

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ CAREFULLY.  
YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS BEFORE SUBSCRIBING, FOR GUIDANCE, PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, BANKER OR INDEPENDENT INVESTMENT ADVISER, REGISTERED BY THE SECURITIES & EXCHANGE COMMISSION ("SEC" OR "THE COMMISSION"). INVESTING IN THIS OFFER INVOLVES RISKS, FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 18



RC 219970

**Offer by Way of Rights Issue  
1,127,236,000**

**Ordinary Shares of 50 kobo each at 35 kobo per Share**

On the basis of 68 new ordinary shares for every 100 ordinary shares of 50 kobo each held as at the close of business on 30<sup>th</sup> November 2021

The Rights being offered are tradable on the floor of the Nigerian Exchange Limited for the duration of the Rights Issue

Payable in full on acceptance

Acceptance List Opens: Monday May 16, 2022

Acceptance List Closes: Tuesday May 31, 2022

**Issuing House**



**FSL SECURITIES LIMITED**

RC: 139396

This Rights Circular and the securities which it offers have been cleared and registered by the Securities and Exchange Commission. It is a civil wrong and a criminal offence under the Investments and Securities Act No 29, 2007 to issue a Rights Circular which contains false or misleading information. Clearance and registration of this Rights Circular and the securities which it offers do not relieve the parties from any liability arising under the Act for false and misleading statements contained therein or for any omission of a material fact.

Investors may confirm the clearance of the Rights Circular and registration of the securities with the Securities and Exchange Commission by contacting the Commission on [sec@sec.gov.ng](mailto:sec@sec.gov.ng) or +234(0)94621100; +234(0) 94621168.

A Copy of the Rights Circular will be available on ABC Transport Plc's website [www.abctransport.com](http://www.abctransport.com) for the duration of the Rights Issue period.



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## IMPORTANT NOTICE

This Rights circular prepared by FSL Securities Ltd (Issuing House) is issued in connection with the Rights issue 1,127,236,000 Ordinary shares of 50 kobo each at 35 kobo per share in ABC Transport Plc.

The Rights Circular and the Shares being offered have been cleared and registered with SEC. Application will be made to the Board of the NGX for admission of the Shares now being offered to the Daily Official List. It is expected that dealing in the Shares will commence immediately after the admission to the Daily Official List.

The Directors of the Company individually and collectively accept full responsibility for the information contained in the Rights Circular. To the best knowledge and belief of the Directors (having made all reasonable enquiries to ensure that such is the case), the information contained in this Rights Circular is in accordance with the facts and contains no omission likely to affect its import. Each Shareholder should read this Rights Circular in its entirety and determine by himself/herself the relevance of the information contained herein and each Shareholder's acceptance of his/her rights should be based upon such investigation as is deemed necessary. In making an investment decision, Shareholder must rely upon their own examination of the Company and the terms of this Rights Circular, including the risks involved.

The Issuing House is duly registered with the SEC and is acting exclusively for the Company and no-one else in connection with the Rights Issue.

This Rights Circular relates to the Company's Rights Issue and has been prepared in accordance with the investment and Securities Act (No. 29 2007) and the Rules and Regulations of the SEC (2013 as amended).

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

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

The distribution of this Rights Circular and the issuance of the Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or the Issuing House that would permit a public offer of shares or possession, publication or distribution of this Rights Circular (or any other offer or publicity material or application form relating to the issue) in any jurisdiction where action for the purpose is required, other than in Nigeria. Persons into whose possession in Rights Circular comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute an offer of, or an invitation to subscribe or purchase, any shares being offered in any jurisdiction in which such an offer would be unlawful.



