
You are advised to read and understand the contents of this Rights Circular. If you are in any doubt about the actions to be taken, you should consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately. Investors are advised to note that liability for false or misleading statements or acts made in connection with the Rights Circular is provided in sections 85 and 86 of the Investments and Securities Act No. 29, 2007 (the “Act”)

For information concerning certain risk factors which should be considered by prospective investors, see Risk Factors on page 31 to 34



UACN Property Development Company Plc

RC321582

Rights Issue of

15,961,574,145 Ordinary Shares of 50 kobo each at

₦1.00 per Share

on the basis of 43 new Ordinary Shares

**for every 7 Ordinary Shares held as at the close of business on
Monday, 30 September 2019**

The rights being offered in this Rights Circular are tradable on the floor of The Nigerian Stock Exchange for the duration of the Acceptance period of the Issue.

Payable in full on Acceptance

ACCEPTANCE LIST OPENS: Monday, 10 February 2020
ACCEPTANCE LIST CLOSES: Friday, 13 March 2020

Issuing House:



This Rights Circular and the securities which it offers have been cleared and registered by the Securities and Exchange Commission. The Investments and Securities Act No. 29, 2007 provides for civil and criminal liabilities for the issue of a Rights Circular which contains false or misleading information. The clearance and registration of this Rights Circular and the securities which it offers do not relieve the parties of any liability arising under the Act for false and misleading statements or for any omission of a material fact in this Rights Circular.

This Rights Circular is dated 31 January 2020

IMPORTANT NOTICE

Notice to Shareholders outside Nigeria

The distribution of this Rights Circular and the offer of the Shares in certain jurisdictions may be restricted by law. No action has been taken by the Issuer or the Issuing House that would permit a public offer of shares or possession, publication or distribution of this Rights Circular (or any other offer or publicity material or application form relating to the Issue) in any jurisdiction where action for the purpose is required, other than in Nigeria. Persons into whose possession this Rights Circular comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Rights Circular does not constitute an offer of, or an invitation to subscribe or purchase, any shares being offered in any jurisdiction in which such an offer would be unlawful.

Forward Looking Statements

Certain statements in this Rights Circular may constitute forward looking statements that involve a number of risks and uncertainties. These forward looking statements include statements regarding the Company's intentions, beliefs or current expectations concerning, amongst other things, the Company's strategies, future plans and the industry in which it operates. Prospective investors should be aware that forward looking statements are not guarantees of future performance and that the Company's actual results of operations, financial condition and liquidity, and the development of the industry in which it operates may differ materially from those made in or suggested by the forward looking statements contained in this Rights Circular. Actual results could differ materially from those contained in such forward looking statements as a result of a variety of factors.

The Directors collectively and individually accept full responsibility for the information contained in this Rights Circular. To the best of the knowledge and belief of the Directors (having made all reasonable enquiries to ensure that such is the case), the information contained in this Rights Circular is in accordance with the facts and contains no omission likely to affect its import.

The Issuing House and/or any of its affiliates, acting as shareholders for their own accounts, may take up shares in the Issue and in that capacity may retain, purchase, sell, offer to sell or otherwise deal in such Shares for their own account and any other securities of the Company or related investments and may offer or sell such Shares or other investments other than in connection with the Issue.

No person has been authorised to give any information or make any representations other than those contained in this Rights Circular and if given or made, such information or representations must not be relied on as having been authorised by the Company and/or the Issuing House or any of their respective subsidiaries or affiliates.

The information contained in this Rights Circular has been provided by the Company and other sources duly identified herein. The Issuing House makes no representation, express or implied, or accept any responsibility, with respect to the accuracy or completeness of any information in this Rights Circular. Each Shareholder should read this Rights Circular in its entirety and determine by himself/herself the relevance of the information contained herein and each Shareholder's acceptance of his/her rights should be based upon such investigation as is deemed necessary. In making an investment decision, Shareholders must rely upon their own examination of the Company and the terms of this Rights Circular, including the risks involved.

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DEFINITIONS

In this document, unless otherwise stated or clearly indicated by the context, the following words have the meanings stated opposite them.

“CAMA”	Companies and Allied Matters Act, 1990, Cap C20 Laws of the Federation of Nigeria 2004
“CBN”	Central Bank of Nigeria
“CHN”	Clearing House Number
“CP”	Commercial Paper
“Council”	Council of The Nigerian Stock Exchange
“Court”	The Federal High Court of Nigeria
“CSCS”	Central Securities Clearing System Plc
“Daily Official List”	Daily Official List of The Nigerian Stock Exchange
“DOT”	Deed of Declaration of Trust
“Directors” or the “Board”	The members of the Board of Directors of UACN Property Development Company Plc who as at the date of this document are those persons whose names are set out on page 13 of this Rights Circular
“Federal Government” or “FGN”	Federal Government of Nigeria
“Group”	UACN Property Development Company Plc, its subsidiaries and joint ventures
“IFRS”	International Financial Reporting Standards
“ISA” or the “Act”	Investments and Securities Act No. 29, 2007
“Issue” or “Rights Issue”	The Rights Issue by way of provisionally allotted rights to shareholders whose names appear on the Register of Members as at the close of business on 30 September 2019, of 15,961,574,145 Ordinary Shares of 50 kobo each in the Company, on the basis of 43 new Ordinary Shares for every 7 Ordinary Shares held by them on that date
“Issuing House”	Stanbic IBTC Capital Limited
“Management”	Management of UACN Property Development Company Plc
“NEFT”	NIBSS Electronic Funds Transfer
“NIBSS”	Nigeria Inter-Bank Settlement System
“Ordinary Shares”	The Ordinary Shares of 50 kobo each in the share capital of the Company
“Participation Form”	Form that must be duly completed by each shareholder in order to participate in the Rights Issue as contained on pages 53 and 54 of this Rights Circular

DEFINITIONS

“Qualification Date”	30 September 2019
“Receiving Agents”	Any of the institutions listed on page 52 of this Rights Circular to which shareholders may return their completed Participation Forms together with payment/evidence of payment
“Receiving Bank”	Stanbic IBTC Bank PLC
“Register of Members”	The register that records the names and addresses of the ordinary shareholders of the Company
“Registrars”	Africa Prudential Plc
“Rights Circular”	This document, which is issued in accordance with the rules and regulations of the Commission
“RIN”	Registrar Identification Number created under the Registrars CSCS position for shareholders who do not have CSCS accounts to warehouse their units of shareholding in public companies
“RTGS”	Real Time Gross Settlement
“SEC” or the “Commission”	Securities and Exchange Commission
“Solicitors”	Banwo & Ighodalo
“sq.m” and “Square Meters”	The area equal to a square that is 1 meter on each side. Used for measuring areas of rooms, houses, blocks of land, etc
“Stockbrokers”	Stanbic IBTC Stockbrokers Limited
“The NSE” or “The Exchange”	The Nigerian Stock Exchange
“UAC” or “UAC of Nigeria”	UAC of Nigeria Plc
“UPDC” or the “Company” or the “Issuer”	UACN Property Development Company Plc
“UPDC REIT” or the “REIT”	UPDC Real Estate Investment Trust
“Working Day” or “Business Day”	A day other than a Saturday, Sunday or public holiday on which banks are open for business in Nigeria

INDICATIVE TIMETABLE

The dates below, which reflect principal events of the Rights Issue, are indicative only and subject to change without notice:

DATE	ACTIVITY	RESPONSIBILITY
10 February 2020	Acceptance List opens / Trading in Rights begins	Issuing House / Stockbrokers
13 March 2020	Acceptance List closes / Trading in Rights closes	Issuing House / Stockbrokers
20 March 2020	Receiving Agents make returns	Issuing House / Receiving Agents / Registrars
01 April 2020	File allotment proposal and draft newspaper announcement with SEC	Issuing House
03 April 2020	Receive SEC's clearance of allotment proposal	Issuing House
06 April 2020	Pay net Issue proceeds to UPDC	Receiving Bank
06 April 2020	Credit CSCS accounts	Registrars
07 April 2020	Publish Allotment announcement	Issuing House
09 April 2020	Listing of new UPDC shares / trading commences	Stockbrokers
14 April 2020	Return surplus / rejected application monies	Issuing House / Registrars
14 April 2020	Forward Declaration of Compliance to The Exchange	Stockbrokers
04 May 2020	Forward Issue summary report to SEC	Issuing House

1. Head Office and registered address

UACN Property Development Company Plc
UAC House
1 - 5 Odunlami Street
Lagos

Tel: +234 815 989 0026
Email: enquiries@updcplc.com
Web: www.updcplc.com

SUMMARY OF THE RIGHTS ISSUE

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

- 1. Issuer:** UACN Property Development Company Plc.
- 2. Issuing House:** Stanbic IBTC Capital Limited.
- 3. Share Capital:**
 - Authorised: ₦9,300,000,000 divided into 18,600,000,000 Ordinary Shares of 50 kobo each.
 - Issued and fully paid: ₦1,299,197,895.50 divided into 2,598,395,791 Ordinary Shares of 50 kobo each.
 - Now being issued: 15,961,574,145 Ordinary Shares of 50 kobo each at ₦1.00 per share.
 - Gross Issue Proceeds: ₦15,961,574,145.00.
- 4. Purpose:** The Rights Issue is being undertaken to enable UPDC pay down its short-term debt obligations, thereby reducing financing costs.
- 5. Use of Proceeds:** The net Issue proceeds estimated at ₦15,765,864,545.56 (after deducting issue costs of ₦195,709,599.44 representing 1.23% of the gross Issue proceeds) will be applied as shown below:

	Utilisation	N'bn	%	Time to completion
1.	Repayment of short-term debt obligations	15.77	100	Immediate
		15.77	100	

In line with Management's efforts to reduce the financing cost burden of UPDC's debt, the Company obtained a one-year ₦16 billion loan facility from UAC. The bridge loan facility has been utilised to pay down all of the Company's maturing short term debt obligations;

- ₦6,498,035,000.00 Commercial Paper ("CPs");
- ₦7,368,122,124.62 CP-related liquidity support facility from Coronation Merchant Bank Limited and FBN Quest Merchant Bank Limited; and
- ₦2,133,842,875.38 intra-group working capital facility.

The net Issue proceeds will be applied towards repayment of the bridge loan facility which is the only outstanding short term debt obligation of the Company.

The shareholders' resolution approving the Rights Issue provides that any outstanding convertible loan, shareholder loan or loan facility due to any shareholder from the Company may be applied towards payment for any shares subscribed for by such person under the capital raise.

Details on the use of proceeds are provided on page 43.

- 6. Method of Issue:** By way of rights to existing shareholders.

SUMMARY OF THE RIGHTS ISSUE

- 7. Provisional Allotment:** 43 new Ordinary Shares for every 7 Ordinary Shares of 50 kobo each held as at the close of business on 30 September 2019 by those shareholders whose names appear on the Register of Members and transfer books of the Company as at that date.
- 8. Issue Price per share:** ₦1.00.
- 9. Payment:** In full on acceptance.
- 10. Market capitalisation at Rights Issue Price (Pre-Issue):** ₦2,598,395,791.00.
- 11. Market capitalisation at Rights Issue Price (Post-Issue):** On completion of the Rights Issue, assuming all provisionally allotted Ordinary Shares are fully taken up, the Company will have a market capitalisation of ₦18,559,969,936.00.
- 12. Opening Date:** 10 February 2020
- 13. Closing Date:** 13 March 2020
- 14. Qualification Date:** 30 September 2019
- 15. Application for Additional Shares:** Ordinary shares which are not taken up by close of the Issue will be allotted on a pro-rata basis to existing shareholders who applied and paid for additional shares over and above their provisional allotment. Shareholders, who do not accept their provisional allotment in full, may have their shareholding in the Company diluted.
- 16. Underwriting:** This Issue is not underwritten.
- 17. Consolidated Financial Summary:**

	Unaudited nine months ended 30 September	----->N'millions <-----				
		----->Audited year ended 31 Dec<-----				
	2019	2018	2017	2016	2015	2014
Turnover	1,895	2,303	3,983	6,345	5,114	11,701
Profit (Loss) before taxation (ex REIT impairment)	(1,824)	(9,215)	(3,057)	(1,783)	56	3,541
Profit (Loss) before taxation ¹	(14,386)	(9,215)	(3,057)	(1,783)	56	3,541
Profit (Loss) after taxation ²	(14,508)	(10,938)	(2,654)	(1,550)	381	3,589
Retained earnings	(3,783)	10,861	26,440	29,372	30,893	31,330
Share capital	1,299	1,299	1,299	859	859	859
Net assets	3,404	18,055	33,638	34,024	35,574	36,053
Total assets	31,511	46,467	64,578	70,904	71,961	68,088
Earnings per share (kobo)	(515)	(576)	(130)	(88)	25	210

1 – Significant loss due to ₦12.6bn impairment charge arising from a fair value assessment triggered by the reclassification of UPDC REIT from a non-current asset to an asset held for disposal in line with the company's decision to unbundle its REIT units

2 - Profit / (Loss) from continuing operations

- 18. Quotation:** UPDC's entire issued and paid-up share capital is listed on The Exchange. An application has been made to The Council of The Exchange for the admission to its Daily Official List of the 15,961,574,145 Ordinary Shares being offered by way of Rights Issue.

SUMMARY OF THE RIGHTS ISSUE

- 19. Status:** The new Ordinary Shares being issued will rank *pari passu* in all respects with the existing issued Ordinary Shares of the Company.
- 20. Dividend Qualification** The shares being issued shall qualify for any dividend (or any other distribution) declared for the financial year ending 2019, as long as the qualification date for the dividend (or any other distribution) declared is after the allotment of the Ordinary Shares now being issued.
- 21. Indebtedness:** As at the date of this Rights Circular, the Company had outstanding indebtedness of ₦20.27 billion, comprising of the ₦16 billion one-year bridge facility obtained from UAC and ₦4.27 billion outstanding under its five-year bond issue. It should also be noted that there is outstanding indebtedness in certain joint venture companies in which UPDC has a significant shareholding. First Festival Mall Limited (joint venture company for the retail mall in Festac, Lagos in which UPDC is a 45% shareholder) has outstanding bank loans of c.₦4.3 billion and US\$9.15 million (out of which, UPDC provided a revenue support guarantee of US\$2 million). UPDC Metro City Limited (joint venture company for a serviced residential estate development in Abuja in which UPDC is a 60% shareholder) has an outstanding bank loan of c.₦130 million as at 30 September 2019. Aside these bank facilities, the joint venture companies also have amounts outstanding to trade creditors arising in the ordinary course of business.
- 22. Claims and Litigation:** As at 30 June 2019, UPDC was involved in Forty-Five (45) cases in the ordinary course of its business. Of the Forty-Five (45) cases, UPDC has been sued as Defendant in Twenty-Nine (29) cases by various individuals and organizations and is Claimant in Eight (8) cases. UPDC is Counter-Claimant in Eleven (11) of the Twenty-Nine (29) cases instituted against it; Defendant to counter-claim in One (1) case out of the Eight (8) cases instituted by it; and a Defendant to counter-claim in One (1) case out of the Twenty-Nine (29) cases instituted against it by various individuals and organizations. Further, UPDC is Appellant in Five (5) cases in which judgment had previously been delivered against it, while it is Respondent in Three (3) cases in which ruling/judgment had been delivered in its favour.
- The total monetary claim against UPDC including the Two (2) counter-claims in which UPDC is a Defendant, is approximately ₦3,065,934,227.44 (Three Billion, Sixty-Five Million, Nine Hundred and Thirty-Four Thousand, Two Hundred and Twenty-Seven Naira, Forty-Four Kobo).
- The total monetary claim by UPDC including the Eleven (11) counter-claims out of the Twenty-Nine (29) cases instituted against it, is approximately ₦900,965,063.91 (Nine Hundred Million, Nine Hundred and Sixty-Five Thousand, Sixty-Three Naira, Ninety-One Kobo).
- Please note that the amounts referred to herein, do not include interest and costs, which can only be ascertained or determined after the final resolution of the cases. Ultimately, the actual liability of UPDC in these cases, including final awards for costs, will be as determined by the courts upon conclusion of the respective suits.
- The Solicitors are of the opinion that, if the matters continue to be diligently prosecuted by UPDC, the contingent liability that would arise from the cases would not have a material adverse effect on UPDC or the proposed Rights Issue.
- The Directors of UPDC are of the opinion that none of the aforementioned cases is likely to have any material adverse effect on UPDC and are not

SUMMARY OF THE RIGHTS ISSUE

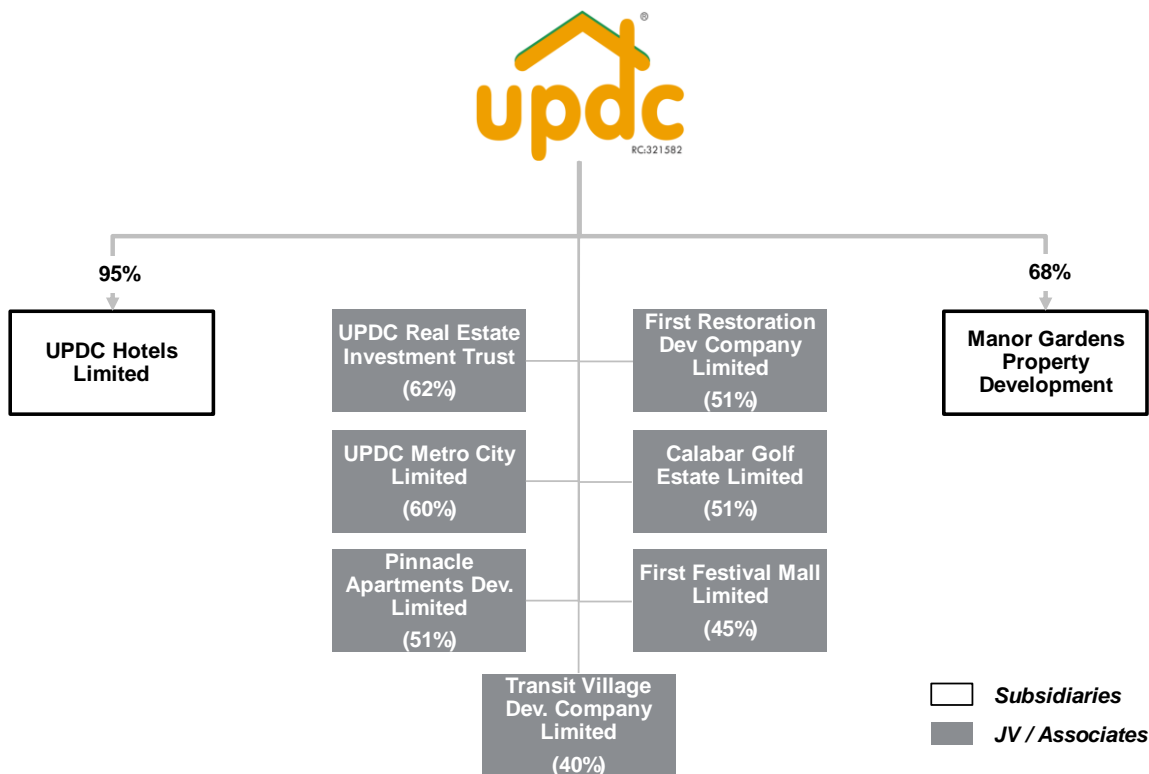
aware of any other pending and/or threatened claim or litigation other than the Forty-Five (45) cases referenced above.

