



Mega African Capital Ltd



PROSPECTUS

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Mega African Capital Limited (“MAC”, the “Issuer”, the “Company”) was incorporated on April 21, 2008 under the Companies Act, 1963, (Act 179) (“Companies Act”) as a private limited liability company and converted into a public company on October 19, 2011. The Company was initially registered with 500,000,000 ordinary shares of no par value. In July 2008, the shareholders amended the Regulations to reduce the number of authorized ordinary shares to 100,000,000 and created 500,000,000 redeemable, participatory, non-convertible, preference shares of no par value. On October 30, 2011, the shareholders passed a resolution to change the 500,000,000 authorised non-convertible preference shares to convertible preference shares.

**AN OFFER FOR SUBSCRIPTION OF 1,333,334
ORDINARY SHARES OF NO PAR VALUE
AT GHS 3.0 PER SHARE**

*Financial Advisor and
Sponsoring Broker*



Legal Advisor



Reporting Accountant



James Quagraine & Co.
Chartered Accountants
A&S
Management Consultants

This document is dated December 19, 2013

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The information contained herein known as the “Offer Prospectus” (“Prospectus” or “Offer Document”) gives details of:

1. the listing of the issued Mega African Capital Limited (“MAC”, the “Issuer”, the “Company”) shares on the Ghana Stock Exchange (“GSE”); and
2. an offer of 1,333,334 new ordinary shares of MAC and the listing of such shares on the GSE.

The MAC Shares in terms of the Offer will carry the right to vote and to participate in all future dividends to be declared and paid on the ordinary share capital of the Company. The MAC Shares for the Offer rank *pari passu* with the existing issued MAC Shares, are freely transferable and are not subject to any restrictions on marketability or any pre-emptive rights on transfer.

This Prospectus provides a description of MAC and its business activities. Responsibility for the accuracy of the information in this Prospectus lies with the Directors of MAC. This prospectus has been seen and approved by the Directors of Mega African Capital Limited and the Directors collectively and individually accept full responsibility for the accuracy of the information given and that after making all reasonable inquiries and to the best of their knowledge and belief, there are no facts, the omission of which would make any statement in the document misleading.

An application has been made to the GSE for the listing of MAC Shares hereby through an offer to the public on the First Official List of the GSE (the “First Official List”). Provisional approval has been obtained from the Ghana Stock Exchange for permission to deal in and for quotation of all shares of the Issuer already issued as well as those which are the subject of this issue. Such approval is granted subject to Mega African Capital Limited being admitted to the First Official List of the Ghana Stock Exchange upon the Issuer fulfilling all the listing requirements. The GSE assumes no responsibility for the correctness of any of the statements made, opinions expressed and reports presented in this Offer Document. Admission

to the First Official List is not to be taken as an indication of the merits of the Company or of the shares of the Company.

The Company has not authorised any person to give any information or to make any representation in relation to the Transaction other than those contained in this document, and if given or made, such information or representation must not be relied upon as having been authorised.

This Prospectus has been reviewed and approved by the Securities and Exchange Commission (“SEC”) in accordance with Section 9 of the Securities Industry Act 1993 (P.N.D.C. L 333) (the “**Securities Industry Act**”) as amended and the Securities and Exchange Commission Regulations 2003 (L.I. 1728) (the “**SEC Regulations**”). In its review, the SEC examined the contents of the Prospectus to ensure that adequate disclosures have been made. **To ascertain the financial soundness or value of this Transaction, the investing public is advised to consult a dealer, investment advisor or other professionals duly authorised under the Securities Industry Law.**

The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about, and observe any such restriction. This Prospectus does not constitute an offer and may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful. MAC accepts no responsibility for any violation by any person of any such restrictions.

Other than in Ghana, no action has been or will be taken in any jurisdiction that would permit any public offering of MAC Shares or possession or distribution of this Prospectus where action for that purpose would be required.

Investors should rely exclusively on the information contained in this Prospectus. The information contained in this Prospectus is accurate only as of the date of the document, regardless of the time of delivery of this Prospectus or any offering or sale of MAC Shares.

Before deciding whether to apply for MAC Shares, you should consider whether MAC Shares are a suitable investment for you. Their value can go down as well as up. Past performance is not necessarily indicative of future performance. If you need advice, you should consult a suitable professional advisor.

IC Securities (Ghana) Limited (“IC Securities”) is acting as Transaction Advisor and Sponsoring Broker to the Transaction. The Transaction Advisor and Sponsoring Broker has relied on information provided by the Company and accordingly, does not provide any assurance of the accuracy of the information contained in this Prospectus and does not accept any responsibility or liability for the inaccuracy of the information contained in the Prospectus. The Transaction Advisor and Sponsoring Broker does however confirm that to the best of its knowledge, this Prospectus constitutes a full and fair disclosure of all material facts as required by the Securities Industry Act and the SEC Regulations about the Company. IC Securities consents to act in the capacity stated and to its name being stated in this Prospectus.

Bentsi-Enchill, Letsa & Ankomah (“BEL&A”) is acting as Legal Advisor to MAC in the Transaction. Any opinion expressed is limited to matters of the laws of the Republic of Ghana as in force and applied at the date of this Prospectus. BEL&A has relied on information provided by the Company. Accordingly, BEL&A does not provide any assurance of the accuracy of the information contained in this Prospectus and does not accept any responsibility or liability for the inaccuracy of the information contained in the Prospectus. BEL&A does however confirm that to the best of its knowledge, this Prospectus constitutes a full and fair disclosure of all material facts as required by the Securities Industry Act and the SEC Regulations. BEL&A consents to act in the capacity stated and to its name being stated in this Prospectus.

James Quagraine & Co. (“JQ”) is acting as Reporting Accountant to MAC in the Transaction. The Reporting Accountant has relied on information provided by the Company and accordingly, does not provide any assurance of the accuracy of the information contained in this Prospectus and does not accept any responsibility or liability for the inaccuracy of the information contained in the Prospectus. Any opinion expressed is limited to matters of the laws of the Republic of Ghana as in force and applied at the date of this Prospectus. JQ does however confirm that to the best of its knowledge, this Prospectus constitutes a full and fair disclosure of all material facts as required by the Securities Industry Act and the SEC Regulations. JQ consents to act in the capacity stated and to its name being stated in this Prospectus.

The Directors of Mega African Capital Limited do not have any intention to realise or transfer any part of their interests in the issue within a period of two years of the date of the offer document.

This Prospectus includes forward-looking statements that reflect MAC's intentions, beliefs or current expectations and projections about MAC's future results, operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans, opportunities, trends and the market in which MAC operates. These forward-looking statements are based on numerous assumptions regarding MAC's present and future business and the environment in which the Company expects to operate in the future. Forward-looking statements are subject to known and unknown risks, uncertainties and assumptions and other factors that could cause MAC's actual results, operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans or opportunities, as well as those of the markets MAC serves or intends to serve, to differ materially from those expressed in, or suggested by, forward-looking statements contained in this Prospectus.

A copy of this prospectus has been delivered to the Registrar of Companies, Ghana, for filing. The Registrar has not checked and will not check the accuracy of any statements made and accepts no responsibility therefore or for the financial soundness of the Issuer or the value of the securities concerned.

Procedure

If you wish to apply for shares under the Offer then you must complete the procedures for application and payment set out in Parts 1 and 11 of this Prospectus as well as the attached application form. This Prospectus is being presented to you to make an informed decision on acquiring MAC Shares in the Offer. The procedures for trading are set out in this Prospectus. Prospective investors should carefully consider the matters set forth in the section entitled 'Risk Factors' in this Prospectus.

Enquiries concerning this Prospectus may be made to the Transaction Advisor and Sponsoring Broker between 9.00 a.m. and 5.00 p.m. Monday to Friday (except public holidays) from the date hereof until the end of the Offer Period.

Timetable

Activity	Date	Time
Commencement of Offer Period	March 10, 2014	9.00 am
End of Offer Period	March 28, 2014	5.00 pm
Application Forms review for allotment commences	March 31, 2014	9.00 am
End of allotment and submission of results to regulators	April 7, 2014	5.00 pm
Credit MAC shares to successful applicants	April 11, 2014	5.00 pm
Commence dispatching letters to successful applicants	April 14, 2014	9.00 am
Deadline for refunds to unsuccessful applicants	April 17, 2014	5.00 pm
Listing of MAC Shares. First day of trading on GSE	April 23, 2014	10.00 am

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

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CORPORATE INFORMATION ON MEGA AFRICAN CAPITAL LTD

Directors:	<ul style="list-style-type: none"> ▪ Mr. Kofi Ampim, Chairman ▪ Mr. Eugene Addison, Director ▪ Mr. Kwesi Amonoo-Neizer, Director ▪ Mr. Opoku-Gyamfi Boateng, Director ▪ Mrs. Margaret Boateng Sekyere, Director
Registered Office:	<p>No. 35 Latebu Crescent, PMB CT 235 East Cantonments, Accra, Ghana Tel: +233 302 767926 Email: info@oakpartners.net</p>
Auditors:	<p>VOSCON Chartered Accountants No C. 806/4 Boundary Road, Tudu, Accra PO. Box A 476, LA Accra</p>
Legal Advisors:	<p>Bentsi-Enchill, Letsa & Ankomah 1st Floor, Teachers' Hall Complex Education Loop (Off Barnes Road) Adabraka, Accra PO. Box GP 1632, Accra.</p>
Company Secretary:	<p>Trustee Services Limited 3rd Floor, Teachers' Hall Complex Education Loop (Off Barnes Road) PO.Box 118, Accra.</p>
Registrars:	<p>GCB Bank Limited Registry Department Thorpe Road, High Street Accra PO. Box 134, Accra Contact: Mr. Kojo Essel Tel: +233 302 668712 Cell: +233 24 426 6475 Email: kessel@gcb.com.gh</p>

ADVISORS TO THE TRANSACTION

<p>Financial Advisor & Sponsoring Broker:</p>	<p>IC Securities (Ghana) Limited 2, 2nd Ridge Link, North Ridge PMB GP104, Accra Tel: +233 0302 252621 Fax: +233 0302 252517 Contact: Kwabena Osei-Boateng; Michael Darko; Portia Kuffuor; Bernard Ghartey Email: kwabena.osei-boateng@icsecurities.com; michael.darko@icsecurities.com; portia.kuffuor@icsecurities.com; bernard.ghartey@icsecurities.com</p>
<p>Legal Advisors:</p>	<p>Bentsi-Enchill, Letsa & Ankomah 1st Floor, Teachers' Hall Complex Education Loop (Off Barnes Road) Adabraka, Accra P.O. Box GP 1632, Accra Contact: Seth Asante Email: seth.asante@belonline.org</p>
<p>Reporting Accountants</p>	<p>James Quagraine & Co. Opposite Institute of Local Government Studies East Legon P.O. Box 3947, Accra Contact: +233 0302 521471 Email: jq@ghana.com</p>
<p>Escrow Account Holder</p>	<p>HFC Bank No. 35, Sixth Avenue North Ridge P. O. Box CT 4603 Cantonments, Accra Tel: +233 0302 242090-4 Contact: Benjamin Dzoboku Email: bdzoboku@hfcbank.com.gh</p>
<p>Receiving Bank</p>	<p>See Part 9 for full details</p>
<p>Receiving Agent</p>	<p>See Part 10 for full details</p>

DEFINITIONS

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

“Application Form”	An application form for the Offer
“BEL&A”	Bentsi-Enchill, Letsa & Ankomah, Legal Advisor to Mega African Capital Ltd for the Transaction
“Companies Act ”	The Ghana Companies Act, 1963 (Act 179) as amended
“Conversion Rate”	USD 1.0 : GHS 2.40
“Financial Advisor”	IC Securities (Ghana) Limited
“GDP”	Gross Domestic Product
“GH¢” or “GHS”	Ghanaian Cedi
“Ghana”	The Republic of Ghana
“GSE” or “the Exchange”	The Ghana Stock Exchange
“IC Securities”	IC Securities (Ghana) Limited, acting as Financial Advisor and Sponsoring Broker to Mega African Capital Ltd for the Transaction
“Listing”	The listing of the Issued MAC Shares on the First Official List of the GSE
“Listing Date”	April 23, 2014
“JQ”	James Quagraine & Co., Reporting Accountants to Mega African Capital Ltd for the Transaction
“Offer”	The Offer for subscription of 1,333,334 MAC Shares at the Offer Price
“Offer Document” or “Prospectus”	This document dated December 19, 2013
“Offer Period”	The period between March 10, 2014 and March 28, 2014 when applications for MAC Shares will be accepted
“Offer Price”	GHS 3.0
“Ordinary Share” or “Ordinary Shares”	MAC Shares
“P/E Ratio”	Price/Earnings Ratio

“Qualifying Applicant”	Any natural person who is 18 years or over (whether applying on behalf of him/her self or on behalf of a minor), or a corporation, partnership or other unincorporated associations who are resident/incorporated in Ghana or some other state, or country provided that the offer to and acceptance by such an applicant of this Offer is not in contravention of the laws of either that state or country
“Receiving Agent” or “Receiving Agents”	IC Securities or any other company appointed by MAC, or by IC Securities on behalf of MAC, who will be receiving applications and payments from Qualifying Applicants under the Transaction. Full contact details of the receiving agents can be found in Part 10 of this Offer Document
“Receiving Bank” or “Receiving Banks”	CAL Bank Limited (“CAL”) has been appointed by MAC, or on behalf of MAC, and will be receiving applications and payments from Qualifying Applicants under the Transaction. Full contact details of the receiving bank can be found in Part 9 of this Offer Document
“Refund Period”	Within 10 working days of allotment of Shares
“Registrars”	GCB Bank Limited
“Regulations”	The regulations of Mega African Capital Ltd
“RoA”	Return on Assets
“RoE”	Return on Equity
“SEC”	Securities and Exchange Commission, Ghana
“Sponsoring Broker”	IC Securities (Ghana) Limited
“Transaction”	An offer for subscription of 1,333,334 new shares on the Ghana Stock Exchange at the Offer Price and the listing of the Issued MAC Shares
“MAC” or the “Company”	Mega African Capital Limited
“MAC Board” or “MAC Board of Directors” or the “Directors” or the “Board”	The Board of Directors of MAC
“MAC Shares”	Ordinary shares of 7,308,135 each in the capital of MAC and “MAC Shares” shall be construed accordingly
“USD” or “US\$”	United States Dollars

PART 1

– THE TRANSACTION

1.1 Legal Basis and Reasons for the Transaction

Mega African Capital Ltd (“MAC” or the “Company” or the “Group”) was incorporated under the Companies Act as a private limited liability company on April 21, 2008, and was converted into a public limited liability company on October 19, 2011. MAC is managed by a strong management team with over 70 year’s collective experience. The Company currently has investments in listed portfolios in selected African countries as well as an unquoted portfolio in Ghana. The Company returned 12.3%, 16.3% and 2.3% in 2010, 2011 and 2012 respectively. MAC closed the first half of 2013 with a net asset value (“NAV”) per share of GHS 2.67. This was 49.2% above the 2012 NAV per share. The Company’s strong NAV performance between 2009 and half-year 2013 resulted in a compounded annual growth rate of 21.8% in Cedi terms over that period.

1.1.1 Legal Basis for the Transaction

On October 15, 2012, the Board of Directors of the Company approved the Transaction and resolved to raise an additional capital of GHS 4.0 million (USD 1.7 million) and list the Company on the GSE. The Directors believe that the listing of MAC shares on the GSE will be the first of its kind and offers variation to the current offering on the local exchange. This will allow the larger Ghanaian public to own a share of the Company and indirectly participate in its wider investment portfolio. The shareholders of the Company, at its Annual General Meeting held on October 30, 2012, approved the Transaction.