## DEFINITIONS

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

ABBREVIATION	NAME/DESCRIPTION
"AGM"	Annual General Meeting
"ASI"	All Share Index of The Nigerian Exchange Limited
"Brokerage Commission"	Fees payable to Receiving Agents in respect of returns bearing their stamps and duly allotted
"CAC"	Corporate Affairs Commission
"CAMA"	Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004
"CSCS"	Central Securities Clearing System Plc
"Daily Official List"	Daily Official List of The Nigerian Exchange limited
"Directors"	The members of the Board of Directors of ABC Transport Plc whose names are set out on page 9 of this Rights Circular
"ABC Transport Plc" or "ABC "or "company"	Associated Bus Company Plc
"Existing Shareholders"	Shareholders of the Company whose names appear in the register of members as at the Qualification Date
"FGN" or "Government"	Federal Government of Nigeria
"FX"	Foreign Exchange
"GDP"	Gross Domestic Product
"ISA"	Investments and Securities Act No. 29 2007
"Issue" or "Rights Issue"	The Rights Issue by way of provisionally allotted rights to Existing Shareholders of 1,657,700,000 Ordinary Shares of 50 kobo each in the Company, on the basis of 68 new Ordinary Shares for every 100 Ordinary Shares held by them on the Qualification date
"Issuing House"	FSL Securities Limited,
"Issuing Price"	The price at which the shares under the Rights Issue will be issued to Existing Shareholders
"LFN"	Laws of the Federation of Nigeria, 2004
"Management"	Management of ABC Transport
"Naira" or "₦"	The Nigerian Naira, the official currency of Nigeria
"Nigeria"	The Federal Republic of Nigeria
"The NGX" or "Exchange"	The Nigerian Exchange Limited
"Ordinary Shares"	The ordinary shares of 50 kobo each in the Company held by the ordinary shareholders of the Company
"Pari Passu"	Equally
"Professional Parties to the Issue"	The Issuing House, Auditors, Solicitors to the Issue, Stockbroker, Registrars and Receiving Banks
"Qualification Date"	Date of filing the Rights Issue application with The Nigerian Exchange Limited, being 30 <sup>th</sup> November 2021
"Receiving Agents"	Any of the institutions listed on page 39 of this Rights Circular to whom Shareholders listed on the share register of the Company as at the Qualification Date may return their duly completed Acceptance/Renunciation Forms together with payment/evidence of payment
"Receiving Bank"	Fidelity Bank PLC
"Register of Members"	The register that records the names and addresses of the ordinary shareholders of the Company
"Registrar"	First Registrars and Investor Services Limited
"Rights Circular"	This document, which is issued in accordance with the Rules and Regulations of the Commission in respect of this Rights Issue
"SEC" or "the Commission"	Securities and Exchange Commission
"Working Day" or "Business Day"	Any day other than a Saturday, Sunday or official public holiday declared by the Federal Government of Nigeria from time to time



## CORPORATE DIRECTORY

1. Head Office and Registered address  
ABC TRANSPORT PLC  
KM 5, MCC ROAD, UMUOBA URATTA OWERRI, IMO STATE  
Website: [www.abctransport.com](http://www.abctransport.com)  
Telephone: +2348039600958  
Contact Email: [info@abctransport.com](mailto:info@abctransport.com)

## INDICATIVE TIMETABLE

The dates indicated in the table below, which reflect principal events, are subject to change:

DATE	ACTIVITY	RESPONSIBILITY
Jan.10, 2022	Issue opens/Trading in Rights begins	Issuing House/Stockbroker
Jan.28, 2022	Issue closed/Trading in Rights closes	Issuing House/Stockbroker
Feb.04, 2022	Receiving Agents makes returns	Registrar/Issuing House
Feb.11, 2022	Forward Allotment proposal/draft newspaper publication to SEC	Issuing House
Feb.18, 2022	Receive SEC clearance of allotment proposal	Issuing House
Feb.18, 2022	Disburse net proceeds of Rights Issue to ABC Transport Plc	Receiving Bank/Issuing House
Feb.21, 2022	Publish Allotment announcement	Issuing House
Feb.21, 2022	Return rejected/excess application monies	Issuing House
Feb.21, 2022	Credit CSCS account	Registrar
Feb.22, 2022	Forward Declaration of compliance to NGX	Stockbroker
Feb.25, 2022	Listing of rights on NGX	Stockbroker
Feb.28, 2022	Forward issue summary report to SEC	Issuing House

