

This document is important and should be read carefully. If you are in any doubt about its contents or the action to take, kindly consult your Stockbroker, Accountant, Banker, Solicitor, or any other professional adviser for guidance immediately. Investing in this offer involves risks. 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. For information concerning certain risk factors which should be considered by the prospective investor, please refer to the section on "Risk Factors" on page 24.



ROYAL EXCHANGE PLC
RC: 6752

RIGHTS ISSUE

Of

4,116,296,059

ORDINARY SHARES OF 50 KOBO EACH AT
50 KOBO PER SHARE

**ON THE BASIS OF FOUR (4) NEW ORDINARY SHARES FOR EVERY
FIVE (5) ORDINARY SHARES HELD**

HELD AS OF THE CLOSE OF BUSINESS ON **06 MARCH 2023**
PAYABLE IN FULL ON ACCEPTANCE

ACCEPTANCE LIST OPENS: **03 JANUARY 2024**
ACCEPTANCE LIST CLOSES: **31 JANUARY 2024**

RIGHTS BEING OFFERED ARE TRADEABLE ON THE FLOOR OF NIGERIAN EXCHANGE LIMITED FOR
THE DURATION OF THE RIGHTS ISSUE

Issuing House



CAPITAL LTD
FSDH Capital Limited
RC 276208

This Rights Circular and the securities which it offers have been cleared and registered by the Securities and Exchange Commission ("SEC" or "Commission"). It is a civil wrong and criminal offence under the Investments and Securities Act No.29, 2007 (as amended by the Federal Competition and Consumer Protection Act) (the "ISA") to issue a Rights Circular that contains false or misleading information. Clearance and registration of the Rights Circular and the securities that it offers do not relieve the parties from any liability arising under the act for false and untrue statements contained therein or for any omission of a material fact. A copy of the Rights Circular will be available on Royal Exchange Group Plc's website www.royalexchangeplc.com for the duration of the Rights Issue. **Investors may confirm the clearance of this Rights Circular and registration of the securities with the SEC by contacting the Commission on sec@sec.gov.ng or +234(0)94621100; +234(0)94621168**

This Rights Circular is dated 10 November 2023

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IMPORTANT NOTICE

This Rights Circular, prepared by FSDH Capital Limited (the "Issuing House"), is issued in connection with the Rights Issue of 4,116,296,059 Ordinary Shares of 50 kobo each at 50 kobo per share in Royal Exchange Group Plc ("Royal Exchange" or the "Company" or "REPLC").

This Rights Circular and the shares being offered have been cleared and registered with the Securities and Exchange Commission. An application has been made to the Council of Nigerian Exchange Limited for admission of the shares now being offered to the Daily Official List. It is expected that dealing in the shares will commence immediately after the admission to the Daily Official List.

The Directors of the Company individually and collectively 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. Each Existing Shareholder (as hereinafter defined) should read this Rights Circular in its entirety and determine by himself/herself the relevance of the information contained herein and each Existing 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.

The Issuing House and 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 distribution of this Rights Circular and the issuance of the shares in certain jurisdictions may be restricted by law. No action has been taken by the Company 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.

Investors may confirm the clearance of this Rights Circular and registration of the securities with the Securities and Exchange Commission by contacting the Commission on sec@sec.gov.ng or +234(0)9462110; +234(0) 94621168.

DEFINITION OF TERMS

The following definitions apply through this document except where otherwise stated:

Abbreviation	Name/Description
"Acceptance List"	A list of shareholders who subscribe to the offer during the issue period
"Act"	The Investments and Securities Act, 2007
"AGM"	Annual General Meeting
"Auditors"	Deloitte & Touche Chartered Accountants
"Brokerage Commission"	Fees payable to Receiving Agents in respect of returns bearing their stamps and duly allotted
"CAC"	Corporate Affairs Commission
"CAMA"	Companies and Allied Matters Act, No. 3 of 2020 (as amended)
"CHN"	Clearing House Numbers
"Company"	Royal Exchange Plc
"Council"	Council of Nigerian Exchange Limited
"CSCS"	Central Securities Clearing System; the securities depository operated by Central Securities Clearing System Plc;
"Daily Official List"	Daily Official List of The Nigerian Exchange Limited
"Directors"	The members of the Board of Directors of Royal Exchange Plc. who at the date of this document are those persons whose names are set out on page 15 of this Rights Circular
"Existing Shareholders"	Shareholders of the Company whose names appear in the register of members as at the Qualification Date
"FGN" or "Government"	Federal Government of Nigeria
"FX"	Foreign Exchange
"GDP"	Gross Domestic Product
"ISA"	The Investments and Securities Act (No. 29 of 2007)

Abbreviation	Name/Description
"Issue" or "Rights Issue"	The Rights Issue, by way of provisional allotment to Existing Shareholders, of 4,116,296,059 Ordinary Shares of 50 kobo each in the Company, based on 4 new Ordinary Shares for every 5 Ordinary Shares held by them on the Qualification date
"Issue Price"	The price at which the shares under the Rights Issue will be issued to Existing Shareholders
"Issuing House"	FSDH Capital Limited
"LFN"	Laws of the Federation of Nigeria
"Management"	Management of the Company
"Naira" or "N"	The Nigerian Naira, the official currency of Nigeria
"NBS"	The National Bureau of Statistics
"Nigeria"	The Federal Republic of Nigeria
"Ordinary Shares"	The ordinary shares of 50 kobo each in the Company held by the ordinary shareholders of the Company
"Pari Passu"	Equally
"Person"	Includes (a) an individual (b) a legal entity, including a partnership (whether or not a legal entity), a joint venture, a corporation, a trust, a limited liability company, or a limited liability partnership
"Qualification Date"	06 March 2023
"Qualifying Shareholders"	Ordinary shareholders of the Company whose names appear on the register of members as of the Qualification Date
"Receiving Agents"	Institutions listed on page 47 of this Rights Circular to whom Shareholders listed on the share register of the Company as at the Qualification Date may return their duly completed Acceptance/Renunciation Forms together with payment/ evidence of payment
"Receiving Bank"	FSDH Merchant Bank Limited
"Register of Members"	The register maintained by the Registrar that contains the details of all shareholders of the Company
"Registrar"	CardinalStone Registrars Limited

Abbreviation	Name/Description
"Rights Circular"	This document, which is issued in accordance with the SEC Rules in respect of this Rights Issue
"SEC" or "the Commission"	Securities and Exchange Commission
"SEC Rules"	The rules and regulation of the SEC made pursuant to the ISA; and as may be amended from time to time
"Shares"	4,116,296,059 new Ordinary Shares being offered in this Rights Issue
"The NGX" or "the Exchange"	The Nigerian Exchange Limited
"Traded Rights"	The rights that enable existing shareholders to purchase new shares at a discount to the market price
"Working Day"	Any day, other than a Saturday, Sunday or Official Public Holiday declared by the FGN, on which banks are open for general business in Nigeria

CORPORATE DIRECTORY

Name	Royal Exchange Plc.
Registered Office Address/Head Office	New Africa House, 31 Marina, Lagos
Telephone number:	+234-1-460 6690-9, +234 708 060 6100
Website	www.royalexchangeplc.com
Email	info@royalexchangeplc.com

ABRIDGED TIMETABLE

DATE	ACTIVITY	RESPONSIBILITY
03 January 2024	Acceptance List Opens	Issuing House
31 January 2024	Acceptance List Closes	Issuing House
02 February 2024	Receiving Agent make returns	Registrar / Issuing House
09 February 2024	File allotment proposal and draft newspaper advertisement with SEC	Issuing House
15 February 2024	Receive SEC clearance of allotment proposal	Issuing House
16 February 2024	Disburse net proceeds of the Rights Issue to Royal Exchange	Receiving Bank / Issuing House
19 February 2024	Publish Allotment announcement	Issuing House
20 February 2024	Return rejected/excess application monies	Issuing House/ Registrars
20 February 2024	Credit CSCS accounts	Registrar
21 February 2024	Forward Declaration of Compliance to The Exchange	Stockbroker
23 February 2024	Listing of Shares on The Exchange	Stockbroker
28 February 2024	Forward summary report to the SEC	Issuing House

THE RIGHTS ISSUE

Copies of this Rights Circular and the documents specified herein have been delivered to the Commission for clearance and registration.

This Rights Circular is being issued in compliance with the provisions of the ISA, the SEC Rules, the Listing Requirements of The NGX and Section 142 of CAMA and contains particulars in compliance with the requirements of the Commission and the Exchange, for the purpose of giving information to shareholders and the public with regards to the Rights Issue of 4,116,296,059 ordinary shares of 50 kobo each in Royal Exchange Plc by the Issuing House. An application has been made to the Council for the admission to its Daily Official Lists the 4,116,296,059 ordinary shares of 50 kobo each being offered via the Rights Issue.

The Directors of the Company 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, information 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.