1.1.2 Reasons for the Offer

The Company is seeking to raise GHS 4.0 million (USD 1.7 million), bringing the total amount mobilised from investors to USD 8.7 million. MAC expects to:

1. make significant investments in Ghana’s real estate sector, placing the remaining funds in the listed equities space and private businesses; and

2. pay off an investment placement which matures in December 2013¹ (“Investment Placement”, “Databank Placement”) with the proceeds of this Transaction, after deducting Transaction costs.

1.2 Key Terms of the Transaction

1.2.1 Number of Shares and Price

An offer for subscription of 1,333,334 new shares on the Ghana Stock Exchange at the Offer Price and the listing of the Issued MAC Shares.

1.2.2 Dealings

The GSE has granted provisional approval for the listing of the existing MAC Shares and the 1,333,334 new MAC Shares to be issued, pursuant to the public offer, on the First Official List of the GSE. It is expected that dealings in the listed ordinary shares will commence on the Listing Date. Upon completion of the Transaction, dealings in MAC Shares can be done on the GSE.

1.2.3 Use of Funds

Should the Offer be successful, the Company expects to use all proceeds raised through the Offer for real estate projects and to pay off Databank Placement, subject to meeting the costs of the Transaction from such proceeds. GHS 2.8 million (USD 1.2 million), will be used to make real estate investments in Ghana while the remaining GHS 1.2 million (USD 0.5 million) will be used to pay off the Investment Placement. The minimum amount to be raised for the Offer to be declared successful is GHS 1.2 million (USD 0.5 million). In the event that only the minimum amount is raised, MAC will use the net proceeds of the Transaction to increase its fund size.

1.2.4 Terms of the Transaction

The MAC Shares hereby being listed and offered are subject to the terms of the Offer, the Application Form and the Regulations of the Company. The MAC Shares shall be ordinary shares and will rank equally in all respects with all other issued ordinary shares of the Company, including voting rights and all other rights attached thereto. Purchase of shares offered herein and subsequent transfers thereof shall only be made subject to the applicable laws.

¹ Databank Asset Management Services Limited Investment Placement with MAC (Principal Amount: GHS 1.05 million; Maturity Date: December 28, 2013; Maturity Value: GHS 1.20 million, as estimated on June 29, 2013)

1.3 Availability of Prospectus

Copies of this Prospectus may be obtained from the offices of the Sponsoring Broker, the Receiving Bank or any of the Receiving Agents and the Company.

1.4 Lodgement of Completed Application Forms

All qualifying applicants resident in Ghana must deliver or lodge their duly completed application forms with the amount payable on application at the offices of the Sponsoring Broker or the Receiving Bank or any of the named Receiving Agents during business hours and during the Offer Period. No application will be accepted for consideration by IC Securities or treated as binding after the Offer Period has expired.

Applicants who choose to mail their Application Forms to the Receiving Bank or any of the Receiving Agents are advised to use registered mail services. However, all documents mailed to any of the Receiving Agents or the Receiving Bank by applicants will be at the applicant's own risk, and IC Securities may treat applications received after the Offer Period as invalid. Applicants are to note that Application Forms must be lodged at the same Receiving Bank or Receiving Agent's office where payment is made for the MAC Shares applied for. The Receiving Bank or Receiving Agent will acknowledge receipt of Application Forms and funds from applicants.

1.5 Unit of Sale

Each application under the Offer must be for a minimum of ten (10) MAC Shares amounting to GHS 30 and in multiples of five (5) thereafter.

1.6 Terms of Payment

Payment for MAC Shares must be in full on application. Payment by instalments will not be accepted. IC Securities reserves the right to reject multiple applications, applications not paid for in full or to be paid by instalments. Payment may be in cash, cheque, postal and money order. Cheques, postal and money orders, which will be presented for payment, should be made payable to MAC SHARE OFFER and should be crossed and marked "COMMISSION TO DRAWER'S ACCOUNT". This endorsement must be signed by the drawer. Applications in respect of which cheques are returned unpaid will be rejected. Bank commissions and transfer charges on application monies must be paid by the applicant.

1.7 Minimum Amount to Raise during Offer

In the event that the minimum GHS 1.2 million (USD 0.5 million) required for the Offer to be declared successful is not obtained, then all monies paid for MAC Shares under this Offer and deposited into the Escrow Account will be returned to the Receiving Bank and Receiving Agents without interest for onward distribution to applicants after the Offer Period ends. In this case, application monies are deemed to have been returned when notices have been given for the Receiving Bank and Receiving Agents to collect monies received from applications that were lodged with them. If this condition is not complied with by MAC, then the monies will attract interest (calculated on a per annum basis) on the unpaid amounts equivalent to the prevailing Bank of Ghana Prime rate for each day of default until the refund is made to Receiving Agents.

1.8 Oversubscription

Should MAC receive applications for its shares in excess of the 1,333,334 new MAC Shares being issued under the Offer, MAC will not issue additional shares.

1.9 Allotment

If the total number of new MAC Shares applied for under the Offer exceeds 1,333,334, the allotment strategy will be such that the MAC Shares are pro-rated depending on the extent of the oversubscription. The allotment strategy will be at the discretion of the Directors of MAC and subject to the Company's Regulations and all applicable laws.

1.10 Refund of Excess Application Funds

If any application is not accepted or is accepted for a fewer number of shares than applied for, the balance of the amount paid on application will be returned to the Receiving Bank and Receiving Agents within 10 working days of the allotment of shares for onward distribution to applicants. MAC will announce such refunds through a national daily newspaper with wide circulation within 72 hours of the making of such refunds.

If MAC does not make refunds of extra application monies available to Receiving Banks and Receiving Agents by the end of the Refund Period, then MAC will pay to investors, interest (calculated on a per annum basis) on the unpaid amounts from the day that follows the last day of the Refund Period at the prevailing Bank of Ghana prime rate for each day of default until the refund is made to Receiving Banks and Receiving Agents.

1.11 Form of Shares

The shares pertaining to this Offer will, when issued, be held in dematerialised form. In compliance with the requirements of the GSE, share certificates will not be issued for MAC Shares.

1.12 Securities Symbol

MAC Shares will be quoted as “**MAC**” on the GSE.

1.13 Escrow Account

All application monies collected will be deposited into an escrow account opened at HFC Bank (Ghana) Limited, North Ridge Branch, Head Office. A copy of the Escrow Account Agreement has been lodged with the SEC and is available for inspection at the office of the Sponsoring Broker.

1.14 Cost and Expense of the Transaction

The total cost and expense of the Transaction is not anticipated to exceed 5.0% of the Offer (assuming all MAC Shares in the Offer are applied for and issued). Costs will be proportionally allocated between the Company and the selling shareholders. MAC will pay its portion of the fees out of the proceeds of the Transaction. The cost of the Transaction is summarised below:

Item	Amount GHS	% of Offer
Advisory Fees and Commissions (Legal due diligence, accounting due diligence, financial advisory, other advisory, etc.)	165,000	2.75%
Regulatory Fees (SEC)	13,000	0.22%
Regulatory Fees (GSE)	51,500	0.86%
GSE Securities Depository Fees	7,500	0.12%
Media publicity, marketing, printing, logistics, VAT etc.	61,500	1.02%
Total Estimated Cost	298,500	4.97%

- **Exhibit 1:** Cost of Transaction

1.15 Transaction Details**Key share information of Mega African Capital Limited:**

Authorised Ordinary Shares	100,000,000
Number of Ordinary Shares Issued and fully paid	7,308,135
Stated Capital	GHS 11,820,922 (USD 7,697,746)
Shareholders' Funds	GHS 19,501,000 (USD 9,750,500)

- **Exhibit 2:** Shareholders' Funds as at June 2013

Key details of the Transaction are:

Listing of Issued MAC shares	7,308,135
New MAC shares on Offer	1,333,334
Price per Share	GHS 3.00
Expected Proceeds from the Offer*	GHS 4.0 million (USD 1.7 million)
Expected Outstanding Shares After Offer*	8,641,469
Market Capitalisation after Offer*	GHS 26.0 million (USD 10.8 million)

- **Exhibit 3:** Transaction Details

*Approximate market capitalisation using Offer Price and assuming that all shares are subscribed for.

1.16 Offer Price Estimation

Mega African Capital Limited is seeking to raise additional capital through an Offer for subscription of 1,333,334 new shares.

IC Securities undertook an exercise to determine a fair value of the Company for the purpose of fixing the Offer Price. IC Securities used the resulting net asset value per share from its independent valuation as a proxy for the Offer Price.

1.16.1 Methodology

IC Securities considered three (3) main methodologies in arriving at a fair estimation of the Offer price:

Method 1: Trading Comparables (“TC”), based on the price-to-earnings (“P/E”) and price-to-book (“P/B”) value of comparable peer companies. This method was applied to both the quoted and unquoted equity portfolio of MAC.

Method 2: An appraisal of MAC’s landed property was carried out using the following methods:

- i. *an appraisal by a professional independent valuation, surveying and property consultant*
- ii. *a competing offer to seller value; and*
- iii. *a going market valuation of similar property based on floor space. The subject property was duly inspected by the consultants to give advice on the market value of the subject property owned by MAC.*

The average of the three valuation estimates derived from (i) , (ii) and (iii) above was used in estimating the value of MAC’s landed property.

Method 3: The book value of MAC’s fixed investments, receivables, cash and cash equivalents and the Company’s financial obligations.

1.16.2 Key Assumptions

The following assumptions were made in deriving the net asset value per share:

- ⦿ *Current public market valuation sentiments were incorporated*
- ⦿ *Derived values based on market multiples of similar peer group companies to the listed portfolio in which the Company has investments*
- ⦿ *Discounts were applied (where applicable) to multiples of trading comparables to reflect the discount for size, lack of marketability and other factors deemed necessary at the time of valuation.*

1.16.3 Summary of Results

The above valuation methods resulted in:

- ⦿ *an equity portfolio estimate of USD 10,393,921 (GHS 20,787,841)*
- ⦿ *an investment property valuation of USD 1,813,141 (GHS 3,626,281)*

- ⦿ *a combined fixed income, receivables and other cash and cash equivalents value of USD 2,615,571 (GHS 5,231,142)*
- ⦿ *total liabilities of USD 3,936,682 (GHS 7,873,364)*
- ⦿ *Net asset valuation of USD 10,885,950 (GHS 21,771,901)*

A net asset value per share (proxy for Offer Price) of USD 1.3 (GHS 3.0).

1.16.4 Caution on Valuation

For the avoidance of doubt, this valuation is based on the budget data provided by the Directors of the Company and market-based data, and makes several assumptions about key variables that may affect the overall valuation. If new information about the existing liabilities or assets arises, the valuation will be impacted.

1.17 Timetable

Activity	Date	Time
Commencement of Offer Period	March 10, 2014	9.00 am
End of Offer Period	March 28, 2014	5.00 pm
Application Forms review for allotment commences	March 31, 2014	9.00 am
End of allotment and submission of results to regulators	April 7, 2014	5.00 pm
Credit MAC shares to successful applicants	April 11, 2014	5.00 pm
Commence dispatching letters to successful applicants	April 14, 2014	9.00 am
Deadline for refunds to unsuccessful applicants	April 17, 2014	5.00 pm
Listing of MAC Shares. First day of trading on GSE	April 23, 2014	10.00 am

- **Exhibit 4:** Transaction Timetable

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

PART 2

- THE INVESTMENT SECTOR WITHIN THE ECONOMIES

2.1 Overview

MAC was established at the height of the global financial crisis and at a time when the impact of the crisis had just begun to be observed in Africa. The years 2008 and 2009 were among the worst performing years for stock markets around the world. The ramifications were felt across all financial markets. A credit crisis together with falling house and stock prices produced gloom in developed markets leading to little appetite for risk taking. This in turn had a knock-on effect on emerging markets. Many governments in the developed countries intervened in their economies to negate the effects of the downturn. African countries were hard hit by a fall in the demand for their output, leading to slower economic growth. However, the absence of well-functioning consumer credit markets meant that Africa was not badly affected by the global credit crisis. Africa experienced a decline in average growth to 3.5% in 2011 from 5% in 2010. This was mainly due to political disturbance in the Northern part of the continent. North African economies are gradually recovering from the shocks, with majority of them set to complete their return to normalcy in 2013. This is expected to move growth rates up to 4.8%¹.

Tanzania

The United Republic of Tanzania is an East African country with a population of 48 million people. The World Bank estimates its 2012 GDP to be USD 28.2 billion and GDP growth rate at 6.8%. Inflation for 2012 was 16%.

Tanzania's economic performance has been stable in recent years with the economy being resilient to shocks with high expectations in 2013. Tanzania is expected to remain buoyant, with positive GDP growth forecasts for the year 2013, which is expected to be well above the regional average. Economic challenges and national issues such as the acute power crisis remain issues of concern. Nonetheless, Tanzania's economy is expected to continue with its strong performance. Economic growth is mainly driven by the services sector, industry and construction. Real GDP

¹ African Economic Outlook: African Development Bank Group
(www.afdb.org/en/knowledge/publications/african-economic-outlook)

growth estimation for 2013 is pegged at 7.1%, as compared to the estimated 6.4% and 6.8% in 2011 and 2012 respectively. The outlook on Tanzania is positive, and remains a shining example in Africa. For the first time in four years, fiscal deficit was reduced to less than 5% of GDP in 2012; a very remarkable feat achieved².

Market capitalization of the Tanzania Stock Exchange increased from TZS 12,772 billion as at June 2012 to TZS 12,948 billion by the end of September in the same year, representing a 1.37% growth. The All Share Index, at the end of September 2012, came in at 1,457 from 1,437 at half year 2012. Growth in the All Share Index was highly attributed to the appreciation of the domestic share prices. The Tanzania Share Index increased by 6.93% from 1,207 points at the end of June 2012 to 1,292 points as at the end of September 2012. The Banking and Investment Index increased by 3.2% to 997.62 points by the end of September 2012. The Industrial and Allied Index also increased by 7.02%, moving from 1,498.63 points by the end of June 2012 to 1,591.72 points as at September 2012³.

Malawi

The Republic of Malawi is a landlocked country in Southern Africa. Malawi has a population of 16 million people, and the World Bank estimates its 2012 GDP to be USD 4.3 billion and a GDP growth rate of 1.8%. Inflation for 2012 was 21.2%. Malawi's economy is heavily driven by agriculture, with a largely rural population.

With recent strong economic performance at the headline level, Malawi is said to be on track to recovering from the slow economic performance in 2011, which was mainly due to issues with external funding. Agriculture, mining and construction are expected to be the main areas driving economic activity. Export of tobacco is also expected to bounce back with improved quality and the picking up of prices on the global market. Inflation increased by 20 percentage points to 33.3% in November 2012 from the beginning of the year, and this is attributable to the continued rise in food and non-food inflation. Inflation of 10.3% and 9.8% were recorded in January 2012 and January 2011 respectively⁴.

