat your application as valid, and how to construe, amend or complete it, shall be final. You will not, however, be treated as having offered to purchase a number of Offer Shares greater than the number specified in your application form.
- e. Applications must be for a minimum of 200 Shares, and thereafter in multiples of 100 Shares.
- f. Any application may be rejected in whole or in part, if it is determined to be incomplete, illegible, or if it is determined that the Applicant is not eligible to participate in this Offer.

8.4 Acceptance of your offer

- a. Acceptance of your offer will be made (if your application is received, valid, processed and not rejected) either:
- (i) by notifying the Ghana Stock Exchange of the basis of allocation in which case the acceptance will be on that basis; or
 - (ii) by notifying acceptance to one of the Receiving Agents.

The acceptance may be of the whole or any part of your offer and, accordingly, the number of Offer Shares you offer to purchase may be scaled down.

- b. If your offer to purchase is accepted (in whole or in part), there will be a binding contract under which you will be required to purchase the Offer Shares in respect of which your offer has been accepted.

8.5 Payment for the Shares

- a. You undertake to pay the purchase price for the Offer in respect of which your offer is accepted. The cheque or bankers' draft or other remittance accompanying your application may be presented for payment before acceptance of your offer, but this will not constitute acceptance of your offer, either in whole or in part. The proceeds of this presentation will be held pending acceptance and, if your offer is accepted, will be applied in discharging the purchase price for the Offer Shares in respect of which your offer is accepted. Following payment in full of the purchase price, the Company will arrange (and you authorise the Company so to do) for you to be entered on the Shareholders Register in respect of the Offer Shares which you have offered to purchase, and in respect of which your offer has been accepted.
- b. If your application is invalid, rejected or not accepted in full, the proceeds of the cheque or other remittance accompanying your application or the unused balance of those proceeds (as the case may be) will be refunded to you without interest and any interest received on all such proceeds will be retained by the Company.

- c. If the remittance accompanying your application is not honoured on first presentation, then, at any time until one of the Receiving Agents has received in cleared funds for the Offer Price in respect of an Offer Share, the Managers, on behalf of CLYD, may terminate the agreement to purchase that Offer Shares. This termination will be effected by notice being dispatched to you. In the event of termination you will pay to the Managers on behalf of themselves and the Company on demand such amount as may be certified on their behalf as being necessary to compensate the Managers and the Company for the losses, costs and expenses incurred or expected to be incurred as a result of the remittance not being honoured on first presentation and as a result of termination (taking into account any amounts paid under paragraph (b) above and any profit gained on the resale of the Offer Share).

8.6 Warranties

- a. You warrant that:
 - (i) You are a Qualifying Applicant;
 - (ii) In making your application you are not relying on any information or representation concerning the Company and/or the Offers or any of them not contained in the Prospectus. You agree that no person responsible for this document or any part of it will have any liability for any such other information or representation.
- b. If the person signing, or making a thumb print on, the application form is not the applicant, that person warrants that he has authority to do so on behalf of the applicant and that this authority is vested in him by virtue of any power of attorney which (or a copy of which certified by a solicitor) accompanies the application.
- c. If the Applicant is other than a natural person, the person signing the Application Form warrants that he has authority to do so on behalf of the Applicant.