FSDH CAPITAL LIMITED

RC: 276208

on behalf of

ROYAL EXCHANGE PLC

RC: 6752

is authorised to receive acceptances for the

RIGHTS ISSUE OF

4,116,296,059 ORDINARY SHARES OF 50 KOBO EACH

AT 50 KOBO PER SHARE

On the basis of **4 new ordinary shares** for every **5 ordinary shares** held as of 06 March 2023 payable in full on Application

The Acceptance List for the shares now being issued will open on **03 January 2024** and close on **31 January 2024**

Share capital and Reserves of the Company (as extracted from the 31 December, 2022 Financial Statements)	N'000
Issued and fully Paid Share Capital: 5,145,370,074 ordinary shares of 50 kobo each	2,572,685
EQUITY AND RESERVES	
Ordinary Share Capital	2,572,685
Share Premium	2,690,936
Retained earnings	(3,612,012)
Other Components of Equity	453,173
TOTAL EQUITY (ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY)	2,104,781

SUMMARY OF THE RIGHTS ISSUE

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

1.	Issuer	Royal Exchange Plc			
2.	Issuing House	FSDH Capital Limited			
3.	Issued and Fully Paid Now being Issued to Prospective Investors	₦ 2,572,685,037 made up of 5,145,370,074 ordinary shares of 50 kobo each 4,116,296,059 ordinary shares of 50 kobo each at 50 kobo per share			
4.	Amount being considered	₦ 2,058,148,030			
5.	Use of Proceeds	Utilisation	Capital	%	Duration
		Investment in investee companies	₦ 500,000,000.00	24.29	Immediate
		Debt repayment	₦ 1,000,000,000.00	48.59	12 months
		Working Capital	₦ 500,493,537.83	24.32	48 months
		Issue Costs & Other Expenses:	₦ 57,654,492.17	2.80	Immediate
		Total:	₦2,058,148,030	100.00	
6.	Method of Issue	By way of Rights Issue to Existing Shareholders			
7.	Issue Price	50 Kobo per share			
8.	Provisional Allotment	Four (4) new ordinary shares for every Five (5) ordinary shares of 50 kobo each held as of the close of business on the Qualification Date, for those shareholders whose names appear on the Register of Members and transfer books of the Company as of that date.			
9.	Payment	In full on acceptance			

10.	Market capitalisation at Rights Issue Price (Pre-Issue)	₦ 4,064,842,358.46
11.	Market capitalisation at Rights Issue Price (Post-Issue)	₦ 7,316,716,245.07
12.	Opening Date	03 January 2024
13.	Closing Date	31 January 2024
14.	Qualification Date	06 March 2023
15.	Status	All the shares to be issued shall rank pari passu in all respect with the issued ordinary shares of the Company.
16.	Application for Additional Shares	Shares that are not taken up by the Closing Date will be allotted on a pro-rata (proportional) basis to shareholders who applied for additional shares over and above their provisional allotment. In the absence of shareholders who applied for additional shares over and above their provisional allotment and or in the event that after shareholders who applied for additional shares over and above their provisional allotment have been allotted, the Shares not taken up may be offered to interested investors. Accordingly, the shareholders who do not accept their allotment in full may have their shareholding in the Company diluted.
17.	Underwriting	The Issue is not underwritten
18.	Quotation	The Issuer's entire issued and paid-up share capital is listed on the NGX. An application has been made to the Council of the Exchange for the admission of the 4,116,296,059 ordinary shares to the Daily Official List of the NGX.
19.	Dividend Qualification	The shares being issued shall qualify for any dividend (or any other distribution) declared for the financial year ending 2023, 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.
20.	Trading in Rights	The Rights are tradable on the Exchange between 03 January 2024 and 31 January 2024.
21.	Indebtedness	As of 31 December 2022, the Company's total liabilities amounted to ₦ 5,044,460,000 (Five billion, forty-four million, four hundred and sixty thousand Naira only) while the Company's indebtedness amounted to ₦ 544,777,000 (Five hundred and forty-four million, and seven hundred and seventy-seven naira only).

		Financial Summary	2018	2019	2020	2021 Restated	2022	H1 2023
			N'm	N'm	N'm	N'm	N'm	N'm
22.	Financial Summary	Gross Premium Written	14,713	14,208	15,293	-	-	-
		Profit / Loss before Tax	327	(1,013)	130	15	(148)	210
		Profit / Loss after Tax	(156)	(1,313)	(77)	12	(150)	197
		Share Capital	2,573	2,573	2,573	2,573	2,573	2,573
		Net Assets	5,149	7,617	7,535	2,009	2,105	2,312
		Total assets	35,594	32,107	32,374	14,263	7,149	7,458
		Loss/ Earnings per share (kobo)	(3)	(26)	(8)	(33)	(6)	4
23.	Additional Disclosures	As reported REPLC's audited financial statements for the year ending 31 December 2022, the company is indebted to several creditors, some of whom are shareholders in REPLC. Accordingly, REPLC intends to engage these creditor shareholders to apply the indebtedness towards paying for their provisionally allotted shares, and any additions thereof, to the extent permissible.						
24.	Settlement	<p>The CSCS accounts of Shareholders will be credited immediately after allotment. Shareholders are hereby advised to state the names of their respective stockbrokers and their Clearing House Numbers in the relevant spaces on the Acceptance/Renunciation Form.</p> <p>In accordance with the SEC Directive on Dematerialisation 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's 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 the Registrar's custody at the CSCS.</p> <p>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 stockbroking account with a stockbroker and obtain a valid CHN and CSCS account number from the stockbroker.</p>						

25.	Claims and Litigation	<p>The Company has instituted four (4) out of nine cases, while the Company is the Defendant in the other five (5) cases. The name of the Company has been struck out in one of the cases as a Defendant while the total amount claimed in the four (4) cases against the Company is estimated at about N250, 000, 000 (Two Hundred and Fifty Million Naira) as of date.</p> <p>The Solicitors to the Issue are of the opinion that the aforementioned cases are not likely to have a material adverse effect on the proposed Rights Issue and are not aware of any other pending and/or threatened claims or litigation, which may be material to the Rights Issue.</p>
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LETTER OF DECLARATION



02 March 2023

The Director-General
Securities & Exchange Commission
SEC Towers
Plot 272 Samuel Adesujo Ademulegun Street
Central Business District
Abuja.

Dear Sir,

ROYAL EXCHANGE GROUP PLC'S RIGHTS ISSUE OF 4,116,296,059 ORDINARY SHARES OF 50 KOBO EACH AT 50 KOBO PER SHARE ("THE ISSUE") - DECLARATION ON FULL DISCLOSURE OF ALL MATERIAL FACTS IN THE RIGHTS CIRCULAR

In accordance with Rule 280 (3) of the Rules and Regulations of the Securities and exchange Commission 2013 (as amended), Royal Exchange Group PLC hereby make a sworn declaration that it has fully disclosed all material facts in the Rights Circular in connection with the Rights Issue.

Yours faithfully,

Signed for and on behalf of
Royal Exchange Group Plc
By its duly authorized representatives

A handwritten signature in black ink, appearing to read "Hewett Benson".

Mr. Hewett Benson
Director

A handwritten signature in black ink, appearing to read "Irene Chukwukelu".

Ms. Irene Chukwukelu
Mazars Ojike and Partners
Secretary

ROYAL EXCHANGE PLC RC: 6752

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Directors:
Mr. Kenneth Ezenwani Odogwu (Chairman), Chief Anthony Ikemefuna Idigbe (SAN), Alhaji Ahmed Rufa'i Mohammed, Mr. Adeyinka Adekunle Ojora, Mr. Hewett Benson

DIRECTORS AND PARTIES TO THE ISSUE

DIRECTORS:	Kenny Ezenwani Odogwu (Chairman) New Africa House 31, Marina, Lagos	
	Chief (Dr.) Anthony Ikemefuna Idigbe SAN, KSS (Director) New Africa House 31, Marina, Lagos	
	Alhaji Ahmed Rufa'i Mohammed (Director) New Africa House 31, Marina, Lagos	
	Adeyinka Adekunle Ojora (Director) New Africa House 31, Marina, Lagos	
	Hewett Benson (Director / Group Coordinator) New Africa House 31, Marina, Lagos	
COMPANY SECRETARY	Mazars Ojike and Partners 18 Oba Akran Ave Ikeja, Lagos	
ISSUING HOUSE	FSDH Capital Limited UAC House (4 th floor) 1/5 Odunlami Street Lagos Island, Lagos	
AUDITORS	Deloitte and Touche Chartered Accountants Civic Towers, Plot GA 1 Ozumba Mbadiwe Avenue Victoria Island, Lagos	
RECEIVING BANK	FSDH Merchant Bank Limited UAC House (5 th & 6 th floors) 1/5 Odunlami Street Lagos Island, Lagos	
REGISTRARS	CardinalStone Registrars Limited 335/337, Herbert Macaulay Road Yaba, Lagos	
SOLICITORS TO THE ISSUER	Alliance Law Firm Alliance House 71 Ademola Street Off Awolowo Rd Ikoyi, Lagos	
SOLICITORS TO THE ISSUE	Punuka Attorneys and Solicitors Plot 45 Oyibo Adjarho Street Lekki Phase 1, Lagos	
STOCKBROKERS TO THE ISSUE	FSDH Capital Limited UAC House (4 th floor) 1/5 Odunlami Street Lagos Island, Lagos	Kundila Finance Services Limited No 7, Club Road (2 nd Floor) By Saudi Arabia Airline Kano

CHAIRMAN'S LETTER

The following is the text of the letter received by the Issuing Houses from Mr. Kenny Ezenwani Odogwu – Chairman, Board of Directors of Royal Exchange Plc



06 March 2023

Dear Shareholders,

Rights Issue of 4,116,296,059 Ordinary Shares of 50 kobo each at 50 kobo per Share in Royal Exchange Plc

1. Introduction

At the Extraordinary General Meeting ("EGM") of Royal Exchange Plc which was held on February 9, 2023, the shareholders of the Company (the "Shareholders") authorised the Board of Directors to raise capital up to the sum of ₦2,058,148,030.00 (Two Billion, Fifty-Eight Million, One Hundred and Forty-Eight Thousand, Twenty-nine Naira and Fifty Kobo Only) via a Rights Issue of 4,116,296,059 Ordinary Shares of 50 kobo each at 50 kobo per share to its shareholders, subject to obtaining all requisite regulatory approvals. The additional capital will enable the Company to maintain a strategic interest in existing investee companies, pursue new strategic opportunities within the financial sector and address operational requirements while implementing its stated objectives.