The Malawi All Share Index recorded an increased positive return of 12.0% in 2012, compared with 8.4% in 2011. These gains in dollar terms were eroded by depreciation of the Kwacha against the US dollar. By the end of 2012, the Kwacha

² Tanzania Macro-economic report: Africa Economic Outlook (www.africaneconomicoutlook.org)

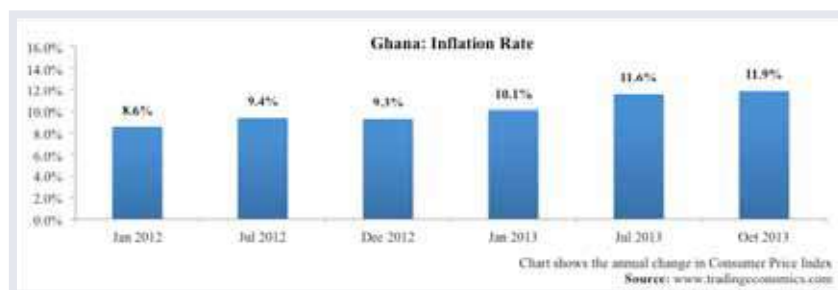
³ Dar Es Salaam Stock Exchange (www.dse.co.tz)

⁴ Malawi Macro-economic report: Africa Economic Outlook (www.africaneconomicoutlook.org)

had depreciated by 102.8% against the US dollar from May 2012. The Malawi All Share Index (MASI) was 6,015 by the end of 2012, as compared to 5,369 in 2011. The top gainers were OML (59%), NICO (30%), Standard (22%) and FMB (21%). Traded volume and value for 2012 was 667 million and USD 16 million respectively, compared to a volume of 1.5 billion and a value of USD 53 million in 2011. The turnover velocity, as measured by the ratio of total value of trades to market capitalization, was 1.6% in 2012 and 3.2% in 2011. Estimated liquidity was 0.1% in 2012, compared to 0.3% in 2011⁵.

Ghana

The outlook on the Ghanaian economy is positive; with GDP growth rates expected to increase slightly above the 7.9% recorded in 2012. Projections for 2014 also remain positive. Despite these positive projections, economic activity slowed year-to-August 2013 due to a petition against the results of the 2012 electoral process and results, and a high public sector wage bill. Inflation has remained mostly in the single digits in 2012, but strayed into the double digits in 2013.



The Central Bank continues to work around its single digit target going forward (2013 target: 9%), in a bid to strengthen the local currency. This will help stabilize the performance of the Cedi against major trading currencies like the US Dollar and Euro⁶.

After a relatively poor performance in the first half of 2013, the Cedi is expected to stabilize following the implementation of Bank of Ghana (“BOG”) policies to arrest the worsening situation. The pace of depreciation of the Cedi has slowed down as a result of the measures introduced. Putting an end to the dollarization of the Ghanaian economy was one of the major strategies taken; this is likely to pay off in the latter end of 2013. The co-operation of the local banks in response to the BOG’s request to reduce their total hold of foreign currency is gradually restoring

⁵ Malawi Stock Exchange (www.mse.co.mw)

⁶ Ghana Macro-economic report: Africa Economic Outlook (www.africaneconomicoutlook.org)

lost confidence in the local currency. The Cedi remained relatively stable for the last 3 months, and the trend is expected to continue if the policies by the Central Bank are seen through.

The services sector recorded the highest growth of 8.8% in 2012, followed by industry (7.0%), with agriculture recording the lowest growth of 2.6% (but higher when compared to the 0.8% attained in 2011). Agriculture's contribution to GDP was in excess of 19% of total GDP. With a 27.6% share of GDP, industry recorded a decline in growth from 41.1% in 2011 to 7.0% in 2012. This decline is attributable to the decline in crude oil production, amidst slowed growth in the manufacturing, production and distribution of water. The services industry chalked 49.3% of GDP with hospitality and financial services topping the list of activities. The Ghanaian equities market has risen by 23.81%, after a fall in 2011 of 3%, preceded by a rise of 32% in 2010. Major gainers in 2012 included CAL Bank (35%), FML (49%), GGBL (71%), GOIL (93%), MLC (36%) and SCB (51%). Volume traded for 2012 was 218 million, compared to 419 million in 2011. Value traded also came in at GHS 102 million and GHS 446 million for 2012 and 2011 respectively⁷.

In spite of the challenges affecting the global financial industry, the companies that MAC has invested in are well placed to weather the storm.

Ghana's Real Estate Industry

Real estate in Ghana comprises land, residential, commercial, industrial and hospitality. The real estate industry contributed to total GDP by ~5%, the 4th largest contributor to the services industry, which is now the largest contributor to GDP at 49.3%, surpassing agriculture. The residential real estate market is deemed the largest and fastest growing sector within the country's real estate bracket. It is made up of the high-end, middle-income and low-income bracket. A report by the Ghana Investment Promotion Centre stated that there are more than 85,000 transactions per year in luxury real estate alone, with an estimated value of USD 1.7 billion. With approximately 30,000 new expatriates expected over the next 10-15 years, demand for luxury residential real estate is expected to increase, as more foreign nationals seek homes of international standards.

Local-driven demand is also at play. Ghana's population has grown at an annual cumulative rate of 2.6% over the past two decades, as well as a bottom-heavy demographic structure, with a median age of about 21.1 years. These dynamics have influenced the pace of urban expansion. Approximately 46.0% of the country's

⁷ Ghana Stock Exchange www.gse.com.gh

population resides in urban areas. This is expected to grow by 4.8 times per annum due to a combination of natural growth and internal migration. Yet, the total housing requirement of 70,000 – 90,000 units per year has been met by delivery of about 30,000 per year. Ghana’s housing deficit is estimated to be in excess of ~1.7 million units by 2015, with an increase in annual demand for housing units of over 60,000 “affordable housing” units. The government continues to seek ways of addressing the housing deficit within the lower-to-middle income class range, but high-end real estate continues to be attractive. In view of this development, MAC has renewed its strategy to invest in Ghana’s high-growth real estate, reducing its listed equities portfolio to about 25%.

PART 3

– MEGA AFRICAN CAPITAL LTD

3.1 History and Background

Background of the Company

The Company was incorporated under the Companies Act, 1963, (Act 179) as a private limited liability company on April 21, 2008. The Company obtained a certificate to commence business on April 22, 2008. The shareholders of the Company, on October 19, 2011, resolved that the Company be converted from a private limited liability company into a public limited company.

At the Annual General Meeting of the Company held on October 30, 2012, the shareholders of the Company passed resolutions authorizing the Company to undertake a public offer to raise additional capital, to list on the GSE and the adoption of new Regulations in compliance with the Listing Rules of the GSE.

The Company's Authorised Business

The Company was incorporated to invest its capital for the mutual benefit of its members and arrange to hold, and arrange for the management of assets acquired with such money's. The Company's regulations will be amended at the next Annual General Meeting in May, 2014 to reflect emphasis on the new lines of business.

The Company's Objectives

MAC was established as a company for high net-worth shareholders seeking exposure to African opportunities with the potential to generate high returns. The Company's objective is to provide long-term capital growth primarily through investment in selected African assets. The Company seeks to expand its investor base. This transaction would potentially broaden the investor base of Mega African Capital Limited.

The Company's Philosophy

Based on its objectives, the Company has developed the following philosophy:

- ⦿ To have access to markets in several African countries to improve returns
- ⦿ To undertake bottom-up approach to security selection
- ⦿ Use valuation models such as discounted cash flow, comparable company valuations and evaluation of a company's assets to identify bargains
- ⦿ Identification of and investment in over-looked, out-of-favor stocks in order to capitalize on potential growth
- ⦿ Investment in companies with strong cash generation capability
- ⦿ Undertaking of selling strategy based on achievement of target prices
- ⦿ Identification and evaluation of emerging trends in different sectors and geographies
- ⦿ Selective use of leverage to enhance returns
- ⦿ Concentration of investments in promising sectors in order to optimize returns
- ⦿ Investments are selected based on potential for rapid increase in value, liquidity and downside protection

The Prime Benefits of the Philosophy

The prime benefits of adopting these philosophies include the following:

- ⦿ Opportunity to profit from high returns in early stage markets
- ⦿ Participation in opportunistic deals normally available to selected few
- ⦿ Benefit from professional management and expertise of manager in stock selection
- ⦿ Participation in pre-listing deals and private equity deals
- ⦿ Use of leverage to enhance returns

3.2 Share Capital

The issued share capital of the Company (all of which are fully paid) as at June 30, 2013 is:

Issued Share Capital

7,308,135 MAC Shares with no par value **GHS 11,820,922** (USD 7,697,746)

- **Exhibit 5:** Issued Share Capital of Mega African Capital Ltd

The Directors of MAC are committed to increasing the issued shares of MAC to the regulatory minimum of one hundred (100) million within two years of listing through a stock split or any other means.

3.3 Operations of the Company

In pursuance of its authorised business, MAC has been mobilizing funds from investors and investing them in securities in selected African markets. Some of the funds are also invested in promising projects. MAC expects to make significant investments in real estate projects and private businesses going forward, reducing its exposure to listed equities to about 25% as a result.

3.3.1 Funds Mobilization

The funds that have been mobilised by MAC have come mostly from high net-worth and sophisticated investors who have the appetite for long term investing. Some of the funds have also been mobilised from associations and clubs. These associations and clubs have been strategically formed to enable small investors participate in the Company by pooling their investments together through these groupings.

As at December 31, 2011, MAC had mobilised an amount of USD 7,112,589 from its investors. The breakdown of the fund sources is as follows:

Investors	Amount
Individuals	6,344,943
Investment Clubs	767,646
Total	7,112,589

Investor Type	Amount	Number of Shares	% Holdings
Individual Investors	35	6,721,643	94%
Investment Clubs	2	429,824	6%
Total	37	7,151,467	100%

- **Exhibit 6:** Percentage Holdings by Investor Type as at December 31, 2011

The capital raising history of the Company over the 2008 to 2012 period is summarised in Exhibit 7 below:

Year	Preference Shares	Amount GH¢	
2008	4,537,131	5,465,006	Issue of new shares
2009	996,199	2,375,610	Issue of new shares
2010	1,269,063	2,152,411	Issue of new shares
2011	338,404	1,208,841	Issue of new shares
Total	7,140,797	11,201,868	

▪ **Exhibit 7:** Preference Share History

Mega African Capital Limited converted 7,140,797 preference shares to ordinary shares in 2011.

Year	No. Of Shares Issued	Issue Price	Total No. Of Ordinary Shares (Dec 31)	Stated Capital	Date of Issue
2008	10,670	0.94	10,670	10,000	31.05.2008
2009	-	-	10,670	10,000	-
2010	-	-	10,670	10,000	-
2011	7,140,797	1.57	7,151,467	11,211,868	31.12.2011
2012	156,668	3.89	7,308,135	11,820,922	31.03.2012

▪ **Exhibit 8:** Capital Raising History of Mega African Capital Ltd.

3.3.2 The Company's Investments

MAC has, since its inception, invested some of its capital in securities in some selected African countries. Additionally, the Company has invested in real projects in Ghana. The Company's investment allocation as at the end of the first half of 2013 is shown in Exhibit 8 below:

Investments in Ghana

Security	Industry	% of Total Assets
Benso Oil Palm Plantation	Agro-processing	6.13%
Mechanical Lloyd	Vehicle Distribution	5.64%
Standard Chartered Bank Ghana Ltd	Banking	0.50%
Societe Generale Bank Ltd	Banking	4.12%
Ghana Union Assurance	Insurance	3.77%
Leasehold Property	Property	16.72%
Commercial Paper	Banking	13.22%
Total		50.11%

Investments in Malawi

Security	Industry	% of Total Assets
NBS Bank	Banking	1.41%
NICO Holdings	Financial Services	10.33%
Press Corporation	Conglomerate	6.04%
Total		17.79%

Investments in Tanzania

	Industry	% of Total Assets
CRDB Bank	Banking	32.11%
Total		32.11%

- **Exhibit 9:** Investment Allocation as at June 30, 2013

3.3.3 The Company's Investment Approach

The Company undertakes its investments by adopting the following strategies:

- ⊙ Intensive fundamental research and company analysis;
- ⊙ Company visits, interactions with research analysts and network of contacts; and
- ⊙ Analysis of quality of management, market position of company, potential earnings growth and valuation of company.

3.3.4 *The Company Performance*

MAC commenced business in the middle of 2008 with an investment in CRDB Bank in Tanzania. By the end of 2008, banking stocks had experienced a substantial decline in prices which affected the pricing of CRDB's Initial Public Offering. CRDB's price experienced significant downward pressure in 2009 and 2010. MAC used these price declines to add to its position. CRDB's price appreciated in 2011 with a subsequent 50% return.

MAC has also made significant investments in Malawi. Investments include Press Corporation, NICO Holdings and NBS Bank. Press Corporation is an investment holding company controlling significant portions of the Malawian economy. It has investments in the largest bank in Malawi, a telecommunications company, a bottling company and an oil marketing company, among others.

NICO Holdings has general insurance, banking, life assurance, real estate and investment management subsidiaries. Its strategy has been to expand into other countries in Southern and Eastern Africa. An investment was made in NBS Bank, a subsidiary of NICO, which is the fastest growing bank in Malawi with a focus on the SME and housing sectors.

The Company's investments in Ghana have largely been in the banking sector, as MAC expects the sector to benefit hugely from the country's rapid expansion. The price of Ghana Commercial Bank Limited ("GCB") was found to be particularly attractive at the end of 2008 and in early 2009. MAC accumulated a stake in GCB, which has since appreciated remarkably. MAC made investments in CAL Bank Limited, UT Bank Limited, Societe-Generale Ghana Limited and Standard Chartered Bank Limited. The Company also invested in Benso Oil Palm Plantations and has benefited from the change in ownership and management of the company.

MAC's NAV in GHS terms grew 12.3% from 2009 to 2010, then 16.3% further up in 2011. Growth slowed in 2012 as NAV recorded a mere 2.3% increase from 2011 to 2012. MAC closed the first half of 2013 with an NAV per share of GHS 2.67. The strong performance of the NAV from 2009 to the first half of 2013 resulted in a (GHS) compounded annual growth rate of 21.8% over that period.

NAV	30-Sep-08	31-Dec-08	31-Dec-09	31-Dec-10	31-Dec-11	31-Dec-12	30-Jun-13
NAV per share (GHS)	1.15	1.20	1.34	1.50	1.75	1.79	2.67
NAV per share (USD)	1.00	1.00	0.92	1.01	1.06	0.95	1.33
No. of Ordinary and Preference Shares	4,398,358	4,547,801	5,544,000	6,813,063	7,151,467	7,308,135	7,308,135
Value of MAC (USD)	4,398,358	4,537,122	5,100,480	6,855,119	7,580,576	6,928,112	9,756,360
Value of MAC (GHS)	5,058,112	5,444,546	7,428,960	10,248,743	12,515,102	13,081,562	19,512,720

- **Exhibit 10:** Performance Summary as at June 30, 2013

3.3.5 Net Asset Value (“NAV”) Derivation

MAC values listed companies based on shares held times market price. Fixed income investments are valued at cost plus accrued interest. Investment property is valued based on procedure already described on page 9 of this prospectus. Based on this, MAC derives shareholders’ funds. Shareholders’ funds divided by shares outstanding yields the NAV. Specifically for the first half of 2013, an exchange rate of 2.00 was used to derive the dollar NAV.

Duration	Period	USD	GH¢
1 Year	July 2012 to June 2013	28.4%	33.5%
4 years (CAGR)	July 2009 to June 2013	47.6%	104.3%

- **Exhibit 11:** NAV Performance

3.4 Dividend History

Mega African Capital Limited has not paid any dividends to date, as the Company has used all proceeds to build capacity.

3.5 Future Plans

MAC intends to invest in strategically located real estate projects in Accra. The Company is developing an office complex at Kanda in Accra, which will be held as an investment property.