8.7 Supply and disclosure of information

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

8.8 Miscellaneous

- a. The rights and remedies of the Company, and the Managers under these terms and conditions are in addition to any rights and remedies, which would otherwise be available to each of them, and the exercise or partial exercise of one will not prevent the exercise of others.
- b. If you deliver your application form to a Receiving Agent, you authorise the Company and its agents to send any money returnable to you and a share certificate for the number of Shares for which your application is accepted to the Receiving Agent to which you delivered your application form for collection by you from such Receiving Agent, and you agree to produce the completed receipt from the bottom of the application form and/or other appropriate evidence of your entitlement to the certificate and/or returned monies to such Receiving Agent upon collection thereof. If your application was sent by post, you authorise the Company or its agents to send a share certificate for the number of Shares for which your application is accepted and/or a cheque for any money returnable by registered post to you at your address (or, in the case of joint applicants, the address of the first-named person) as set out in the application form.
- c. All documents and monies sent or delivered to or by you will be sent or delivered at your own risk. Any cheque, in regards to a refund, will be made payable to you (or the first person named in any joint application) and will be in the currency in which you applied for Offer Shares, and you agree and accept that a payment to you in the currency in which you applied for Offer Shares in this instance does not constitute a waiver of any part of 9.1(a) above.
- d. You agree to be bound by the Regulations of the Company once the Offer Shares you have agreed to purchase have been transferred to you.
- e. Your application, any acceptance of that application and the contract resulting there from will be governed by, and construed in accordance with, the laws of Ghana. For the exclusive benefit of the parties mentioned in the introduction to these terms and conditions you irrevocably submit to the jurisdiction of the Ghanaian courts in respect of these matters. This does not prevent an action being taken against you in any other jurisdiction.
- f. Words defined in the Prospectus and not defined in these terms and conditions have the same meanings in these terms and conditions and in

your application form and in the guide to the application form as in the Prospectus. In the case of a joint application, references to an applicant in these terms and conditions are to each of the joint applicants and their liability is joint and several.

- g. There is no stamp duty on dealings in shares listed or to be listed on the Ghana Stock Exchange.
- h. The Company reserves the right, after consultation and with the agreement of the Managers, and the Ghana Stock Exchange to extend the period of the Clydestone Ghana Limited Share Offer, save that it will not be extended beyond Friday, April 16, 2004 and/or to extend the Clydestone Ghana Limited Share Offer to persons other than natural persons.
- i. Although the Company will be co-operating with the Managers in connection with the co-ordination of the Clydestone Ghana Limited Share Offer, it is the responsibility of the Managers to ensure full compliance with all applicable laws and regulations in relation to the Clydestone Ghana Limited Share Offer and the solicitation of applications thereof. The Company does not accept any responsibility in this regard.

SECTION 9: ADDITIONAL INFORMATION

9.1 Overview of Ghana Stock Exchange

Inception & Organisation

The Ghana Stock Exchange (GSE) was incorporated in July 1989 as a company limited by guarantee. It is a non-profit non-governmental organisation governed by a thirteen (13) member Council. Members of the GSE include fourteen (14) Licensed Dealing Members (brokerage firms) and forty-one (41) Associate Members. The Exchange is regulated by the Securities Exchange Commission under the Securities Industry Law, PNDCL 333 of 1993, as amended by Securities Industry (Amendment) Act, 2000, (Act 590).

Key Information

Trading Days:	Monday, Wednesday, and Friday; starting at 10:00am
Trading Method:	Carried on the floor under the Continuous Auction Trading (CAT) system. Over the Counter (OCT) Trading is however allowed in Ashanti Goldfield Company Ltd. shares. Trading is done in lots of 100 shares.
Settlement Period:	Trade day plus 3 working days
Receipt of Certificate:	Three (3) weeks

Access to trade and general

information on GSE: Through Reuters, Internet, Official Trading Results, local newspapers, GSE Fact Book, and periodic publications put out by member brokerage firms.

9.2 Development & Trends

Trading on the Exchange began on 12th November 1990 with eleven listed companies. The number of listed companies has since then increased to 25 with the recent listings of the Produce Buying Company Ltd., a commodity trading concern in May 2000, and Sam Woode Ltd. in April, 2002 while Cocoa Processing Company (CPC) was listed in October 2002. Government Index Linked Bond (GGILB) was also listed on the Exchange on December 28, 2001.