As of 31 December 2022, REPLC recorded ₦7.15 billion in total assets against ₦14.26 billion recorded as of 31 December 2021. This decline came about as the Company recently concluded the disposal of its sole loss-making subsidiary Royal Exchange Prudential Life Plc (REPRU). In terms of financial performance, the Company's net income grew by 17% y-o-y from ₦292.10 million in FY 2021 to ₦340.48 million in FY 2022. The growth in net income can be attributed to the y-o-y growth of dividends earned on the investments in associates by 1072% and investment and other income by 64%. As of 31 December 2022, REPLC recorded ₦127.89 million in cash and cash equivalents on its balance sheet.

REPLC recently concluded the reorganisation of its holding company, recapitalisation of key operating investee companies, and the disposal of REPRU. This disposal came about due to existing capital inadequacy and a negative asset base. However, the life business is one that the Group believes has significant potential especially in the annuity space. As such, the group has an option to reinvest up to ₦1.50 billion within a year in the company.

2. Economic Overview of Nigeria

Data from the NBS shows that Nigeria recorded real GDP growth rates of 0.83% in 2017, 1.91% in 2018, 2.27% in 2019, -1.92% in 2020, 3.40% in 2021 and 3.10% in 2022. GDP grew by 2.51% year-on-year in real terms in Q2 2023. This growth rate is lower than the 3.54% recorded in the second quarter of 2022 and may be attributed to the challenging economic conditions being experienced.

Aggregate GDP stood at ₦52.10 trillion in real terms in Q2 2023. This performance is higher than Q2 2022 which recorded aggregate GDP of ₦45.00 trillion, indicating a year-on-year nominal growth rate of 15.77%. However, nominal GDP fell by 1.68% between Q1 2023 and Q2 2023 from ₦51.24 trillion in the previous quarter.

According to the NBS, the inflation rate increased to 26.72% in September 2023 relative to 25.80% in August 2023. This was triggered by higher prices of food items such as bread and cereals, potatoes, yam and other tuber, soft drinks, oils and fats and fruit. Due to the rapid rise in inflation, as of August 2023, the Monetary Policy Rate (MPR) was increased to 18.75% from 18.50% in a bid to mop up excess currency in circulation. Concerning the relative value of the Nigerian Naira, in June 2020, the CBN devalued the Naira by 5.30% to ₦379/USD. By May 2021, the Naira was further devalued by 7.6% as the CBN adopted the NAFEX rate as the government's official exchange rate. In June 2023, the CBN announced the unification of all segments of the foreign exchange market into the Investors & Exporters (I&E) window. As of 24 October 2023, the official Exchange Rate sits at ₦824.93/USD.

ROYAL EXCHANGE PLC RC: 6752

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Directors:

Mr. Kenneth Ezenwani Odogwu (Chairman), Chief (Dr.) Anthony Ikemefuna Idigbe (SAN), Alhaji Ahmed Rufa'i Mohammed, Mr. Adeyinka Adekunle Ojora, Mr. Hewett Benson

3. Use of Proceeds

Royal Exchange Plc has just concluded a comprehensive reorganization into a pure holding company with interests in companies in the financial sector. The next phase of our transformation plan is to raise capital to (a) repay existing financial obligations, (b) use funds to maintain our strategic ownership in existing investee companies, and (c) provide working capital to address operational requirements and emergencies for the next couple of years while the newly diluted associate companies implement their strategy for growth and profitability. A detailed breakdown of the use of proceeds is given below:

Utilisation	Capital	%	Duration
Investment in investee companies	₦500,000,000.00	24.29	Immediate
Debt repayment	₦1,000,000,000.00	48.59	12 months
Working Capital	₦500,493,537.83	24.32	48 months
Issue Costs & Other Expenses:	₦57,654,492.17	2.80	Immediate
Total:	₦2,058,148,030.00	100.00	

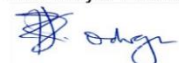
4. Conclusion

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 of 06 March 2023, which is deemed the Qualification Date, in the proportion of 4 new Ordinary Shares for every 5 Ordinary Shares held by them on that date. We have received approvals from the Securities and Exchange Commission for the registration of the shares and listing approval has been granted by the NGX. The shares will rank pari passu in all respects with the existing issued shares of the Company.

The Shares issued will also be tradable by shareholders on the floor of the Exchange during the offer period. The Rights Circular contains our Company's overview and share capital history, strengths and future plans, general information relating to our Company and summary financial information for the last five years and management accounts for the period ended 31 December 2022. 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.

The Board of Directors and Management of the Company believe that the Company has exciting opportunities and full participation in the Rights Issue by shareholders is critical to the long-term growth strategy of the Company. I therefore encourage you to carefully consider the opportunity to exercise your Rights in full to reaffirm your support for our Company.

Yours faithfully,
For: Royal Exchange Plc



Kenny E. Odogwu
Group Chairman

BUSINESS OVERVIEW

CORPORATE OVERVIEW

Royal Exchange Plc started operations in Nigeria in 1918 represented by Barclays Bank DCO and on February 28, 1921, the Company converted to a full branch of its then parent company, Royal Exchange Assurance, London.

Royal Exchange Assurance, London, was originally founded in 1720 and was one of the first two insurance companies in Britain to receive legal status via Royal Charter. Originally established for marine business, it expanded within a year to include fire and life insurance as well, thereby becoming Britain's first composite insurer. The establishment of a branch in Nigeria was the result of an overseas expansion drive in the early 20th century.

Pursuant to Section 396(2) of the then Companies Act of 1968, the Company was, on December 29, 1969, reconstituted and incorporated as a Private Limited Liability Company, the Royal Exchange Assurance (Nigeria) Limited. The Company went public on July 18, 1989, and was duly listed on the Nigerian Stock Exchange on December 3, 1990.

In June 2007, the Company entered a merger with African Prudential Insurance Company Limited and Phoenix of Nigeria Assurance Company Plc. The merger brought about a significantly stronger company, better positioned to serve the needs of its clientele in the financial services sector.

In June 2008, the Company was re-organised into a group structure, whereby the Company assumed the role of a holding and asset management company to execute its strategic vision for financial services, namely insurance, funds management, finance, and banking, through five wholly owned subsidiaries.

- Royal Exchange General Insurance Company Limited (REGIC), established to carry on the Non-Life Insurance Business
- Royal Prudential Life Insurance Plc (REPRU), established to carry on the life assurance business
- Royal Exchange Finance Company (REFCO), established and licensed to provide a wide range of professional services in the areas of finance and financial advisory
- Royal Exchange Healthcare Limited (REHEALTH), established to provide health management services and healthcare insurance
- Royal Exchange Microfinance Bank Limited (REMFB), established and licensed to carry on the business of assisting all enterprises engaged in small scale industries, microeconomic activities, and cooperative related endeavors

In September 2021, AfricInvest completed the acquisition of a minority stake in REGIC and as of December 2021, Tech Partners, a leading technology company, bought into REMFB by buying 70.0% of its securities from REGIC, REPRU, REFCO and REPLC. In May 2022, Atom Consumer Services Limited bought into REHEALTH by acquiring 70.0% of its securities from REGIC and REPRU. Consequently, REPLC now holds a 39.21% stake in REGIC, a 30.0% stake in REMFB and a 29.84% stake in REHEALTH. Consequently, REGIC, REMFB and REHEALTH are now classified as investment in associate on the Company's balance sheet in line with IFRS 3, IFRS 10 & IAS 28. The only wholly owned subsidiary is REFCO.

For over twenty years, Royal Exchange was the only insurance company operating in Nigeria, thus, the Company can be said to be the beginning of insurance in Nigeria. Till date, the Royal Exchange brand remains a significant brand in Nigeria, especially in the field of insurance.

BOARD OF DIRECTORS

Mr. Kenny Ezenwani Odogwu – Chairman

Mr. Kenny Ezenwani Odogwu is a Legal Practitioner. He was called to the Nigerian Bar in 1990 and was engaged as a counsel in the firm of Sofunde Osakwe Ogundipe & Belgore. He later worked as the Head of Legal at Perfecta Investments Limited, a capital market operator. After his executive MBA at New York University (NYU) in 1996 he pioneered several technologies in the telecoms and IT space in Nigeria with Cybercity Ltd. He later joined the family company to head Siotel (Nig) Limited a Telecoms company.

After 3 years on the board, he became Chairman of IMB International Bank Plc, which merged into Finbank Plc (now acquired by First City Monument Bank Plc). He was appointed to the Board of the Royal Exchange Assurance Nigeria (REAN) on September 1, 1997, and became Chairman (now Royal Exchange Plc) on July 26, 2007. He is currently on the Board of several publicly quoted and private companies (including AG Leventis). He is also the CEO/Chairman of the Odogwu Group of Companies.

Chief (Dr.) Anthony Ikemefuna Idigbe SAN, KSS – Director

Dr. Anthony Ikemefuna Idigbe is a Senior Partner at PUNUKA Attorneys & Solicitors. He has over 39 years of experience in corporate governance, insolvency, business restructuring, arbitration, dispute resolution, privatization, capital markets, mergers & acquisitions, and oil and gas. He was licensed to practice law in Nigeria in 1983 and Ontario, Canada, in June 2016. He was appointed Notary Public in 1989 and elevated to Senior Advocate of Nigeria (SAN) in July 2000. In 1982, he got his LL. B from the University of Ife, Ile-Ife, LL.M from the University of Lagos, Akoka (1988), and MBA from Enugu State University of Science and Technology (1997). He holds another LL.M. in Construction and Arbitration Law from Robert Gordon University, Scotland (2012), and a GPLLM from the University of Toronto in 2015. He also has a doctorate in cross-border insolvency from Osgoode Hall Law School, York University, Toronto, Ontario, Canada (2022).