23. Settlement:

The CSCS accounts of shareholders will be credited immediately after allotment. Shareholders are hereby advised to state the name of their respective stockbrokers, their CHN and CSCS account numbers in the relevant spaces on the Participation Form.

Any shareholder who does not have a valid CHN and CSCS account number, is advised to open a stockbroking account with a stockbroker and obtain a valid CHN and CSCS account number from the stockbrokers. In accordance with the SEC directive on dematerialization of share certificates, shareholders who do not provide valid CHN and CSCS account numbers will have their shares credited at the CSCS using a Registrar Identification Number. A Registrar Identification Number is a number allocated to shareholders who do not have valid CHN and CSCS account numbers to warehouse their units of shareholding in public companies under Registrars custody at the CSCS. The allotted shares will be transferred to the stockbroking account of the shareholder once valid CHN and CSCS account numbers are provided.

24. Group Structure



THE RIGHTS ISSUE

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

This Rights Circular is issued in compliance with the provisions of the Investments and Securities Act No. 29, 2007, the rules and regulations of the Commission and the listing requirements of The Exchange and contains particulars in compliance with the requirements of the Commission and The Exchange for the purpose of giving information to the public with regards to the Rights Issue of 15,961,574,145 Ordinary Shares of UACN Property Development Company Plc by Stanbic IBTC Capital Limited. An application has been made to the Council of The Exchange for the admission to its Daily Official List of the 15,961,574,145 Ordinary Shares being offered via the Rights Issue.

The Directors of UACN Property Development Company Plc individually and collectively accept full responsibility for the accuracy of the information contained in this Rights Circular. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no material facts the omission of which would make any statement herein misleading or untrue.

The shares to be issued by the Company pursuant to the Rights Issue will rank pari passu in all respects with the existing issued Ordinary Shares of the Company.

STANBIC IBTC CAPITAL LIMITED

RC1031358

on behalf of

UACN PROPERTY DEVELOPMENT COMPANY PLC

RC321582

is authorised to receive acceptances for the

RIGHTS ISSUE OF

15,961,574,145 ORDINARY SHARES OF 50 KOBO EACH

AT ₦1.00 PER SHARE

on the basis of 43 new Ordinary Shares for every 7 Ordinary Shares held as at the close of business on **Monday, 30 September 2019**

Payable in full on Acceptance

The Acceptance List for the shares now being issued will open on Monday, 10 February 2020 and close on Friday, 13 March 2020.

SHARE CAPITAL AND RESERVES OF THE COMPANY AS AT 30 SEPTEMBER 2019

		₦'000
AUTHORISED*	18,600,000,000 Ordinary Shares of 50 kobo each	<u>9,300,000</u>
ISSUED AND FULLY PAID	2,598,395,791 Ordinary Shares of 50 kobo each	<u>1,299,198</u>
EQUITY	Share Capital	1,299,198
	Share Premium	6,065,397
	Retained Earnings	(3,782,814)
	Non-Controlling Interest	<u>(178,276)</u>
	Total Equity	<u>3,403,505</u>

*At the Company's Annual General Meeting on 03 July 2019, the Shareholders passed a resolution to increase the Company's authorised share capital to ₦9,300,000,000 divided into 18,600,000,000 ordinary shares of 50 kobo each.

DIRECTORS, COMPANY SECRETARY AND PARTIES TO THE ISSUE

Directors:

Mr Babatunde Kasali (**Chairman**)
UAC House
1 - 5 Odunlami Street
Lagos

Mr Folasope Aiyesimoju (**Chief Executive Officer**)
UAC House
1 - 5 Odunlami Street
Lagos

Mrs Deborah Nicol-Omeruah (**Deputy Managing Director**)
UAC House
1 - 5 Odunlami Street
Lagos

Mrs Folakemi Fadahunsi (**Executive Director**)
UAC House
1 - 5 Odunlami Street
Lagos

Mrs Awuneba Ajumogobia (**Non-Executive Director**)
UAC House
1 - 5 Odunlami Street
Lagos

Professor Okon Ansa (**Non-Executive Director**)
UAC House
1 - 5 Odunlami Street
Lagos

Mr Adekunle Awojobi (**Non-Executive Director**)
UAC House
1 - 5 Odunlami Street
Lagos

Mr Babajide Fetuga (**Alternate Non-Executive Director**)
UAC House
1 - 5 Odunlami Street
Lagos

Mr Oyekunle Osilaja (**Non-Executive Director**)
UAC House
1 - 5 Odunlami Street
Lagos

Company Secretary:

Mrs Folake Kalaro
UAC House
1 - 5 Odunlami Street
Lagos

Issuing House:

Stanbic IBTC Capital Limited
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos

Stockbrokers:

Stanbic IBTC Stockbrokers Limited
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos

Solicitors:

Banwo & Ighodalo
48 Awolowo Road
Ikoyi
Lagos

Auditors:

Ernst & Young
10th & 13th Floors, UBA House
57 Marina
Lagos

Registrars:

Africa Prudential Plc
220B, Ikorodu Road
Palmgrove
Lagos

Receiving Bank:

Stanbic IBTC Bank PLC
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos

Audit Committee

Mr Adekunle Awojobi (**Chairman**)
Mr Joe Anosikeh (**Member**)
Professor Okon Ansa (**Member**)
Engineer Taiwo Fawole (**Member**)
Alhaji Gbadebo Olatokunbo (**Member**)

THE CHAIRMAN'S LETTER

The following is the text of a letter received by Stanbic IBTC Capital Limited from Mr Babatunde Kasali, Chairman, Board of Directors of UACN Property Development Company Plc.



31 January 2020

Dear Shareholders

RIGHTS ISSUE OF 15,961,574,145 ORDINARY SHARES OF 50 KOBO EACH AT ₦1.00 IN UACN PROPERTY DEVELOPMENT COMPANY PLC

Over the years, UACN Property Development Company Plc (“UPDC”) has grown to become one of Nigeria’s leading indigenous real estate companies, engaging in the acquisition, development, sales and management of high-grade residential and commercial properties. The Company has built a long-standing track record within the Nigerian real estate sector, having completed multiple landmark residential and commercial developments, successfully sold high-quality properties across the country and developed in-depth experience in delivering excellent facilities management services. The Company also possesses a footprint within the retail and hospitality segments through the development of commercial malls and a 471 room hotel respectively. More recently, the Company expanded its geographic footprint, embarking on projects in Abuja, Oyo, Delta and Cross River States.

The latter phase of the Company’s expansionary drive coincided with the recession that impacted Nigeria in Q1 2016, affecting overall economic activity; the real estate sector was particularly affected with significant declines in asset values and rental rates. Nigeria’s broader economy emerged from recession in Q4 2017; however, the real estate sector has continued to struggle on account of the Naira devaluation, reduced consumer spending, levels of leverage and attendant borrowing cost, reduced volume and value of investments, high vacancy rates / low demand, a lull in construction and challenges securing adequate funding. The extended decline in the Nigerian real estate sector negatively impacted UPDC’s performance, leaving the Company with significant challenges in meeting debt obligations incurred to fund historical growth. The combined effects of low asset sales, reduced rental yields, decline in the market values of properties and high financing costs from the Company’s short-term obligations affected UPDC’s financial performance resulting in annual losses since 2016.

To address the Company’s most pressing challenges and avert a liquidity challenge, steps were taken to restructure the debt portfolio - including the conversion of existing short-term debt into equity or longer tenured debt capital through the rights issue undertaken in 2017 and a corporate bond issuance in 2018. These efforts provided short-term benefit but were insufficient to fully address UPDC’s capital structure challenges as the Company was unable to settle the significant portion of its short-term obligations in the form of commercial papers (“CP”). As the Company has struggled to generate sufficient cash flow to redeem the CPs, these instruments have been repeatedly rolled-over, resulting in increasing indebtedness for the business. This is evident from the increase in the Company’s CP obligations from ₦10.4 billion as at December 2014 to ₦14.3 billion as at 31 December 2018.

To address imminent maturing debt obligations and reduce high debt servicing costs associated with CPs, the Company obtained a one-year ₦16 billion bridge loan from its majority shareholder, UAC of Nigeria Plc (“UAC”) to settle all its outstanding short-term debt liabilities and prevent a further increase in the Company’s debt balance with attendant value erosion. The capital provided by UAC is a debt instrument and thus UPDC’s overall debt levels remains high (total debt-to-equity ratio of 102.8% as at 31 December 2018). Hence, the Company is currently in need of an equity injection to restore the balance sheet to a more sustainable position.

After careful deliberations, the Board has now recommended the Company seek fresh equity via a Rights Issue to significantly deleverage the Company’s balance sheet by settling the ₦16 billion bridge

THE CHAIRMAN'S LETTER

loan. The Rights Issue will afford all shareholders an opportunity to support the Company's restructuring and deliver a more sustainable capital structure that will be the platform for future growth.

Furthermore, the Board intends to simplify UPDC's Group structure via the unbundling of UPDC's interest in the UPDC Real Estate Investment Trust ("UPDC REIT" or the "REIT") to its shareholders on a pro rata basis, allowing UPDC shareholders to directly own units in the REIT. This will better position UPDC's shareholders to directly benefit from the REIT's future dividend payments. In the last 3 years (2016 – 2018), UPDC received distributions totalling c. ₦3.0 billion from UPDC REIT but the Company was unable to pass this on to its shareholders and declared no dividend during this period. Following the proposed unbundling, UPDC's shareholders will become the recipients of any future distributions by UPDC REIT. The simplified structure will also allow UPDC focus on its future strategy which is expected to involve realignment of the Company's business model, undertaking large scale real estate developments for pre-identified tenants with the unique benefit of providing end to end solutions from site acquisition to investment appraisal, development and construction management, leasing and tenancing and asset and facilities management. The Company will be positioned as an owner of high yielding assets with high quality institutional tenants. It is important to note that the unbundling of UPDC REIT is subject to regulatory and shareholders' approvals, which are expected to be obtained upon completion of the Rights Issue.

Similarly, the Company's parent, UAC, is exploring a reorganisation that will involve streamlining its sector focus and simplifying its corporate structure by transferring its entire holding in UPDC to its own shareholders. As a result, UPDC will cease to be a subsidiary of UAC. While UPDC has benefitted from having UAC as a controlling shareholder, the Board and management team of a standalone, recapitalised and restructured UPDC will pursue deliberate strategies to create stakeholder value. The Board sees significant opportunities in Nigeria's real estate sector over the long-term; capturing these opportunities will require access to significant quantum of appropriately structured capital. UPDC's cash flow profile and capital needs vary considerably with other entities within UAC's portfolio. As a standalone entity, UPDC will target appropriate sources of capital to meet its long-term growth ambitions. Regulatory and shareholders' approvals for the proposed unbundling by UAC are expected to be obtained upon completion of the Rights Issue.

At the Annual General Meeting of the Company held on 03 July 2019, shareholders authorised the Directors of the Company to raise additional capital by way of a rights issue to existing shareholders. At a subsequent meeting of the Directors held on 03 July 2019, the Board authorised the Rights Issue of 15,961,574,145 Ordinary Shares at ₦1.00 per share.

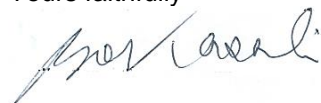
All necessary arrangements have now been concluded for the Rights Issue which will be offered to shareholders whose names appeared in the Company's Register of Members as at 30 September 2019, in the proportion of 43 new Ordinary Shares for every 7 Ordinary Shares held by them on that date. We have received approval from the Securities and Exchange Commission for the registration of the shares and listing approval has been granted by The Nigerian Stock Exchange. The shares will rank pari passu in all respects with the existing issued Ordinary Shares of the Company.

The Rights Circular contains our Company's history, strengths, future plans, general information relating to our Company and summary historical financial information. The Rights Circular also contains a provisional allotment letter from the Company Secretary, which provides full instructions for the acceptance, payment and renunciation of your rights to the provisional allotment.

I urge you to participate in the Rights Issue by taking up your rights in full and also subscribing for additional shares.

Thank you.

Yours faithfully



Mr Babatunde Kasali
Chairman

1. HISTORICAL OVERVIEW

In 1879, the United African Company was formed following the merger of four European companies trading up the River Niger including Alexander Miller Brother & Company, Central African Trading Company Limited, West African Company and James Pinnock. The merged company's trading activities required the use of warehouses for produce, and offices and exclusive residential accommodation for the managers. The United African Company thus ended up with a significant real estate holding in all parts of Nigeria to support its operations.

UPDC operated initially as a department to manage these real estate holdings and thereafter became a division of UAC of Nigeria Plc. In 1997, UPDC was incorporated as a public limited liability company and all the investment properties held by UAC were transferred to the Company via a scheme of arrangement. The Company's shares were listed on The Nigerian Stock Exchange ("The NSE") on 19 November 1998.

In 2013, UPDC sponsored the establishment of the UPDC Real Estate Investment Trust. The 3,000,000,000 authorised units of the REIT, of which 2,668,269,500 were issued at ₦10.00 each, was subsequently listed on The NSE in July 2013.

2. BUSINESS OVERVIEW

UPDC is a leading real estate company in Nigeria and has successfully engaged in property development and management, focusing on providing quality residential properties, housing estates and commercial real estate. The Company has created a large, diverse portfolio of real estate assets, adopting a client-focused approach to property design and development. UPDC is committed to creating comfortable living and working environments in Nigeria's key commercial centres.

The Company recently reconfigured its strategic focus to take advantage of emerging opportunities in residential and commercial developments, away from its historical concentration on the premium segment of the real estate market. UPDC aims to strengthen its pivotal role in the sector through exceptional customer service, increased stakeholder engagement supported by a vibrant corporate responsibility agenda and ultimately, delivery of superior returns to investors.