9.3 Business Sectors:

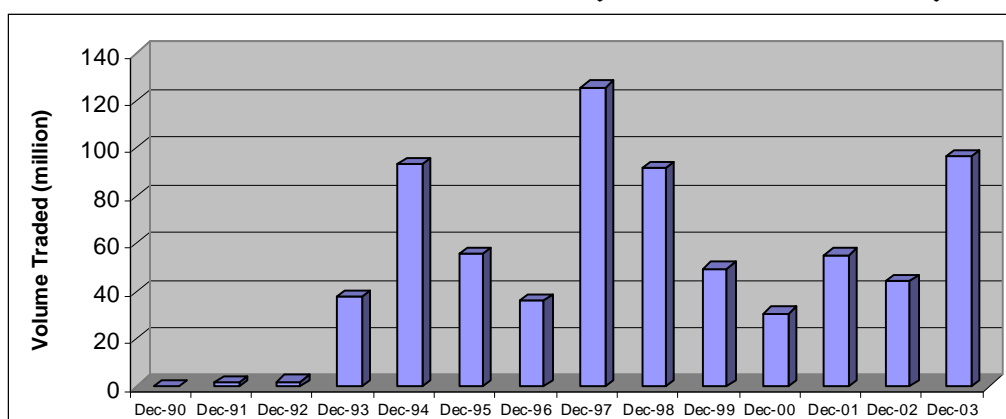
Sectoral distribution of listed companies on both the first and second official lists as at end of December 2003 is as follows:

Industry	No. of Companies	December 2003	
		Market Cap.(¢bn)	% of Market Cap
Mining	1	3,754.48	29.79
Brewery	3	1,243.53	9.87
Trading	3	668.86	5.31
Financial	6	4,663.32	37.00
Manufacturing	8	2,114.41	16.78
Petroleum Marketing	1	141.75	1.12
Printing & Publishing	3	17.47	0.14
Total	25	12,603.82	100.00

9.4 Trading Volumes:

Trading volumes on the stock market improved substantially in 1994 from the low levels in the nascent years, and since then have generally stayed up while going through the highs and lows of the business cycle, as charted below. Volumes jumped over 6,880% from 1991 full year's 1,825,800 shares to full year's 125.63 million shares in 1997. The volume took a dip in 1998 and 1999, as a result of the economic instability in those years. The figure for 2001 shows a remarkable recovery from the trough of 2000, rising by 80%. Trading volumes however dropped from 55.30 million shares in 2001 to 44.12 million shares at the close of 2002, before rising by over 118% to 96.33 million shares at the end of December 2003. With the improving trend in major macro-economic indices, the recovery is expected to continue in the year 2004.

GSE Annual Volume of Shares Traded (Dec 1990 – Dec 2003)

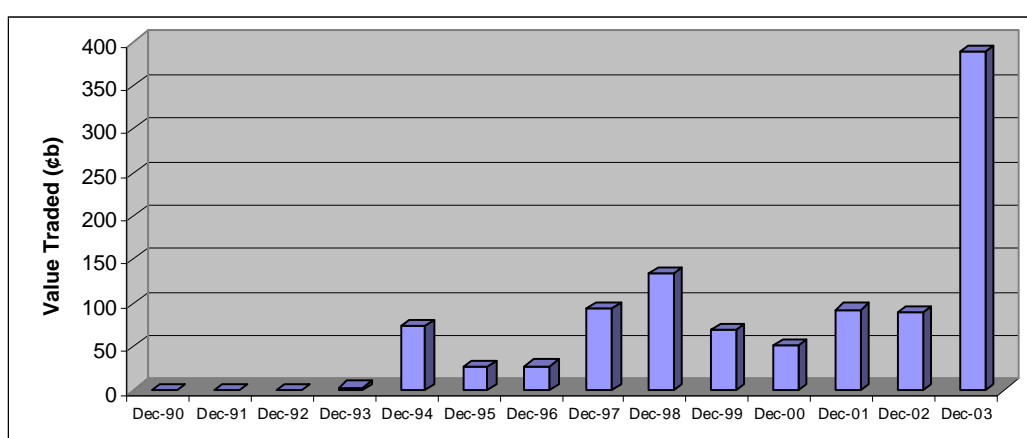


9.5 Trading Values:

As figure below shows, total trading values have generally trended upwards, growing from full 1991 year value of ₵60 million in 1990 to a high of ₵134.0 billion in 1998, a growth of 223,233%. Values declined in 1999 and 2000, but recovered in 2001 showing a rise of 82%. Trading values rose sharply from ₵89.41 billion at the end of 2002 to ₵389.30 billion at the end of December 2003. This shows a 335.41% rise over year 2002 level.