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



## 5. SUMMARY OF RIGHTS ISSUE

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

Issuer:	ABC TRANSPORT Plc			
Issuing House:	FSL Securities Ltd			
Share Capital:				
Authorised:	₦1,700,000,000.00 made up of 3,400,000,000 Ordinary shares of 50 kobo each			
Issued and fully paid:	1,657,700,000 ordinary shares of 50 kobo each			
Now being offered:	1,127,236,000 Ordinary shares of 50kobo at 35 kobo per share by way of Rights Issue			
Gross Issue proceeds:	₦394,532,600.00			
Method of Issue:	By way of Rights issue			
Offer Price:	35 Kobo			
Payment:	In full on Acceptance			
Purpose:	The net proceeds of the Issue will be applied towards enabling ABC Transport Plc execute its strategic programs on working capital, purchase of motor vehicles and terminal upgrade.			
Utilization of proceeds:	After the deduction of the costs and expenses of the issue estimated at ₦11,171,976.92 representing 2.83% of gross proceeds excluding registrars’ fees. The expected net proceeds of ₦382,823,124.08 will be used as showed in the table below.			
	Purpose	Amount in Naira	% Of Net proceeds	Duration
	Motor Vehicle	200,000,000.00	52.24%	2 <sup>nd</sup> Quarter 2022
	Working Capital	114,000,000.00	29.78%	2 <sup>nd</sup> Quarter 2022
	Terminal upgrade	68,823,124.08	17.98%	2 <sup>nd</sup> Quarter 2022
Provisional Allotment:	68 new Ordinary Share for every 100 Ordinary shares held at the close of business on 30 <sup>th</sup> November 2021. Ordinary Shares which are not taken up at the closure of the Offer, will be allotted on a pro-rata (equal) basis to existing shareholders who applied and paid for additional shares over and above their provisional allotment.			
Opening Date:	Monday, May 16,2022			
Closing Date:	Tuesday ,May 31,2022			
Market Capitalization at Rights price(pre Offer):	₦580,195,000			
Market Capitalization at Rights price (post Offer):	₦974,727,600			
Qualification Date:	30 <sup>th</sup> November 2021			



Financial Summary:	9Mths Ended Sept. 2021	2020	2019	2018	2017	2016
	₦'000					
	Revenue	4,458,185	7,751,099	6,681,010	6,861,004	7,186,797
	PBT	102,215	-323,540	412,895	67,125	766,845
	Income Tax	-192,580	-155,346	-214,812	-180,549	-253,586
	PAT	-90,365	-478,886	198,083	-113,424	513,259
	Total Assets	5,954,719	5,875,031	5,134,607	4,566,197	4,470,632
	Total Liabilities	4,542,833	4,713,158	3,596,765	3,184,545	2,529,045
<b>Quotation:</b>	ABC Transport Plc's entire issued and paid-up share capital is listed on The Exchange. The newly issued shares under the right issue will be listed on the Nigerian Exchange Limited.					
<b>Status:</b>	The shares being issued will rank <i>pari passu</i> in all respects with the existing issued Ordinary Shares of the Company.					
<b>Dividend Qualification:</b>	The shares being issued shall qualify for any dividend (or any other distribution), as long as the qualification date for the dividend (or any other distribution) declared is after the allotment of the ordinary shares now being issued.					
<b>Claims and Litigations:</b>	<p>As at the date of this right circular the total value of claims instituted against the company is N204,100,698.00 and \$19,620.00</p> <p>The Solicitors to the issue are of the opinion that the pending litigation matters have arisen in the ordinary course of the Issuer's business, and that the contingent liabilities which could materialize from these matters are not likely to adversely affect the Issuer significantly or adversely affect the ability of the Issuer to perform its obligations.</p>					
<b>Underwriting</b>	At the instance of the Issuer, this Issue is not underwritten.					
<b>Settlement</b>	The CSCS accounts of Shareholders will be credited not later than 15 working days from the date of allotment. Shareholders are hereby advised to state the name of their respective stockbrokers and their Clearing House Numbers in the relevant spaces on the Acceptance Form.					
<b>Indebtedness</b>	As at September 30,2021, the Company had an outstanding debt balance of ₦805,047,721. 49 from commercial Banks and other financial institutions at interest rates between 12.50% and 20% obtained in the ordinary course of business					
<b>Dilution</b>	Shareholders who renounce their Rights or do not accept their provisional allotment in full may have their shareholding in the Company diluted.					





## THE RIGHTS ISSUE

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

This Rights Circular is issued in compliance with the provisions of the Investments and Securities Act No 29, 2007, the Rules and Regulations of the Commission and the listing requirements of The Nigerian Exchange Limited and contains particulars in compliance with the requirements of the Commission and The Exchange for the purpose of giving information to the public with regards to the Issue of 1,127,236,000 Ordinary Shares of 50kobo in ABC Transport Plc by FSL Securities Limited. An application will be made to the Board of the Exchange for the admission to its Daily Official List of the 1,127,236,000 Ordinary Shares being offered via the Rights Issue.