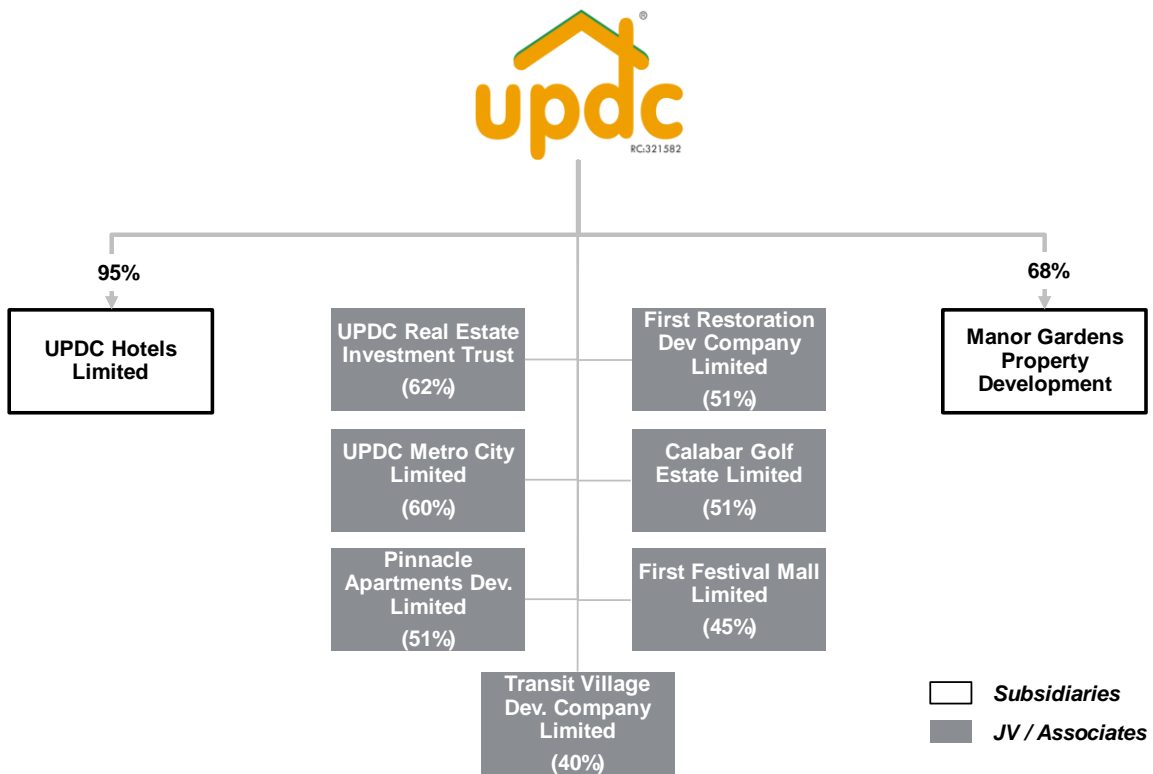
UPDC's total asset base was c. ₦32 billion as at 30 September 2019. The Company recently undertook several major development projects including The Residences, Festac; Golf Estate, Calabar; Vintage Gardens, Port Harcourt; James Pinnock, Lekki and Pineville, Asaba.

UPDC's operating model is based on annuity income from investment properties and sales proceeds and fees from project development through direct investment and joint ventures with state governments, land owners, real estate developers and financiers. These joint ventures allow the Company to undertake large projects without solely relying on its own balance sheet for funding. Examples of these joint venture projects include Romay Gardens, Lekki; Anchorage Estate, Amuwo-Odofin; Salatu Royal Estate, Abuja; UPDC Metro City, Apo-Dutse Abuja; The Pinnacle Apartments, Maitama Abuja; Olive Court, Agodi GRA Ibadan and Golf Estate, Calabar.

3. GROUP STRUCTURE

UPDC has two subsidiaries namely UPDC Hotels Limited and Manor Gardens Property Development Company Limited. Its joint venture projects are structured as special purpose vehicles and reported in its financials as investments in joint ventures and receivables (i.e. for project investments structured as shareholder loans). The Company also has a c.62% holding in UPDC REIT which is reported as an associate company in its consolidated financial statements, because the Company does not have management control of the REIT.

The group structure is illustrated on the following page:



4. DEVELOPMENT TRACK RECORD

UPDC’s main business is the acquisition, development, sales and management of high quality, serviced, commercial, and residential properties. Its portfolio includes several residential estates and select commercial properties in Lagos, Abuja, Port-Harcourt, Enugu, Kaduna and Benin.

Details of select completed, on-going and upcoming development projects by the Company are outlined below. It is important to note that in several instances, assets have been sold, while in others, assets are held via joint ventures with certain liabilities attached and in which UPDC is only a part owner. UPDC’s balance sheet, as set out on page 39 of this document, provides an indication of carrying values for assets held by the Company.

Completed Projects

Victoria Mall Plaza (“VMP”) 1 & 2



VMP 1 & 2 are located on Bishop Aboyade Cole Street, Victoria Island, Lagos.

VMP 1 is a residential complex comprising 48 units of luxury apartments while VMP 2 is an ultramodern office with 15 floors.

Both properties are fully serviced with constant power supply, professional security services, and beautiful landscaping. Other features include a borehole and water treatment plant, sewage treatment plant, ample parking

space, and fire alarm system. The residential block also has the following facilities: swimming pool, fitness room, children play area and lawn tennis court. The properties were acquired by UPDC REIT under a DOT structure in 2013 in accordance with the terms agreed by the parties. Therefore,

OVERVIEW OF UACN PROPERTY DEVELOPMENT COMPANY PLC

UPDC no longer owns these assets but rather has an indirect interest via its investment in the UPDC REIT.

Grandville, Ikeja



Grandville is located on Ladoke Akintola Street, Ikeja, Lagos. The estate sits on approximately 6,000 sq.m of land and consists of 18 units of four-bedroom townhouses with one-room boys' quarter each.

Available facilities include a swimming pool, fitness room and children play area. Other features include a borehole & water treatment plant, fire alarm & burglar alarm systems, ample parking space, and 24-hour security service/CCTV surveillance. The

estate is managed by UPDC. Most units have been sold and the few units historically held as investment properties by UPDC are now being sold, in line with the Company's strategy to exit its non-core investments.

Emerald Court, Abuja

Emerald Court is a premium residential development comprising 44 housing units built on 19,000 sq.m of land. The estate is situated at Gudu, opposite Apo Legislative Quarters, Abuja and is fully serviced and managed by UPDC. Most units have been sold and the few units historically held as investment properties by UPDC are now being sold, in line with the Company's strategy to exit its non-core investments.



Vintage Gardens, Port Harcourt



Vintage Gardens is a fully serviced residential housing estate with 90 housing units located within NAFF Estate, Port Harcourt.

Available facilities include swimming pool, fitness room, children play area and a lawn tennis court.

Some of the features includes a borehole & water treatment plant, sewage treatment plant, ample parking space and a 24 hour security service/CCTV surveillance. Most units have been sold and the few units historically held as investment properties by UPDC are now being sold, in line

with the Company's strategy to exit its non-core investments.

Cameron Green, Ikoyi



Located on highbrow Cameron Road, Ikoyi and built to exquisite taste, Cameron Green boasts of luxury apartments complete with various recreational facilities.

Available facilities include a swimming pool, gymnasium, lawn tennis court, and a children's playground.

Other features include ample parking lot, sewage treatment plant, and borehole and water treatment plant. Most units have been sold and the few units historically held as investment

properties by UPDC are now being sold, in line with the Company's strategy to exit its non-core investments.

Metro City, Abuja

Residential housing estate located in the serene residential area of Apo-Dutse, Abuja. The estate stretches over 11.17 hectares of land and comprises 225 units of houses in the following typologies:

- 5 bedroom detached houses
- 4 bedroom semi-detached houses
- 4 bedroom terrace houses
- 3 bedroom bungalows
- 2 and 3 bedroom flats



Phase 1 of the estate consisting of 104 units is concluded. Whilst Phase 2 is ongoing with mix of property and serviced plots on sale.

The facilities available include a swimming pool, fitness room, children play area, multi-purpose hall, and neighbourhood shopping centre. The estate also has constant power supply, and a sewage treatment plant. The estate is fully managed by UPDC. This asset is held via joint venture which as at the end of June 2019 still owns 18 units and c.31,445 sq.m of land which are available for sale and currently being sold. The joint venture has liabilities attached to these assets.

Olive Court 1, Agodi GRA, Ibadan



Located on 2.04 hectares of land in the prime area of Agodi (at Plot 790-793, Oba Biladu 3 Street, off Oba Abimbola Street, Agodi GRA, Ibadan), Olive Court is a residential housing estate consisting of 45 housing units.

The facilities available include a swimming pool, fitness room and a children's play area. Other features are constant power supply, sewage treatment plant, water treatment plant, fire alarm system, burglar alarm system, and ample parking space. This asset

is held via joint venture which as at the end of June 2019 still owns 8 units and c.5,691 sq.m of land which are available for sale and currently being sold. The joint venture has liabilities attached to these assets.

Festival Mall, Lagos

The Festival Mall project was conceptualized to bridge the gap created by absence of modern formal retail channels in Festac town and its environs. With Golden Tulip Festac Hotel already existing on the site, UPDC seized this opportunity to create a destination point for residents of Festac, Amuwo-Odofin, Mile 2, Ojo, Alaba, Orile and Okota; providing a combination of office space, hospitality, recreation and new-age shopping mall experience. Festival Mall is a joint venture project between UPDC, CapFest Limited and UPDC REIT.



Pineville Estate, Asaba



Pineville Estate is a residential housing development with a contemporary design located opposite the Federal High Court in Asaba GRA Phase 3. The stylish estate was built for residents who value comfort, security and serenity, and offers excellent infrastructure and facilities including swimming pool, gymnasium, children's playground, etc. Most units have been sold. As at the end of June 2019 UPDC still owns 6 units and c.3,124 sq.m of land which

are available for sale and currently being sold.

The Residences, Festac

This is part of a mixed-use real estate development that offers comfortable best in class residential, commercial and retail accommodation.

The Residences consists of 106 units of 1-bedroom apartments and 44 units of 2-bedroom apartments.

The facilities available include constant power supply via an independent power plant, sewage treatment plant, borehole & water treatment plant, and fire alarm and burglar alarm systems. Most units have been sold and the few units still held as inventory stock are available for sale and currently being sold.



James Pinnock Place, Lekki

James Pinnock Place is a residential estate located on about 3 hectares of land within Pinnock Beach Estate, Lekki, a major site and service scheme executed by UPDC over 10 years ago. The estate comprises the following:

- 5 bedroom detached houses with maid's room
- 4 bedroom semi-detached houses with maid's room
- 3 bedroom apartments with maid's room
- 2 units of 4 bedroom maisonette with maid's room



The facilities include a swimming pool, gymnasium, clubhouse, and children play ground. Other features are constant power supply, sewage treatment plant, fire alarm system, borehole, water treatment plant, and ample parking space. The development is a joint project between UPDC and UPDC REIT and all housing units of the asset have been sold.

Alexander Miller, Lekki

Alexander Miller is a premium estate built on 2.43 Hectares of land along Femi Okunnu Estate Road.

It comprises 38 units of 4-bedroom detached & semidetached houses with maid's room each and a recreational building.

Available facilities include borehole, water treatment plant, fire & burglar alarm systems, ample parking space, standby generators, streetlights and 24-hour security service/CCTV surveillance. All of the units have been sold.



Abebe Court

Abebe Court is a residential luxury estate located on Bourdillon road in Ikoyi, Lagos.

The property comprises 26 units of 3-bedroom and 4-bedroom flats with a land size of 11,654 sq.m.

Facilities provided in the estate include a swimming pool, water treatment plants, two standby generators, a lawn tennis court and a gym. Occupants include a mix of corporate clients, and individual clients. The property was acquired by UPDC REIT under a DOT structure in 2013 in accordance with the terms agreed to by the parties. Therefore, UPDC no longer owns these assets but rather has an indirect interest via its investment in the UPDC REIT.



Pinnacle Apartments

The Pinnacle is a residential estate located in the highbrow Maitama area of Abuja with picturesque landscape filled with ample trees and lush vegetation in line with UPDC's goal of sustainability. The estate comprises 27 luxury apartments. All apartments have a luxury finish and are equipped with fitted kitchens and air conditioners.



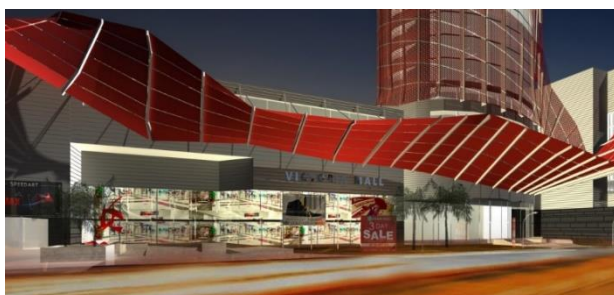
The Pinnacle is a joint venture between UPDC and Imani & Sons Nigeria Limited. The facilities available include a swimming pool, gymnasium, children playground, constant power supply, borehole, water treatment plant, 24-hour professional security services with CCTV and ample parking space. This asset is held via joint venture and most units were sold upon completion of the project and the last few units (3 units as at the end of June 2019) are available for sale and currently being sold.

UAC Commercial Complex, Abuja

UAC Commercial Complex is a 4-storey office complex with 17 rental units, located in the central business district, Abuja. The property has a net lettable space of 3,536 sq.m and is rented by various corporate clients. The property was acquired by UPDC REIT under a DOT structure in 2013 in accordance with terms agreed by the parties. Therefore, UPDC no longer owns these assets but rather has an indirect interest via its investment in the UPDC REIT.

Projects Under Construction

Victoria Mall Plaza 3



Victoria Mall Plaza 3 is a mixed-use commercial development that combines retail, multi-storey parking, event centre and office spaces on a land area of 7,796 sq.m along Bishop Aboyade Cole Street, Victoria Island, Lagos. Key features of the development include flexible retail shops, food court, multi-storey car park, luxury sanitary wares and fittings, and kitchen and preparation area for the event centre. This

project has stalled.

VMP 4 Development of Luxury Flats

VMP 4 is a proposed residential luxury apartment development located in Victoria Island, Lagos. The project is expected to comprise 25 residential housing units broken down as follows:

- A 4-bedroom pent house apartment;
- 6 units of 3-bedroom apartments; and
- 18 units of 2-bedroom apartments.

This project has stalled.

Upcoming/Pipeline Projects

Proposed Grade A Commercial Office

UPDC intends to build an iconic Grade A commercial office within the Lagos central business district. The planned development is expected to occupy an 18,000 sq.m land area, with 50% to be pre-let to a large corporation. UPDC is focused on acting as a developer, earning a development fee.



Proposed mixed-use office and residential campus

This project is a 53,000 sq.m mixed-use office and residential campus being purpose built for a multi-national client. The development will be located in Lagos, and take-up is guaranteed given 100% off-take of the entire development. UPDC is exploring converting the VMP 3 and 4 sites for this purpose.



Commercial development

This project is an ultramodern commercial office development within Lagos, expected to occupy 8,000 sq.m land area. 70% of the development is expected to be pre-let to two major corporates.



5. FUTURE STRATEGIC PLANS

Business model realignment

The Company historically generated its earnings primarily from two sources i.e. development of assets for sale and yield purposes, with the bulk of its assets mainly in the development for sale category. However, with no guaranteed off-takers for the development assets for sale, the Company's cashflows were often exposed to market fluctuations which worsened following the downturn experienced in the real estate sector. The Company intends to restructure its assets portfolio to ensure a substantial portion of its earnings are of a recurring nature with greater cash flow clarity. This objective will be achieved by securing high quality tenants on rental arrangements that translate to attractive yields over longer lease periods, prior to committing capital. Although the focus will largely be on yielding assets, UPDC will opportunistically explore lower capital, quick turnaround developments for sale such as site and service schemes.

Maximise value from existing assets

The Company is currently focused on improving the performance of a number of its underperforming assets and maximising value for its shareholders. For example, UPDC owns a 471 room hotel carried on its balance sheet at ₦8.3 billion (as at 30 September 2019), through its 95% equity stake in UPDC Hotels Limited. The hotel made a loss of ₦143.0 million as at September 2019 with an average occupancy rate of 23% for the year. The hotel's management team has been revamped and is now focused on maximising value from this strategic asset.

Market segmentation

The Company will look to streamline its activities to enable it build expertise in key focus areas. This will broadly involve narrowing down scope of operations, targeting specific market segments to operate and carefully considering strategic locations across key states in Nigeria in which to own assets by weighing return potential with operational complexity.

Proposed strategic focus

UPDC will anchor strategic decisions on achieving the best risk adjusted returns on its investments. This will entail considerable care in:

- **Capital deployment:** the Company will deploy capital towards the outright purchase of assets or focus on assets constructed under turnkey contract with appropriate penalties for default by contractors and financial protections in its favour.
- **Return on capital:** to achieve and ensure return on capital, UPDC will engage in development projects that provide guaranteed initial yield prior to project commencement. Also, the Company will explore generating returns via asset improvements, leverage and attractive exits.
- **Segment focus:** UPDC will differentiate itself from competitors by playing to its strengths, based on scale or complexity, as well as transact primarily with strong institutional clients.

6. PROPOSED CORPORATE RESTRUCTURINGS

Following the completion of the Rights Issue, proceeds of which will be used to pay down the one-year bridge facility, UPDC will have significantly reduced its leverage, allowing for a more sustainable balance sheet that better positions the Company to capture future opportunities. Efforts have also been taken to significantly reduce the Company's operating expenses, resulting in a leaner and more sustainable UPDC.

The UPDC Board wishes to further simplify the Company structure by unbundling its c.62% stake in UPDC REIT. The UPDC REIT is solely focused on acquiring and holding income generating assets that provide annuity-like income for its unitholders. With a history of regular dividend payments (average dividend pay-out ratio of 67% over the last 5 years), the Board wishes to provide UPDC shareholders direct access to the steady returns of UPDC REIT. The proposed unbundling of UPDC REIT from UPDC will allow UPDC to focus on its future strategy of developing

high yielding properties. The units of the REIT will be allocated amongst the shareholders based on the shareholding structure of the Company as at the relevant date.