Trading values have increased partly because of favourable macroeconomic trends, partly because of increased foreign participation on the Exchange, and rising share prices.

GSE Annual Value of Shares Traded (Dec 1990 – Dec 2003)

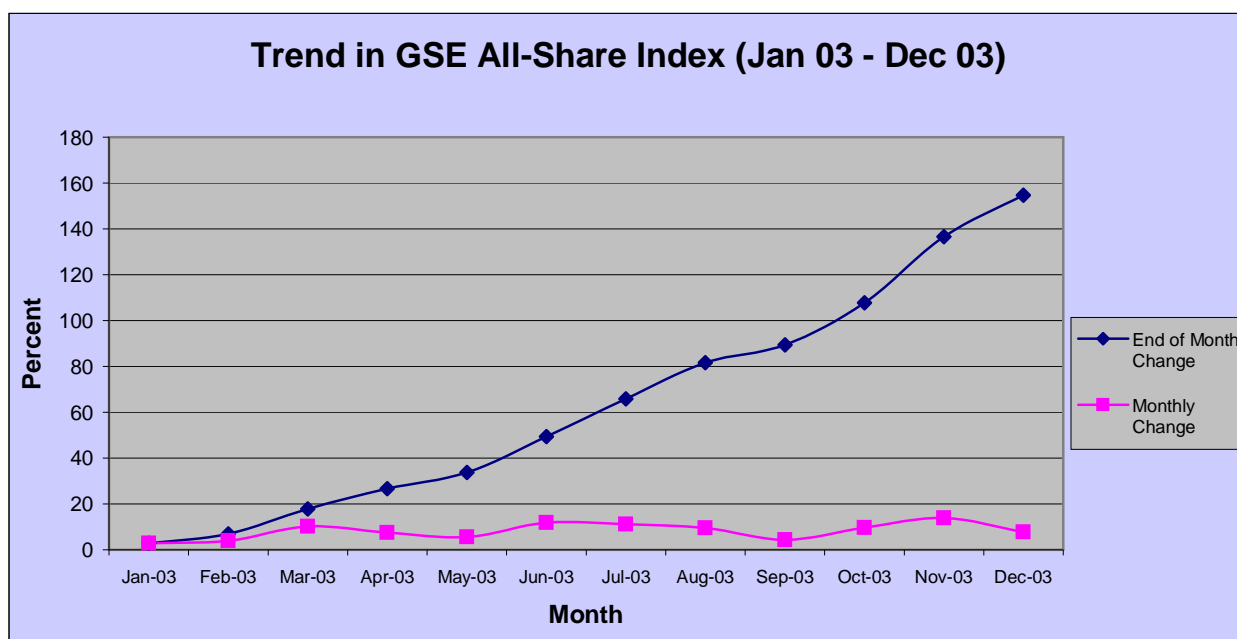


9.6 Market Performance & Impact of Ghana's Privatization Program

The stock market has performed commendably since its inception. From a base of one hundred (100) the GSE Index has risen to 955.95 by December 2001 and 1,223.69 as at June 28, 2002. While year on year performance has been mixed, returns have been significant for long-term investors averaging about 33.72%, higher than returns on any other formal investment avenue available in the economy over the period. For the first 6 months of 2002, the nominal increase in the index alone represents a nominal value appreciation of 28.01%. Market performance on the exchange over the period has been as follows:

Ghana Stock Market Performance Trends

	1994	1995	1996	1997	1998	1999	2000	2001	2002	Dec 03
GSE Index Value	298.1	317.0	360.8	511.7	868.4	736.2	858.0	956.0	1,395.3	3,553.42
GSE Index Change [%]	124.3	6.3	13.8	41.9	69.7	-15.2	16.6	11.4	46.0	154.7



9.7 Investor & Minority Protection

Protection of Minorities:

The Companies Code provisions on minority shareholders⁸ make it possible only in limited circumstances for action to be brought by a minority shareholder either in his own name, or in the name of the Company, to redress a wrong done by the Company. However, the courts may permit a minority shareholder to bring such an action if the act complained of is illegal, or beyond the corporate power of the Company, or infringes the Regulations, or constitutes a fraud on the minority shareholders.

In addition, any shareholder, or debenture holder of the Company may petition the courts on the ground that the Company's affairs are being conducted, or the powers of the directors are being exercised, in a manner oppressive to one, or more of the shareholders or debenture holders, or in disregard to their interests, or that some act of the Company has been done, or is threatened, or that some resolution of the shareholders, debenture holders, or any class of them has been passed, or is proposed which unfairly discriminates against, or is otherwise unfairly prejudicial to, one or more of the shareholders or debenture holders.

The courts may make such order as is thought fit upon such an application including an order, (a) directing, or prohibiting any act, or canceling, or varying any transaction, or resolution, (b) regulating the affairs of the company in the future, or (c) providing for the

⁸ Shareholders and members of a company are used interchangeably.

purchase of shares of any members, by other members, or by the Company itself with a consequential reduction in its stated capital.

A shareholder may also bring an action against any director in respect of a breach by such director of his fiduciary duties.

9.8 Power to Dispose of CLYD's Assets:

The business of Clydestone Ghana Limited is to be managed by the Board of Directors, which generally includes the power to dispose of the assets of the Company. The Companies Code and the Regulations restrict this power so that the Board shall not, without the approval of an ordinary resolution of the Company, sell, lease, or otherwise dispose of the whole, or substantially the whole, of the undertaking, or the assets of the Company.

9.9 Power to Borrow

The Board of Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its property and undertaking or any part thereof and to issue debentures and such powers can be varied by amending the Regulations.

9.10 Ghana Stock Exchange Takeover Code

The Ghana Stock Exchange has adopted Rules governing takeovers, mergers and acquisitions of listed companies under which, *inter alia*, the acquisition of shares with twenty-five percent, or more of the voting rights in a listed company gives rise to an obligation to make a cash offer to the remaining members of the company.

9.11 Key Changes to Prepare for Listing on Ghana Stock Exchange

To fulfill CLYD's aim of being listed on the GSE through public share flotation, relevant changes were effected in the Company's status and the following relevant key action undertaken:

The Board of Directors by written special resolution recommended as follows:

- a. On August 26, 2003 - converted Clydestone Ghana Limited into a *public company* limited by shares;
- b. September 5, 2003 - authorised the Board of Directors to take all actions, issue such number of shares as are required and to negotiate on all matters and sign all documentation necessary to complete the flotation process to list Clydestone Ghana Limited on the Ghana Stock Exchange.
- c. September 5, 2003 - resolution converting director's loan of ₵998,500,000 to stated capital.
- d. September 5, 2003 - adopted new regulations, which increased the issued shares from 58,030,000 to 78,000,000 and were then consolidated in the ratio of 3:1 to 26,000,000. Additional shares of 8,000,000 are to be issued under the offer.

SECTION 10: APPLICATION FORM, COMPLETION GUIDE AND RETURN INSTRUCTIONS

10.1 Instructions for Completion of Application Form

Before completing an Application Form you should read this carefully.

PLEASE USE BLOCK/CAPITAL LETTERS.

PLEASE RETURN THE COMPLETED APPLICATION FORM SOONEST BUT NOT LATER THAN FRIDAY, APRIL 16, 2004⁹.