Dr. Anthony is a member of the Board of Directors (Trustees) of the Canadian Association of Nigerian Lawyers (CANL); Chairman of the Board of Trustees of Dominican University, Ibadan;

Fellow of the Institute of Directors Nigeria (IOD), INSOL International, the Chartered Institute of Arbitrators, London, the Business Recovery and Insolvency Practitioners Association of Nigeria (BRIPAN) and the International Bar Association (IBA). In addition, he is a member of the Association of International Petroleum Negotiators (AIPN), London Court of International Arbitration (LCIA); Lagos Court of Arbitration (LCA), International Chamber of Commerce, Nigeria (ICCN), American Bankruptcy Institute (ABI) and International Insolvency Institute (III).

From 2017 – 2022, Dr. Anthony chaired Capital Hotel Plc (2017 – 2022) and is currently the Chairman at Ikeja Hotel Plc and The Tourist Company of Nigeria Plc, all listed on the Nigerian Exchange (NGX). He is a director of Royal Exchange Plc, listed on NGX and chairs the Statutory Audit Committee of Seplat Energy Plc, listed on NGX and the London Stock Exchange (LSE). He was elected the President of the Asaba Chambers of Commerce, Industry, Mines and Agriculture (ASACCIMA) in 2022 and elected President of the Delta Association of Chambers of Commerce, Industry, Mines and Agriculture (DACCIMA) on December 12, 2022. He holds a Corporate Director Certificate from Harvard Business School, a certificate in Blockchain Law from Osgoode Hall Law School, York University, Toronto, Canada, and a Post Graduate Diploma in Digital Business from Emeritus Business School with MIT and Columbia Business School.

Dr. Anthony is the founder of the Capital Market Solicitors Association (CMSA). He chaired the 2017 Nigeria Bar Association (NBA) Legal Profession Regulation Review Committee, which reviewed the regulation of the legal profession in Nigeria. In 2013 he was appointed the National Coordinator for Nigeria, World Bank Global Forum of Law, Justice and Development Project on Treatment of Shareholders' Rights in Insolvency of Companies (2013 to 2014); and in 2012 a Member of the Petroleum Revenue Special Task Force set up by President Goodluck Ebele Jonathan. In addition, he chaired the Technical Drafting Committee for the Bill that became the Investment and Securities Act 2007. He recently chaired the review committee for the same law resulting in the Investment and Securities Bill now before the National Assembly. As a consultant to the Bureau of Public Enterprises, he and the now Hon Justice Nnamdi Dimgba drafted the Federal Competition and Consumer Protection Commission Bill now Act relating to anti-trust and competition law in Nigeria.

Dr. Anthony drafted the IOD charter bill and was a member of the IOD charter committee pursuing the promulgation of the law. Also, he is an active facilitator for the IOD on members' training. In addition, his book, the Legal Issues in Capital Market Operation in Nigeria, 2nd edition, Distinct Universal Limited, Lagos, 2015 ISBN 978-33791-8-3, is a reference material for training and practice of corporate governance and capital market operations in Nigeria. In December 2022, Anthony won the Institute of Directors (IOD) Anofi Guobadia Award for Leadership and Excellence in directorship.

Alhaji Ahmed Rufa'i Mohammed – Director

Alhaji Ahmed Rufa'i Mohammed is Business Administration graduate of the Ahmadu Bello University, Zaria. He also holds a postgraduate Certificate in Banking and Development Finance from the Manchester Business School and is a Distinguished Fellow of the Institute of Directors.

He has undertaken several national assignments at state and Federal levels and served on the Board of many publicly quoted and private companies. He was a former Chairman of the IOD Centre for Corporate Governance and a past President and Chairman of the IOD Governing

Council. He also served as the Managing Director/CEO of Nigeria Social Insurance Trust Fund and was the pioneer Chairman of Trustfund Pensions in 2006.

He was appointed to the Board of Royal Exchange Plc in May, 2007 and is currently the Chairman of the Board Strategy Committee.

Mr. Adeyinka Adekunle Ojora – Director

Mr. Adeyinka Adekunle Ojora. He holds a bachelor's degree in business management from City of London College. He serves on the Board of numerous companies including: Royal Exchange Assurance Nigeria Plc, Totad Investments Limited, Lagos Investments Limited, Ikoyi Estates Development Limited, Magbon Properties Limited, Evans Brothers Publishers Nigeria Limited, Oak Holdings, Nigerlink Industries Limited, Tarkwa Estates Limited and Capital Trust Brokers Nigeria Limited. He is also the Chairman, Strategic Initiatives Group West Africa Limited and he sits on the Advisory Board of Wellbeing Foundation Africa in partnership with the United Nations Every Woman Every Child Program, working towards the reduction of Maternal and Infant Mortality.

His previous international advisory roles have included Renaissance Bank, Dassault Falcon Service and the The Olive Group. He is a founding member of the Lagos Preparatory and Secondary School, Ikoyi, Lagos, Nigeria.

Mr. Hewett Benson – Group Coordinator

Mr. Hewett Benson is an engineering (aeronautics) graduate of the Imperial College London (1987), University of London and holds a master's degree in Aeronautics and Astronautics (1989) from the Massachusetts Institute of Technology, USA as well as a certificate of Post Graduate Education in Engineering from Churchill College, University of Cambridge, UK. He has extensive experience in the Nigerian financial market, where he has been involved in major private equity transactions.

Mr. Benson served as the Executive Director, Asset Management, Asset Management Corporation of Nigeria (AMCON). He was also the Managing Director/Chief Executive of Enterprise Capital Management focusing on development advisory services to select clientele. Mr. Benson was appointed as an Independent Director of Royal Exchange Plc. in 2018 and in 2021, Mr. Benson became the Group Coordinator for Royal Exchange Plc.

BOARD COMMITTEES

In line with the Company's strict adherence to Corporate Governance principles, the Board Committees are composed as follows:

S/N	NAME OF COMMITTEE	MEMBERS
1	Governance Committee	Mr. Adeyinka Adekunle Ojora (Chairman) Alhaji Ahmed Rufa'i Mohammed Mr. Hewett Benson
2	Statutory Audit Committee	Alhaja A. S. Kudaisi (Chairman) Chief (Dr) Anthony Ikemefuna Idigbe SAN, KSS Mr. Adeyinka Adekunle Ojora Mr. Tajudeen Olawuyi Mr. Benkunmi Akinsolu
3	Finance, Investment and General Purposes Committee	Chief (Dr.) Anthony Ikemefuna Idigbe SAN, KSS (Chairman) Mr. Adeyinka Adekunle Ojora Mr. Hewett Benson
4	Strategy Committee	Alhaji Ahmed Rufa'i Mohammed (Chairman) Mr. Adeyinka Adekunle Ojora Mr. Hewett Benson

RISK FACTORS

Accepting Shareholders should consider all of the information in this Rights Circular, including the following risk factors, before deciding to accept delivery of the new shares. If the risks described below materialise, the Company's business, results of operations, financial condition and/or future prospects could be materially adversely affected, which could cause the value and trading price of its ordinary shares to decline, resulting in a loss of all or part of any investment in the ordinary shares of Royal Exchange Plc.

The following risk factors do not purport to be an exhaustive list or explanation of all the risk factors involved in investing in Royal Exchange Plc and they are not set out in any order of priority. In particular, the Company's performance might be affected by changes in market and economic conditions and in legal, regulatory or tax requirements. **If such changes were to occur, the price of the shares may decline and investors could lose all or part of their investment.** Additionally, there may be further risks of which the Company is not aware of or believes to be immaterial which may, in the future, adversely affect the Company's business and the market price of its shares.

Investment in the shares will involve risks. The shares may not be suitable for all recipients or be appropriate for their personal circumstances. You should carefully consider in light of your financial resources whether investing in Royal Exchange Plc is suitable for you. An investment in the shares is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses, which may arise (which may be equal to the whole amount invested).

Risks Related to the Country

Investing in securities of issuers in emerging markets, such as Nigeria, generally involves a higher degree of risk than investments in securities of corporate or sovereign issuers from more developed countries and carries risks that are not typically associated with investing in more mature markets.

These risks include, but are not limited to, the following:

- greater political risk, and changes in, and instability of, the political and economic environment; and
- civil strife, acts of war, terrorism, guerrilla activities and insurrection

Investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate.

Political Risk

This is related to political instability, security, conflicts arising from religious differences and ethnicity in Nigeria. The Nigerian socio-political climate has been beset by several conflicts in the past few years which has led to increase in the number and frequency of continued criminal activity, unrest, political and religious conflicts in the country. The continued criminal activity,

unrest, political and religious conflicts in the country may deter investments in the country and lead to increased political instability that could have a material adverse effect on Nigeria's economy.

Emerging Markets Risk

Emerging markets such as Nigeria are subject to greater risk than more developed markets and financial turmoil in any emerging market could cause the price of securities to decrease. Generally, investments in emerging markets are only suitable for sophisticated investors who better understand the instruments and fully appreciate the significance of the risks involved in, and are familiar with investing in emerging markets. Investors should also note that emerging markets, such as Nigeria, are subject to rapid change and that the information set forth in this Rights Circular may become outdated relatively quickly.

Infrastructure Challenges

Infrastructure is important in the economic development of any nation. Nigeria currently faces infrastructure deficits, which have hampered growth, innovation, and development. The condition of roads, rail, airports, seaports, and power have adversely affected the operating environment of businesses in Nigeria. They have also contributed to the slow growth in many sectors of the economy which has, in turn, led to the poor performance of the economy.

For instance, the power sector still faces challenges which relate to governance, funding, legal, regulatory and pricing issues across the value chain. Given the huge capital investment required to address this deficit, there have been calls for the private sector to play a key role in providing critical infrastructure, either directly or in collaboration with the FGN. However, challenges with pricing and funding continue to call to question the viability of private sector investment.