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

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



on behalf of



RC 219970

are authorized to receive acceptances for the

### RIGHTS ISSUE OF

#### **1,127,236,000 ORDINARY SHARES OF 50 KOBO EACH AT 35 KOBO PER SHARE**

on the basis of 68 new Ordinary Share for every 100 Ordinary Share held as at close of business on **30<sup>th</sup> November 2021 Payable** in full on Acceptance List for the shares now being issued will open on

**Monday May 16, 2022** and close on **Tuesday May 31, 2022**

#### **SHARE CAPITAL AND RESERVES OF THE COMPANY AS AT SEPTEMBER 30, 2021**

(Extracted from unaudited financial statements as at September 30, 2021)

	<b>N'000</b>
Authorized Share Capital: *3,400,000,000 ordinary shares of 50 kobo each	<b>1,700,000</b>
Issued and fully Paid: 1,657,700,000 ordinary shares of 50 kobo each	<b>828,850</b>
<b>EQUITY AND RESERVES</b>	
Ordinary Share Capital	828,850
Share Premium	558,916
Retained earnings	(190,273)
<b>TOTAL EQUITY (ATTRIBUTABLE TO EQUITY HOLDERS)</b>	<b>1,411,885</b>





*\*The share capital of the company was increased from ₦1,000,000,000 to ₦1,700,000,000 by the creation of 1,400,000,000 additional ordinary shares following a resolution passed at the annual general meeting on 27<sup>th</sup> of November 2020.*

## PARTIES TO THE OFFER

### ISSUER:

#### **ABC TRANSPORT PLC**

KM 5, MCC ROAD, UMUOBA URATTA OWERRI, IMO STATE

**Email:** info@abctransport.com

**Telephone:** +2348039600958

**Website:** [www.abctransport.com](http://www.abctransport.com)

### DIRECTORS OF THE ISSUER

#### **Prince Olumide Obayomi** (Chairman)

KM 5, MCC Road Umuoba, Uratta Owerri Imo State

#### **Mr. Francis Nneji** (MD/CEO)

KM 5, MCC Road Umuoba, Uratta Owerri  
Imo State

#### **Mr. Jude Nneji** (Deputy Managing Director)

KM 5, MCC Road Umuoba, Uratta Owerri Imo State

#### **Alhaji Kabiru Yusuf** (Non- Executive Director)

KM 5, MCC Road Umuoba, Uratta Owerri Imo State

#### **Mr. John Amanze Okoro** (Non- Executive Director)

KM 5, MCC Road Umuoba, Uratta Owerri Imo State

#### **Mr. Bamidele Akpofure Asije** (Non- Executive Director)

KM 5, MCC Road Umuoba, Uratta Owerri Imo

#### **Mr. Rex Chidi Okoro** (Executive -Director)

KM 5, MCC Road Umuoba, Uratta Owerri Imo

#### **Barrister Onyekachukwu Chukwuemeka Chigbo** (Company Secretary)

KM 5, MCC Road Umuoba, Uratta Owerri Imo

### AUDIT COMMITTEE MEMBERS

#### **Mr. Chibuzor Eke** (Chairman/Shareholder)

KM 5, MCC Road Umuoba, Uratta Owerri Imo

#### **Mr. Jude Okpala** (Shareholder member)

KM 5, MCC Road Umuoba, Uratta Owerri Imo

#### **Alhaji Kabiru Yusuf** (Director Member)

KM 5, MCC Road Umuoba, Uratta Owerri Imo

#### **Mr. Jude Nneji** ( Director Member)

KM 5, MCC Road Umuoba, Uratta Owerri Imo



## PROFESSIONAL PARTIES

### ISSUING HOUSE

#### **FSL SECURITIES LIMITED**

Plot 688, Ahmodu Tijani Close, Off Sanusi Fafunwa,  
Victoria Island, Lagos, Nigeria.

### SOLICITORS TO THE ISSUE

#### **PAC SOLICITORS**

Dicon Towers, 16 Kofo Abayomi,  
Victoria Island Lagos, Nigeria.

### STOCKBROKER

#### **FSL SECURITIES LIMITED**

Plot 688, Ahmodu Tijani Close, Off Sanusi Fafunwa,  
Lagos, Nigeria.

### AUDITOR

#### **PKF PROFESSIONAL SERVICES**

205A Ikorodu Road  
Lagos, Nigeria

### REGISTRAR

#### **FIRST REGISTRARS & INVESTOR SERVICES**

2, Abebe Village Road, Iganmu, Lagos, Nigeria.

### RECEIVING BANK

#### **FIDELITY BANK PLC**

2, Kofo Abayomi Street  
Victoria Island, Lagos, Nigeria



## CHAIRMAN'S LETTER

The following is the text of a letter received by the issuing house from Prince Olumide Obayomi, chairman, Board of Directors of ABC Transport Plc.