The parent company of UPDC, UAC, has also indicated its strategic intent to simplify its holding company structure and exit the real estate sector. As such, UAC intends to unbundle its equity interest in UPDC to its own shareholders. It is important to note at this stage that the proposed corporate restructurings of UPDC and UAC remain subject to their respective shareholders' approvals, as well as regulatory approvals. Details will be provided for consideration by the shareholders at a future date and the requisite approvals are to be sought during the course of this year.

7. INVESTMENT HIGHLIGHTS

One of the largest listed real estate development companies in Nigeria holding diverse assets with upside potential

UPDC is one of the largest listed property companies in Nigeria. The Company boasts of a diverse and unique mix of real estate assets located in attractive locations across all key commercial cities in Nigeria. In its real estate portfolio track record, the Company has developed 872 units of residential accommodation, 8 commercial properties and 3 retail properties. UPDC also possesses a strong footprint within the retail and hospitality segments through the development of commercial malls and a 471 room hotel respectively. The Company is currently focused on improving the performance of a number of its underperforming assets and maximizing value for its shareholders.

Excellent reputation and operational track record

UPDC has built an excellent reputation within the Nigerian real estate sector over the past 21 years. Since inception, the Company has completed multiple landmark residential and commercial developments, successfully sold high-quality properties across the country to its vast customer base and developed in-depth experience in delivering excellent facilities management services in major cities across Nigeria. UPDC's established development and project management capabilities and track record of project delivery in major cities in Nigeria, provide the Company with a competitive advantage over existing and new entrants in the Nigerian real estate market. UPDC's industry leadership has also been attested to by awards received from both international and local agencies. Despite recent challenges, the Company's track record positions it appropriately for future landmark developments projects.

Meaningful asset base post restructuring

The Company is currently reviewing its asset portfolio to determine the quantum of assets that either need to be optimised to maximize value or sold and the proceeds thereof reinvested in higher yielding assets or returned to shareholders. However, there may be certain assets that may take a longer period to be liquidated given the size of the investments.

Highly experienced management team

The Company's management team is comprised of seasoned professionals with significant local and international experience. The senior management team, supported by strong middle management, has cultivated a deep and extensive knowledge of the Nigerian real estate sector over the years. The management team has recently focused on fostering a culture of responsibility and value optimisation and in doing so, have attracted individuals who are committed to achieving UPDC's strategic objectives. Over time, this team will be further augmented to ensure the Company is well positioned to drive improved future performance.

Publicly listed entity with strong corporate governance focus

UPDC is listed on the NSE and as such, there is a need to comply with relevant rules and regulations including the corporate governance code. The Board of UPDC is committed to high corporate governance standards and recognises the valuable contribution that strong governance makes to long-term business sustainability and to ensuring accountability and best practice. The composition and structure of UPDC's eight (8) member board exceeds the prescribed minimum

requirements in the SEC's code of corporate governance for public companies. The Company has also instituted comprehensive and effective corporate governance policies, procedures, and practices.

Access to cashflows and potential capital appreciation from UPDC REIT

UPDC has received c.₦3 billion in aggregate dividends from its investment in UPDC REIT since 2016. However, UPDC has been unable to pay dividends to its shareholders over the same period given its operating and financing challenges.

Following the completion of the Rights Issue, UPDC intends to unbundle its c.62% stake in UPDC REIT, by transferring its units directly to its shareholders pro rata to their holdings. This will ensure that UPDC shareholders gain direct access to the steady dividend income stream of the REIT.

Furthermore, the unbundling of UPDC REIT which is subject to regulatory and shareholders' approvals, is expected to significantly improve free float and impliedly, liquidity of the UPDC REIT units, as the c. 62% bloc of shares held solely by UPDC will subsequently be held by each individual shareholder in UPDC. Henceforth, shareholders will stand to benefit from any potential appreciation in the REIT's unit price.

8. BOARD OF DIRECTORS

The Board of Directors of UPDC comprises of eight members consisting of five Non-Executive Directors and three Executive Directors. The Board formulates the Board policies and takes executive decisions for the management and operations of UPDC in line with the Company's objectives.

Mr Babatunde Kasali is the Non-Executive Chairman of UPDC. Mr Kasali graduated with a B.Sc. (Hons) Economics degree from Manchester Metropolitan University, United Kingdom (1977). He is a Fellow of the Institute of Chartered Accountants of Nigeria. His work experience includes Audit Senior, Ernst & Young (Chartered Accountants) United Kingdom, Assistant Internal Auditor, Amex Bank Plc, United Kingdom and Principal Manager, Ernst & Young (Chartered Accountants) Nigeria. He was also Chief Inspector, Regional Director, Divisional Director and Regional Bank Head, Consumer and Commercial Banking Group, United Bank for Africa Plc. He is also a member of the UAC Board and the Non-Executive Chairman of Wema Bank Plc. He became the Non-Executive Chairman of UPDC in August 2018.

Mr Folasope Aiyesimoju is the Chief Executive Officer of UPDC. Mr Aiyesimoju is a finance professional with experience spanning corporate finance, principal investing and private equity. Over the course of his career, he has lived and worked in Sub-Saharan Africa's most important economies gaining experience of the operating landscape in the region. He holds a B.Sc. (Hons) degree in Estate Management from the University of Lagos (2002), where he was awarded a Certificate of Excellence in Real Estate Development and Finance. He earned the right to use the CFA designation in 2006. He is the founder of Themis Capital Management, an investment firm focused on concentrating capital and talent on high-potential opportunities in Sub-Saharan Africa. Prior to founding Themis, he worked with Kohlberg Kravis Roberts, a leading global investment firm. His experience also includes working with the Standard Bank Group, where he led the mergers and acquisitions team in Nigeria. Mr Aiyesimoju spent the early part of his career with Ocean and Oil Holdings Limited, a principal investment firm in Nigeria and ARM Investment Managers, one of Nigeria's leading investment advisory and wealth management firms. He co-founded Foodpro Limited, a nutritional snacks business focused on edible nuts, where he currently serves as a non-executive director. He joined the Board of UAC of Nigeria Plc in March 2018 and was appointed the Group Chief Executive Officer on 01 April 2019. He became Chief Executive Officer of the UPDC on 06 August 2018.

Mrs Deborah Nicol-Omeruah is the Deputy Managing Director of UPDC. Mrs Nicol-Omeruah holds a Bachelor's Degree in Architecture from the University of Nottingham, United Kingdom (2002). Mrs Nicol-Omeruah is a Real Estate Professional and a Certified Mortgage and Financial Adviser by the Institute of Financial Services in the United Kingdom. She has over 15 years' experience in real estate and banking with specialization in Property Development, Finance & Acquisitions; Mortgages; Private Banking and Investment Planning in the United Kingdom and

Africa. Mrs Nicol-Omeruah served as the Chief Commercial Officer of UPDC prior to her appointment as Deputy Managing Director. Prior to joining UPDC, she was the Account Director for Africa at Broll Property Group directing the asset and transaction management of Standard Chartered Bank's real estate portfolio in Africa; Chief Operating Officer for Landmark Group, an Africa focused real estate company; and Head of Property Finance & Acquisition and Head of Home Loans at Stanbic IBTC Bank PLC. In the United Kingdom, she worked as Senior Wealth Planning Manager at Lloyds TSB Private Banking UK and Premier Financial Planning Manager of HSBC Bank Plc, between 2002 and 2008. She became the Deputy Managing Director of UPDC in January 2020.

Mrs Folakemi Fadahunsi is the Chief Financial Officer of UPDC. Mrs Fadahunsi is a Transformation Expert, with relevant experience in transforming the finance functions of various companies, including companies in the Real Estate Sector. She has over 18 years' experience working with various companies including Arthur Andersen (now KPMG Professional Services), Honeywell Group and PricewaterhouseCoopers. Her experience cuts across Consumer Markets, Telecommunications and the Public sector. Mrs Fadahunsi has a Bachelor of Science Degree in Engineering Physics from Obafemi Awolowo University, Ile-Ife (1999) and a Master's of Business Administration from Manchester Business School, Manchester, United Kingdom (2012). She is a Fellow of the Institute of Chartered Accountants of Nigeria. She was appointed to the Board of the Company in March 2019.

Mrs Awuneba Ajumogobia is a Non-Executive Director of UPDC. Mrs Ajumogobia is a fellow of the Institute of Chartered Accountants of Nigeria and graduated from the University of Ibadan with a degree in Economics (1982). She has acquired broad professional experience over three decades in the provision of assurance, taxation, finance and advisory services across several industries. She worked at the professional service firms of Peat Marwick, Deloitte and Accenture. She serves on the Board and Risk Management Committee of UPDC. She served on the Board of UAC of Nigeria Plc for 10 years (2009 – 2019) and held key roles such as the Chairman of the Board Risk Management Committee, as well as a member of the Statutory Audit Committee. She was recently appointed as the Chairman of the Board of Chemical and Allied Products PLC ("CAP"). This is in addition to being on the boards of a number of private companies including her current role as Executive Director of Multistream Energy Limited. Mrs Ajumogobia gives her time to a number of research, educational and social projects which include her membership of the Board of University of Ibadan Research Foundation, Finance Committee of Musical Society of Nigeria, role as chairperson of the Governing Council of Grange School, Lagos and is on the Executive Council of Women in Management, Business and Public Service. Mrs Ajumogobia remains committed to personal professional development in Private Equity, Finance, Risk Management, Financial Journalism, the Education Sector and Leadership at local and global programmes including Harvard Business School, London Business School, IMD, Bloomberg Media Initiative and Lagos Business School. She was appointed a Non-Executive Director of the Company on 06 August 2018.

Professor Okon Asuquo Ansa is a Non-Executive Director of UPDC. Professor Ansa was educated at King's College, Lagos and at Ahmadu Bello University, Zaria where he graduated with a B.Sc. (Hons) in Agriculture in 1974 and an M.Sc. in Crop Protection in 1977. He obtained a Ph.D. in Plant Pathology from the University of California, Davis, California, USA (1983). He is a seasoned administrator who has served as Head of academic departments and units in Universities in Zaria, Calabar and Uyo. He was Dean of the Faculty of Agriculture and later Director of Academic Planning before his elevation to the position of Deputy Vice-Chancellor at the University of Uyo. He is currently a Professor of Plant Pathology at the University of Uyo and a Visiting Professor at Akwa Ibom State University. He served as Commissioner for Agriculture and Commissioner for Commerce and Industries in Akwa Ibom State. He has also held a number of positions in corporate Nigeria as Chairman, Akwa Palm Industries Limited; Member, Board of ADC Airlines; Chairman, Ibom Power Company Limited; Member, Akwa Ibom Industrial and Investments Promotion Council. Prof. Okon Ansa holds the national honor of Officer of the Order of the Federal Republic (OFR). He joined the Board as a Non-Executive Director on 26 March 2013.

Mr Adekunle Awojobi is a Non-Executive Director of UPDC. Mr Awojobi is a Fellow of the Institute of Chartered Accountants of Nigeria, Nigeria Institute of Management, Certified Fraud Examiner and Member Institute of Internal Auditors. He also holds a Bachelor of Science degree in Economics with First Class Honors from Ogun State University (now Olabisi Onabanjo University) Ago-Iwoye, Ogun State (1989). Prior to joining FBNQuest Trustees Limited in 2002, he was an

Audit senior with KPMG audit and Internal Auditor, Carnaud Metalbox (now Nampak) Nigeria Plc. He joined FBNQuest Trustees Limited in 2002 as Manager, Operations and was later promoted to Senior Manager, Operations based on his outstanding performance. He was then moved to head the Capital Markets & Projects Unit of the Investment Banking Department. In February 2007, he was appointed Head, Operations & IT and elevated to the position of Assistant General Manager. In August 2012, he was appointed the Chief Executive Officer, the position he holds till date. He has attended various courses within and outside Nigeria. He was alternate Director for several years before his appointment as a substantive Non-Executive Director on 17 December 2012.

Mr Oyekunle Osilaja is a Non-Executive Director of UPDC. Mr Osilaja holds a Bachelor's Degree from the University of Lagos and has attended management courses at INSEAD Business School, France and Warwick University, United Kingdom. In his previous role, he was the Group Head of Real Estate for Ecobank Transnational Incorporated and Head, Ecobank Capital, Nigeria. Before joining Ecobank Transnational Incorporated in 2012, Oyekunle spent most of his professional career in Jones Lang LaSelle Corporate Finance in London as an Executive Director covering advisory, debt and structured finance. Mr Osilaja has a wealth of experience in the real estate sector and has amassed a considerable track record of closing big ticket corporate real estate advisory debt transactions. He became a Director of UPDC in January 2020.

Mr Babajide Fetuga is an alternative Non-Executive Director of UPDC. Mr Fetuga is a graduate of the department of Economics from the University of Ibadan (1997). His work experience spans over 15 years across the banking, financial services and telecommunication industries. Prior to joining FBNQuest Trustees Limited, he worked with Celtel Nigeria Limited (now Airtel Nigeria Limited) as the regional corporate sales manager covering the whole of the South-South region. Mr Fetuga began his banking career at Ecobank Nigeria Plc. He also had brief stints at Capital Bank International (formerly known as Commercial Bank Credit Lyonnais) and Standard Chartered Bank Nigeria Limited. He has vast experience in retail, commercial banking and branch development, and has also gained in-depth knowledge in sales and marketing from attending various courses within Nigeria.

9. MANAGEMENT TEAM

The Management team of UACN Property Development Company Plc comprises of six seasoned professionals who are saddled with the responsibilities of taking decisions for the day-to-day management of the Company with a view to ensuring goals set by the Board are achieved. Besides the Chief Executive Officer, Chief Finance Officer and the Executive Director, Facilities Management, other members of the management team include:

Mr Tony Aruede – Head of Projects: Mr Tony Aruede is a full member of the Nigerian Institute of Architects and the Architects Registration Council of Nigeria. He holds a Master's degree in Architecture from the University of Nigeria, Nsukka (1989); a Master's degree in Construction Management from the University of Lagos (1999); and an MBA from Lagos Business School, Pan Atlantic University (2007). He previously worked as a Project Manager for the Allstates Banking Group, the Shell Petroleum Development Company, and has spent the last decade managing TNA Associates, a firm of Architects, Project Managers and Development Consultants. He was appointed as Head of UPDC's Projects team in 2019. Mr. Aruede works with UPDC on a short-term contract; the Company is focused on identifying a substantive head for this function.

Mrs Folake Kalaro – Company Secretary / Head of Legal: Mrs Kalaro graduated with an LL.B degree from Obafemi Awolowo University, Ile-Ife (1993). She was called to the Nigerian Bar in 1995. She also holds an LLM degree from the University of Lagos, Akoka (2012). Prior to joining UAC in May 2003 as the Contracts & Drafting Manager, she worked with the firms Bolaji Ayorinde (SAN) & Co and Rickey Tarfa (SAN) & Co where she cut her teeth in legal practice. She became the Manager, Legal Services of UPDC in February 2009 and was appointed the Company Secretary in May 2017. Mrs Kalaro has attended several courses amongst which are Best Practices for Managing and Leading in-House Legal - Euromoney Legal Training and Managing Compliance & Legal Risks at the Lagos Business School, Entrepreneurial Skill Development, Corporate Governance for Company Secretaries, Legal Advisers & Compliance Officers and Understanding Evolving Regulatory Trends.

Mrs Bolarin Okunowo – Head, Corporate Finance: Mrs Okunowo is a qualified Chartered Accountant and she holds a Bachelor’s degree in Commerce from the University of Birmingham, United Kingdom (2000), and a Master’s degree in Information Systems from the prestigious London School of Economics, United Kingdom (2001). She is a well-seasoned finance and investment specialist with over 15 years’ experience in a range of finance roles including debt advisory and finance, corporate finance, principal investments and financial management. Mrs Okunowo joined the UAC Group in 2018 as Head, Corporate Finance, charged with the recapitalization of UPDC, a subsidiary of the UAC Group. Prior to joining the UPDC, she was the Head, Energy & Infrastructure Finance at Stanbic IBTC Capital Limited, charged with responsibility for the oil and gas, power and infrastructure debt finance portfolio of the company. She has extensive experience in debt restructuring and recovery for complex transactions. Before her stint at Stanbic IBTC Capital Limited, she worked at Asset & Resource Management Company Limited where she pioneered work on the company’s Hospitality & Retail Fund as well as executed a host of financial advisory mandates across multiple sectors in including infrastructure, government (PPP), aviation, real estate (retail & hospitality), advertising, food and financial services. She also worked at PriceWaterhouseCoopers providing audit services to the firm’s financial service clients. Mrs. Okunowo is an employee of UAC on secondment to UPDC.

Mr Albert Toye Thomas – Head, Human Resources: Mr Thomas is a graduate of Sociology from the Lagos State University and attended the Advanced Management Programme at Lagos Business School (2008). He is an Associate Member of the Chartered Institute of Personnel Management of Nigeria and an Affiliate Member of the Chartered Institute of Personnel Development of United Kingdom. Mr Thomas joined UAC in 2001 as a management trainee and has held several positions across the UAC Group including Staff Admin & Training Manager, Logistics Manager at Grand Cereals Limited (a subsidiary of UAC), Human Resource Manager CAP Plc (a subsidiary of UAC), as well as Compensation & Industrial Relations Manager, Resourcing & Development Manager and Organisational Change Manager, all in the group human resource department of UAC. In 2019, he joined UPDC as Head, Human Resources.