Risks Related to the Issuer

Operational Risk

Operational risks for the Company refer to direct and/or indirect losses that may arise from inadequacies in its internal processes, human errors, information technological breakdowns, and disruptions from other internal or external events..

Liquidity Risk

Liquidity risk arises when the Company, though solvent, either does not have sufficient financial resources available to enable it to meet its obligations as they fall due, or can secure them only at excessive cost. The Company faces liquidity risk when, in spite of holding a higher level of assets than liabilities, these assets are 'illiquid', and not easily convertible to cash.

Compliance Risk

Compliance is the process that records and monitors the daily business activities to make sure that the Company is complying with the law, industry mandates, and internal policies. Compliance risk is exposure to legal penalties, financial forfeiture and material loss an organisation faces when it fails to act in accordance with industry laws and regulations, internal policies or prescribed best practices. This threat can lead to diminished reputation and limited business opportunities as the Company finds its franchises reduced in value and its potential for expansion curtailed.

Credit Risk

The Company also faces risk exposure from direct default, counterparty and concentration risks. Credit risk is the possibility that either one of the parties to a contract will not be able to satisfy its financial obligation under that contract. The Company is exposed to credit risk when it has not appropriately established its credit risk appetite based on its strategic objectives, available resources and provisions of the regulators' prudential guidelines. As such, the Company will lack an adequate and effective system of risk management which addresses credit control.

Insurance Risk

Insurance business being the central part of the Group business exposes the Company to the risk of timing and expectations of claims and benefit payments. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims.

Market Risk

Market risk is the possibility of the Company experiencing losses due to factors that affect the overall performance of the market to which the company has exposure. The Company is exposed to market risk when it does not maintain a cautious and prudent approach to investment and trading activities and undertakes investments/transactions that do not fall within the group risk appetite.

LETTER FROM AUDITORS ON GOING CONCERN STATUS



LETTER FROM DIRECTORS ON GOING CONCERN STATUS



26 April 2023

The Managing Director
FSDH Capital Limited
4th Floor, UAC House
1/5 Odunlami Street
Lagos,

Dear Sir,

Confirmation of the Going Concern Status of Royal Exchange Plc. – Rights Issue of 4,116,296,060 Ordinary Shares of 50 Kobo each at 50 Kobo per Share

The Directors of Royal Exchange Plc (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 ("IFRS") have been followed and the Company's financial statements are prepared using accounting policies, which comply with the requirements of the Financial Reporting Council of Nigeria Act and the Companies and Allied Matters Act, 2020.

The Directors of the Company, having made appropriate enquiries, reviewed budgets, projected cash flows and other relevant information, consider that adequate resources will exist for the business to continue its operational existence for the foreseeable future and therefore, it is appropriate to adopt the going concern basis in preparing the financial statements.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Hewett Benson".

Mr. Hewett Benson
Director

A handwritten signature in black ink, appearing to read "Ngozika Onu".

Ms. Ngozika Onu
Company Secretary

ROYAL EXCHANGE PLC RC: 6252

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Directors:

Mr. Kenneth Ezenwani Odogwu (Chairman), Chief Anthony Ikemefuna Idigbe (SAN), Alhaji Ahmed Rufa'i Mohammed, Mr. Adeyinka Adekunle Ojora, Mr. Hewett Benson

ISSUER'S FINANCIAL INFORMATION

The financial information has been extracted from the Company's financial statements from **31 December 2017** till **30 June 2023**. The audited financial statements and unaudited accounts for 12 months ended are incorporated by reference and can be downloaded from the Company's website.

Statement of Financial Position

<i>In thousands of Naira</i>	2018	2019	2020	2021 Restated	2022	H1 2023
Assets						
Cash and cash equivalents	15,896,872	13,834,940	12,807,056	620,562	608,573	783,663
Loans and advances to customers	900,852	906,558	1,044,098	1,079,176	1,140,139	1,021,278
Advances under finance lease	166,608	217,571	88,201	104,578	68,431	87,913
Financial assets	4,237,952	3,644,585	6,111,276	226,550	30,820	47,132
Trade receivables	499,382	118,393	136,091	17,021	-	-
Reinsurance assets	3,174,674	2,887,473	2,195,156	-	-	-
Deferred acquisition cost	261,631	209,395	281,416	393	-	-
Other receivables and prepayments	815,179	564,586	471,550	101,877	163,342	130,714
Investment in Subsidiaries	-	-	-	-	-	-
Investment in associates	213,295	227,220	226,343	4,688,559	5,080,554	5,334,258
Investment properties	5,998,300	6,040,461	5,635,991	413,858	-	-
Property and equipment	1,468,405	1,437,131	1,381,742	37,131	17,440	14,923
Right of Use Asset	-	15,764	10,089	-	942	-
Intangible assets	15,020	9,830	5,133	9,798	-	-
Employees retirement benefit asset (Net)	283,850	295,649	257,168	-	-	-
Statutory deposits	555,000	555,000	555,000	-	-	-
Deferred tax assets	133,275	168,810	193,968	201,592	-	-
Assets classified as held for sale	973,639	973,639	973,639	6,735,123	-	-
Deposit for shares	-	-	-	27,000	39,000	39,000
Total Assets	35,593,934	32,107,005	32,373,917	14,263,219	7,149,241	7,458,880
LIABILITIES						
Borrowings	8,865,661	2,276,717	2,184,877	2,413,039	544,777	1,950,288
Deferred Income	144,133	109,332	138,244	-	-	-
Trade Payables	5,583,929	6,157,185	7,909,847	-	-	-

<i>In thousands of Naira</i>	2018	2019	2020	2021 Restated	2022	H1 2023
Other liabilities	1,870,375	1,735,444	1,864,278	1,502,638	3,037,411	2,940,757
Depositor's funds	1,567,480	1,784,150	1,364,220	1,366,632	1,226,428	-
Insurance contract Liabilities	11,018,012	10,969,033	9,798,691	133,375	-	-
Finance lease obligation	-	-	-	-	168	168
Investment contract Liabilities	302,424	265,521	276,980	-	-	-
Current income tax liabilities	726,574	588,690	650,203	240,082	234,702	249,339
Employees retirement benefit liability	30,239	39,252	41,335	4,168	974	4,515
Deferred tax liabilities	336,184	565,092	610,101	29,730	-	-
Deposit for shares	-	-	-	-	-	1,985
Liabilities directly associated with assets classified as held for sale	-	-	-	6,564,072	-	-
Total Liabilities	30,445,011	24,490,416	24,838,776	12,253,735	5,044,460	5,147,052
EQUITY						
Share Capital	2,572,685	2,572,685	2,572,685	2,572,685	2,572,685	2,572,685
Share Premium	2,690,936	2,690,936	2,690,936	2,690,936	2,690,936	2,690,936
Contingency reserve	2,409,567	1,899,998	2,291,372	417,346	-	-
Treasury shares	(500,000)	(500,000)	(500,000)	-	-	-
Retained earnings	(2,683,435)	(3,240,315)	(4,051,382)	(4,258,421)	(3,612,013)	(3,404,968)
Other component of equity	659,170	560,112	658,821	469,597	453,173	453,173
Capital and reserves attributable to owners	5,148,923	3,983,416	3,662,432	1,892,233	2,104,781	2,311,826
Non-controlling interests	-	3,633,174	3,872,709	117,250	-	-
Total Equity	5,148,923	7,616,590	7,535,141	2,009,483	2,104,781	2,311,826
Total equity & liabilities	35,593,934	32,107,005	32,373,917	14,263,218	7,149,241	7,458,880

Statement of Profit or Loss

<i>In thousands of Naira</i>	2018	2019	2020	2021 Restated	2022	H1 2023
Gross premium written:	14,712,798	14,207,878	15,292,757	-	-	-
Unearned premium	465,334	233,554	(264,200)	-	-	-
Gross premium income	15,178,132	14,441,432	15,028,558	-	-	-
Reinsurance expenses	(5,992,858)	(5,724,505)	(6,837,044)	-	-	-
Net premium income	9,185,274	8,716,927	8,191,514	-	-	-
Fees and commission income	546,507	479,688	663,205	-	-	-
Net underwriting income	9,731,781	9,196,615	8,854,719	-	-	-
Insurance claims and benefits incurred	(6,025,740)	(4,062,501)	(3,373,803)	-	-	-
Insurance claims and benefits incurred - recoverable from reinsurers	2,867,891	884,066	704,166	-	-	-
Net claims expenses	(3,157,849)	(3,178,435)	(2,669,637)	-	-	-
Changes in insurance contract liabilities	535,667	(568,052)	(462,513)	-	-	-
Underwriting expenses	(3,435,258)	(4,537,133)	(4,606,732)	-	-	-
Total underwriting expenses	(6,057,440)	(8,283,620)	(7,738,882)	-	-	-
Underwriting profit/(loss)	3,674,341	912,995	1,115,837	-	-	-
Net Interest Income	128,937	(653,885)	159,643	53,096	32,951	47,007
Investment and other income	355,768	952,684	658,733	41,145	67,015	25,730
Share of profit/loss on investment in associate	20,164	13,925	(877)	20,506	240,327	253,703
Net fair value gain or loss on financial assets	(183,544)	(92,090)	35,307	-	-	17,533
Charge/write-back of impairment allowance	(41,173)	(279,282)	(267,924)	13,403	(90,877)	61
ECL Impairment Allowance	8,238	(77,334)	13,935	-	-	-
Operating income (Revenue)	-	-	-	-	-	-
Other operating income	728,145	500,720	612,480	177,356	196	637
Foreign exchange gains/(losses)	(338,488)	64,554	73,318	-	-	-