MAC took advantage of depressed conditions on the Ghanaian stock market, building significant stakes in high-yielding, attractively-priced companies as a result. Going forward, the Company expects to reduce its listed equities exposure, make investments in the real estate sector, and build significant stakes in private businesses in high growth sectors. Mega African Capital Limited's regulations will be amended after the Offer to reflect emphasis on the new lines of business.

International investments will also be intensified and broadened to include other sub-Saharan economies that are growing at high levels with broad based business growth.

MAC has entered into an agreement to purchase a property at Cantonments in Accra worth \$9.4 million using a Special Purpose Vehicle with other investors. Mega African Capital Limited intends to hold at least 50 percent of the capital of the Special Purpose Vehicle. With this transaction MAC will significantly reduce its stake in listed equities and increase its stake in real estate.

3.5.1 Dividend Forecasts

The Company's dividend forecast schedule for 2013 through to 2017 is shown in Exhibit 12 below. Over the forecast period, the Company proposes 10% of retained earnings for 2014, growing to 15% for the remaining forecast period. No dividends will be paid in 2013, as the Company intends to raise capital and will focus on deploying that capital and any returns thereof during 2013.

	2013E	2014E	2015E	2016E	2017E
Proposed dividends (GHS)	-	318,060	699,315	639,923	729,533
Forward pay-out ratio	-	10%	15%	15%	15%

- **Exhibit 12:** Dividend Forecasts (2013 to 2017)

3.6 Significant Shareholders

The following represents shareholders with significant holdings (being 2% or more) as at August 2013:

Shareholder	Number of shares	% of Issued Capital
OAK Partners/ Trading	2,751,321	37.6
Rehoboth Capital	733,300	10.0
Omega Partners Limited	463,954	6.3
Kwesi & Rita Amonoo-Neizer	463,990	6.4
Opoku-Gyamfi Boateng	360,263	4.93
Patrick Kingsley-Nyinah	295,290	4.04
Ishmael & Lucy Yamson	278,117	3.81
Isabella Nyan	262,570	3.59
Emmanuel & Alice Kitcher	158,305	2.17

- **Exhibit 13:** Significant Shareholders of Mega African Capital Ltd

3.6.1 Shareholding Analysis as at August 31, 2013

The current shareholder distribution is skewed towards the over-50,000 category. MAC expects this to balance out with the successful completion of the Transaction, as more retail shareholders participate in the offer.

Category	No. of Holders	No. of Shares	Percentage Holding%
1-1000	15	5,287	0.07
1001-5,000	15	36,055	0.49
5,001-10,000	7	45,981	0.63
10,001-50,000	20	580,012	7.94
Over 50,000	20	6,640, 800	90.87
Total Shares Outstanding	77	7,308,135	100.00%

- **Exhibit 14:** Shareholding Analysis

3.7 Board of Directors and Corporate Governance Structures

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

Comprising a non-executive Chairman, three (3) non-executive Directors and one (1) executive Director, the Board of Mega African Capital Limited, through an Audit Committee, oversees that the appropriate standards of business practice are set and implemented and obligations to shareholders achieved. Each of the Directors has extensive knowledge of capital markets, finance and administration and private sector development and management.

Profile of Directors

Mr. Kofi Ampim (Non-Executive Chairman)

Mr. Kofi Ampim is the Chairman of Mega African Capital Limited. He graduated from the Pace University Lubin School of Business in New York with a degree in International Business and Finance. He entered the financial industry as a commercial banker in 1970 and completed the Management Development Training Programme at Chase Manhattan Bank in New York. Whilst at Chase, his responsibilities included commercial lending, consumer credit, financial and investment advisory services, corporate finance, leasing, trading and project financing.

Mr. Kofi Ampim rose to the position of branch manager of the United Nations branch of Chase Manhattan Bank in New York, before resigning in 1978 to establish the Pan African Resources Development Company Ltd, a private international trade, finance and business consultancy, concentrating on Africa. From 1980 to 1984, Mr. Ampim was appointed as a financial consultant on Africa by Bear Sterns and Co. Limited, a leading American investment-banking firm on Wall Street in New York. In this capacity, Mr. Ampim arranged and worked on over USD 1.0 billion worth of private placements and syndications with the Central Bank of Nigeria as the principal client.

From 1980 to 1984, Mr. Ampim was appointed Overseas Purchasing Agent and Investment Representative for the Niger state of Nigeria to promote trade and investment from America to Nigeria. He also provided financial investment, trade and business development service to E.F Hutton of New York, Vander Elst Investment Banking and Stock Brokerage Firm in Belgium, Lazard Brothers of London, Banque Indosuez, Bank Nationale de Paris, Union Bank of Switzerland, Deutsche Bank, various African governments' Central Banks and other international financial institutions conducting business in Africa.

In 1996, Mr. Ampim and Societe-Generale arranged a 100 million USD oil import facility for the Government of Ghana. In 2004, Societe-Generale and Mr. Ampim served as transaction advisors to the government of Ghana for the public merger of Ashanti Goldfields and AngloGold of South Africa which was valued at USD 1.4 billion.

Mr. Ampim is currently a director of Total Petroleum Ghana Ltd. He is the Chairman of the board of Societe-Generale Ghana Limited. He is also a representative for other European and American companies conducting business in Africa. He is also the Chairman of Belstar Development LLC (an international export and project development company), Westchester Resources Ltd (minerals and chemical company) and Allianz Insurance Co. Ltd- a subsidiary of the largest insurance company in the world. Mr. Ampim is 63 years old.

Mr. Eugene Addison (Non-Executive Director)

Mr. Eugene Addison is a Director of Mega African Capital Limited. Eugene is a Mechanical Engineer by profession. He was the Production Manager of Tema Lube Oil Company Limited until his retirement. Prior to that, he was a Plant Engineer at the same company. Eugene Addison has held positions as Plant Superintendent at Liberia Electricity Corporation and Mechanical Engineer at Firestone Ghana Limited. He has vast experience as a private investor in various African markets. Mr. Addison is 61 years old.

Mr. Kwesi Amonoo-Neizer (Executive Director)

Kwesi is a Director of Mega African Capital Limited. Kwesi is the Partner in charge of investments at OAK Partners. He has responsibility for structuring and managing clients' investments. Since the establishment of OAK Partners, Kwesi has been instrumental in mobilising over USD 20 million of assets. He has also been

instrumental in providing financing for strategically located real estate projects in Ghana.

Kwesi was an Executive Director of Databank Asset Management, one of the leading asset management firms in West Africa. He was instrumental in establishing Databank Asset Management in 1996 and spearheaded its growth until his departure in September 2008. In 1996, Kwesi encouraged five employees of the Central Bank of Ghana to set up an investment club called EPACK with less than US\$50. Under his leadership and management, this Fund grew to become one of the largest African funds with assets in excess of USD 90 million and investments in eight African stock markets. Kwesi produced an investment return averaging over 55% in cedi terms and over 35% in US dollar terms during the ten years in which he managed EPACK. The Fund has democratized stock market investing in Ghana by attracting over 70,000 shareholders.

Kwesi was an instructor in fund management at the West African Capital Markets School which has trained over hundred and fifty Ghanaians and Nigerians in portfolio management. His previous experience includes working with the National Grid Plc in the United Kingdom and the Volta River Authority in Ghana. He received a Bachelor's degree in Electrical Engineering from the Kwame Nkrumah University of Science and Technology (Kumasi, Ghana), an MSc. in Power Engineering from the Strathclyde University (Glasgow) and an MBA from the Cranfield School of Management (United Kingdom). Kwesi is currently the Board Chairman of Omega Capital Limited, a Board Member of Metropolitan Insurance Company, Mechanical Lloyd Company, Haradali Capital (Tanzania), Zigma Investment Club and Acorn Properties Limited.

On 16th August 2013, Mr. Amonoo-Neizer was appointed as Managing Director of the Company by the Board. Kwesi is 50 years old.

Opoku-Gyamfi Boateng (Non-Executive Director)

Mr. Boateng is a Director of Mega African Capital Limited. Mr. Boateng is a Partner at OAK Partners Limited. He is responsible for the Corporate Finance and Advisory business of OAK Partners. Since joining OAK Partners, Mr. Boateng has raised funds for clients who are in the media, commerce, financial services, printing, real estate, logistics, and hospitality industries among others.

Mr. Boateng's experience is built on extensive knowledge and expertise in the corporate finance and advisory services. He has, over the past two decades,

developed the requisite expertise and carved a reputation in corporate finance and advisory built on a considerable volume of transactions in financial restructuring, mergers and acquisitions, valuations, financial re-engineering, project analysis and evaluation, IPOs, bond structuring, construction finance, mortgage, manufacturing, mining, communications and broadcasting financing, and telecommunications.

Mr. Boateng has also undertaken a number of transactions in some African countries including:

- Privatisation of Uganda Telecom in Uganda.
- Bond structuring for a Housing Finance Company in Uganda
- Bond structuring assignment in Rwanda,
- Feasibility study for a financial institution in The Gambia
- Fund raising assignment in Kenya and Tanzania
- Information Memorandum to raise funds for an oil and gas project in Nigeria

Prior to joining OAK Partners, Mr. Boateng was an Executive Director of Databank with responsibility for Corporate Finance Advisory. Mr. Boateng joined Databank in 1991 as an analyst, and by dint of hard work and tenacity, rose through the ranks to become an Executive Director before resigning in 2009. He undertook a number of transactions on the Ghanaian financial scene including IPOs, mergers and acquisitions, bond structuring and other related financial services with some companies listed on Ghana Stock Exchange.

Mr. Boateng is currently the Chairman of both uniBank Ghana Limited and StarLife Assurance Company Limited. He has served in a number of capacities including as a member of the Steering Committee of the Municipal Finance and Management Initiative of the Government of Ghana and a Negotiating Consultant for the Ministry of Food and Agriculture. Mr. Boateng holds a B.Sc. in Business Administration from the University of Ghana. He worked as a Teaching and Research Assistant at the University of Ghana and also at Coopers and Lybrand (now PricewaterhouseCoopers), a firm of Chartered Accountants. Mr. Boateng is 50 years old.

Mrs. Margaret Boateng Sekyere (Non-Executive Director)

Margaret Boateng Sekyere is a Director of Mega African Capital Limited. She is currently a Partner of OAK Partners Limited. Margaret has more than twenty years of experience in private and public sector management in areas of project management, administration, financial and human resource management; and

public sector reforms. Margaret was instrumental in the development of public sector reforms in Sierra Leone in the early 1990s and recently, 2004 to 2007, in Ghana.

Her work prior to her 5 year sojourn in Sierra Leone from 1985 – 1989 was in Public Accounting and Mortgage Banking in the USA after which she joined Price Waterhouse (now PricewaterhouseCoopers) in Ghana as a Management Consultant with special focus on Financial Management Reviews and Assessments of donor funding to public sector institutions.

From 1998 – 2003, Margaret, in her capacity as Senior Resource Management Officer of the World Bank Office in Ghana managed the transition from the existing administrative arrangements to an effective office management system, responsive to the new needs created by the enhanced role and larger staff size of the Country Office. She ensured strong internal controls through information sharing and advice on the Bank's internal control policies and procedures leading to improved knowledge and awareness of staff at all levels.

Margaret effectively managed the administrative services and accounting team in the Country Office including training, systematic back-up and replacement planning. She played a key role in the coaching and development of newly recruited resource management staff for Country Offices in the Africa Region, namely, South Africa, Uganda, Zimbabwe, Malawi, Nigeria, Ethiopia and Kenya.

In September 2003, Margaret joined a team, led by the Senior Minister, which spearheaded the re-tooling of the Government of Ghana's Public Sector Reform Agenda. In the 4th quarter of 2007, she successfully led the team in the Ministry of Public Sector Reform that negotiated additional financing of US\$10 million from the International Development Agency in support of prioritized Programmed Activities for the Government's Public Sector Reform agenda. Before joining the team at OAK Partners in 2008, Margaret successfully restructured the administrative and financial arrangements of a family-owned construction business that mainly focuses on delivering custom homes. Margaret received a Bachelor's degree in Accounting and an MBA from Howard University in Washington D.C in 1985 and 1987 respectively. She is 51 years old and married with two (2) children.

Director	Current directorship/ partnership	Previous directorship/ partnership	Date of expiration of current term
Kofi Ampim	Total Petroleum Ghana Ltd Societe-Generale Ghana Ltd Belstar Development LLC Westchester Resources Ltd Allianz Insurance Co. Ltd	-	No expiry date
Eugene Addison	-	-	No expiry date
Kwesi Amonoo- Neizer	Oak Partners Limited Omega Capital Limited Metropolitan Insurance Co. Mechanical Lloyd Company Haradali Capital (Tanzania) Zigma Investment Club Acorn Properties Limited	Databank Asset Management	Three year contract as Managing Director which ends on September 30, 2016
Opoku-Gyamfi Boateng	Oak Partners Limited uniBank Ghana Limited StarLife Assurance Company Limited	Databank Financial Services	No expiry date
Margaret Boateng Sekyere	Oak Partners Limited	-	No expiry date

- **Exhibit 15:** Details of Other Directorships

3.8 Directors' Remuneration

The terms of Director Remuneration have been set as follows:

Monthly Fee: GHS 500; and

Sitting Fee: GHS 500, four times a year

3.9 Corporate Governance and Board Practices

Mega African Capital's Audit Committee (the "Committee") assists the Board in its oversight responsibilities, exercising responsibility in three distinctive areas:

- financial reporting;
- corporate governance; and
- corporate control.

In fulfilling these responsibilities, the Committee oversees financial reporting, management of financial and operational risks, audit processes and system of internal controls, fraud, employee conflict of interest, Mega African Capital's compliance with relevant laws and regulations, and its code of business conduct. This includes, but is not limited to:

- ⦿ evaluating whether management is setting the appropriate control culture with regard to internal control and risk management, and ensuring that recommendations made by MAC's external auditors, and agreed to by the Committee, are implemented by management;
- ⦿ ensuring that there is a clear understanding of roles and responsibilities across the Company;
- ⦿ providing assurance that financial disclosures made by management reasonably reflects MAC's financial condition, results of operation and plans, and long term commitments;
- ⦿ providing reasonable assurance that Mega African Capital Limited is complying with the relevant laws and regulations, the Company's code of conduct, is conducting its affairs ethically, and is maintaining effective control on conflict of interest, misconduct and fraud.

The Committee comprises four (4) members, which can be expanded on approval from the Board. Members are independent of management and appointed from among the membership of the Board. The chairman of the Committee is appointed by the Board.

3.10 Disclosure of Interests by Directors

As at August 31 2013, the following Directors held directly or indirectly relevant interests in ordinary shares of MAC as follows:

Name of Director	Number of Shares (Ordinary)	Percentage Shareholding
Mr. Kwesi Amonoo-Neizer (jointly held with Rita Amonoo-Neizer)	463,990	6.35%
Mr. Opoku-Gyamfi Boateng	360,263	4.93%
Mrs. Margaret Boateng Sekyere (jointly held with Charles Sekyere)	5,788	0.08%
Mr. Eugene Addison	1,736	0.02%

▪ **Exhibit 16:** Director Holdings

3.10.1 Other Director Disclosures

- a. No petition under any bankruptcy law has been filed against any Director or person nominated to become a Director or any partnership in which he was a partner or any corporate body of which he was a Director;
- b. No person who is a Director or has been nominated to become a Director has been convicted in a criminal proceeding or is a named subject of a pending criminal proceeding relating to an offence involving fraud or dishonesty;
- c. No person who is a Director or has been nominated to become a Director has been the subject of any other judgment or ruling of any court of competent jurisdiction, tribunal or governmental body permanently or temporarily enjoining him from acting as an investment advisor, dealer in securities, director or employee of a corporate body or engaging in any type of business practice or activity or profession;
- d. Total Directors' remuneration for the year ended December 2012 was GH¢32,382;
- e. Some of the Directors have consulting arrangements with the Company. Total amount paid per annum under these contracts amount to GH¢39,603.