10. OVERVIEW OF THE NIGERIAN REAL ESTATE SECTOR

The Nigerian real estate sector has faced significant challenges over the last three years, plagued by a number of challenges occasioned by the 2016 recession and the effects of devaluation of the Naira. These challenges have led to higher borrowing costs, compression in asset values and rental yields, high property development costs and low demand for properties.

Nonetheless, with the return to stable macroeconomic conditions, the medium-term outlook for the sector is positive. Given Nigeria’s demographics, substantial housing deficit and underdeveloped infrastructure, there are significant growth opportunities in the sector. Consequently, the real estate sector remains an attractive investment proposition with opportunities across various industry categories.

Residential real estate

Demand for residential housing will be driven by the growing middle class as families strive for home ownership in cities close to where they work. According to the Center for Affordable Housing Finance Africa, formal housing production is at approximately 100,000 units per year, which is grossly inadequate given that 1,000,000 units are needed yearly to bridge the 17 to 20 million housing deficit.

Commercial real estate

In spite of the macro challenges, there has been considerable investment in commercial properties, with several A-grade projects currently underway in key cities. The Nigerian commercial real estate market has been positively impacted by an influx of foreign businesses into Nigeria as well as an increase in the number of locally established businesses across various sectors. The estimated foreign equity capital investment in commercial real estate over the past five years is c. US\$800m which was used to develop and complete over 30 grade A and B office and retail properties, excluding owner occupied assets such as corporate headquarters. Overall, approximately 315 commercial real estate assets have been developed over the past five years and this number is expected to continue to grow.

Industrial real estate

The industrial real estate segment remains largely untapped, with significant potential for development with corporate tenants. Opportunities in the sector will be dependent on proximity to transportation routes such as major roadways and free trade zones. According to the Nigeria Export Processing Zones Authority, the country currently has 14 operational free trade zones (schemes set up to strategically improve the investment climate by stimulating export-oriented business activities), with 11 zones currently under construction.

While the Company's performance has been negatively impacted by the sector's challenges in recent years, the management of the Company is working actively to ensure UPDC remains an influential player in the future of the industry.

11. RISK FACTORS

Business Risks - These are risks associated with the business activities of the Company

The market value of UPDC's portfolio and its revenue, cash flow and profits from the sale of properties are dependent on economic conditions and the real estate market in Nigeria

UPDC generates a significant proportion of its revenues from the sale of properties. Market values of properties in Nigeria are generally affected by overall conditions in the economy, political factors and one-off events, including the condition of financial markets, the cost and availability of finance to businesses and consumers, fiscal and monetary policies, changes in government legislation, political developments, including changes in regulatory or tax regimes, changes in unemployment, FGN bond yields, interest rates and credit spreads, levels of prevailing inflation, the supply of, or a reduction in demand for, residential and commercial property, the returns from alternative assets as compared to residential property and environmental considerations. Residential and commercial real estate values are also affected by factors specific to each local market in which the property is located, including the supply of available property and demand for residential real estate and the availability of mortgage finance to prospective purchasers.

The Company also holds investment properties for long-term rental yield and capital appreciation. Increases or decreases in the valuation of investment properties are recorded as a revaluation gain or loss in the Company's financial statements and consequently have an impact on UPDC's operating results. The Company's ability to generate revenue and cash flow from the sale of its properties depends on the existence of buyers willing to pay attractive prices for those properties at the time UPDC seeks to sell them. The existence of these buyers in turn depends upon overall economic conditions, supply and demand dynamics in the residential and commercial real estate market and the other factors set out above including, in particular, the availability of mortgage finance. In difficult economic conditions, the Group may not be able to sell properties for an appropriate price or on acceptable terms in a timely manner, or at all. As a consequence, the Company may not be able to realise a profit on the sale of properties.

The Company may face significant delay in property development

Real estate developments usually require substantial capital outlays during the construction periods, and it may typically take months or years before positive cash flows, if any, can be generated by presales of real estate assets to be completed or sales of completed properties. The time and costs required for the completion of development projects may increase substantially due to various factors outside UPDC's control, including the shortage or increased cost of material, equipment, technical skills and labour, adverse weather conditions, natural disasters, labour disputes, disputes with external contractors, accidents, changes in government priorities and policies, changes in market conditions, permits and approvals from the relevant authorities and other unforeseeable problems and circumstances such as title uncertainties.

Any of, or an aggregate of these factors, may cause substantial unanticipated delay in, or the failure of, the completion of a real estate development and result in costs substantially exceeding those originally budgeted. Failure to complete a development project as initially envisaged, may have an adverse effect on the Company's reputation and/or lead to potential liabilities. As a result, the Company's returns on investments, may be lower than expected or untimely recognised.

The Company's business depends on the performance and continued viability of suppliers and contractors

UPDC has a number of suppliers and contractors with whom it regularly contracts to provide construction and various other services for the design and building of the Company's real estate developments. Failure of its suppliers or contractors to perform, could disrupt the Company's ability to complete projects within envisaged timelines and potentially increase development / construction costs. Additionally, a supplier or contractor for any of the Company's projects may become insolvent if market conditions deteriorate. This could potentially lead to cost overruns, project delays and increase in risks and UPDC may be unable to recoup costs in relation to defective work carried out by such suppliers or contractors. Such factor may potentially result in lower-than-

expected returns on a development and could adversely impact the Company's business, financial performance and conditions.

Price increase or shortages in materials or labour may have an adverse impact on UPDC's business

UPDC's costs of sales could increase due to several factors including but not limited to increases in supplier / contractor costs, wages, costs of materials, etc. These cost implications or failure to manage and monitor same effectively can have a negative impact on the Company's business and prospects. Also, exposure to supply risks relating to availability of construction materials and skilled labour may result in delay in commencement of developments or the construction process itself and increase construction costs, which may result in extended project delivery timeframes. Accordingly, the Company's margins may be adversely affected if these risks are not effectively mitigated or managed, or if the Company is unable to pass on any increase in costs to its customers, thereby affecting the Company's financial performance and prospects.

The Company's operations are capital intensive and may require taking on additional debt which in the future may have material impact on its financial performance

The Company's business model and growth plans are capital intensive and rely on its continued ability to build high-quality developments. UPDC's operations require, and will continue to require, capital investment. The Company may in the future seek additional capital through additional bank borrowings or potentially the issue of debt or equity instruments for the future expansion and development of the business. No assurance can be given as to the availability of such additional capital at the relevant time or, if available, whether it would be on acceptable terms. An increase in the amount of the Company's indebtedness may adversely affect its financial condition and its ability to generate sufficient cash. The ability to generate sufficient cash to satisfy future debt obligations will depend upon UPDC's future operating performance, which will be affected by the then prevailing economic conditions and financial, business and other factors, many of which are beyond the Company's control. Inability to generate sufficient cash-flow to meet operating expenses or service debt obligations in the longer term may have a negative impact on the Company's business, results and prospects.

The Company may be subject to liability following the sale of units of property or assets

The Company may be exposed to liabilities with respect to the property units that it sells, including, but not limited to defects, customer complaints around size of assets, layout of schemes, contractual disputes, defective title, etc. Any claims, litigation or continuing obligations in connection with the sale of any property units may subject UPDC to unexpected costs and may require the Company to devote considerable time to addressing the issues. As a result, any such claims, litigation or obligations could have a material adverse impact on the UPDC's business, financial condition, operating results and prospects.

The Company's revenue is also dependent on rental income

One of the Company's income streams is income from the underlying property owned. The receipt of any rental income due and payable in respect of the underlying property, and the possibility that tenants may default on their rental obligations, creates a consequential risk for the Company in that it could cause a decline in the Company's income available for distribution to its shareholders.

The Company's joint venture partners may default in their obligation

The Company may make investments through other joint ventures or other entities. Such investments may involve risks not present in direct investments including, for example, the possibility that a joint venture partner of the Company might become bankrupt. If such joint venture partner defaults on its funding obligations, it may be difficult for the Company to make up the shortfall from other sources. Any default by a joint venture partner could have an extremely deleterious effect on the Company, its assets and the interests of the shareholders. Although the Company will attempt to limit its liability by reviewing the qualifications and previous experience of joint venture partners, it may not be able to identify if a joint venture partner will not be able to discharge its obligations in the future.

The Company is subject to / involved in various legal cases which may crystalize

UPDC is exposed to development / construction disputes and litigations. The Company is subject to legal claims and proceedings instituted by its customers and other parties involved in the projects undertaken from time to time. The crystallisation of such claims against UPDC may have a material adverse impact on the Group's business, operating results, financial condition or prospects and may cause the Company significant reputational harm. Contractual disputes may be prolonged and may be significant in terms of value.

Impact of planned unbundling of UPDC REIT units on shareholder appetite in the Rights Issue

As part of the Company's planned restructuring exercise, UPDC intends to unbundle its interests in the REIT, thereby ensuring that its shareholders directly benefit from the REIT's returns. It is expected that units of the REIT will be allocated to UPDC's shareholders pro rata to their post rights issue holdings. The unbundling exercise is subject to regulatory and shareholder approvals and as such, there is the risk that it may be unsuccessful. If this is the case, UPDC shareholders may not receive units of the REIT.

Continued losses by UPDC Hotels limited may affect the going concern status of the Company

UPDC Hotels Limited made significant losses in recent years (aggregate loss before tax of ₦1.9 billion over the past 5 years). Continued loss by the business may affect the Company's operating performance and prospects, thereby negatively impacting the going concern status of UPDC.

Title risks – risks associated with ownership rights in the title to property

Title uncertainty is another major business risk faced by real estate operators. Most landed property titles are litigious and require extra efforts and costs to determine validity. UPDC derives a significant portion of its value from proper legal title to assets, and any challenges to/weakness in title could result in claims, litigation or obligations with material adverse impact on UPDC's performance, operations and prospects.

Litigation risks – rulings against UPDC could crystallise liability

As at 30 June 2019, UPDC was involved in Forty-Five (45) cases in the ordinary course of its business. The total monetary claim against UPDC is approximately ₦3,065,934,227.44 (Three Billion, Sixty-Five Million, Nine Hundred and Thirty-Four Thousand, Two Hundred and Twenty-Seven Naira, Forty- Four Kobo). Rulings by the Court against UPDC in the aforementioned cases could crystallise some level of liability.

Market risks - These are risks generally facing the real estate sector in Nigeria

UPDC's business and prospects are dependent on and may be adversely affected by the conditions of the real estate market in Nigeria

UPDC's business is dependent on the Nigerian real estate market. Consequently, the Company's business relies on macroeconomic factors as well as the conditions of the Nigerian real estate sector, particularly in the regions where UPDC's real estate portfolio assets are located or being developed. Specifically, the Company's business may be adversely affected by any factor that reduces property prices, transaction volumes or presents constraints in the supply chain in the Nigerian residential and commercial real estate market.

Additionally, the real estate sector in Nigeria may be adversely affected by other factors, among other things including economic and financial conditions, demographic changes, rising unemployment, availability of alternative investment options for property buyers, inflation, government policies and interest rates. Any or all of these factors could decrease demand for residential / commercial properties, which may have a material adverse effect on the Company's results, financial condition and future prospects.

Country risks

Political instability, insecurity, terrorism and ethnic, religious and regional differences

Security remains a major challenge, particularly in the north-eastern part of Nigeria. Whilst there has been significant progress in the past regarding the fight against insurgency, the humanitarian situation has continued to deteriorate. There has also been violence, oil theft and civil disturbance in the Niger Delta, Nigeria's southern oil producing region, mainly from militant groups.

In spite of the Federal Government's efforts, continued criminal activity, unrest and political and religious conflicts in the country may lead to lower oil revenues and production, deter investments in the country and lead to increased political instability that could have a material adverse effect on the broader Nigerian economy, and impact the Company's operations and profitability.

Poverty and unemployment persist in Nigeria, which may result in declined consumer spending

Despite moderate macroeconomic performance in recent years, poverty remains high in Nigeria, with nearly 50% of the population living in extreme poverty in 2018, according to the World Poverty Clock. Also, unemployment remains high with an unemployment rate of 23.1% as at 30 September 2018 compared to 18.8% as at 30 September 2017, according to data from the National Bureau of Statistics. If high levels of poverty and unemployment are not addressed, this may individually or in the aggregate have negative effects on the Nigerian economy and, as a result, a material adverse effect on the Company's operations and sales performance.

Environmental risks - These are losses that may arise due to significant natural occurrences in the environment

The operations of the Company are exposed to certain environmental challenges, which include but are not limited to pollution, environmental degradation, waste emission, global warming, severe flooding and other natural disasters/hazards, which could result in loss of lives or damage to assets. Any major natural disaster may significantly affect the day-to-day operations of the Company and may result in severe damage beyond the Company's control and may adversely affect UPDC's business. The operations of the Company may pose certain hazards to the environment, which include but are not limited to release of dust particles into the atmosphere, structural defects and collapse of buildings. Properties could be affected by hazardous environmental occurrences such as fire, flood, etc.

LETTER FROM THE AUDITORS ON THE GOING CONCERN STATUS



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10 September 2019

The Chief Executive
Stanbic IBTC Capital Limited
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos

Dear Sir,

CONFIRMATION OF GOING CONCERN STATUS OF UACN PROPERTY DEVELOPMENT COMPANY PLC: PROPOSED RIGHTS ISSUE BY UACN PROPERTY DEVELOPMENT COMPANY PLC

We have audited the Consolidated and separate financial statements of UACN Property Development Company Plc ("the Company") and its subsidiaries (together "the Group") for the year ended 31 December 2018 which were prepared in accordance with International Financial Reporting standards, Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

Based on our audit of the financial statements of the Company for the year ended 31 December 2018 on which we expressed our opinion on 05 April 2019 and the representation received from the Directors of the Company, the consolidated and separate financial statements indicate that the Group and the Company made net losses of ₦15.06 billion (2017: ₦2.95 billion) and ₦18.48 billion (2017: ₦2.07 billion) respectively for the year ended 31 December 2018 and as at that date, the Group and the Company's current liabilities exceeded their current assets by ₦9.54 billion (2017: ₦7.59 billion) and ₦1.81 billion respectively. These conditions, along with other matters as set forth in Note 34 to the financial statements, indicate that a material uncertainty exists which may cast significant doubt on the Group and Company's ability to continue as a going concern and therefore, may be unable to realise its assets and settle liabilities in the ordinary course of business. Our opinion is not modified in respect of this matter.

Yours faithfully

Yusuf Aliu, FCA
FRC/2012/ICAN/00000000138
For: Ernst & Young
Lagos, Nigeria





12th July 2019

The Directors

Stanbic IBTC Capital Limited
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos

Dear Sirs,

Going Concern Status of UACN Property Development Company Plc: Proposed Rights Issue by UACN Property Development Company Plc

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

The applicable International Financial Reporting Standards have been followed and UPDC's financial statements have been prepared using accounting policies, which comply with the requirements of the Financial Reporting Council of Nigeria Act and the Companies and Allied Matters Act, 2004.

The Directors of the Company would like to point your attention to the Auditors Report on page 30 of the Company's 2018 Annual Report where the auditors indicated a material uncertainty in relation to the Company's ability to continue as a going concern. A crucial step in addressing this material uncertainty is this Rights Issue aimed at further deleveraging the Company. The Directors will therefore like to urge shareholders to participate in this Rights offer.

Yours faithfully

For: **UACN Property Development Co Plc**

Mr Folasope Aiyesimoju
Chief Executive Officer

Mrs Fotake Kalaro
Company Secretary

uacn property development company plc RC. 321582

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Directors: B. Kasali (Chairman), F. B. Aiyesimoju (CEO), A. F. Taiwo (Mrs.) (ED, FM), F. Fadahunsi (Mrs) (CFO), Arc. H. T. Alao (Mrs.), A. O. Awojobi, Prof. O. A. Ansa, A. Ajumogobia (Mrs.)

INCORPORATION BY REFERENCE

The following documents which have previously been published, and have been filed with the SEC, shall be incorporated in, and form part of, this Rights Circular:

- a) the unaudited financial statements of UPDC for the nine months ended 30 September 2019;
- b) the audited financial statements of UPDC for the year ended 31 December 2018;
- c) the audited financial statements of UPDC for the year ended 31 December 2017;
- d) the audited financial statements of UPDC for the year ended 31 December 2016;
- e) the audited financial statements of UPDC for the year ended 31 December 2015; and
- f) the audited financial statements of UPDC for the year ended 31 December 2014.

Copies of the documents incorporated by reference will be available for inspection during normal business hours on any Working Day, from Monday, 10 February 2020 to Friday, 13 March 2020, at the registered office of UACN Property Development Company Plc located at UAC House, 1 – 5 Odunlami Street, Marina, Lagos and its website at www.updcplc.com. The documents would also be available at the offices of the Issuing House.