<i>In thousands of Naira</i>	2018	2019	2020	2021 Restated	2022	H1 2023
Net Income	4,352,388	1,342,287	2,400,452	292,103	249,612	344,691
Management Expenses	(4,029,209)	(2,355,298)	(2,270,412)	(290,680)	(397,945)	(134,676)
Total expenses	(4,029,209)	(2,355,298)	(2,270,412)	(277,277)	(488,822)	(134,676)
Profit/(Loss) before tax	323,179	(1,013,011)	130,040	14,826	(148,333)	210,015
Minimum tax	(9,866)	(9,278)	(1,595)	(628)	-	(13,180)
Income taxes	(473,181)	(290,527)	(205,561)	(2,457)	(2,141)	-
Profit/Loss after taxation from continued operations	(159,868)	(1,312,816)	(77,116)	11,742	(150,474)	196,835
Discontinued Operations:						
Loss for the year from discontinued operations	-	-	-	(466,554)	(392,664)	-
Gain/(Loss) on disposal of Subsidiary	-	-	-	(1,214,126)	254,666	-
(Loss)/Profit after taxation from discontinued operations	-	-	-	(1,680,679)	(137,998)	-
(Loss)/Profit after taxation from discontinued operations	-	-	-	(1,668,938)	(288,472)	-
(Loss)/Profit is attributed to:						
Owners of Royal Exchange Plc	(159,868)	(1,358,778)	(388,576)	(1,696,874)	(289,205)	196,835
Non-controlling interest	-	45,962	311,460	27,936	-	-
	(159,868)	(1,312,816)	(77,116)	(1,668,938)	(288,472)	196,835
Other comprehensive income, net of tax						
Items that will never be reclassified subsequently to profit or loss:						
Net actuarial gains/(losses) of defined benefit obligations	(3,215)	(37,682)	(74,038)	1,569	-	-

<i>In thousands of Naira</i>	2018	2019	2020	2021 Restated	2022	H1 2023
<i>Tax effects on other comprehensive income</i>	-	-	-	-	-	-
<i>Share of returns in associates</i>	(486)	-	-	(48,453)	-	-
<i>Changes in fair value of FVOCI investments</i>	27,287	217,029	259,774	-	-	-
<i>Total other comprehensive income, net of tax</i>	23,586	179,347	185,736	(46,884)	-	-
<i>Total comprehensive income for the period</i>	(136,282)	(1,133,469)	108,620	(1,715,822)	(288,472)	196,835
Total Comprehensive income attributable to:						
Owners of Royal Exchange Plc	(136,282)	(1,188,624)	(295,502)	(1,573,253)	(288,472)	196,835
Non-controlling interest	-	55,155	404,122	(142,569)	-	-
	(136,282)	(1,133,469)	108,620	(1,715,822)	(288,472)	196,835
<i>Profit/Loss /Earnings per share - Basic and diluted (kobo)</i>	(3.00)	(26.00)		(33)	(6)	4

Statement of Cash Flows

<i>In thousands of Naira</i>	2018	2019	2020	2021 Restated	2022	H1 2023
(Loss)/Profit for the year	(156,176)	(1,312,816)	(77,116)	(1,668,938)	(288,472)	196,835
Add: Minimum tax	9,866	9,278	1,595	628	-	13,180
Add: Income tax	473,181	290,527	205,561	2,457	2,141	-
Profit before taxes	326,871	(1,013,011)	130,040	(1,665,853)	(286,331)	210,015
Adjustments for:						
ECL Impairment Allowance	(8,238)	77,334	(13,935)	-	-	-
Charge/(write-back) of impairment allowance	41,173	279,282	267,924	(13,404)	90,877	-
Depreciation on property and equipment	194,754	159,520	127,213	2,910	6,536	3,610
Depreciation on Right of Use Asset	-	-	19,928	3,762	-	(941)
Amortization of intangible assets	8,816	7,355	6,497	4,814	1,618	-
Profit/(Loss) on disposal of property and equipment	(4,684)	11,164	(51,764)	-	-	-
Profit/(Loss) on disposal of Investment property	-	-	10,200	-	-	-
Income from investment management	-	-	-	-	(74)	-
Fair value gain on recognition of associates	-	-	-	-	(29)	-
Income on disposal of equities (FVTOCI & FVTPL)	-	-	-	-	(29)	-
Dividend income on equity investments (FVTOCI & FVTPL)	(113,123)	(26,753)	(181,051)	(2,259)	(13,501)	(3,099)
Rental income	(130,383)	(106,149)	(75,712)	-	-	-
Interest income	(836,889)	(838,967)	(360,132)	(259,160)	(262,173)	138,320
Interest expense on borrowings	707,952	1,473,892	200,489	206,063	255,150	(98,261)
Foreign exchange (loss)/gains	338,488	(64,554)	(73,318)	-	-	-
Fair value gain/(loss) on FVTPL investment securities	237,597	134,251	(159,577)	(38,297)	593	17,553

<i>In thousands of Naira</i>	2018	2019	2020	2021 Restated	2022	H1 2023
Fair value gain/(loss) on FVTPL investment properties	(57,745)	(42,161)	124,270	-	-	-
Loss on disposal of discontinued operations	-	-	-	466,554	392,664	-
Fair value gain/(loss) on disposal of investment in subsidiaries	-	-	-	1,214,126	(254,666)	-
Share of loss/(profit) of associate	(20,164)	(13,925)	877	(20,506)	(240,327)	(253,703)
Non-cash movement in current tax liabilities	-	-	-	-	(7,522)	(390,700)
	684,425	37,278	(28,051)	(499,574)	(145,622)	13,494
Changes in working capital:						
Loans and advances to customers	188,934	192,677	(137,540)	(65,083)	(60,963)	338,800
Advance under finance lease	105,043	32,369	129,370	(20,817)	36,147	(3,601)
Trade receivables	(643,518)	631,654	278,892	107,591	17,021	-
Re-insurance asset	(380,189)	287,202	692,317	2,195,156	-	-
Investment securities at fair value through profit or loss	-	-	-	1,169,025	47	-
Deferred acquisition cost	34,198	52,236	(72,021)	281,023	393	-
Other receivables and prepayment	(96,348)	259,692	171,143	369,672	(152,341)	32,628
Deferred income	335	(34,801)	28,912	(138,244)	-	-
Trade and other payables	(4,575,501)	573,256	1,752,662	(7,909,847)	-	-
Other liabilities	206,854	134,931	128,834	(361,640)	1,534,773	(96,654)
Depositors' funds	120,717	(216,670)	(419,930)	2,412	(140,204)	(170,657)
Statutory deposit	-	-	-	555,000	-	-
Investment contract liabilities	8,869	(36,903)	11,459	366,656	-	-
Changes in unearned premium	(465,334)	(233,554)	264,199	(1,214,218)	196,900	-
Changes in provision for outstanding claims	905,333	184,576	(1,434,541)	(2,457,158)	(127,555)	-
Changes in employee retirement benefits	(33,780)	(37,731)	(33,474)	(37,167)	(3,194)	3,541
	(3,939,962)	1,826,212	1,332,230	(7,657,212)	1,155,402	117,552

<i>In thousands of Naira</i>	2018	2019	2020	2021 Restated	2022	H1 2023
Income tax paid	(134,323)	(244,286)	(57,550)	(23,809)	-	-
Employee benefits paid	(3,369)	(2,738)	-	-	-	-
Interest expense paid	(709,509)	(1,473,892)	(200,489)	-	-	98,261
Net cash provided by operating activities	(4,787,163)	105,296	1,074,191	(7,657,212)	1,155,402	215,813
<i>Cash flows from investing activities:</i>						
Purchases of property and equipment	(66,807)	(146,807)	(122,750)	(7,699)	(10,487)	-
Purchases of Right of Use Asset	-	-	(14,253)	-	-	-
Purchase of intangible assets	-	(2,165)	(1,800)	(10,950)	-	-
Proceed from disposal of investment properties	-	-	270,000	-	413,858	(3,058)
Proceed from disposal of property and equipment	12,769	7,397	85,913	6,132	-	-
Proceed from changes in ownership interest in subsidiary	5,464,881	3,601,745	-	-	-	-
Proceed from redemption/disposal of investment securities	(4,527,884)	2,951,937	2,291,354	(4,792,665)	(195,090)	-
Purchase of investment securities	-	(2,448,783)	(4,758,045)	-	-	-
Deposit for shares	(22,472)	-	-	(27,000)	(12,000)	-
Dividend received	118,456	-	181,051	2,258	13,501	3,099
Rent received	130,383	106,149	75,712	-	-	-
Net interest received	803,393	838,967	360,132	259,160	262,173	138,320
Net cash provided by investing activities	1,912,719	4,908,440	(1,632,686)	(4,570,764)	471,955	138,361
<i>Cash flows from financing activities:</i>						
Repayment of borrowings	(3,699,773)	(19,968,840)	(8,204,412)	(18,085,031)	(2,000,000)	-
Proceeds from new borrowings	10,285,582	13,379,896	8,112,572	18,313,192	-	(179,084)
Repayment of finance lease	-	-	-	(125,323)	(93,412)	-
Non-controlling Interest	-	-	-	-	-	-

<i>In thousands of Naira</i>	2018	2019	2020	2021 Restated	2022	H1 2023
Unclaimed dividend paid	18,072	-	-	-	-	-
Net used in financing activities	6,603,881	(6,588,944)	(91,840)	22,099	(2,093,412)	(179,084)
Cash and cash equivalent at beginning of year	12,505,923	15,896,872	13,834,940	12,807,056	621,091	608,573
Adjustment on disposal of subsidiaries	-	-	-	134,118	453,600	-
Effect of exchange rate fluctuations on cash and cash equivalents	(338,488)	(486,724)	(377,551)	43,719	-	-
Net increase in cash and cash equivalent	3,729,437	(1,575,208)	(650,335)	(12,229,686)	(466,055)	175,090
Cash and cash equivalent at end of the year	15,896,872	13,834,940	12,807,056	621,091	608,636	783,663