Mr. Opoku-Gyamfi Boateng and Mrs. Margaret Boateng Sekyere have consultancy arrangements with Mega African Capital Limited.

- i. Mr. Opoku-Gyamfi Boateng is responsible for sourcing financing for Mega African Capital Limited, as well as sourcing private equity opportunities for investment consideration.
- ii. Mrs. Margaret Boateng Sekyere supervises all tax issues, secretarial work, company filings with regulators, as well as banking activities of Mega African Capital Limited. She also oversees all communication with shareholders of the Company.

A summary of contract terms for the specific directors is shown below:

Director	Fees	Nature of Engagement
Mr. Opoku-Gyamfi Boateng	23,997	Consultant, Investment Advisory Services
Mrs. Margaret Boateng Sekyere	15,607	Consultant, Finance and Administrative Services
Total	39,603	

■ **Exhibit 17:** Director Contracts

- f. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its property and undertaking or in any part thereof and to issue debentures. Such powers can be varied by amending the Company's Regulations;
- g. No material part of the business is dependent upon patent, patent rights, trade marks, etc., and the Company does not pay or receive any payment for royalties.

3.11 The Management of the Company

The management of Mega African Capital Limited's operations was undertaken by OAK Partners Limited ("OAK Partners") between the period of September, 2008 and September, 2013. OAK Partners was established on July 2, 2008 to engage in private investment services for private clients and institutions. OAK Partners' expertise includes the construction and management of private, non-diversified investment companies, and structuring of portfolios comprising interest bearing and equity instruments. In addition to MAC, OAK Partners manages the operations

of Zigma Investment Club and Acorn Properties Limited. Mega African Capital pays a management fee of 2% per annum of the net asset value, payable on a monthly basis in arrears.

Since October 1, 2013, Mega African Capital Limited has engaged its own staff to manage its operations and will no longer be managed by OAK Partners.

3.12 Key Staff

Profile of Employees

Mr. Kwesi Amonoo- Neizer, Managing Director (See Board of Directors)

Maamle Totimeh- Principal, Treasury and Administration

Maamle is responsible for the management of the treasury, real estate and private equity functions of Mega African Capital and also the Head of Administration at Mega African Capital. Maamle is an experienced Fund Manager with over 10 years' experience in investment banking and has managed over \$40 million over the period. At Mega African Capital she assists in the management of the Investment Portfolio and also assists the Managing director to execute the business strategy. Maamle's wealth of experience in Investment Management dates back to her previous work experience in Databank where she was a Vice President and was responsible for the Mutual funds business unit with over 90,000 clients.

She also had lead responsibility for the fixed income portfolio at Databank Asset Management. She was also the Fund Manager of Databank Money Market fund, under her leadership and management the Fund grew and became the biggest mutual fund in Ghana. Prior to joining Databank Asset Management she worked as a Fixed Income Analyst with Databank Brokerage Limited.

Maamle holds a Bachelor's Degree in Economics from University of Ghana and an Executive Masters in Business Administration in Entrepreneurial Management from University of Ghana Business School.

Dorcas Akyeneba Vandyck- Associate, Finance and Administration

Dorcas has apt knowledge in administrative issues and exhibits this in the day-to-day running of the Company. Prior to joining Mega African Capital she was an executive assistant at Oak Partners Limited and was also responsible for the administration of Zigma Investment Club and Acorn Properties Clubs which are investment products of OAK Partners Limited.

She also worked at the Ministry of Public Sector Reform (“MPSR”) after completing her National Service in August, 2007. She worked her way up to the position of Personal Assistant to the Chief Director after serving her National Service term. During her serving period, she worked in the Ministry’s registry, supporting the Chief Records Supervisor in duties such as file management and general records management. She was later assigned to the Assistant Director in charge of service delivery and improvement involved in the establishment of client service units across public institutions. She also had the opportunity to work with the Deputy Director, Human Resource Division.

Prior to leaving MPSR to join OAK Partners, she had additional duties as an Officer in the Policy Planning, Monitoring and Evaluation Unit as a Monitoring & Evaluation Officer of the MPSR. In that capacity, she assisted the consultant in charge of monitoring and evaluation in measuring and evaluating the progress of the various initiatives under review by the Public Sector Reform Ministry.

Dorcas holds a Bachelor’s degree in Geography & Resource Development and Political Science, from the University of Ghana, Legon, and a Certificate in Business Administration from Ghana Institute of Management and Public Administration (“GIMPA”).

3.13 Litigation and Legal Proceedings

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

3.14 Material Agreements

No contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or its Directors or any Related Parties to the Company as defined in Section M of Part 1 under Schedule 5 of the Securities and Exchange Commission Regulations 2003 (L.I.1728) or shareholders of Mega African Capital Limited with 30 percent or more voting rights at annual general meetings:(a) within the two years immediately preceding the date of this Prospectus that are or may be material; (b) which contain provisions under which the Company has any obligation or entitlement which is or may be material to the Company as at the date of this Prospectus.

3.15 Disclosure of Interests by Advisors

Neither IC Securities, Bentsi-Enchill, Letsa and Ankomah, nor James Quagraine & Co. have material direct or indirect economic or financial interest in MAC or an interest which depends upon the success of the offering. As at the date of this Document:

- i. IC Securities holds no MAC Shares. No employee or principal of IC Securities holds any interest in any MAC Shares; and
- ii. Bentsi-Enchill, Letsa & Ankomah holds no MAC Shares. No employee or partner of BEL&A holds any interest in MAC Shares.
- iii. James Quagraine & Co. holds no MAC Shares. No employee or partner of James Quagraine & Co. holds any interest in MAC Shares.

3.16 Historical Financial Statements

The financial statements that follow have been extracted without change from MAC's Financial Reports. Further information on MAC's financial affairs, including its accounting policies, notes to its financial statements and the independent auditor's report can be obtained by referring to its latest Annual Report. The report is available at the registered offices of Mega African Capital Limited during normal business hours of any working day.

Historical Balance Sheet

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31,

All amounts in Ghana Cedis		2012	2011	2010	2009	2008 (8mths)
NON-CURRENT ASSETS	NOTE					
Financial assets at fair value	1	11,910,182	9,815,189	8,699,638	4,742,931	3,184,390
Investment properties	2	3,618,951	-	-	-	-
Total Non-Current Assets		15,529,133	9,815,189	8,699,638	4,742,931	3,184,390
CURRENT ASSETS						
Receivables	3	54,566	362,970	281,692	15,058	8,643
Financial assets held for trading	4	4,064,118	1,268,648	435,693	687,789	1,363,041
Cash & cash equivalents	5	761,913	1,963,247	533,533	3,033,261	968,614
Total Current Assets		4,880,597	3,594,865	1,250,918	3,736,108	2,340,298
TOTAL ASSETS		20,409,730	13,410,054	9,950,556	8,479,039	5,524,688
CURRENT LIABILITIES						
Accounts payable and accruals	6	74,618	84,265	26,970	17,416	1,800
Taxation	15	-	5,601	5,991	1,109	-
Tenured deposits	7	7,406,679	1,933,503	746,573	1,622,625	53,691
Total Current Liabilities		7,481,297	2,023,369	779,534	1,641,150	55,491
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS						
Stated capital	8	11,820,922	11,211,868	10,000	10,000	10,000
Preference Shares/ Partners' investment	9	-	-	9,561,793	7,840,616	5,465,006
Retained earnings	10	1,107,511	174,817	(400,769)	(1,012,726)	(5,810)
Total Net Assets Attributable to shareholders		12,928,433	11,386,685	9,171,024	6,837,890	5,469,196
TOTAL LIABILITIES & SHAREHOLDERS' FUNDS		20,409,730	13,410,054	9,950,558	8,479,040	5,524,687

Historical Profit & Loss Account

All amounts in Ghana Cedis		2012	2011	2010	2009	2008 (8mths)
Revenue	NOTE					
Investment and Operating Income	11	1,808,468	705,503	596,676	431,225	90,226
Gain/(Loss) on Investment at Market Value	12	583,868	570,381	275,441	(898,419)	-
Realized Capital Gain		-	-	413,162	-	-
Total Revenue		2,392,336	1,275,884	1,285,279	(467,194)	90,226
Expenses						
Administrative, legal & professional expenses	13	(1,406,150)	(467,824)	(378,874)	(195,772)	(40,545)
Net profit before finance costs and Tax		986,186	808,060	906,405	(662,966)	49,681
Finance Costs	14	-	(224,037)	(283,275)	(342,573)	(55,491)
		986,186	584,023	623,130	(1,005,539)	(5,810)
Corporate Taxes	15	(53,492)	(8,436)	(12,282)	(1,376)	-
Net income attributable to shareholders		932,694	575,587	610,848	(1,006,915)	(5,810)

Statement of Recognized Income and Expense

All amounts in Ghana Cedis	2012	2011	2010	2009	2008 (8mths)
Income and expense recognized directly in equity:					
Net change in fair value of available for sale of financial assets	-	-	-	-	-
Profit for the year	932,694	575,587	610,848	(1,006,915)	(5,810)
Total recognized income and expenditure for the year	932,694	575,587	610,848	(1,006,915)	(5,810)

Historical Cash Flow Statement

All amounts in Ghana Cedis	2012	2011	2010	2009	2008 (8mths)
CASH FLOW FROM OPERATING ACTIVITIES	1,263,804	1,400,237	(1,228,743)	915,168	96,530
Tax paid	(59,093)	-	-	(268)	-
Cash flow from operating activities	1,204,711	1,400,237	(1,228,743)	914,900	96,530
CASH FLOW FROM INVESTING ACTIVITIES					
Investments	(9,361,454)	(832,954)	-	-	-
Purchase of financial assets	873,180	(553,709)	(3,704,611)	(883,290)	(4,547,431)
Net cash flow used in investing activities	(8,488,274)	(1,386,663)	(3,704,611)	(883,290)	(4,547,431)

**CASH FLOW FROM
FINANCING ACTIVITIES**

Capital contributions received from shareholders	609,054	1,396,036	2,433,626	2,375,610	5,475,006
Tenured deposit	5,473,175	-	-	-	-
Capital and income distribution to partners	-	-	-	(342,573)	(55,491)
Net cash flow from financing activities	6,082,229	1,396,036	2,433,626	2,033,037	5,419,515

NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,201,334)	1,409,610	(2,499,728)	2,064,647	968,614
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Beginning cash and bank balance	1,963,247	553,637	3,033,261	968,614	-
Ending cash and bank balance	761,913	1,963,247	533,533	3,033,261	968,614

Notes to the Financial Statements

All amounts in Ghana Cedis	2012	2011	2010	2009	2008 (8mths)
FINANCIAL ASSETS					
1 DESIGNATED AT FAIR VALUE					
Equity securities traded in an active market	11,199,086	9,815,189	8,699,638	4,742,931	3,184,390
Equity securities not traded in an active market	711,096	-	-	-	-
	11,910,182	9,815,189	8,699,638	4,742,931	3,184,390
2 INVESTMENT PROPERTIES					
Investment Property	3,618,951	-	-	-	-
3 RECEIVABLES					
Trade Receivables	-	362,970	281,692	-	-
Other Receivables	54,566	-	-	15,058	8,643
	54,566	362,970	281,692	15,058	8,643
4 FINANCIAL ASSETS HELD FOR TRADING					
Commercial Paper	4,064,118	1,268,648	435,693	687,789	1,363,041
5 CASH & CASH EQUIVALENTS					
Bank					
Foreign Currency Accounts	672,457	255,520	491,301	2,734,908	878,978
Local Cedi Accounts	46,017	1,644,970	30,350	174,673	89,636
	718,474	1,900,490	521,651	2,909,581	968,614
Cash					
Malawi	7,734	62,274	3,099	55,778	-
Tanzania	35,705	483	8,784	67,903	-
	43,439	62,757	11,883	123,681	-

Total cash & cash equivalents	761,913	1,963,247	533,534	3,033,262	968,614
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6 ACCOUNTS PAYABLE AND ACCRUALS

Accrued Expenses	66,168	45,660	15,407	-	-
Withholding Tax Payable	8,450	-	-	-	-
Other Payables	-	38,605	18,501	17,416	1,800
	74,618	84,265	33,908	17,416	1,800

7 TENURED DEPOSITS

Client Deposits	6,703,824	1,709,466	6,078	1,191,392	-
Interest Payable	702,855	224,037	740,495	431,234	53,691
	7,406,679	1,933,503	746,573	1,622,626	53,691

8 STATED CAPITAL

Balance - Jan 01	11,211,868	10,000	10,000	10,000	10,000
Shares issued during year	385,017	-	-	-	-
Conversion of interest on preference shares to Ordinary shares	224,037	11,201,868	-	-	-
Balance - Dec. 31	11,820,922	11,211,868	10,000	10,000	10,000

9 PREFERENCE SHARES CONTRIBUTIONS

Balance - Jan 01	-	9,561,793	7,840,616	5,465,006	-
Shares issued	-	1,640,075	-	2,375,610	5,465,006
Share Subscription	-	-	1,721,178	-	-
Conversion of interest on preference shares to ordinary shares	-	(11,201,868)	-	-	-
	-	-	9,561,794	7,840,616	5,465,006

10 RETAINED EARNINGS

Balance - Jan 01	174,817	(400,769)	(1,011,617)	(5,810)	-
Net profit/(loss) for the year	932,694	575,586	610,848	(1,006,916)	(5,810)
Balance - Dec. 31	1,107,511	174,817	(400,769)	(1,012,726)	(5,810)

11 REVENUE**Investment and Operating Income**

Listed Dividends - Ghana	120,716	71,997	46,855	41,652	-
Listed Dividends - Overseas	604,393	456,233	267,832	84,653	-
Interest Income	-	176,647	231,429	372,358	90,226
	725,109	704,877	546,116	498,663	90,226

Other Attributable Income

Exchange Gain	1,072,679	-	48,439	-	-
Commissions (net)	-	-	-	3,415	-
Interest on bank accounts	361	626	2,121	2,826	-
	1,073,040	626	50,560	6,241	-

Investment Income comprises:

Listed investments	725,109	632,880	314,687	126,305	-
Unlisted investments	1,073,040	72,623	281,989	378,599	90,228
	1,798,149	705,503	596,676	504,904	90,228

12 Realized Capital Gain**Gain/(Loss) on investments at Market Value**

Unrealised Gain/(Loss) on Investment	583,868	570,381	275,441	(898,419)	-
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13 ADMINISTRATIVE, LEGAL & PROFESSIONAL EXPENSES

Irrecoverable taxes incurred overseas	-	-	8,254	8,254	-
Unrealised Exchange Losses on translation	-	-	136,287	-	-
Auditors Remuneration	9,775	6,400	6,394	2,833	1,800
Bank Charges	10,147	1,786	6,397	7,910	1,283
Board Fees	32,308	7,315	-	-	-
Consultancy	217,513	38,952	-	-	-
Corporate Finance & Advisory Costs	62,196	77,284	-	-	-
Commissions	-	-	-	4,037	1,784
Custodial Fees	40,006	27,497	28,647	12,995	5,021
Exchange Loss	-	11,301	-	32,069	-
Fund Administration Charges	298,037	251,948	170,993	127,673	30,657
Interest Expense	702,855	18,190	-	-	-
Shareholders Meeting Expenses	9,650	-	3,401	-	-
Provision for Liabilities	-	20,104	18,501	-	-
Other Expenses	23,663	7,047	-	-	-
	1,406,150	467,824	378,874	195,771	40,545