1. Multiple applications are not permitted. Please read **Note 7** and the Declaration carefully before you sign (or, if unable to sign, make your thumb print) above the line provided and date the form in the box provided.

The Application Form may be signed by someone else on your behalf if he/she is duly authorised to do so. An agent must enclose the original power of attorney appointing him/her (or, a copy certified by a notary public) unless he/she is a selling agent or financial intermediary and states the capacity in which he/she signs.

Application from illiterates should bear their right thumb print on the Application Form and be witnessed by an official of the bank or a broker at which the application is lodged, who must first have explained the meaning and must record in writing that he has given this explanation to the illiterate in the language understandable by him or her and that the illiterate appeared to have understood the same before affixing his or her thumb impression.

If applying for someone under the age of 18 years, you (rather than that person) must sign the Application Form.

2. Fill in your Surname (i.e. family name), all your forenames (i.e. First/Christian names) and the title by which you are addressed. In the case of a Corporate Applicant, your company name can be filled in here. Applications from corporations and partnerships must bear the institutions' common stamp and be completed under the hand of a duly authorised official who should also state his/her designation/title.

⁹ The Managers of the Offer may, in consultation with CLYD, and the Ghana Stock Exchange, extend the Offer period beyond this date.

Only people of 18 years and above can buy shares in their own names. However, shares can be bought for a minor by a parent, grandparent or guardian of the minor. That adult can complete another application to buy shares in his/her own name. If you wish to apply with another adult, see **Note 8**.

3. Fill in the number of shares (**minimum is 200 shares and thereafter in multiples of 100**) that you are applying for and the amount of your payment (minimum is ₵100,000). Please use figures.

Your payment must be in a form, which will realize cleared funds for the full amount payable by 5:00pm (GMT) on FRIDAY, APRIL 16, 2004.

Cheques, money/postal orders and banker's drafts should be made payable to the Receiving Agent and crossed **CLYD SHARE OFFER** and endorsed **COMMISSION TO DRAWER'S ACCOUNT**.

All bank commissions and transfer charges must be paid by the applicant.

The Minimum Application is for 200 shares and in multiples of 100 shares thereafter.

When the basis of allocation under the CLYD Share Offer is set, successful applicants will be allocated a number of shares. Any balance owing will be refunded.

4. Fill in your full postal address.
5. Provide the information for the bank where you wish to receive dividend payments. If you have no bank, leave blank. Ask the receiving agent for assistance if you have any difficulties.
6. Tick the relevant box to indicate your country of residence (i.e. whether or not you are resident in Ghana).
7. *By signing the Application Form you will be applying for Offer Shares on the terms and conditions set out in the Prospectus and in this Form. Proceedings may be instituted against anyone knowingly making a false declaration. This applies whether an Application is made solely or jointly with other persons.*
8. Joint Applicants.

You may apply jointly with up to three people, provided each applicant is an adult over 18 years of age. They should complete their names and sign the appropriate place by their name.

Power(s) of Attorney must be enclosed if anyone is signing on behalf of any joint applicant(s).

PLEASE LEAVE THE BRANCH CODE AND FORM NUMBER BLANK. THIS WILL BE COMPLETED BY YOUR BANK OR BROKER.

PHOTOCOPIES of Application Forms used MUST BE CLEAR AND CLEAN.