STATUTORY AND GENERAL INFORMATION

1. INCORPORATION AND SHARE CAPITAL HISTORY

The Company was incorporated as a private limited liability Company on December 29, 1969, converted to a public limited liability company on July 15, 1989 and was listed on the Nigerian Exchange Ltd. (NGX) on December 3, 1990. The following changes have taken place in the Company's authorised and issued share capital since incorporation:

DATE ISSUED	SHARE CAPITAL	NOMINAL VALUE	MODE OF ACQUISITION
1990	21,600,000	₦0.50	INITIAL SHARE CAPITAL
1991	27,000,000	₦0.50	BONUS 1991 5,400,000 SHARES
1992	33,750,000	₦0.50	BONUS 1992 6,750,000 SHARES
1995	50,625,000	₦0.50	BONUS 1995 16,875,000 SHARES
1996	75,937,500	₦0.50	BONUS 1996 25,312,500 SHARES
1997	227,812,500	₦0.50	RIGHTS OFFER 151,875,000 SHARES
2000	341,718,750	₦0.50	BONUS 2000 113,906,250 SHARES
2001	512,578,125	₦0.50	BONUS 2001 170,859,375 SHARES
2003	683,437,500	₦0.50	RIGHTS OFFER 170,859,375 SHARES
2003	854,296,875	₦0.50	BONUS 2003 170,859,375 SHARES
2004	1,067,871,093	₦0.50	BONUS 2004 213,574,218 SHARES
2005	1,601,806,640	₦0.50	BONUS 2005 533,935,547 SHARES
2006	2,818,608,784	₦0.50	RIGHTS OFFER 1,216,802,144 SHARES
2007	3,359,898,834	₦0.50	SCHEME SHARES 541,290,050 SHARES
2008	3,695,888,718	₦0.50	BONUS 2008 335,989,884 SHARES
2009	4,065,477,590	₦0.50	BONUS 2009 369,588,872 SHARES
2010	4,573,662,288	₦0.50	BONUS 2010 508,184,698 SHARES
2011	5,145,370,074	₦0.50	BONUS 2011 571,707,786 SHARES
2012	5,145,370,074	₦0.50	NO ADDITIONAL SHARES
2013	5,145,370,074	₦0.50	NO ADDITIONAL SHARES
2014	5,145,370,074	₦0.50	NO ADDITIONAL SHARES
2015	5,145,370,074	₦0.50	NO ADDITIONAL SHARES
2016	5,145,370,074	₦0.50	NO ADDITIONAL SHARES
2017	5,145,370,074	₦0.50	NO ADDITIONAL SHARES
2018	5,145,370,074	₦0.50	NO ADDITIONAL SHARES
2019	5,145,370,074	₦0.50	NO ADDITIONAL SHARES
2020	5,145,370,074	₦0.50	NO ADDITIONAL SHARES
2021	5,145,370,074	₦0.50	NO ADDITIONAL SHARES
2022	5,145,370,074	₦0.50	NO ADDITIONAL SHARES

2. SHAREHOLDING STRUCTURE

As of the qualification date of 06 March 2023, the Company had approximately 15,620 shareholders, with four (4) shareholders owning more than 5% of the shares as displayed in the table below:

Shareholders with 5% or more equity holdings

Shareholders	No. of Shares	% Holdings
Spennymoor Limited	2,013,119,834	39.12
Dantata Investments & Securities Company Limited	921,833,885	17.92
Chief (Dr.) S. I. Odogwu, OFR	266,870,509	5.19
Helen and Troy Holdings Limited	261,058,784	5.07

3. DIRECTORS BENEFICIAL INTEREST

The interest of Directors of Royal Exchange in the issued share capital of the company as recorded in the Register of Members and as notified by them for the purpose of Section 275 (1) of the CAMA, as of 31 December 2022 are as follows:

are as follows:

Directors' Interest and holdings

Names	No. of 50k Ordinary Shares Held as at 31 December 2022 (Direct)		No. of 50k Ordinary Shares Held as at 31 December 2022 (Indirect)		
	Number Direct ('000)	% Holding	Names	Number Indirect ('000)	% Holding
Mr. Kenneth E. Odogwu	Nil	Nil	Spennymoor Ltd	2,013,119,834	39.12
Chief Anthony Ikemefuna Idigbe (SAN)	Nil	Nil	Punuka Investment Ltd	1,350,276	0.03
Alhaji Ahmed R. Mohammed*	Nil	Nil	-	Nil	Nil
Mr. Adeyinka A. Ojora	100,000	0.002	Phoenix Holdings Ltd	183,529,858	3.57
Mr. Hewett Benson	Nil	Nil	-	Nil	Nil
Grand Total	100,000	0.002	-	2,197,999,968	42.72

Board representative for Dantata Investments & Securities Company Limited

4. SUBSIDIARIES AND ASSOCIATED COMPANIES

As of 30 September 2022, Royal Exchange Plc had the following subsidiaries:

Name of Entity	Nature of business	31-Dec-22	31-Dec-21
Royal Exchange Finance Company Limited	Credit Financing	99.9%	99.9%

Name of Entity	Nature of business	31-Dec-22	31-Dec-21
Royal Exchange General Company Limited	General Insurance	30.0%	30.0%
Royal Exchange Healthcare Limited (DotHMO)	Health Insurance	39.21%	39.21%
Royal Exchange Microfinance Bank Limited	Banking	29.84%	67.0%

5. CLAIMS AND LITIGATION

As at 02 May 2022, the Company has instituted four (4) out of eight cases, while the Company is the Defendant in the other five (5) cases. The name of the Company has been struck out in one of the cases as a Defendant while the total amount claimed in the four (4) cases against the Company is estimated at about ₦250,000,000 (Two Hundred and Fifty Million Naira) as of date.

The Solicitors to the Issue are of the opinion that the afore-mentioned cases are not likely to have a material adverse effect on the proposed Rights Issue and are not aware of any other pending and/or threatened claims or litigation, which may be material to the Rights Issue.

6. STATEMENT OF INDEBTEDNESS

As of 31 December 2022, the Company's total liabilities amounted to ₦5,044,460,000 (Five billion, forty-four million, four hundred and sixty thousand Naira only) while the Company's indebtedness amounted to ₦544,777,000 (Five hundred and forty-four million, seven hundred and seventy-seven naira only).

7. UNCLAIMED DIVIDENDS

The total amount of unclaimed dividends as at 31 December 2022 stands at ₦47,240,000.00 (forty-seven million, two Hundred and forty thousand Naira only).

8. USE OF PROCEEDS

Utilisation	Capital	%	Duration
Investment in investee companies	₦ 500,000,000.00	24.29	Immediate
Debt repayment	₦ 1,000,000,000.00	48.59	12 months
Working Capital	₦ 500,493,537.83	24.32	48 months
Issue Costs & Other Expenses:	₦ 57,654,492.17	2.80	Immediate
Total:	₦2,058,148,030	100.00	

9. RELATED PARTY TRANSACTIONS

Transactions with Related Parties

Royal Exchange Plc enters transactions with its subsidiaries, associates, joint ventures, and its key management personnel in the normal course of business. The transactions and balances below concern mainly banking, insurance and administrative transactions. The banking and insurance transactions are done in the ordinary course of business against a pricing that considers related party relationship.

In Thousands of Naira	Relationship	2022	2021
Royal Exchange Plc			
Payables			
Royal Exchange General Insurance Company	Associate	367,802	-
Royal Exchange Finance Company Ltd	Subsidiary	52,906	8,037
Receivables			
Royal Exchange Healthcare Ltd	Associate	9,431	-
Loans			
Royal Exchange Finance Company Ltd	Subsidiary	-	-
Finance Lease			
Royal Exchange Finance Company Ltd	Subsidiary	13,699	8,900
Financial Advisory Fee			
Enterprise Capital Management (ECM)	Director	1,793	1,793

10. COSTS AND EXPENSES

The costs, charges and expenses of this Issue including fees payable to the SEC, the NGX, Professional Parties, Brokerage Commission, printing and advertising costs and miscellaneous expenses are estimated at ~~₦~~57,654,492.17 representing 2.80% of the gross amount to be raised.

11. MATERIAL CONTRACTS

The following material contracts have been entered by Royal Exchange Plc:

1. Vending Agreement dated 10 November 2023 between Royal Exchange and the Issuing House;

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

12. RELATIONSHIP BETWEEN THE COMPANY AND ITS ADVISERS

No relationship, other than the professional ones established pursuant to this Issue, exists between the Issuer any of its advisers, save for in the ordinary course of business.

13. DECLARATIONS

Except as otherwise disclosed herein:

1. No share of the Company is under option or agreed conditionally or unconditionally to be put under option
2. There are no long-term service agreements between the Company and any of the Directors and employees except pension agreements
3. The Company also hereby declares that none of its directors or management staff is subject to any of the following in Nigeria or elsewhere:

A petition brought under any bankruptcy or insolvency any partnership or company in which the director is partner, director or key personnel;

- a. A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty;
- b. A judgement, order, or a ruling by any court of competent jurisdiction or a 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 practice or activity.