14 FINANCE COSTS

Distribution to holders of redeemable shares	-	224,037	283,275	342,573	55,491
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15 TAXATION

Year of Ass.	Bal. Jan 01	Tax Charged	Tax Paid/ Withheld	Restatement Adjustment	Bal. Dec 31
2008 (8mths)	-	-	-	-	-
2009	-	1,376	(268)	-	1,109
2010 (Restated)	1,109	13,265	(7,934)	(449)	5,991
2011	5,991	8,436	(8,826)	-	5,601
2012	5,601	53,492	(59,093)	-	-

3.17 Recent Management Accounts

Statement of Comprehensive Income

All Amounts in GHS	Half Year 2013	Full Year 2012
Revenue		
Investment and Operating Income	568,873	1,808,468
Gain/(Loss) on Investments at Market Value	7,016,321	583,868
Total Revenue	7,585,194	2,392,336
Expenses		
Administrative, legal & professional expenses	(324,990)	(1,406,150)
Profit before finance costs and tax	7,260,204	986,186
Finance Costs	(683,160)	-
Profit before tax	6,577,044	986,186
Corporate Taxes	-	(53,492)
Net Income attributable to shareholders	6,577,044	932,694
MOVEMENT IN INCOME SURPLUS ACCOUNT		
Balance as at 1 January	1,107,511	174,817
Net Profit/(Loss) for the year	6,577,044	932,694
Translation adjustment		
Balance as at 31 December	7,684,555	1,107,511

Statement of Financial Position

All Amounts in GHS	Half Year 2013	Full Year 2012
ASSETS		
NON-CURRENT ASSETS		
Financial Assets at fair value through profit of loss	17,962,294	11,910,182
Investment properties	4,287,131	3,618,951
Total Non-Current Assets	22,249,426	15,529,133
CURRENT ASSETS		
Receivables	211,202	54,566
Financial assets held for trading	3,390,004	4,064,118
Cash & Cash Equivalents	542,509	761,913
Total Current Assets	4,143,714	4,880,597
TOTAL ASSETS	26,393,140	20,409,730
CURRENT LIABILITIES		
Accounts Payable and Accruals	96,689	74,618
Taxation	(59,120)	-
Tenured Deposits	6,850,094	7,406,679
Total Current Liabilities	6,887,664	7,481,297
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS		
Stated Capital	11,820,922	11,820,922
Income Surplus	7,684,555	1,107,511
TOTAL NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	19,505,476	12,928,433
TOTAL LIABILITIES & SHAREHOLDERS' FUNDS	26,393,140	20,409,730

Statement of Cash Flows

All Amounts in GHS	Half Year 2013	Full Year 2012
	GHS	GHS
Cash flow from operating activities before	(573,842)	1,263,804
Taxes paid	(59,120)	(59,093)
Net cash flow from operating activities	(632,962)	1,204,711
Cash flow from Investing activities		
Purchases of financial assets	(1,357,371)	(9,361,454)
Sale of financial assets	2,327,514	873,180
Net Cash flow from Investing activities	970,142	(8,488,274)
Cash flow from Financing activities		
Capital Contributions received from shareholders	-	609,054
Tenured Deposits	(556,585)	5,473,175
Net Cash flow from Financing activities	(556,585)	6,082,229
Net increase/(decrease) in cash for the period	(219,404)	(1,201,334)
Balance at beginning period	761,913	1,963,247
Closing Cash Balance	542,510	761,913

3.18 Projected Financial Statements

Projected Income Statement (2013 – 2017)

All amounts are in Ghana Cedis	2013	2014	2015	2016	2017
Interest Income	610,949	428,764	493,535	614,730	813,897
Dividends	657,276	992,298	1,409,886	1,583,663	1,742,029
Rent		361,001	415,152	477,424	549,038
Operating Income	1,268,225	1,782,064	2,318,573	2,675,818	3,104,964
Realized Gains	328,638	413,458	1,007,062	1,131,188	1,244,307
Other Income					
Unrealized Gains	2,932,938	2,957,042	3,737,255	3,220,521	3,595,867
Total Revenue	4,529,801	5,152,563	7,062,889	7,027,527	7,945,138
Expenditure					
Management Fees	376,985	488,137	560,358	637,162	692,287
Other Expenses	674,909	776,145	853,760	939,135	1,033,049
Total Expenditure	1,051,894	1,264,282	1,414,118	1,576,297	1,725,336
Profit before finance and Tax	3,477,907	3,888,282	5,648,771	5,451,230	6,219,802
Finance Costs	883,892	633,156	678,391	836,531	933,685
Profit Before Tax	2,594,014	3,255,125	4,970,380	4,614,699	5,286,117
Tax	-	74,521	308,281	348,544	422,562
Profit after tax	2,594,014	3,180,604	4,662,099	4,266,154	4,863,555
Projected Income Surplus					
Beginning Balance	1,143,566	3,737,580	6,600,124	10,562,908	14,189,139
Net Profits	2,594,014	3,180,604	4,662,099	4,266,154	4,863,555
Proposed Dividends		(318,060)	(699,315)	(639,923)	(729,533)
Closing Balance	3,737,580	6,600,124	10,562,908	14,189,139	18,323,161

Projected Balance Sheet (2013 – 2017)

All amounts are in Ghana Cedis	2013	2014	2015	2016	2017
Equity Investments	14,340,571	18,736,031	21,546,436	23,701,080	26,071,187
Fixed Income	2,045,368	2,718,681	3,450,507	4,745,899	6,106,060
Real Estate	5,373,044	6,179,000	7,105,850	8,171,728	9,397,487
Total Non-Current Assets	21,758,982	27,633,712	32,102,793	36,618,706	41,574,735
Current Assets					
Receivables	62,762	72,177	83,003	95,454	109,772
Cash & Cash Equivalents	2,246,008	1,033,513	1,751,745	2,810,693	1,995,058
	2,308,770	1,105,689	1,834,748	2,906,147	2,104,830
Current Liabilities					
Accounts Payable	90,697	104,302	119,947	137,939	158,630
	90,697	104,302	119,947	137,939	158,630
Net Current Assets	2,218,073	1,001,388	1,714,802	2,768,208	1,946,200
Non-Current Liabilities					
Borrowings	4,378,554	6,174,054	7,393,765	9,336,853	9,336,853
Net Assets	19,598,502	22,461,046	26,423,830	30,050,061	34,184,082
Financed By					
Stated Capital	15,860,922	15,860,922	15,860,922	15,860,922	15,860,922
Income Surplus	3,737,580	6,600,124	10,562,908	14,189,139	18,323,161
Shareholders' Funds	19,598,501	22,461,046	26,423,830	30,050,061	34,184,082

Projected Cash Flow Statement (2013 – 2017)

All amounts are in Ghana Cedis	2013	2014	2015	2016	2017
Profit before tax for the year	2,594,014	3,255,125	4,970,380	4,614,699	5,286,117
Changes in valuation gain	(2,932,938)	(2,957,042)	(3,737,255)	(3,220,521)	(3,595,867)
	(338,924)	298,083	1,233,126	1,394,178	1,690,250
Changes in working capital					
Change in receivables	(8,186)	(9,414)	(10,827)	(12,450)	(14,318)
Change in payables	11,830	13,605	15,645	17,992	20,691
	(335,280)	302,273	1,237,944	1,399,719	1,696,623
Taxes Paid	-	(74,521)	(308,281)	(348,544)	(422,562)
Cash from operating activities	(335,280)	227,753	929,663	1,051,175	1,274,060
Investing activities					
Investments	807,500	(2,917,688)	(731,827)	(1,295,392)	(1,360,161)
Cash from investing activities	807,500	(2,917,688)	(731,827)	(1,295,392)	(1,360,161)
Financing activities					
Equity	4,040,000	-	-	-	-
Debt	(3,028,125)	1,795,500	1,219,711	1,943,088	-
Dividends		(318,060)	(699,315)	(639,923)	(729,533)
Cash from financing activities	1,011,875	1,477,440	520,396	1,303,165	(729,533)
Increase/ (Decrease) in Cash	1,484,095	(1,212,495)	718,233	1,058,948	(815,634)
Balance at 1 January	761,913	2,246,008	1,033,513	1,751,745	2,810,693
Balance at 31 December	2,246,008	1,033,513	1,751,745	2,810,693	1,995,058

PART 4

– RISK FACTORS

4.1 Risk Factors Overview

An investment in the securities of a company entails certain risks. Prospective investors, in considering a purchase of MAC's ordinary shares being offered, should carefully take note of the following:

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

To mitigate against this risk, the Manager critically evaluates all available opportunities to ascertain those whose prices are reaching their lowest levels with upside potential before investing in them.

Lack of diversification: Overconcentration of investments can be a challenge in this space. The overconcentration can happen as a result of a preponderance of investment in a particular sector, security or country. This means putting almost all your eggs in one basket, any mishap in such a concentrated area will adversely affect the portfolio.

The Manager has since the inception of MAC consciously made investments in a well-diversified manner across various sectors as well as in different African countries, and has recently re-aligned its holdings to include more real sector activity.

Volatility in the performance of the real estate sector and investee companies: Volatility in the operational performance of an investee company and the general performance of Ghana's real estate sector can affect the value of shares and asset valuation respectively, and subsequently impact the investment portfolio. A positive swing in an investee company's operations or that of the sectors that MAC invests in can lead to an increase in the value of assets held and vice versa. Another risk associated with the swing is the inability to predict the performance of

the investee companies or the sectors within which assets are held and therefore the value of the security or property.

The Manager is aware of these circumstances and evaluates this risk in its asset selection. This helps to mitigate the potential risks associated with the selection of assets for investments.

Risks in less developed capital markets: Less developed capital markets pose a lot of challenges in terms of liquidity, sophistication and understanding of the market. These markets normally lack liquidity due to the limited number of listed securities and also due to the fact that most investors do not find them attractive and this poses a risk. In addition to this, the Company has revised its strategy on fund allocation, and expects to make significant investments in real projects as well as gain significant stakes in private businesses in high growth sectors. This can pose additional liquidity risks to the investor.

The Manager is aware of these issues and normally enters those markets with a mapped out strategy to get around the issues.

Risk of currency depreciation: MAC's investments are made in United States Dollars (or its equivalent). The depreciation of the investee country's currency against the United States Dollars affects the value of assets and therefore the value of the portfolio.

The Manager's decision to invest not only in one country but in a number of selected African countries is intended to mitigate against this risk.

To the best knowledge of the Manager, this Offer Prospectus constitutes a full and true disclosure of all material facts about the Company and the Offer, but the Manager will not be held responsible for any inaccuracies as all information given herein was obtained from the Company.

PART 5

– OVERVIEW OF THE GHANA STOCK EXCHANGE

5.1 Overview of the Ghana Stock Exchange

The Ghana Stock Exchange (“GSE”) was incorporated as a company limited by guarantee in July 1989 with trading commencing on November 12, 1990. A 13-member Council governs the bourse. The operations of the GSE are regulated by the Securities and Exchange Commission (“SEC”), which is empowered by the Securities Industry Act (later amended by the Securities Industry (Amendment) Act, 2000 (Act 590)). Criteria for listing on the GSE include capital adequacy, profitability, spread of shares, years of existence and management efficiency.

5.2 Developments and Trends

The Ghana Stock Exchange started operating with 11 listed companies. As at 2002, 26 stocks, 4 corporate bonds and 2 government bonds were listed on the First Official List. This later increased to thirty four (34) listed equities, one (1) Exchange Tradeable Fund, one (1) preference share, one (1) depository and a number of government bonds by the year-end 2009 as several companies listed on the First Official List.

The GSE has witnessed a number of delisting transactions since the year 2002, and some have been as a result of mergers and acquisitions involving GSE listed companies. The latest company to delist is CFAO (in 2011) and this was as a result of the resolution by CFAO group to de-list all subsidiaries from stock exchanges. On the upside, a new member, NewGold, which is an Exchange Tradable Fund was introduced in August 2012, the first of its kind on the Ghana Stock Exchange, bringing the total membership of the GSE to 37.

In 2007, the Central Securities Depository Act, 2007 (Act 733) was passed to permit the issue of uncertificated or dematerialised shares, where shareholders and board of directors of an issuer have authorised this. The passing of the law paved the way for the Exchange to achieve several milestones in its development. These milestones include the incorporation and operation of the GSE Securities Depository Company Limited and the establishment of a Clearing and Settlement System.

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

Ghana Alternative Market ("GAX"): The Ghana Alternative Market ("GAX") is a parallel market to the Ghana Stock Exchange First Official List focusing on businesses with potential for growth. The GAX will accommodate companies at various stages of their development, including start-ups and existing enterprises, both small and medium. This alternative market will afford companies the opportunity for securing long term capital, broaden their investor base and provide liquidity for their shareholders / investors.

There are several benefits due the small to medium scale companies that qualify to be listed on this market. GAX will afford companies the opportunity for securing long term capital, broaden their investor base and provide liquidity for their shareholders/investors⁸.

5.3 Performance of the GSE

Performance of the GSE has been remarkable in recent years, experiencing high volume trades and increased market capitalization following the listing of big players like Tullow Oil Plc and Ecobank Transnational Inc. The market capitalisation at the end of August 2013 was in excess of GHS 56 billion, of which GHS 10.8 billion represented Domestic Market Capitalisation. The market's benchmark indices, the GSE Composite Index ("GSE-CI") at the end of August 2013 was 1,989.55, from 1,198.34 at the beginning of the year, representing a year-to-date ("YTD") change of 66.0%, as against 5.9% in the same period last year. The GSE Financial Stock Index ("GSE-FSI") started the year at 1,038.47 and reached 1,725.39 at the end of August 2013, also recording a high YTD change of 66.2%. The total value traded for the first eight (8) months of 2013 was GHS 252.2 million and the total volume traded for the same period in 2013 was 221.0 million. During this period, several stocks on the bourse recorded both 52-week price highs and

⁸ Ghana Stock Exchange: Ghana Alternative Market (GAX) Rules and Benefits

all-time record prices, representative of the strong investor confidence in the local bourse.

5.4 Other Information

Trading Days

Trading takes place every working day

Trading Hours

Pre-Opening period: 9:30hrs to 10:00hrs (GMT)

Market opens for continuous trading: 10:00hrs to 15:00hrs (GMT)

Clearing & Settlement

Trade Settlement is done electronically using a web-based application. Settlement occurs three business days (T+3) after the trade date. The System allows for mutual settlement of trade on T+0 or T+1 basis

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

PART 6

– ADDITIONAL INFORMATION

6.1 Listing of Ordinary Shares

The GSE has granted permission to list all issued MAC Shares and an additional 1,333,334 shares pursuant to the Offer on the First Official List of the GSE. It is expected that dealings in MAC Shares will commence on the GSE on the Listing Date. Following the completion of the Offer, dealings in MAC Shares can be done on the GSE after the conclusion of the Transaction. Where applicable, dealings would need to be announced on the GSE in accordance with its rules.

6.2 Regulations of Mega African Capital Limited

Regulations: The nature of the business, which the Company is authorized to carry on as provided by its Regulations, is to invest the shareholders' funds for the mutual benefit of shareholders and arrange to hold, and arrange for the management of assets acquired with such moneys.