FINANCIAL INFORMATION

1. STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME (GROUP)

	31-Dec-14	31-Dec-15	Audited 31-Dec-16	31-Dec-17	31-Dec-18	--Unaudited-- 30-Sep-19
	N'000	N'000	N'000	N'000	N'000	N'000
Revenue	11,700,506	5,113,887	6,344,822	3,983,078	2,303,326	1,894,515
Cost of sales	(9,870,826)	(3,594,547)	(5,188,460)	(3,382,873)	(3,165,718)	(1,514,355)
Gross (loss)/ profit	1,829,680	1,519,340	1,156,362	600,205	(862,392)	380,160
Fair value gain on investment properties	1,541,406	252,678	1,508,970	(146,654)	(1,273,875)	-
(Loss)/ gain on disposal of investment properties	486,857	(57,365)	732,372	1,950,477	(434,399)	(115,150)
Selling and distribution expenses	(219,240)	(107,160)	(130,857)	(117,364)	(84,904)	(70,787)
Administrative expenses	(1,367,260)	(1,378,742)	(1,822,384)	(786,317)	(997,182)	(602,074)
Other operating income	225,625	575,284	326,827	512,797	550,019	23,837
Other project losses/expenses	-	-	(1,695,579)	(150,463)	(42,443)	(1,848)
Operating (loss)/ profit	2,497,068	804,035	75,711	1,862,681	(3,145,176)	(385,862)
Finance income	721,787	607,981	624,993	525,761	36,617	3,381
Finance costs	(2,657,289)	(2,670,625)	(2,825,667)	(5,556,502)	(4,799,508)	(2,212,251)
Net finance costs	(1,935,502)	(2,062,644)	(2,200,674)	(5,030,741)	(4,762,891)	(2,208,870)
Share of profit of associates	2,978,959	1,787,461	1,160,660	829,385	1,923,492	584,617
Share of loss in Joint venture	-	-	(70,913)	(290,283)	(117,189)	303
(Loss)/ profit before impairment and taxation	3,540,525	528,852	(1,035,216)	(2,628,958)	(6,101,764)	(2,009,812)
Impairment loss on investment and PPE ¹	-	(473,000)	(747,907)	(428,350)	(3,113,201)	(12,561,646)
Impairment/(Reversal of impairment) of receivables in JVs	-	-	-	-	-	185,927
(Loss)/ profit before taxation	3,540,525	55,852	(1,783,123)	(3,057,308)	(9,214,965)	(14,385,531)
Income tax (expense)/ credit	48,552	324,926	233,069	403,306	(1,723,130)	(122,921)
(Loss)/ profit for the year	3,589,077	380,778	(1,550,055)	(2,654,002)	(10,938,095)	(14,508,452)
Loss from discontinued operations	-	-	-	(293,635)	(89,878)	(142,950)
Impairment of assets of disposal group held for sale and discontinued operations	-	-	-	-	(4,029,237)	-
(Loss)/profit for the period	3,589,077	380,778	(1,550,055)	(2,947,637)	(15,057,210)	(14,651,402)
Other comprehensive income						
Items not to be subsequently recycled to profit or loss	-	-	-	-	7,729	-
Tax on other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	3,589,077	380,778	(1,550,055)	(2,947,637)	(15,049,481)	(14,651,402)
Profit/ loss attributable to:						
Equity holders of the parent	3,601,697	421,767	(1,520,771)	(2,932,076)	(15,044,718)	(14,643,826)
Non-controlling interest	(12,620)	(40,990)	(29,284)	(15,563)	(4,764)	(7,576)
(Loss)/ profit for the year	3,589,077	380,777	(1,550,055)	(2,947,639)	(15,049,482)	(14,651,402)
Basic EPS (Kobo)	210	25	(88)	(130)	(576)	(564)
Diluted EPS (Kobo)	210	25	(88)	(130)	(576)	(564)

¹ Impairment loss in Q3-2019 is due to ₦12.6bn non-cash charge arising from the fair value assessment triggered by the reclassification of UPDC REIT from a non-current asset to an asset held for disposal in line with the company's decision to unbundle its REIT units

FINANCIAL INFORMATION

2. STATEMENT OF FINANCIAL POSITION (GROUP)

	-----Audited-----			-----Unaudited-----		
	31-Dec-14	31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-18	30-Sep-19
	N'000	N'000	N'000	N'000	N'000	N'000
Assets						
Non-current assets						
Property, plant and equipment	13,415,919	12,630,875	12,246,244	76,073	46,972	32,631
Intangible assets	30,353	59,810	51,403	37,894	29,538	17,522
Investment properties	16,542,109	16,867,015	16,654,320	10,423,675	4,198,300	2,544,300
Investments in joint ventures	19,090,575	2,088,068	481,289	190,795	73,606	391,358
Investments in associates	-	19,109,799	19,214,990	18,918,826	20,017,860	-
Investment in Available-for-sale shares	10,000	10,000	10,000	10,000	-	-
Equity instrument at fair value through other comprehensive income	-	-	-	-	17,729	17,729
Deferred taxation assets	-	-	-	621,756	-	-
	49,088,956	50,765,567	48,658,246	30,279,019	24,384,005	3,003,540
Current assets						
Inventories	9,668,957	12,331,955	12,868,001	11,539,283	8,290,381	7,154,295
Trade and other receivables	9,203,129	8,762,140	9,288,379	9,605,741	4,964,867	4,223,201
Cash equivalents	126,578	100,904	89,111	860,025	507,462	768,717
	18,998,664	21,194,999	22,245,491	22,005,049	13,762,710	12,146,213
Assets of disposal group classified as held for sale/distribution to owners	-	-	-	12,294,007	8,320,174	16,361,004
Total assets	68,087,620	71,960,566	70,903,737	64,578,064	46,466,889	31,510,757
Equity and liabilities						
Equity						
Issued share capital	859,375	859,375	859,375	1,299,198	1,299,198	1,299,198
Share premium	3,943,273	3,943,273	3,943,273	6,065,397	6,065,397	6,065,397
Retained earnings	31,330,132	30,892,525	29,371,754	26,439,679	10,861,012	(3,782,814)
Equity attributable to equity holders of the Company	36,132,780	35,695,173	34,174,402	33,804,274	18,225,607	3,581,781
Non-controlling interests	(80,013)	(121,003)	(150,287)	(165,849)	(170,700)	(178,276)
Total equity	36,052,767	35,574,170	34,024,115	33,638,425	18,054,907	3,403,505
Non-current liabilities						
Interest-bearing loans and borrowings	7,501,530	6,399,240	4,000,000	666,667	4,255,753	4,262,584
Deferred tax liabilities	1,040,023	483,229	72,537	-	72,537	72,537
Deferred income	144,422	15,751	4,600	3,192	1,577	29,886
Total non-current liabilities	8,685,975	6,898,220	4,077,137	669,859	4,329,867	4,365,007
Current liabilities						
Trade and other payables	6,496,188	11,886,592	12,934,264	9,432,689	7,050,779	21,452,694
Income tax liabilities	712,928	786,762	732,519	1,022,098	1,531,083	934,349
Deferred income	114,264	241,370	220,136	156,823	77,460	119,584
Interest-bearing loans and borrowings	16,025,500	16,407,121	18,607,800	18,623,866	14,302,459	7,155
Dividend Payable	-	166,334	307,767	359,688	339,920	339,920
Total current liabilities	23,348,880	29,488,179	32,802,486	29,595,164	23,301,701	22,853,702
Liabilities of disposal group classified as held for sale/distribution to owners	-	-	-	674,617	780,414	888,543
Total liabilities	32,034,855	36,386,399	36,879,623	30,939,640	28,411,982	28,107,252
Total equity and liabilities	68,087,620	71,960,566	70,903,737	64,578,064	46,466,889	31,510,757

FINANCIAL INFORMATION

3. STATEMENT OF CASH FLOWS (GROUP)

	-----Audited-----				--Unaudited--	
	31-Dec-14	31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-18	30-Sep-19
	N'000	N'000	N'000	N'000	N'000	N'000
Cash flow from operating activities	526,570	4,133,970	(1,396,839)	(201,201)	483,904	15,837,356
Company Income Tax paid	(300,431)	(158,031)	(51,039)	-	(92,893)	(61,073)
Capital Gains Tax paid	-	-	-	(1,409)	(116,291)	(482,368)
VAT paid	-	(97,844)	(17,378)	(189,569)	(659,940)	(148,296)
Net Cash flow from/ (used in) operating activities	226,139	3,878,095	(1,465,256)	(392,179)	(385,220)	15,145,619
Cash flow from investing activities						
Proceeds from sale of investment property	1,200,000	184,000	2,782,422	8,232,414	4,727,024	1,604,559
Purchase of property, plant & equipment	(315,480)	(45,409)	(86,004)	(26,598)	(27,077)	(1,655)
Purchase of intangible assets	(61,307)	(40,848)	(3,306)	(6,010)	(6,994)	-
Proceeds from sale of property, plant, & equipment	1,387	5,799	115,772	4,989	11,132	10,155
Purchase of investment properties	(77,367)	(53,593)	(15,539)	(17,104)	-	-
Investments in JV	-	(1,535,865)	-	-	-	-
Income distribution from UPDC REIT	929,740	1,216,034	1,055,469	1,125,550	824,458	-
Interest received	721,787	607,981	624,993	525,761	36,617	3,381
Net cash flow from investing activities	2,398,760	338,099	4,473,807	9,839,002	5,565,160	1,616,440
Cash flow from financing activities						
Proceeds from right issue	-	-	-	9,291	-	-
Transaction cost on right issue	-	-	-	(76,991)	-	-
Recovery of excess bank charges	-	-	-	265,244	-	-
Proceeds from borrowings	13,853,000	9,377,400	31,590,163	1,372,242	1,863,997	-
Repayment of borrowings	(13,670,000)	(10,210,781)	(31,491,797)	(4,070,533)	(2,262,800)	(14,288,474)
Dividend paid	(962,583)	(859,375)	-	-	-	-
Interest paid	(2,657,289)	(2,670,625)	(2,825,667)	(5,556,502)	(4,799,508)	(2,212,251)
Net cash flow (used in)/ from financing activities	(3,436,872)	(4,363,381)	(2,727,301)	(8,057,249)	(5,198,311)	(16,500,725)
Net (decrease)/ increase in cash and cash equivalents	127,912	(147,187)	281,250	1,389,574	(18,371)	261,335
Net foreign exchange difference	8,776	8,801	3,885	317	(676)	(81)
Cash and cash equivalents at the beginning of the period	(1,146,819)	(1,010,130)	(1,148,516)	(863,382)	526,509	507,463
Cash and cash equivalents at the end of the period	(1,010,131)	(1,148,516)	(863,381)	526,509	507,462	768,717

STATUTORY AND GENERAL INFORMATION

1. INCORPORATION AND SHARE CAPITAL HISTORY

UPDC was incorporated in Nigeria on 06 October 1997. As at the date of this Rights Circular, UPDC has an authorised share capital of ₦9,300,000,000.00 comprising 18,600,000,000 Ordinary Shares of 50 kobo each and an issued share capital of ₦1,299,197,895.50 comprising 2,598,395,791 Ordinary Shares of 50 kobo each. The changes in the share capital of the Company since 1997 are summarised below:

Year	Authorised (₦)		Issued & Fully Paid-up (₦)		Consideration
	Increase	Cumulative	Increase	Cumulative	
1997	-	500,000.00	-	125,000.00	Starting Capital
1998	499,500,000.00	500,000,000.00	499,875,000	500,000,000.00	Scheme Shares
2004	500,000,000.00	1,000,000,000.00	50,000,000.00	550,000,000.00	1 for 10 bonus issue
2010	-	1,000,000,000.00	137,500,000.00	687,500,000.00	1 for 4 bonus issue
2013	-	1,000,000,000.00	171,875,000.00	859,375,000.00	1 for 4 bonus issue
2015	750,000,000.00	1,750,000,000.00	-	859,375,000.00	-
2017	-	1,750,000,000.00	439,822,895.50	1,299,197,895.50	1 for 1 Rights Issue
2019	7,550,000,000.00	9,300,000,000.00	-	1,299,197,895.50	-

2. SHAREHOLDING STRUCTURE

Pre-Issue

As at 30 September 2019, UPDC's issued share capital of 2,598,395,791 Ordinary Shares of 50 kobo each was beneficially held as follows:

Shareholder	Ordinary Shares held	%
UAC of Nigeria Plc	1,667,187,500	64.16
FBNQuest Trustees Nigeria Ltd	148,602,252	5.72
Others	782,606,039	30.12
	<u>2,598,395,791</u>	<u>100.00</u>

Except as stated above, no other shareholder held more than 5% of the issued share capital of the Company.

Post-Issue

It is expected that on completion of the Issue, if all shareholders take up their rights in full, the Company's paid-up share capital should increase to ₦9,279,984,968 comprising 18,559,969,936 Ordinary Shares of 50 kobo each, to be beneficially held as follows:

Shareholder	Ordinary Shares held	%
UAC of Nigeria Plc	11,908,482,143	64.16
FBNQuest Trustees Nigeria Ltd	1,061,444,657	5.72
Others	5,590,043,136	30.12
	<u>18,559,969,936</u>	<u>100.00</u>

3. DIRECTORS' BENEFICIAL INTERESTS

The interests of the Directors in the issued share capital of the Company as recorded in the Register of Directors' Interests or as notified by them for the purpose of section 275(1) of CAMA as at 30 June 2019 are as follows:

STATUTORY AND GENERAL INFORMATION

Director	Direct Shareholding	Indirect Shareholding	%
Mr Babatunde Kasali	37,500	-	0.00
Mr Folasope Aiyesimoju ¹	-	1,667,187,500	64.16
Mrs Deborah Nicol-Omeruah	-	-	-
Mr. Adekunle Awojobi ²	-	148,602,252	5.72
Prof. Okon A. Ansa	77,901	-	0.00
Mrs Awuneba Ajumogobia	6,687	-	0.00
Mr Babajide Fetuga (Alternate)	-	-	-
Mr Oyekunle Osilaja	-	-	-
Mrs Folakemi Fadahunsi	-	-	-

Notes:

(1) Indirect interest represents interest of UAC

(2) Indirect interest represents the interest of FBNQuest Trustees Limited

4. INDEBTEDNESS

As at the date of this Rights Circular, the Company had outstanding indebtedness of ₦20.27 billion, comprising of the ₦16 billion one-year bridge facility obtained from UAC and ₦4.27 billion outstanding under the five-year bond issue. It should also be noted that there is outstanding indebtedness in certain joint venture companies in which UPDC has a significant shareholding. First Festival Mall Limited (joint venture company for the retail mall in Festac, Lagos in which UPDC is a 45% shareholder) has outstanding bank loans of c.₦4.3 billion and c.US\$9.15 million (out of which, UPDC provided a revenue shortfall guarantee of US\$2 million). UPDC Metro City Limited (joint venture company for a serviced residential estate development in Abuja in which UPDC is a 60% shareholder) has an outstanding bank loan of c.₦130 million (as at 30 September 2019). Aside these outstanding facilities, the Company and its joint venture companies also have amounts outstanding to trade creditors arising in the ordinary course of business. Details of the movement in the Company's debt obligations is provided below:

Facility	Tenor	31-Dec-18	30-Jun-19	As at date of the Rights Circular
		(₦'m)	(₦'m)	(₦'m)
Intra-group working capital facilities at interest rate of c.14.50 – 18.00% ¹	n.a.	2,195	2,175	-
12-month bridge loan from UAC at interest rates of 5.00% / 15.00% ²	12 months	-	6,000	15,995
Liquidity support facility at an interest rate of NIBOR + 5.00%	3 - 5 years	680	7,245	-
Commercial Papers at weighted average interest rate of 14.98%	4 - 6 months	13,614	-	-
Bonds at interest of 16.00%	3 - 5 years	4,264	4,264	4,270
Total		20,073	19,684	20,265

Notes:

(1) Intra-group working capital comprises loans from UAC, MDS Logistics Limited and UAC Foods Limited

(2) The bridge loan from UAC is at an initial interest rate of 5%, escalating to 15% after 180 days

5. OFF BALANCE SHEET ITEMS

As at 30 September 2019, the Company had an off-balance sheet item representing a US\$2 million revenue shortfall guarantee granted to Stanbic IBTC Bank PLC on behalf of First Festival Mall Limited.

6. CLAIMS AND LITIGATION

As at 30 June 2019, UPDC was involved in Forty-Five (45) cases in the ordinary course of its business. Of the Forty-Five (45) cases, UPDC has been sued as Defendant in Twenty-Nine (29)

cases by various individuals and organisations and is Claimant in Eight (8) cases. UPDC is Counter-Claimant in Eleven (11) of the Twenty-Nine (29) cases instituted against it; Defendant to counter-claim in One (1) case out of the Eight (8) cases instituted by it; and Defendant to counter-claim in One (1) case out of the Twenty-Nine (29) cases instituted against it by various individuals and organisations. Further, UPDC is Appellant in Five (5) cases in which judgment had previously been delivered against it, while it is Respondent in Three (3) cases in which ruling/judgment had been delivered in its favour.

The total monetary claim against UPDC including the Two (2) counter-claims in which UPDC is a Defendant, is approximately ₦3,065,934,227.44 (Three Billion, Sixty-Five Million, Nine Hundred and Thirty-Four Thousand, Two Hundred and Twenty-Seven Naira, Forty-Four Kobo).