14. CONSENTS

The following have given and have not withdrawn their consents to the issue of this Rights Circular and to have their names mentioned in the form and context in which they appear therein:

DIRECTORS	Mr. Kenny Ezenwani Odogwu Chief (Dr.) Anthony Ikemefuna Idigbe SAN, KSS Alhaji Ahmed Rufa'i Mohammed Mr. Adeyinka Adekunle Ojora Mr. Hewett Benson
COMPANY SECRETARY	Mazars Ojike and Partners
ISSUING HOUSE	FSDH Capital Limited
AUDITORS	Deloitte and Touche Chartered Accountants
RECEIVING BANK	FSDH Merchant Bank Limited
REGISTRARS	CardinalStone Registrars Limited
SOLICITORS TO THE ISSUE	Punuka Attorneys and Solicitors
SOLICITORS TO THE ISSUER	Alliance Law Firm
STOCKBROKERS TO THE ISSUER	FSDH Capital Limited Kundila Finance Services Limited

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of FSDH Capital Limited, UAC House (4th floor) 1/5 Odunlami Street, Lagos Island, during normal business hours on any weekday (except public holidays), throughout the duration of the Rights Issue:

1. The Certificate of Incorporation of the Company, duly certified by the CAC;
2. The Memorandum and Articles of Association of the Company, duly certified by the CAC;
3. The Board resolution authorising the Rights Issue, dated 09 February 2023, passed at the meeting of the Board of Directors, signed by a Director and the Company Secretary;
4. The resolution of the shareholders passed at the 09 February 2023 approving the Rights Issue, duly signed by a Director and the Company Secretary;
5. The Company's Audited Accounts for the financial years ended December 31, 2022, December 31, 2021, December 31, 2020, December 31, 2019 and December 31, 2018;
6. Management account for 6 months period June 30, 2023;
7. Letters of approval from SEC and the NGX;
8. The material contracts referred to on 10 November 2023; and
9. The written consents referred to above.

PROVISIONAL ALLOTMENT LETTER



06 March 2023

Dear Sir/Madam,

RIGHTS ISSUE OF 4,116,296,059 ORDINARY SHARES OF 50 KOBO EACH AT ₦0.50 PER SHARE IN ROYAL EXCHANGE PLC

1. Provisional Allotment

The Chairman's letter dated 06 March 2023 on page 16 of this Rights Circular contains particulars of the Rights Issue now being made. The Directors have provisionally allotted to you the number of Ordinary Shares set out on the first page of the enclosed Acceptance / Renunciation Form, representing Four (4) new ordinary share for every Five (5) ordinary shares registered in your name at the close of business on 06 March 2023. 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 offered 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 Acceptance / Renunciation 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 2(b) below.

2. Acceptance and Payment

The receipt of any payment with your Acceptance / Renunciation 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 to the clearance of the Securities and Exchange Commission. **If payment is not received by 31 January 2024, 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 Acceptance / Renunciation Form. The completed Acceptance / Renunciation 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 47 of this document not later than 31 January 2024.

The cheque or draft must be made payable to the Receiving Agent, drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "Royal Exchange RIGHTS" with your

ROYAL EXCHANGE PLC RC: 6752

New Africa House
31 Marina
P.O. Box 112, Lagos

T. 01-4606690 – 01-4606699
E. info@royalexchangeplc.com
W. www.royalexchangeplc.com

Directors:

Mr. Kenneth Ezenwani Odogwu (Chairman), Chief Anthony Ikemefuna Idigbe (SAN), Alhaji Ahmed Rufa'i Mohammed, Mr. Adeyinka Adekunle Ojora, Mr. Hewett Benson



name, address and daytime telephone number (if any) written on the back of the cheque or draft. All cheques and drafts will be presented for payment upon receipt and all Acceptance / Renunciation 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 47 of this Rights Circular for the transfer details.

Any payment value exceeding ~~R~~10 million 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) Applying for Additional Shares

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

c) Partial Acceptance

To accept your provisional allotment partially, please complete box B of the Acceptance / Renunciation Form and submit the completed Acceptance / Renunciation Form to any of the Receiving Agents listed on Page 47 of this document together with the full amount payable in respect of the number of shares you wish to accept. Payment should be made in accordance with 2(a) above.

3. Trading in Rights on the NGX

The approval of the Exchange has been obtained for trading in the Rights of the Company. **The Rights will be tradable between 03 January 2024 and 31 January 2024 at the price at which the Rights are quoted on the Exchange.** If you wish to trade your Rights, you may do so on the floor of the Exchange between these dates. Please complete item (iii) of box B of the Acceptance / Renunciation Form and contact your stockbroker for assistance. If you wish to purchase Rights traded on the Exchange, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing traded Rights. Any purchaser of Rights may also trade those Rights between these dates.



4. Allotment of Additional Shares

Ordinary shares which are not taken up by the offer closing date will be allotted, on a pro-rata (equal) basis to Existing Shareholders who applied and paid for additional shares over and above their provisional allotment by completing item (ii) of box A.

5. Subscription Monies`

Acceptance/Renunciation Forms must be accompanied with the full amount due on acceptance in accordance with 2(a) 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 of shares applied for; a cheque for the balance of the amount paid will be returned by registered post within 5 (five) Working Days of allotment.

Any electronic payment with a value exceeding ₦10 million would be made via RTGS or NEFT into the affected subscriber's bank account details stated on the Acceptance / Renunciation Form.

7. Rounding Principle

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

8. Settlement

The CSCS accounts of Shareholders will be credited immediately upon 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 Acceptance/ Renunciation form.

In accordance with the SEC Directive on Dematerialisation 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.

Yours faithfully,
For: Royal Exchange Plc.

A handwritten signature in black ink, appearing to read "Irene Chukwukelu".

Irene Chukwukelu
Mazars Ojike & Partners
Company Secretary

RECEIVING AGENTS

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 of 06 March 2023. The completed Participation Forms together with a cheque or bank draft or evidence of electronic transfer for the full amount payable may be returned to the Issuing Houses or any of the following Receiving Agents to whom brokerage will be paid at the rate of 50 kobo per ₦100 worth of shares allotted in respect of Participation Forms bearing their official stamp.

The Issuing Houses 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 lodgment of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing Houses cannot give rise to a liability on the part of the Issuing Houses under any circumstances.

BANKS

Access Bank Plc Citibank Nigeria Limited 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 Mainstreet Bank Limited	Polaris Bank Limited 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 Amin 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 Atlas 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 Securities Limited Core Trust & Investment 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 Dolbic Finance Limited Dominion Trust 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 FBN 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 Fortress Capital Limited FSDH Merchant Bank 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 Golden Secures Limited Gombe Securities Limited Gosord Securities Limited Greenwich Securities Limited GTI Capital Limited Harmony Secures 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 Investment One Stockbrokers 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. 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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 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 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 UCML Capital Limited Valmon Securities Limited ValueLine Securities & Investments Limited Vetiva Capital Mgt Limited Vetiva Securities Limited Vision Trust & Investment Limited Wizetrad 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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ACCEPTANCE / RENUNCIATION FORM



On behalf of



Acceptance List opens
03 January 2024

Acceptance List closes
31 January 2024

Rights Issue of

4,116,296,059 Ordinary Shares of 50 Kobo each at 50 kobo per Share
On the basis of Four (4) new Ordinary Shares for every five (5) Ordinary Shares
Held as of the close of business on 06 March 2023
PAYABLE IN FULL ON ACCEPTANCE

INSTRUCTIONS FOR COMPLETING THE ACCEPTANCE/RENUNCIATION FORM

- Acceptance and/or renunciation must be made on this 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 Acceptance/renunciation Forms to any of the Receiving Agents listed on page 47 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 "Royal Exchange Rights", with the name, address and mobile number of the shareholder written on the back.

Any payment made electronically or with a value exceeding N10 million should be made via SWIFT, RTGS or NEFT into the designated Offer Proceeds Account stated below:

Account Number	1000140835
Bank	FSDH Merchant Bank Limited
Account Name	Royal Exchange PLC Rights Issuance Proceeds
Narration	"(Full Name of Shareholder)'s payment for Royal Exchange PLC Rights"

- Shareholders accepting their provisional allotment partially should complete box B and submit their Acceptance/Renunciation Forms to any of the Receiving Agents listed on page 47 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 Acceptance/Renunciation 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 may purchase traded rights and/or apply for additional shares by completing items (II) and (III) of box A.
- All cheques or bank drafts for amounts below N10 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 Form is lodged.
- Joint allottees must sign on separate lines in the appropriate section of the Form.
- Acceptance/ Renunciation Forms of corporate allottees must bear the Incorporation numbers and corporate seals and must be completed under the hands of duly authorised officials who should also state their designations.

FOR REGISTRARS 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
						N	N	N	

STAMP OF RECEIVING AGENT

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 set out on the front of this form. If you are in doubt as to what action to take, you should immediately consult your Stockbroker, Accountant, Banker, Solicitor, Independent Investment Adviser or any other professional adviser for guidance. The Company and the Issuing House have the discretion to reject any incomplete 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 ₦0.50 per share																						
															₦																						
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/branch.....																																					
B. RENUNCIATION OR PARTIAL ACCEPTANCE																																					
1 Number of Ordinary Shares accepted										2 Amount payable at ₦0.50 per share										3 Number of Ordinary Shares renounced																	
										₦																											
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																																					
C. TRADING IN RIGHTS																																					
III. I / We confirm that I / We wish to trade my / our rights of.....Ordinary Shares on the floor of the Exchange. I / We shall obtain a Transfer Form from my / our stockbroker, complete it in accordance with 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																																					
BANKS DETAILS (FOR E-DIVIDEND)																																					
Name of Bank																																					
Branch																				Incorporation Number as 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):																						

<p>D. TRADING IN RIGHTS</p> <p>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.</p> <p>II. Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase traded rights (see IV), and/or apply for additional shares by completing item (II) of box A above.</p> <p>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.</p> <p>IV. If you wish to purchase traded rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing Royal exchange Rights</p>	