6.3 Directors

- a. **Power to vote on a proposal, arrangement or contract in which a director is materially interested:** Subject to compliance with section 207 of the Companies Act, a director may enter into any contract with the Company and such contract or any other contract of the Company in which any director is in any way interested shall not be liable to be avoided nor shall any director be liable to account for any profit made thereby by reason of the director holding the office of director. Also subject to compliance with section 207 of the Companies Act, any director may act by himself or his firm in a professional capacity for the Company, except as an auditor, and he or his firm shall be entitled to proper remuneration for professional services as if he were not a director.
- b. **Power to vote on compensation:** All fees and remuneration payable to directors in whatever capacity is subject to approval of shareholders of the Company in accordance with section 194 of the Companies Act.
- c. **Directors borrowing powers:** Subject to section 202 of the Companies Act, the Board of Directors may exercise all such powers of the Company, including power to borrow money and to mortgage or charge its property

and undertaking or any part thereof and to issue debentures as are by the Companies Act or the Regulations required to be exercised by the members in a general meeting.

d. Retirement and non-retirement of directors: Appointment of directors is governed by sections 181, 298 and 299 of the Companies Act. There is no retirement age for directors.

e. Number of qualifying shares to be held by a director: A director need not hold any shares in the Company.

6.4 Description of the Shares of Mega African Capital Limited

Holders of MAC Ordinary shares are entitled to the following rights and obligations attached to their shares:

Dividend Rights: Dividends are declared at the discretion of the directors in accordance with legal requirements applicable to the Company. There is no right to dividends unless declared by the directors.

Voting Rights: Each ordinary share is entitled to one vote at any meeting of the shareholders of the Company. Any member of the Company is entitled to attend and vote at a meeting of the Shareholders of the Company and shall be entitled to appoint a proxy to attend and vote in his place.

Rights to share in MAC's profits: Apart from entitlement to declared dividends, shareholders have no right to share in the Company's profits.

Rights of members to share in any surplus in the event of liquidation: If MAC is wound up, the liquidator may, with the approval of a special resolution and any other sanctions required by the Companies Act, divide amongst the members in specie or kind, the whole or part of the assets of the Company and may determine how such divisions shall be carried out between the members or different classes of members.

6.5 Liability of Shareholders to further capital calls by MAC

Shareholders have no obligation to provide additional equity capital to the Company.

6.6 Convening of Annual General Meetings and Extraordinary General Meeting

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

shareholders to requisition meetings of the shareholders of the Company in accordance with section 297 of the Companies Act.

6.7 Taxation

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

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

6.7.1 Dividend Withholding Tax

There is a final withholding tax of 8% on all dividends received by shareholders.

6.7.2 Capital Gains

Capital gains earned on the disposal of listed shares are exempt from capital gains tax.

6.7.3 Stamp Duty

Under the Stamp Duty Act, 2005 (Act 689) transfers of shares in a company are exempt from stamp duty.

6.8 Exchange Controls

Exchange Control is currently governed by the Foreign Exchange Act 2006, (Act 723). Under the current foreign exchange regime, no regulatory approval is required for non-residents to invest in the MAC Shares. Further, non-residents are guaranteed free transferability of their capital and income through authorised dealer banks.

6.9 Documents Available for Inspection

Copies of the following documents in respect to the business and affairs of MAC and the Listing may be inspected at the registered offices of MAC and IC Securities (each as described on pages 1 and 2) during normal business hours of any working day:

- i. The Regulations of Mega African Capital Ltd;
- ii. Resolutions of the Board of Directors and shareholders of the Company authorising the Offer and listing of MAC Shares on the GSE; The Company's audited annual reports for the three years to 31 December 2012;
- iii. A copy of the Escrow Agreement;
- iv. The Financial Due Diligence Report;
- v. This Prospectus;
- vi. The Certificate of Incorporation and Certificate to Commence Business of MAC; and
- vii. A copy of the contract of sale for the purchase of the Cantonments property and related documents.

PART 7

– ADDITIONAL TERMS OF THE OFFER/LISTING

7.1 General Conditions

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

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

7.2 Application

Qualifying Applicant:

Any natural person who is 18 years or over, or a corporation, partnership or other unincorporated associations who are resident / incorporated in Ghana or some other state, or country provided that the offer to and acceptance by such an applicant of this Offer is not in contravention of the laws of either that state or country.

7.3 Offer to Purchase Shares

You offer to purchase such number of MAC's shares which when multiplied by the Offer price, is nearest but not more than the amount indicated in your Application Form, on these terms and conditions and subject to the Regulations of the Company.

- i. You agree to provide a clear photocopy of a valid ID in support of your application.

- ii. You agree that your application to acquire shares cannot be revoked after the end of the Offer Period or such later date as the Directors and the Manager may agree, and promise that any cheque, banker's draft or money or postal order will be honoured on first presentation and that this paragraph constitutes an agreement between you and MAC.
- iii. If your Application Form is not completed correctly or is amended, or you do not include the required identification as spelt out in 7.3 (ii) above, or if any cheque, banker's draft, money or postal order is found to be less than the amount stated on your application form, it may still be treated as valid. In such cases, the Manager's decision as to whether to treat the application as valid, and how to construe, amend or complete it shall be final. You will not, however, be treated as having applied to purchase a number of shares which, when multiplied by the offer price, is more than the amount of remittance upon allotment of shares.
- iv. An application may be rejected in whole or in part at the discretion of the Manager and the Board of MAC if the application is incomplete or illegible, or it is determined that the applicant is not eligible to participate in this Offer and the application money returned.

7.4 Acceptance of Offer

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

7.5 Payment for Shares

You undertake to pay the purchase price for the shares in respect of which your application is accepted. The cheque or bankers' draft or other remittances may be presented for payment before acceptance of your application, but this will not constitute acceptance of your application, either in whole or in part.

- i. If the application is invalid, rejected or not accepted in full, or if the amount of the application divided by the offer price does not result in a whole number of shares or if the circumstances described in paragraph 7.3 (iii) do

not occur prior to the dates respectively specified therein, the proceeds of the cheque or other remittances or the unused balance of those proceeds (as the case may be) will be refunded without interest.

- ii. If the remittances are not honoured on first presentation, then at any time until the Company has received cleared funds in respect of the share offer, the Manager, on behalf of MAC, may terminate the agreement to purchase that share.
- iii. The Manager will convert payment received in a currency other than the Ghana Cedi at the prevailing inter-bank rate at the time value is given.

7.6 Warranties

- i. You warrant and represent that:
- ii. You are qualified to apply;
- iii. The applicant on whose behalf you are applying is qualified to apply;
- iv. You will submit a complete application including all supporting documents required under the terms of the Offer;
- v. In making your application you are not relying on any information or representation concerning the Company not contained in this Prospectus. You agree that no person responsible for the Offer Document or any part of it will have liability for any such other information or representation;
- vi. If any person signing, or making a thumb print on the Application Form is not the applicant, that person warrants that he / she has authority to do so on behalf of the applicant and that this authority is vested in him or her; and
- vii. If the applicant is other than a natural person, the person signing the Application Form warrants that he / she has authority to do so on behalf of the applicant.

7.7 Supply and Disclosure of Information

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

7.8 Miscellaneous

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

7.9 Restriction

This Offer is a restricted Public Offer targeting a maximum of fifty institutional and sophisticated investors.

PART 8

– COMPLIANCE CERTIFICATES

8.1 Legal Compliance Letter

November 12, 2013



The Director-General,
Securities and Exchange Commission,
Accra

The Managing Director
The Ghana Stock Exchange
5th Floor, Cedi House
Liberia Road
P. O. Box 1849
Accra-Ghana

Dear Sir,

MEGA AFRICAN CAPITAL: INITIAL PUBLIC OFFERING AND LISTING ON THE GHANA STOCK EXCHANGE

1. INTRODUCTION

1.1 Basis of instructions

We have acted as legal advisors to Mega African Capital Limited (“**Mega African Capital**”) in connection with its proposed initial public offering (“**IPO**”) and listing on the Ghana Stock Exchange (“**GSE Listing**”).

1.2 Documents examined

1.2.1 For the purpose of giving this opinion we have examined [originals or copies certified to our satisfaction] of the following documents (the **Documents** and each a **Document**):

- a. the Regulations of Mega African Capital adopted by special resolution of the members dated October 19, 2011 (the “**Regulations**”);
- b. an ordinary resolution of the members of Mega African Capital passed on October 30, 2012 at the third annual general meeting of Mega African Capital, authorising the IPO and the GSE Listing;
- c. a resolution of the directors of Mega African Capital approving the IPO and GSE Listing dated October 15, 2012; and
- d. the draft prospectus (the “**Prospectus**”) to be issued by Mega African Capital in connection with the IPO and the GSE Listing.

1.2.2 In addition, we have also examined such other documents and certificates, searches and records as are necessary under the laws of Ghana to enable us to give this opinion.

1.3 Scope and Purpose of the Opinion

This opinion is limited to matters of the law of Ghana as in force and applied at the date of this opinion. This opinion is given on the basis of the assumptions and qualifications set out in the Schedule.

2. Opinion

We are of the opinion that:

2.1 Incorporation

Mega African Capital is a public limited liability company duly incorporated under the Companies Act, 1963 (Act 179).

2.2 Corporate authorisations

Mega African Capital has obtained all the corporate authorisations necessary or advisable in connection with the IPO and GSE Listing.

2.3 Approvals and consents

Upon obtaining the approval of the Securities and Exchange Commission (“**SEC**”) in accordance with Section 9(j) of the Securities Industries Act, 1993 (Act 333) for the IPO and the approval of the Ghana Stock Exchange (“**GSE**”) for the GSE Listing, no additional regulatory or statutory approvals will be required by Mega African Capital.

2.4 The Prospectus

The Prospectus substantially complies with the requirements of Schedule 5 of the Securities and Exchange Commission Regulations, 2003 (LI 1728) and Schedule 7 of the Companies Act, 1963 (Act 179).

2.5 Material Contracts

All the material contracts of Mega African Capital necessary for the conduct of its business are in proper legal form for the particular matters to which they are related and are enforceable under the laws of Ghana.

2.6 The Regulations

- 2.6.1 The Regulations comply with all legal requirements on the contents of the regulations of a public company.
- 2.6.2 The Regulations comply with the requirements of Part V of the Listing Rules of the GSE.
- 2.6.3 The proposed IPO and GSE Listing do not contravene any provision of the Regulations.

2.7 Contractual obligations

To the best of our knowledge and upon due enquiry, there are no contractual agreements, obligations or undertakings preventing Mega African Capital from undertaking the IPO and GSE Listing.

2.8 Registrations and filings

All statutory or regulatory registration or filing requirements necessary or advisable in relation to or in connection with the IPO and GSE Listing have been complied with.

Yours faithfully,



Bentsi-Enchill, Letsa & Ankomah

Schedule

Assumptions

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

1. all original documents supplied to us are complete, authentic and up to date, and that all copy documents supplied to us are complete and conform to the originals;
2. the person or persons who signed the relevant Documents, other than on behalf of Mega African Capital, were authorised to do so; and
3. the authorising resolutions of Mega African Capital were duly passed and a properly convened meeting of directors and shareholders of Mega African Capital.

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

Qualification

This opinion is subject to the qualification that at the date of this opinion, the approval of the SEC and GSE for the IPO and the GSE Listing as set out in paragraph 2.3 of the opinion had not yet been obtained by Mega African Capital.

8.2 Reporting Accountant Report on Historical Financial Information



James Quagraine & Co.
Chartered Accountants
and
Management Consultants

Board of Directors
Mega African Capital Limited
No. 35 Latebu Crescent
East Cantonments
PMB CT 235
Cantonments, Accra

Dear Sir,

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANT TO THE DIRECTORS OF MEGA AFRICAN CAPITAL LIMITED

We have reviewed the historical financial information and adjustments of the audited financial statements relating to the eight months ended December 31, 2008 and the four years ended December 31, 2012 set out on pages 4 to 9 of the due diligence report.

Responsibilities of Directors and Reporting Accountants

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

Scope of the review

We conducted our review in accordance with International Auditing Standards applicable to review engagements. This standard requires that we plan and perform the review to obtain moderate assurance that the historical financial information and adjustments relating to the eight months ended December 31, 2008 and the four years ended December 31, 2012 are free of material misstatement. A review is limited primarily to enquiries of the company personnel and analytical procedures applied to financial data and this provides less assurance than an

audit. We have not performed an audit of the above mentioned historical financial information and adjustments thereto and accordingly, we do not express an audit opinion thereon.

The Company was initially registered with 500,000,000 ordinary shares of no par value. In July 2008, the shareholders amended the Regulations to reduce the number of authorized ordinary shares to 100,000,000 and created 500,000,000 redeemable, participatory, non-convertible, preference shares of no par value. On October 30, 2011, the shareholders passed a resolution to change the 500,000,000 authorised non-convertible preference shares to convertible preference shares.

Review of opinion

Based on our review, nothing has come to our attention that causes us to believe that the historical financial information for the eight months ended December 31, 2008 and the four years ended December 31, 2012 are not fairly presented, in all material respects, in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act in Ghana.

James Quagraine & Co

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

For and on behalf of James Quagraine & Co.

Dated: November, 2013

8.3 Reporting Accountant Report on Prospective Financial Information



James Quagraine & Co.
Chartered Accountants
and
Management Consultants

The Board of Directors

Mega African Capital Limited

No. 35 Latebu Crescent

East Cantonments

PMB CT 235

Cantonments, Accra

Dear Sir,

INDEPENDENT REPORT ON PROSPECTIVE FINANCIAL INFORMATION OF THE COMPANY

INTRODUCTION

This report has been prepared at the request of the Directors of Mega African Capital Limited for inclusion in an Investment Prospectus to be dated on or about November 14, 2013 relating to the presentation of the Company to investors.

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

SCOPE OF REPORT

We have reviewed the financial forecasts of Mega African Capital Limited for the period December 31, 2013 to December 31, 2017 as set out on pages 51 to 53, together with the assumptions on the forecasts as set out herein. The financial forecasts include the result shown by the unaudited interim financial statements for the three-month period to March 31, 2013. They have been prepared for the purpose of providing investors considering the Offer with a guide to the future profitability of the Company. The Directors are responsible for the preparation and presentation of the forecasts and the information contained therein, including the assumptions on which they are based.

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

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

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

STATEMENT

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

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

SUBSEQUENT EVENTS

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

DECLARATION IN REGARDS TO INVESTMENT PROSPECTUS

The involvement of James Quagraine & Co. in the preparation of the Investment Prospectus is limited solely to the preparation of this Report and the Independent Accountant's Report for which, normally, professional fees will be received.

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

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

James Quagraine & Co. gives no assurance or guarantee whatsoever in respect of the future success of or financial returns associated with the subscription of shares being offered pursuant to the investment Prospectus and disclaims responsibility for liability for statements or omissions in other parts of the Investment Prospectus.

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

James Quagraine & Co

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

For and on behalf of James Quagraine & Co.