The total monetary claim by UPDC including the Eleven (11) counter-claims out of the Twenty-Nine (29) cases instituted against it, is approximately ₦900,965,063.91 (Nine Hundred Million, Nine Hundred and Sixty-Five Thousand, Sixty-Three Naira, Ninety-One Kobo).

Please note that the amounts referred to herein, do not include interest and costs, which can only be ascertained or determined after the final resolution of the cases. Ultimately, the actual liability of UPDC in these cases, including final awards for costs, will be as determined by the courts upon conclusion of the respective suits.

The Solicitors are of the opinion that, if the matters continue to be diligently prosecuted by UPDC, the contingent liability that would arise from the cases would not have a material adverse effect on UPDC or the proposed Rights Issue.

The Directors of UPDC are of the opinion that none of the aforementioned cases is likely to have any material adverse effect on UPDC and are not aware of any other pending and/or threatened claim or litigation other than the Forty-Five (45) cases referenced above.

7. PURPOSE OF ISSUE AND USE OF PROCEEDS

In recent years, UPDC has diversified its operations into the hospitality and retail segments of the Nigerian real estate sector, acquiring assets in the hospitality space and developing a retail mall. The Company also undertook a number of projects outside its core-market – Lagos in a bid to expand its footprint across Nigeria. The Company obtained loan facilities from various financial institutions to fund its expansion initiatives. However, a challenging macroeconomic environment influenced by a fall in global oil prices, foreign exchange liquidity constraints, high inflation and high interest rates, as well as a downturn in the Nigerian real estate sector resulted in sub-optimal performance of the Company's assets/projects and insufficient cash flows to service debt obligations.

The Rights Issue is part of UPDC's recapitalisation plans targeted at reducing finance costs and achieving a sustainable capital structure by introducing equity capital to refinance outstanding debt obligations and reducing the uncertainties associated with frequent debt roll-overs. The Board believes the Rights Issue is a critical step towards strengthening UPDC's capital structure and will position the Company to pursue value-accretive opportunities, whilst providing greater operational and financial flexibility to ensure business growth and continuity, and ultimately resulting in improved shareholder value in the near to medium term.

The proceeds of the Rights Issue will be used to repay the one-year ₦16 billion loan facility obtained from UAC which was utilised to pay down on the Company's maturing short-term obligations comprising:

- ₦6,498,035,000.00 billion Commercial Paper ("CPs");
- ₦7,368,122,124.62 billion CP-related liquidity support facility from Coronation Merchant Bank and FBN Quest Merchant Bank; and
- ₦2,133,842,875.38 billion intra-group working capital facility

The net Issue proceeds estimated at ₦15,765,864,545.56 (after deducting issue costs of ₦195,709,599.44 representing 1.23% of the gross Issue proceeds) will be applied as shown below:

STATUTORY AND GENERAL INFORMATION

Utilisation	N'bn	%	Expected Completion
Repayment of short-term debt obligations	15.77	100	Immediate
Total	15.77	100	

The specific amount to be repaid will be a function of the actual amount outstanding at the time proceeds of the Rights Issue are received by the Company and the level of subscription of the Issue and may therefore vary from the above.

The shareholder resolution approving the Rights Issue provides that any outstanding convertible loan, shareholder loan or loan facility due to any person from the Company may be applied towards payment for any shares subscribed for by such person under the capital raise.

8. COSTS AND EXPENSES

The costs, charges and expenses of and incidental to the Issue including fees payable to SEC and The NSE, professional parties, brokerage, and printing and distribution expenses, are estimated at about ₦195,709,599.44, representing 1.23% of the Issue proceeds and are payable by UPDC.

9. MATERIAL CONTRACTS

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

- A Vending Agreement dated 31 January 2020 under the terms of which Stanbic IBTC Capital has agreed, on behalf of the Company, to offer by way of rights of 15,961,574,145 Ordinary Shares of 50 kobo at ₦1.00 per share on the basis of 43 new Ordinary Shares for every 7 Ordinary Shares in UPDC;
- Deed of Guarantee dated 26 April 2018 between UACN Property Development Company Plc, Coronation Merchant Bank Limited and FBNQuest Merchant Bank Limited (as Guarantors) and ARM Trustees Limited, Coronation Trustees Limited and FBNQuest Trustees Limited (as Trustees) in connection with the Series 1 Bonds issued under the ₦20,000,000,000 Debt Issuance Programme;
- Deed of Guarantee dated 26 April 2018 between UACN Property Development Company Plc, UAC of Nigeria Plc (as Guarantor) and ARM Trustees Limited, Coronation Trustees Limited and FBNQuest Trustees Limited (as Trustees) in connection with the Series 1 Bonds issued under the ₦20,000,000,000 Debt Issuance Programme;
- Series 1 Trust Deed dated 26 April 2018 between UACN Property Development Company Plc, ARM Trustees Limited, Coronation Trustees Limited and FBNQuest Trustees Limited (as Trustees) in connection with the Series 1 Bonds issued under the ₦20,000,000,000 Debt Issuance Programme; and
- Programme Trust Deed dated 01 February 2018 between UACN Property Development Company Plc, ARM Trustees Limited and FBNQuest Trustees Limited in connection with the ₦20,000,000,000 Debt Issuance Programme.

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

10. UNCLAIMED DIVIDENDS

The total amount of unclaimed dividends as at 30 September 2019 was ₦339.9 million.

11. OVERVIEW OF CORPORATE GOVERNANCE

UPDC is committed to conducting its business in line with best practice, in accordance with applicable laws and regulations in Nigeria, the UAC Code of Business Conduct and the provisions of the 2011 Code of Corporate Governance for Public Companies in Nigeria. The Company

complied with these corporate governance requirements during the year under review as set out below:

By the Articles of Association of the Company (the “Articles”), the Board is responsible for controlling and managing the business of the Company. Under the Company’s Board Charter the primary objective of the Board of Directors is to build long-term shareholder value with due regard to other stakeholder interests. The Board does this by setting strategic direction and context, such as the Company’s mission, vision and core values, policies and objectives and focusing on issues critical for its successful execution such as staffing, executive training, succession planning, performance and risk management.

The Board of the Company is made up of five Non-Executive Directors and three Executive Directors. The process of appointing Directors involves a declaration of a vacancy at a Board Meeting; the sourcing of the curriculum vitae of suitable candidates depending on the required skills, competence and experience at any particular time; and the reference of the curriculum vitae to the Risk & Governance Committee for necessary background checks, informal Interviews / interaction and a recommendation for the approval of the Board of Directors. Any Director appointed by the Board is presented to the next Annual General Meeting of the members of the Company for election. The positions of Chairman and Managing Director are distinct and are occupied by Mr Babatunde Kasali and Mr Folasope Aiyesimoju respectively.

The Board functions through the Risk & Governance Committee and Statutory Audit Committee. The Risk & Governance Committee makes recommendations for approval by the full Board and is composed of all the Company’s Directors excluding the Chairman. The primary responsibility of the Risk & Governance Committee is to assist the Board in its oversight of risk management and developing an enterprise risk management framework for identifying, measuring, monitoring and controlling risks in the Company.

The Statutory Audit Committee is set up in accordance with the provision of CAMA. It consists of six members made up of three representatives of the shareholders elected at the previous Annual General Meeting for tenure of one year and three representatives of the Board of Directors. The Committee, amongst others is authorised by CAMA to ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices; review the scope and planning of audit requirements; review the findings on management matters in conjunction with the external auditor and departmental responses thereon; and make recommendations to the Board with regard to the appointment, removal and remuneration of the external auditors of the Company.

12. RESEARCH AND DEVELOPMENT

The Company has and will continue to explore ways of improving efficiency in its business, enhancing property quality and increasing the returns attributable to shareholders. However, the Company did not expend any amount on research and development in the last three years.

13. MERGERS AND TAKEOVERS

As at the date of this Rights Circular, UPDC is not aware of any attempt by any other investor to acquire a majority shareholding in the Company or by the Company of any other entity.

14. RELATIONSHIP BETWEEN THE COMPANY AND ITS ADVISERS

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

15. RELATED PARTY TRANSACTIONS

The Company has entered into certain transactions with related entities. These related party transactions as at 30 September 2019 are as follows:

STATUTORY AND GENERAL INFORMATION

- **Sale of goods and services**

Company	Relationship	30-Sep-19 (N'000)	30-Sep-18 (N'000)
UAC of Nigeria Plc	Parent	52,196	57,378
MDS Logistics Limited	Fellow subsidiary	7,354	7,010
		59,550	64,338

- **Purchase of goods and services**

Company	Relationship	30-Sep-19 (N'000)	30-Sep-18 (N'000)
UAC of Nigeria Plc	Parent	26,204	27,929
Chemical & Allied Products Plc	Fellow subsidiary	8,351	-
Portland Paints and Products Plc	Fellow subsidiary	-	8,450
		34,555	36,379

- **Period-end balances arising from sales / purchases of goods / services**

Receivables	Relationship	30-Sep-19 (N'000)	30-Sep-18 (N'000)
UPDC Metrocity Ltd	Joint Venture	1,653,431	1,681,460
First Restoration Development Company Ltd	Joint Venture	145,201	360,084
Calabar Golf Estate Ltd	Joint Venture	321,692	237,055
Imani and Sons Nigeria Limited	Joint Venture Partner	307,114	496,734
UPDC REIT	Associate	10,906	12,363
Grand Cereals Ltd	Fellow subsidiary	-	48,158
UAC Restaurants Ltd	Fellow subsidiary	1,971	1,126
Impairment of Intercompany receivables - IFRS 9		(2,329)	(2,329)
		2,437,985	2,834,650

Payables	Relationship	30-Sep-19 (N'000)	30-Sep-18 (N'000)
UAC of Nigeria Plc	Parent	15,994,940	1,431,580
Chemical & Allied Products Plc	Fellow subsidiary	262	7,725
MDS Logistics Limited	Fellow subsidiary	6,405	241,006
James Pinnock	Joint Operation	99,787	32,359
Portland Paints and Products Nigeria Plc	Fellow subsidiary	2,237	2,237
UAC Foods Ltd	Fellow subsidiary	30	522,715
Spring Waters Nigeria Ltd	Fellow subsidiary	15	15
		16,103,676	2,237,637

16. DECLARATIONS

Except as otherwise disclosed in this Rights Circular:

- No share of UPDC is under option or agreed conditionally or unconditionally to be put under option;
- No commissions, discounts, brokerages or other special terms have been granted by UPDC to any person in connection with the Issue or sale of any shares of the Company;
- Save as disclosed herein, the Directors of UPDC have not been informed of any holding representing 5% or more of the issued share capital of the Company;

STATUTORY AND GENERAL INFORMATION

- (iv) There are no material service agreements between UPDC or any of its Directors or employees other than in the ordinary course of business;
- (v) No Director of the Company has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Company in the three years prior to the date of this Rights Circular; and
- (vi) No Director of the Company is or has been involved in any of the following:
 - A petition under any bankruptcy or insolvency laws filed (and not struck out) against him / her or any partnership in which he / she is or was a partner or any company of which he / she is or was a Director or key personnel;
 - A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; or
 - The subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him/her from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business or activity.

17. CONSENTS

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

Directors of the Company	Mr Babatunde Kasali Mr Folasope Aiyesimoju Mrs Deborah Nicol-Omeruah Mrs Folakemi Fadahunsi Mrs Awuneba Ajumogobia Professor Okon Asuquo Ansa Mr Adekunle Olakitan Awojobi Mr Babajide Fetuga (Alternate Director) Mr Oyekunle Osilaja
Company Secretary	Mrs Folake Kalaro
Issuing House	Stanbic IBTC Capital Limited
Stockbrokers	Stanbic IBTC Stockbrokers Limited
Solicitors	Banwo & Ighodalo
Auditors	Ernst & Young
Registrars	Africa Prudential Plc
Receiving Bank	Stanbic IBTC Bank PLC

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents can be inspected at the Stanbic IBTC Capital Limited's office at I.B.T.C. Place, Walter Carrington Crescent, Victoria Island, Lagos and UACN Property Development Company Plc's office located at UAC House, 1 – 5 Odunlami Street, Lagos, during normal business hours on any Working Day, from Monday, 10 February 2020 to Friday, 13 March 2020 :

- (i) The Certificate of Incorporation of the Company;
- (ii) The Memorandum and Articles of Association of the Company;
- (iii) The Rights Circular issued in respect of the Issue;
- (iv) The unaudited financial statements of the Company for the nine months ended 30 September 2019;
- (v) The audited financial statements of the Company for each of the five years ended 31 December 2014 to 2018;

STATUTORY AND GENERAL INFORMATION

- (vi) The Shareholders' Resolutions authorising the Issue;
- (vii) The Board Resolution authorising the Issue;
- (viii) The list of outstanding claims and litigation referred to in Section 6 on page 42;
- (ix) The material contracts referred to in Section 9 on page 44;
- (x) The written consents referred to in Section 16 on page 47;
- (xi) Letter of approval from SEC; and
- (xii) Letter of approval from The NSE.



31 January 2020

RIGHTS ISSUE OF 15,961,574,145 ORDINARY SHARES OF 50 KOBO EACH AT ₦1.00 PER SHARE IN UACN PROPERTY DEVELOPMENT COMPANY PLC

Dear Sir / Madam

1. Provisional Allotment

The letter dated 31 January 2020 from the Chairman, which is provided, on page 14 of the Rights Circular contains particulars of the Rights Issue now being made. The Directors have provisionally allotted to you the number of new shares set out on the first page of the enclosed Participation Form, representing 43 new Ordinary Shares for every 7 Ordinary Shares registered in your name at the close of business on 30 September 2019. The new Ordinary Shares will rank pari passu in all respects with the existing Ordinary Shares of the Company.

You may accept all or some of the shares allotted to you or renounce your rights to all or some of them. If you are accepting the provisional allotment in full, kindly complete box A of the Participation Form, while if renouncing your rights partially or in full, kindly complete box B of the form. You may also apply for additional shares over and above your provisional allotment as described in paragraph 2(c) of this letter.

2. Acceptance and Payment

The receipt of payment with your Participation Form will constitute an acceptance of all or part of this allotment on the terms of this letter, subject to the Memorandum and Articles of Association of the Company and the clearance of the Securities and Exchange Commission. If payment is not received by the close of the Acceptance Period, the provisional allotment will be deemed to have been declined and will be cancelled. You may participate in the Rights Issue through any of the following methods:

a) Full Acceptance

If you wish to accept this provisional allotment in full, please complete box A of the Participation Form. The completed Participation Form together with a cheque or bank draft for the full amount payable must be submitted to any of the Receiving Agents listed on page 52 of the Rights Circular not later than Friday, 13 March 2020. **The cheque or draft must be made payable to the Receiving Agent** and crossed “**UPDC RIGHTS**” with your name, address and mobile number written on the back of the cheque or draft. All cheques and drafts will be presented for payment on receipt and all Participation Forms in respect of which cheques are returned unpaid for any reason will be rejected and returned through the registered post.

Shareholders who wish to make payments electronically for their rights, should contact any of the Receiving Agents listed on page 52 of this Rights Circular for the transfer details.

Any payment value exceeding ₦10 million (Ten Million Naira) should be made via SWIFT, RTGS or NEFT into the designated account provided by the Receiving Agent. Such payment must include the subscriber's full name in the transfer instruction narrative.

b) Partial Acceptance

To accept your provisional allotment partially, please complete box B of the Participation Form and submit the completed Participation Form to any of the Receiving Agents listed on page 52

PROVISIONAL ALLOTMENT LETTER

of the Rights Circular together with full amount payable in respect of the number of shares you wish to accept. Payment should be made in accordance with paragraph 2(a) above.

c) **Applying for Additional Shares**

This may be done by **completing items (ii) and (iii) of box A of the Participation Form**. Payment should be made in accordance with paragraph 2(a) above. Shareholders who apply for additional shares using the Participation Form will be subject to the allotment process and may therefore be allotted less than the number of additional shares applied for (see item 4 below).

3. **Trading in Rights on The NSE**

The approval of The NSE has been obtained for trading in the rights of the Company. The rights will be tradable between Monday, 10 February 2020 and Friday, 13 March 2020 at the price at which the rights are quoted on The NSE. Shareholders who wish to trade their rights partially or in full, may trade such rights on the floor of The NSE between these dates. Please complete item (iii) of box B of the Participation Form and contact your stockbroker for assistance. If you wish to purchase traded rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing UPDC Rights.

4. **Allotment of Shares**

Allotment of shares will be made first to shareholders who accepted their rights partially or in full, and to investors who purchased rights on the floor of The NSE. Ordinary shares which are not taken up by Friday, 13 March 2020 will be allotted to existing shareholders who applied and paid for additional shares over and above their provisional allotment based on an equal allocation ratio.

5. **Subscription Monies**

Participation Forms must be accompanied with the full amount due on acceptance in accordance with paragraph 2 above. All subscription monies will be retained in an interest yielding bank account by the Receiving Bank.

6. **Surplus Application Monies**

If any application for additional shares is not accepted or accepted for fewer shares than the number applied for, a cheque for the value of the additional shares not accepted including applicable interest will be sent by registered post or electronic payment will be made into the affected subscriber's account as stated in the Participation Form not later than 5 Working Days after the date of allotment.