10.2 Instructions for Return of Your Application Form

IN GHANA:

You must return your completed Application Form, together with your payment by 5.00pm Ghana Time on April 16, 2004 to any of the following Receiving Agents:

Receiving Brokers:

NTHC Limited	New World Investments Limited
Capital Alliance Company Limited	Worldwide Securities Limited
CAL Brokers Limited	CDH Securities Limited
Databank Brokerage Limited	First Atlantic Brokers Limited
Gold Coast Securities Limited	Merban Stockbrokers Limited
Ecobank Stockbrokers Limited	SDC Brokerage Limited
Sterling Securities Limited	Strategic African Securities Limited

Receiving Banks:

Ghana Commercial Bank Limited

- All branches in the Greater Accra Region
- All branches in the regional capitals in Ghana

Receiving Post Offices:

Ghana Postal Services Company Limited

- All branches in the Greater Accra Region
- All branches in the regional capitals in Ghana

GUIDE TO COMPLETING THE APPLICATION FORM

AFTER YOU HAVE COMPLETED THE APPLICATION FORM YOU SHOULD DELIVER IT IN ACCORDANCE WITH THE STATED INSTRUCTIONS. POSTAL APPLICATIONS SHOULD BE RECEIVED BY 5PM GMT ON April 16, 2004

1 Multiple applications are not permitted.

Please read the declaration in Box 7 carefully before you sign (or, if appropriate, make your thumb print) IN THE Box, and then date the form in the area provided.

- The application form may be signed by someone else on your behalf if he/she is duly authorised to do so. An agent must enclose the original power of attorney appointing him/her (or a copy certified by a solicitor) unless he/she is a selling agent or financial intermediary and states the capacity in which he/she signs.

If you are applying for the benefit of someone under the age of 18, you, rather than that person, must sign the application form, and put the minor's name in the box provided.

2 Put in Box 2 your full name. Please use BLOCK/CAPITAL LETTERS.

Applications must not be made by anyone under 18, but a parent, grandparent or guardian of a child under 18 may apply for the benefit of that child. To do this you should put your name in the surname and forename sections of **Box 2** and the full name of the child in the Account Name section in **Box 5** under the Dividend payment details. You are not thereby precluded from making a single application for your own benefit.

If you wish to apply with another adult, see Note 8.

3 Put in Box 3 the number of Shares for which you are applying and the amount (in figures) of your payment, which must be in a form which will realize cleared funds for the full amount payable on application by 5:00 p.m. GMT on April 16, 2004. Cheques, money/postal orders and bankers' drafts should be made payable to "CLYD Share Offer", crossed A/c payee only and endorsed, where applicable, COMMISSION TO DRAWER'S ACCOUNT'. The applicant must pay all bank commissions and transfer charges.

THE MINIMUM APPLICATION IS FOR TWO HUNDRED SHARES AND AN AMOUNT OF CEDIS 100,000

When the basis of allocation under the CLYD Share Offer is set, successful applicants will be allocated a number of Shares. Any balance owing will be refunded. For example, if you wish to purchase 50,000 shares, and provided CEDIS 25,000,000 for the purpose, and your application is scaled down to 40,000 shares because of excess applications, you will be allocated 40,000 shares and receive a refund of CEDIS 5,000,000.

If you are foreign resident you will receive due refund in the currency you made the initial payment

- 4 **Put in Box 4 your full address in BLOCK/CAPITAL LETTERS**
- 5 Put in **Box 5** the bank, branch and account number that you wish dividends attributable to any Shares allocated to be paid into. Otherwise leave blank.
- 6 Tick the relevant box on the application form to indicate your citizenship (whether or not you are resident in Ghana).
Also state your country of residence in the indicated box even if it is Ghana.
- 7 **CAUTION**
By signing an application form you will be applying for Offer Shares on the terms and conditions set out in the Prospectus and in this form. Proceedings may be instituted against anyone knowingly making a false declaration. This applies whether the application is made solely or jointly with other parties.
- 8 **JOINT APPLICANTS**
- You may apply jointly with up to three other people, providing each applicant is an adult over 18 years of age. They should complete and sign **Box 8**.
 - Power(s) of attorney must be enclosed if anyone is signing on behalf of any joint applicant(s)

➤ **PHOTOCOPIES OF APPLICATION FORMS USED MUST BE CLEAR AND CLEAN**

**ENSURE THAT YOU RECEIVE THE COUNTERFOIL OF YOUR APPLICATION FORM
FOR YOUR RECORDS**