Dated: November, 2013

PART 9

– ESCROW AND RECEIVING BANK

Escrow Bank

HFC Bank Ghana Limited

No. 35, Sixth Avenue

North Ridge

P. O. Box CT 4603

Tel: +233 302 242090-4

Fax: +233 302 242095

Receiving Bank

CAL Bank Ghana Limited

23 Independence Avenue

P. O. Box 14596

Accra, Ghana

Tel: +233 302 680061-69

Fax: +233 302 680081

PART 10

– RECEIVING AGENTS

IC Securities (Ghana) Limited

No. 2,2nd Ridge Link North Ridge

Tel: +233 (0) 302 252 621/3

Contact Person: Kwabena Osei-Boateng

<p>African Alliance Securities Ghana Limited 2nd Floor, Heritage Towers, 6th Avenue Ridge Ambassadorial Enclave PMB 45 Ministries, Accra Tel: +233 (0) 302 610 610-Email: securities.gh@africanalliance.com</p>	<p>CAL Brokers Limited No.23 Independence Avenue, Ridge, Accra PO. Box 14596, Accra North Tel: +233 (0) 302 680 051/ 680 061-9 Email: info@calbrokersghana.com</p>
<p>CDH Securities Limited 36 Independence Avenue, North Ridge PO. Box 14911, Accra North Tel: +233 (0) 302 667 425-8 Email:info@chdfinanciaholdings.com</p>	<p>Chapel Hill Dunham Suite 2, Labone Office Park, N. Sithole Street, Labone PMB CT 384, Cantonments, Accra Tel: +233 (0) 302 766 865/2771346 Email: info@chapelhilldenham.com</p>
<p>Databank Brokerage Limited No.61, Barnes Road, Adabraka, Accra PMB, Ministries Post Office, Accra Tel: +233 (0) 302 665 124/ 663 763 Email: info@databankgroup.com</p>	<p>EDC Stockbrokers Limited No.5, 2nd Ridge Link, North Ridge, Accra PO. Box 16746, Accra North Tel: +233 (0) 302 251 720/4/9 Email: edc@ecobank.com</p>
<p>Fidelity Bank Securities Limited Ridge Towers - Ridge, Accra PMB 43, Cantonments, Accra, Ghana Tel: + 233 (0) 302 214 490 Email: info@myfidelitybank.net</p>	<p>First Atlantic Brokers Limited No.1, 7th Avenue, Ridge West, Accra PO. Box Ct 1620, Cantonments, Accra, Ghana Tel: +233 (0) 302 679 259 Email: brokers@firstatlanticbank.com.gh</p>
<p>Gold Coast Securities Limited 5 Mozambique Link, North Ridge Accra PO. Box GP 17187, Accra Tel: +233 (0) 302 211 411/5 Email : info@gcsinvestments.com</p>	<p>HFC Brokerage Services Limited No.6, Sixth Avenue, Ambassadorial Area, Ridge, Accra PO. Box: CT 4603, Cantonments, Accra, Tel; +233 (0) 302 683 891/683 892 Email: info@hfcinvestments.com</p>

<p>Liberty Capital Ghana Limited Chez Julie Plaza, 30 Paa Grant Street, Comm.10, Tema P.O. Box CS 8876 Tel : +233 (0) 303 301 486 Email: info@libertygh.com</p>	<p>Merban Stockbrokers Limited 57 Examination Loop, North Ridge, Accra P.O.Box 401, Accra Tel: +233 (0) 302 251 131-3/251 135 Email : mbd@merbangh.com</p>
<p>New World Renaissance Securities 2nd Floor, Heritage Tower, Ambassadorial Enclave, Off Liberia Road, Accra P.O. Box CT 2868, Cantonments, Accra Tel: +233 (0) 302 660 163/ 676 979 Email: info@rencap.com</p>	<p>NTHC Securities Limited Martco House, Okai-Mensah Link, Adabraka, Accra P.O. Box KIA 9563, Airport, Accra Tel: +233 (0) 302 238 492 /3, 235 814 -6 Email: info@nthcghana.com</p>
<p>Prudential Securities Limited No.8, Nima Avenue, Kanda Ring Road Central, Accra P.O. Box CT 628 Accra, Ghana Tel: +233 (0) 302 771 284/770 936 Email: info@prudentialsecuritiesgh.com.gh</p>	<p>SIC Financial Services Limited No. 67 A&B Switchback Road. Cantonments, Accra P.O.Box PMB CT314, Cantonments Tel: +233 (0)302 767 051 Email: infofsl@sic-gh.com</p>
<p>Strategic African Securities Limited 2nd Ring Link, North Ridge, Accra P.O. Box KA 16446, Airport, Accra Tel: +233 (0) 302 251 546/7/9 Email: info@sasghana.com</p>	<p>Worldwide Securities Limited No.80, Ringway Link, Ringway Estates, Accra P.O. Box CT 01072, Osu, Accra Tel : +233 (0) 256 001/2, 764578/9 Email: info@worldwidesecuritiesggh.com</p>
<p>Stanbic Investment Management Services Valco Trust Towers, Castle Road, Ridge West PO Box CT 2344, Cantonments Accra Email: Brokerage@stanbic.com.gh</p>	

PART 11

– GUIDE TO COMPLETING APPLICATION FORMS

It is important that the Application Form is correctly completed. Applicants in doubt should consult any of the Receiving Banks or Receiving Agents for assistance. The Offer is open from 9:00am on December 23, 2013 and closes at 17:00pm on January 10, 2014. Applications received after the Offer has closed shall not be considered.

A sample copy of the Application Form is included in this Offer Document for reference. Qualifying Applicants may obtain Application Forms from the Receiving Bank or any of the Receiving Agents whose details are shown in Part 9 and Part 10, respectively, of this Offer Document. Please note that terms defined in the Offer Document have the same meaning when used in the Application Form. All applicants are advised to read the Offer Document in its entirety and consult a licensed professional before filling the Application Form.

1. There are multiple sections of the Application Form for this Offer. The sections to be filled by applicants will be determined by the applicant's status as an individual applicant with a GSD Account or an individual applicant without a GSD Account or a corporate applicant. Please ensure that you complete the appropriate sections of the Application Form and return the completed form to the Receiving Bank or a Receiving Agent together with supporting documents and full payment for your application.

Corporate applicants without GSD Accounts should submit their Application Forms directly to the Sponsoring Broker, or any of the other Receiving Agents listed in Part 10 of this Offer Document, so that GSD Accounts are opened for them.

2. Multiple applications are not permitted.

3. The Application Form must be completed in block letters and returned to the Receiving Bank or Receiving Agent with full payment before the end of the Offer Period.

4. Only Qualifying Applicants can subscribe for shares to be registered in their own name. Shares may be bought for a minor by a parent, grandparent or guardian of the minor who may complete an application to buy shares in his/her name.
5. Power(s) of attorney must be enclosed if anyone is signing on behalf of an applicant other than a minor.
6. For the purpose of this Offer, a valid ID constitutes a national passport, driver's licence and voter's ID card for individuals, and registration documents, Registrar General's Form A or Form 3 or a duly executed resolution from organisations or institutions, clubs and other bodies. Persons applying on behalf of minors must submit valid IDs for the minor, and for this purpose, a valid ID constitutes a national passport, birth or baptismal certificate of the minor.
7. A photocopy of the Application Form will be accepted only if it is clear and legible.

GUIDE TO COMPLETING THE APPLICATION FORM

Section 1 – Individual Application *(This section is to be filled by individual applicants only)*

Insert in Section 1 your surname, all your other names and the title you are addressed as (i.e. Mr, Ms, Miss, Mrs, Dr, etc). State the form of ID being used and the ID number. A photocopy of a valid ID must be submitted with your application. Information on joint applicants or minors may be inserted in the additional text boxes provided after ticking the appropriate dialogue box.

Applications on behalf of minors must include photocopies of the parents/guardian's ID as well as the minor's ID. Applications for persons other than minors must have attached to the form, a valid ID and a power of attorney from the beneficiary.

Section 2 – Corporate Application *(This section is to be filled by corporate applicants only)*

Complete Section 2 with the company or organisation's name and registration number as quoted on its certificate of incorporation or certificate to commence of business, if applicable. Applications from corporations and partnerships must bear the institutions common seal/stamp if applicable and be completed under the hand of a duly authorised official who should also state his/her designation/title in Section 4.

Section 3 – GSD Information and Subscription Information *(This section is to be filled by all applicants)*

Individual and corporate applicants with GSD Accounts must provide GSD account details. Individuals without GSD Accounts should complete the Supplementary Information Section overleaf to the Application Form. Corporate applicants without GSD Accounts should submit their application to a Receiving Agent named in Part 10 of the Offer Document to ensure that GSD Accounts are opened on their behalf.

Subscription Information: Insert number of shares and the amount due in Ghana Cedis for the application. Payment must be realised in its full amount before the end of the Offer Period.

Insert corresponding address (if applicable) and postal address. The address must be current and reliable and in case of any change in address you should immediately inform your broker or the Registrar, whichever is the case. Provide a valid email address, telephone and fax (if applicable) number.

Applicants should provide their bank account information. This will enable MAC to pay the successful applicants' dividends directly into their bank accounts. Applicants who leave this blank will have their dividend payments warrant mailed to them at their stated address.

Section 4– Declaration

Multiple applications are not permitted. Please read the declaration carefully before you sign (or, if unable to sign make your thumb print) in the space provided. By signing or thumb printing this Section, you will be applying for the MAC Shares under the terms and conditions set out in the Prospectus and this Application Form. Proceedings may be instituted against anyone knowingly making a false declaration. This applies whether an application is made solely or jointly with other persons.

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

SUPPLEMENTARY INFORMATION FOR INDIVIDUALS WHO WISH TO OPEN GSD ACCOUNTS

Sections 5 to 10 of the Application Form are to be completed by individuals without GSD Accounts who are applying through any of the Receiving Banks. Information provided in these Sections will enable the Sponsoring Broker to open GSD Accounts on behalf of individual applicants to enable them to receive dematerialised MAC Shares following a successful application.

Section 5 – Individual Application

Please insert your date of birth, occupation, date and place of issue of ID indicated in Section 1 of the Application Form and your mobile telephone number. Please note that there are allowances in this Section for Joint Applications.

Section 6 – Financial and Investment Profile

Please tick the appropriate boxes to indicate your approximate income, net worth, investment horizon, objectives, investment knowledge and risk tolerance.

Section 7 – Next of Kin

Please provide information on your next of kin indicating their name, relationship to you, address and ID type, ID number and date of birth.

Section 8 – Residential Status

Indicate your residential status as appropriate.

Section 9 – Statement Delivery Method

Please indicate the method of delivery for your GSD Account Statements.

Section 10 – Declaration

Please read the declaration carefully before you sign (or, if unable to sign make your thumb print) in the space provided.

Appendix: Sample Application Form

MEGA AFRICAN CAPITAL SHARE APPLICATION FORM		SERIAL NUMBER: _____	
Individual Applications		Joint: _____	ITF: _____
<input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Miss. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr. <input type="checkbox"/> Other		<input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Miss. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr. <input type="checkbox"/> Other	
First Name: _____	_____	First Name: _____	_____
Other Names: _____	_____	Other Names: _____	_____
Surname: _____	_____	Surname: _____	_____
Previous Names: _____	_____	Previous Names: _____	_____
ID Type: _____	_____	ID Type: _____	_____
ID Number: _____	_____	ID Number: _____	_____
Corporate Applications:			
Names: _____			
Registration Number: _____			
Registered Address: _____			
Place of Business: _____	Contact: _____		
Tel. Number: _____	Fax Number: _____		
Subscription Information (Individuals without GSD Accounts should the supplementary information section)			
GSD Client Code: _____	GSD Broker Code: _____		
Number of Shares: _____	Amount Due GHS: _____		
Correspondence Address: _____			
_____	Town/City: _____		
Application Postal Address: _____			
Town/City: _____	Country: _____		
Email: _____			
Telephone: _____	Fax: _____		
Bank Name: _____			
Account Name: _____			
Branch: _____	Account Number: _____		
Declaration			
(We hereby apply for Mega African Capital Shares under the terms and conditions set out in the Prospectus. In my/our knowledge, there is no other application being made for my/our benefit (or that of any persons for whose benefit (We are applying for Mega African Capital Shares for which (We have applied for on this link form. (We certify that all statements made in this application are correct and that the responses are my/our own.			
Name: _____	_____	Joint Applicant / Second Signatory of Corporate Applicant Name: _____	_____
Designation: _____	_____	Designation: _____	_____
(If Corporate Applicant)		(If Corporate Applicant)	
Signature: _____	_____	Signature: _____	_____
Date: _____	Receiving Agent: _____		
Company Stamp: _____	Receiving Agent Stamp: _____		



SUPPLEMENTARY INFORMATION						
Individual Application			Joint Application			
5	Date of Birth:	<input type="text"/>	Date of Birth:	<input type="text"/>		
	Occupation:	<input type="text"/>	Occupation:	<input type="text"/>		
	Date of Issue of ID:	<input type="text"/>	Date of Issue of ID:	<input type="text"/>		
	Place of Issue:	<input type="text"/>	Place of Issue:	<input type="text"/>		
	Fax Number:	<input type="text"/>	Fax Number:	<input type="text"/>		
Financial and Investment Profile			(All amounts in GHS)			
6	Approximate Income	Net Worth	Investment Horizon	Objectives	Investment Knowledge	Risk Tolerance
	<input type="checkbox"/> Under 2,000 p.a	<input type="checkbox"/> Under 25,000	<input type="checkbox"/> Under 1 year	<input type="checkbox"/> Security	<input type="checkbox"/> Professional	<input type="checkbox"/> 0 Zero
	<input type="checkbox"/> 2,000 - 4,999	<input type="checkbox"/> 25,000 - 49,999	<input type="checkbox"/> 1-2 years	<input type="checkbox"/> Income	<input type="checkbox"/> Sophisticated	<input type="checkbox"/> 1
	<input type="checkbox"/> 5,000 - 9,999	<input type="checkbox"/> 50,000 - 99,999	<input type="checkbox"/> 3-5 years	<input type="checkbox"/> Balance	<input type="checkbox"/> Good	<input type="checkbox"/> 2 Low
	<input type="checkbox"/> 10,000 - 24,999	<input type="checkbox"/> 100,000 - 249,999	<input type="checkbox"/> 5-10 years	<input type="checkbox"/> Growth	<input type="checkbox"/> Fair	<input type="checkbox"/> 3
	<input type="checkbox"/> 25,000 - 49,999	<input type="checkbox"/> 250,000 - 500,000	<input type="checkbox"/> 10+ years	<input type="checkbox"/> Aggressive	<input type="checkbox"/> Limited	<input type="checkbox"/> 4 Medium
	<input type="checkbox"/> 50,000 - 100,000	<input type="checkbox"/> Over 500,000		<input type="checkbox"/> Speculation	<input type="checkbox"/> Novice	<input type="checkbox"/> 5
<input type="checkbox"/> Over 300,000 p.a					<input type="checkbox"/> 6 High	
Next of Kin						
7	Title:	<input type="text"/>	Surname:	<input type="text"/>		
	First Name:	<input type="text"/>	Other Names:	<input type="text"/>		
	Relationship to Applicant:	<input type="text"/>				
	Address:	<input type="text"/>				
	ID Type:	<input type="text"/>	ID Number:	<input type="text"/>		
Residential Status (Tick where applicable)						
8	<input type="checkbox"/> Resident Ghanaian <input type="checkbox"/> Resident Foreigner <input type="checkbox"/> Non Resident Foreigner <input type="checkbox"/> Non Resident Foreigner					
Statement Delivery Method						
9	<input type="checkbox"/> Email <input type="checkbox"/> Post <input type="checkbox"/> Field					
Declaration						
I/We declare that I/we do not have valid GSD Accounts and therefore authorise that a GSD Account is opened on my/our behalf using information provided on this application form. This will enable me/us to receive dematerialized Mega African Capital Shares following successful application.						
10	Individual Applicant			Individual Applicant:		
	Signature:	<input type="text"/>		Signature:	<input type="text"/>	

NOTES

A series of horizontal dotted lines for writing notes.

NOTES

A series of horizontal dotted lines for writing notes.

Mega African Capital Ltd
No. 35 Latebu Crescent,
PMB CT 235
East Cantonments,
Accra, Ghana
Tel: +233 302 767926
Email: info@oakpartners.net