7. **Rounding Principle**

Provisional allotment of shares will be such that shareholders will not be allocated a fraction of a share and as such any shareholding giving rise to a fraction of less than one share will be rounded down to the nearest whole number.

8. **Settlement**

The CSCS accounts of shareholders will be credited immediately after allotment. Shareholders are hereby advised to state the name of their respective stockbrokers, their CHN and CSCS account numbers in the relevant spaces on the Participation Form.

In accordance with the SEC Directive on Dematerialization of Share Certificates, shareholders who do not provide valid CHN and CSCS account numbers will have their shares credited at the CSCS using a Registrar Identification Number.

A Registrars Identification Number is a number allocated to shareholders who do not have valid CHN and CSCS account numbers to warehouse their units of shareholding in public companies under Registrars custody at the CSCS. The allotted shares will be transferred to the stockbroking account of the shareholder once valid CHN and CSCS account numbers are provided. Any shareholder who does not have a valid CHN and CSCS account number, is advised to open a

PROVISIONAL ALLOTMENT LETTER

stockbroking account with a stockbroker and obtain a valid CHN and CSCS account number from the stockbroker.

Yours faithfully



Mrs Folake Kalaro
Company Secretary

RECEIVING AGENTS LIST

A copy of the Rights Circular has been forwarded to each of the shareholders whose names appeared in the Company's Register of Members as at 30 September 2019. The completed Participation Forms together with a cheque or bank draft for the full amount payable may be returned to any of the following Receiving Agents to whom brokerage will be paid at the rate of 25 kobo per ₦100 worth of shares allotted in respect of Participation Forms bearing their official stamp.

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

BANKS

Access Bank Plc Citibank Nigeria Limited Diamond Bank Plc Ecobank Nigeria Plc Fidelity Bank Plc	First Bank of Nigeria Plc First City Monument Bank Limited Guaranty Trust Bank Plc Heritage Bank Plc Keystone Bank Limited	Skye Bank Plc Stanbic IBTC Bank PLC Standard Chartered Bank Nigeria Limited Sterling Bank Plc	Union Bank of Nigeria Plc United Bank for Africa Plc Unity Bank Plc Wema Bank Plc Zenith Bank Plc
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STOCKBROKERS AND OTHERS

Adamawa Securities Limited Adonai Stockbrokers Limited African Alliance Stockbrokers Limited Afrinvest (West Africa) Limited AIMS Asset Management Limited Alangrange Securities Limited Allbond Investment Limited Alliance Capital Managt Co. Limited Altrade Securities Limited Amyr Investments Limited Anchorage Sec & Finance Limited Anchoria Inv& Securities Limited Apel Asset Limited APT Sec. & Funds Limited Arian Capital Management Limited ARM Securities Limited Associated Asset Managers Limited Atlass Portfolio Limited Belfry Stockbrokers Limited Bestlink Investment Limited Bestworth Assets & Trust Limited BFCL Assets & Sec Limited BIC Securities Limited Bytofel Trust & Securities Limited Cadington Securities Limited Calyx Securities Limited Camry Securities Limited Capital Asset Limited Capital Bancorp Limited Capital Express Securities Limited Capital Trust Brokers Limited Cardinal Stone Securities Limited Cashcraft Asset Mgt. Limited Cashville Inv & Sec. Limited Centre-Point Inv. Limited Century Securities Limited Chapel Hill Denham Securities Limited Chartwell Securities Limited Citi Investment Capital Limited City-Code Trust & Inv Limited Clearview Inv Co. Limited Colvia Securities Limited Compass Inv and Sec Limited Consolidated Inv Limited Consortium Investments Limited Cordros Capital Limited Core Trust & Investment Limited Covenant Securities & Asset Management Limited Cowry Asset Mgt Limited Cradle Trust Fin & Sec. Limited Crane Securities Limited Crossworld Securities Limited Crown Capital Limited CSL Stockbrokers Limited Dakal Securities Limited Davandy Finance & Sec Limited DBSL Securities Limited De-canon Investments Limited Deep Trust Investment Limited De-Lords Securities Limited Dependable Securities Limited Diamond Securities Limited Dolbic Finance Limited Dominion Trust Limited DSU Brokerage Services Limited Dunbell Securities Limited Dunn Loren Merrifield Securities Limited Dynamic Portfolios Limited ECL Asset Management Limited EDC Securities Limited Edgefield Capital Management Limited Emerging Capital Limited EMI Capital Resources Limited Empire Securities Limited Enterprise Stockbroker Plc Epic Investment Trust Limited	Equity Capital Solutions Limited Eurocomm Securities Limited Excel Securities Limited Express Discount Asset Mgt Limited Express Portfolio Services Limited FCSL Asset Management Company Limited Falcon Securities Limited FBC Trust & Securities Limited FBNQuest Securities Limited Financial Trust Company Nigeria Limited Fidelity Securities Limited FinBank Securities Limited Finmal Finance Company Limited First Inland Capital Limited First Inland Sec. & Asset Mgt. Limited FIS Securities Limited Fittco Securities Limited Foresight Sec. & Inv Limited Forte Financial Limited Forthright Securities & Investments Limited Fortress Capital Limited FSDH Securities Limited Fund Matrix & Assets Mgt Limited Future view Financial Services Limited Future view Securities Limited Gem Assets Mgt Limited Genesis Securities & inv. Limited Gidauniya Inv. & Sec Limited Global Assets Mgt (Nig) Limited Global Inv. & Sec. Limited Global View Consult & Investment Limited GMT Securities Golden Securities Limited Gombe Securities Limited Gosord Securities Limited Greenwich Securities Limited GTI Capital Limited Harmony Securities Limited Heartbeat Investments Limited Hedge Sec. & Inv. Co. Limited Heritage Capital Mkt Limited Horizon Stockbrokers Limited HP Securities Limited ICMG Securities Limited ICON Stockbroker Limited Imperial Assets Mgt Limited IMTL Securities Limited Independent Securities Limited Integrated Trust &Inv. Limited Intercontinental Securities Limited International Capital Sec. Limited International Standard Sec Limited Interstate Securities Limited Investment Centre Limited Investment One Financial Services Limited Investment One Stock Brokers International Limited Investors & Trust Co Limited ITIS Securities Limited Kakawa Asset Mgt Limited Kapital Care Trust & Sec. Limited Kedari Securities Limited Kinley Securities Limited Kofana Securities & Inv. Limited Kundila Finance Services Limited Laksworth Inv. & Sec Limited Lambeth Trust & Inv. Co. Limited LB Securities Limited Lead Securities and Inv. Limited Lighthouse Asset Mgt Limited Lion Stockbrokers Limited LMB Stockbrokers Limited Long Term Global Capital Limited Mact Securities Limited	Magnartis Fin & Inv Limited Mainland Trust Limited Maninvest Securities Limited Marina Securities Stockbroking Services Limited Maven Asset Mgt Limited Maxifund Invest & Sec. Limited Mayfield Investment Limited MBC Securities Limited MBL Financial Services Limited MC-Finero Investment limited Mega Equities Limited Mercov Securities Limited Meristem Securities Limited Midas Stockbrokers Limited Mission Securities Limited Molten Trust Limited Morgan Capital Sec Limited Mountain Investment & Securities Limited Mutual Alliance Investments and Securities Limited Network Capital Limited Networth Securities & Finance Limited Newdevco Investments & Securities Co Limited Nigerian Intl Sec Limited Nigerian Stockbrokers Limited Nova Finance & Securities Limited Oasis Capital Omas Investments & Trust Company Limited Options Securities Limited PAC Securities Limited Parthian Partners Limited Partnership Investment Company Limited Peace Capital Market Limited Peninsula Asset Mgt& Inv Co. Limited Perfecta Inv Trust Limited Phronesis Sec Limited Pilot Securities Limited Pinefields Inv Serv Limited PIPC Securities Limited Pivot Trust and Investment Co Limited Platinum Capital Limited Plural Securities Limited PML Securities Company Limited Portfolio Advisers Limited Primer Africa Securities Prime Wealth Capital Limited Professional Stockbrokers Limited, Profund Securities Limited Prominent Securities Limited Prudential Securities Limited Pyramid Securities Limited Quantum Securities Limited, Rainbow Securities and Investment Co. Limited Readings Investment Limited Redasel Investment Limited Regency Assets Mgt Limited Regency Financings Limited Rencap Securities (Nig.) Limited Resano Securities Limited Resort Securities & Trust Limited Reward Investments and Services Limited Richmond Securities Limited Riverside Trust Limited Rivtrust Securities Limited Rostrum Inv& Sec Limited Rowet Capital Mgt Limited Royal Crest Finance Limited Royal Trust Securities Limited Santrust Securities Limited Securities Africa Financial Limited Securities Solutions Limited	Securities Trading & Investments Limited Shelong Investment Limited Sigma Securities Limited Signet Investments & Securities Limited Sikon Securities and Investment Trust Limited Skyview Capital Limited SMADAC Securities Limited Solid-Rock Securities & Investment Limited Spring Trust & Securities Limited Springboard Trust & Inv Limited Stanbic IBTC Asset Mgt Limited Stanbic IBTC Capital Limited Stanbic IBTC Stockbrokers Limited Standard Alliance Capital & Asset Management Limited Standard Union Securities Limited Stanwal Securities Limited Strategy and Arbitrage Limited Summa Guaranty & Trust Co. Plc Summit Finance Company Limited Support Services Limited, Supra Commercial Trust Limited TFS Securities & Investment Limited The Bridge Securities Limited Tiddo Securities Limited Tomil Trust Limited Topmost Securities Limited Tower Asset Management Limited Tower Securities & Investment Co. Limited Trade Link Securities Limited Traders Trust & Investment Company Limited TransAfrica Financial Services Limited Transglobe Investment & Finance Co. Limited Transworld Investment & Securities Limited Tropics Securities Limited Trust Yields Securities Limited Trust House Investments Limited TRW Stockbrokers Limited UBA Securities Limited UIDC Securities Limited UNEX Capital Limited Union Capital Markets Limited Valmon Securities Limited Valueline Securities & Investments Limited Vetiva Capital Mgt Limited Vetiva Securities Limited Vision Trust & Investment Limited Wizetrade Capital & Asset Management Limited WSTC Financial Services Limited WT Securities Limited Yobe Inv. & Sec. Limited Yuderb Inv. & Sec. Limited Zenith Securities Limited
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PARTICIPATION FORM



UACN Property Development Company of Nigeria Plc
RC 321582

Rights Issue of

Acceptance List Opens
10 February 2020

15,961,574,145 Ordinary Shares of 50 kobo each

Acceptance List Closes
13 March 2020

at ₦1.00 per share

on the basis of 43 new Ordinary Shares

for every 7 Ordinary Shares held as at the close of business on 30 September 2019

PAYABLE IN FULL ON ACCEPTANCE

INSTRUCTIONS FOR COMPLETING THE PARTICIPATION FORM

- Acceptance and/or renunciation must be made on this Participation Form.
- Allottees should complete only **ONE** of the boxes marked A and B on the reverse of this form. Shareholders accepting the provisional allotment in full should complete box A and submit their Participation Forms to any of the Receiving Agents listed on page 52 of the Rights Circular together with a cheque or bank draft made payable to the Receiving Agent for the full amount payable on acceptance. The cheque or draft must be crossed "**UPDC RIGHTS**", with the name, address and mobile number of the shareholder written on the back. Shareholders who wish to make payments electronically for their rights, should contact any of the Receiving Agents listed on page 52 of this Rights Circular for the transfer details.

Foreign currency subscribers are advised to contact Stanbic IBTC Bank PLC for the applicable US Dollar exchange rate on the day the remittance is being effected. Payment can be made in US Dollars for credit to:

Stanbic IBTC Bank PLC (Bank Identifier Code: SBICNGLX) account number 36127476 at Citibank N.A., 111 Wall Street, New York, USA (Bank Identifier Code: CITIUS33) for foreign currency subscribers to the UPDC Rights Issue.

Evidence of all electronic transfers must be submitted to the Receiving Agents. If payment is not received by Friday, 13 March 2020, the provisional allotment will be deemed to have been declined and will be cancelled.
- Shareholders accepting their provisional allotment partially should complete box B and submit their Participation Forms to any of the Receiving Agents listed on page 52 of the Rights Circular together with the evidence of payment transfer for the partial acceptance in accordance with 2 above.
- Shareholders who wish to trade their rights partially or in full on the floor of The Exchange should complete item (iii) of box B. They should obtain a Transfer Form from their stockbroker, complete it in accordance with these instructions, and return it to the stockbroker together with the completed Participation Form and the amount payable/evidence of transfer for any partial acceptance in accordance with 2 above.
- Shareholders who wish to acquire additional shares over and above their provisional allotment should apply for additional shares by completing item (ii) and (iii) of box A.
- All cheques or bank drafts for amounts below ₦10 million will be presented for payment on receipt and all acceptances / applications in respect of which cheques are returned unpaid for any reason will be rejected and cancelled. Shareholders are advised to obtain an acknowledgement of the amount paid from the Receiving Agent through which this Participation Form is lodged.
- Joint allottees must sign on separate lines in the appropriate section of the Participation Form.
- Participation Forms of corporate allottees must bear their incorporation numbers and corporate seals and must be completed under the hands of duly authorised officials who should also state their designations.

FOR REGISTRAR'S USE ONLY

Number of ordinary shares provisionally allotted	Number of ordinary shares accepted	Number of additional ordinary shares applied for	Number of ordinary shares renounced	Number of additional ordinary shares allotted	Total number of ordinary shares allotted	Total amount payable	Amount paid	Amount to be returned	Bank draft/ cheque number
						₦	₦	₦	

STAMP OF RECEIVING AGENT

Please Turn Over

PARTICIPATION FORM

Acceptance and/or renunciation must be made in accordance with the instructions set out on the front of this form. Care should be taken to comply with the instructions as application that do not comply may be rejected. If you are in doubt as to what action to take, you should immediately consult your Stockbroker, Accountant, Banker, Solicitor, Independent Investment Adviser or any other professional adviser for guidance. The Company and the Issuing House have the discretion to reject any incomplete Participation Form.

Investor's Stockbroker.....

CHN Number.....

Stockbroker Code.....

CSCS Number.....

A. FULL ACCEPTANCE / REQUEST FOR ADDITIONAL ORDINARY SHARES			
i. I / We accept in full, the provisional allotment shown on the front of this form.			
ii. I / We also apply for additional ordinary shares: Number of additional ordinary shares applied for Additional amount payable at ₦1.00 per share			
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">N</td> <td style="width: 50%;"></td> </tr> </table>		N	
N			
I / We agree to accept the same or smaller number of additional shares in respect of which allotment may be made to me/us, in accordance with the Provisional Allotment Letter contained in the Rights Circular.			
iii. I / We enclose my / our cheque / bank draft / evidence of payment transfer for ₦..... being the sum of the amount payable as shown on the front of this form, and the additional amount payable as shown in item (ii) above. Cheque details: Name of bank / cheque number/branch.....			

B. RENUNCIATION OR PARTIAL ACCEPTANCE					
1 Number of ordinary shares accepted	2 Amount payable at ₦1.00 per share	3 Number of ordinary shares renounced			
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">N</td> <td style="width: 33%;"></td> <td style="width: 33%;"></td> </tr> </table>			N		
N					
i. I / We accept only the number of ordinary shares shown in column (1) above and enclose my/our cheque / bank draft for the value shown in column (2) above. Cheque details: Name of bank / cheque number / branch.....					
ii. I / We hereby renounce my / our rights to the ordinary shares shown in column (3) above, being the balance of the ordinary shares allocated to me / us.					
iii. I / We confirm that I / We wish to trade my / our rights of ordinary shares (being my / our renounced shares as shown in Column (3) above) on the floor of The Exchange. I / We shall obtain a Transfer Form from my / our stockbroker, complete it in accordance with his instructions and return it to the stockbroker with the form.					

MUST BE FULLY COMPLETED FOR BOTH A AND B	
Name (s) (in block letters)	
Next of Kin	
Daytime Telephone Number	Mobile (GSM) Telephone Number
Email Address	
Bank Verification Number (BVN)	

BANK DETAILS (FOR E-DIVIDEND)	
Name of Bank	
Branch	Incorporation Number and Seal of Corporate Allottee
Account Number	
Signature	2 nd Signature (Joint only)
Name of Authorised Signatory (corporate only):	Name of Authorised Signatory (corporate only):
Designation (corporate only):	Designation (corporate only):

C. TRADING IN RIGHTS	
i) Shareholders who wish to trade in their rights partially or in full may trade such rights on the floor of The Exchange. The rights will be traded actively on the floor of The Exchange.	
ii) Shareholders who wish to acquire additional shares over and above their provisional allotment should apply for additional shares by completing item (ii) of box A above.	
iii) Shareholders who purchase rights on the floor of The Exchange are guaranteed the number of shares purchased: they will not be subject to the allotment process in respect of shares so purchased. Those that apply for additional shares by completing item (ii) of box A will be subject to the allotment process i.e. they may be allotted a smaller number of additional shares than what they applied for.	

STAMP OF RECEIVING AGENT