### PROPOSED RIGHT ISSUE BY ABC TRANSPORT PLC

**September 30, 2021.**

**TO: ALL SHAREHOLDERS OF ABC TRANSPORT PLC**

Dear Sir/Madam,

### **RIGHTS ISSUE OF 1,127,236,000 ORDINARY SHARES OF 50KOBO EACH AT 35KOBO PER SHARE IN ABC TRANSPORT PLC**

#### **INTRODUCTION**

At the Annual General Meeting ("AGM") of ABC Transport Plc, which was held on 27<sup>th</sup> November 2020, the Shareholders of the Company authorized the Board of Directors to raise capital up to the sum of ₦1,400,000,000 (One Billion, Four Hundred Million Naira) through various funding options including via a Rights Issue to its Shareholders at such price and terms as the Directors of the Company deem fit, subject to obtaining all requisite regulatory approvals.

At a subsequent meeting of the Directors held on 27<sup>th</sup>, November 2020, based on the aforementioned mandate, the Board resolved to raise up to ₦394,532,600 through Rights Issue of 1,127,236,000 Ordinary Shares at 35kobo per share to Shareholders whose names appear on the Company's Register of Members as at November 30, 2021 on the basis of Sixty-Eight (68) new ordinary shares for every One hundred (100) ordinary shares held.

The purpose of the Rights Issue is to enable the Company to increase its fleet of vehicles, implement identified new growth opportunities and upgrade select terminals. By supporting the Rights Issue through the acceptance of your Rights, the Board will be able to implement the initiatives that will enhance the Company's ability to achieve sustainable growth and value creation for all its Shareholders

#### **USE OF PROCEEDS**

The Company will apply the net proceeds of the Rights Issue to expand its current operations by the acquisition of more vehicles, enhance its working capital and upgrade select terminals.

#### **ECONOMIC AND OPERATING ENVIRONMENT**

The twin shocks of fall in oil prices and the COVID-19 pandemic plunged the Nigerian economy into severe recession in 2020, the worst since 1980, according to the World bank development update.

In response to the unprecedented global crisis as a result COVID-19 and crash in oil prices, both the Monetary and Fiscal authorities made far reaching interventions to prevent the economy from sliding into deep recession, while putting in place reforms meant to diversify the Nigerian economy. This amongst others includes:

- A 1-year extension of moratorium on principal repayments for CBN intervention facilities.
- The reduction of the interest rate on intervention loans from 9 percent to 5 percent.
- Strengthening of the Loan to Deposit ratio policy (i.e., stepped up enforcement of directive to extend more credit to the private sector)
- Creation of NGN50 billion target credit facility for affected households and small and medium enterprises



- Granting regulatory forbearance to banks to restructure terms of facilities in affected sectors
- Improving FX supply to the CBN by directing oil companies and oil servicing companies to sell FX to the CBN rather than the Nigerian National Petroleum Corporation
- Additional NGN100 billion intervention funds in healthcare loans to pharmaceutical companies and healthcare practitioners intending to expand/build capacity
- Identification of few key local pharmaceutical companies that will be granted funding facilities to support the procurement of raw materials and equipment required to boost local drug production.
- N1 trillion in loans to boost local manufacturing and production across critical sectors.
- The Monetary Policy Committee of the Central Bank cut the monetary policy rate (MPR) twice in 2020-first in May 2020 (from 13.50% to 12.50%) and second in September 2020 (from 12.50% to 11.50%)

Also, on 13th of January 2020, the President signed the Finance act into law, which enforced the increase of VAT rate to 7.5% from 5.0%.

Anchored on these reforms, the Nigerian economy grew by 0.11% in Q4, 2020, officially taking the economy out of recession. However, given the significant contraction reported in Q2 and Q3, 2020 resulted in -1.92% contraction year-on-year. Furthermore, the economy grew by 0.51%(year-on-year) in real terms in the Q1, 2021, marking two consecutive quarters of growth following the negative growth rates recorded in the second and third quarters of 2020. The Q1 2021 growth rate was slower than the 1.87% growth rate recorded in Q1 2020 but higher than 0.11% recorded in Q4 2020, indicative of a slow but continuous recovery.

#### **IMPACT OF COVID-19 ON THE BUSINESS OF ABC TRANSPORT PLC**

The outbreak of COVID-19 presents an alarming health crisis that the world is grappling with. The virus knows no borders, governments initially responded by restricting movements as measures to contain the spread of the virus.

Our business like most other businesses was adversely affected. According to National bureau of statistics Road transport industry contracted by -22.26% in 2020 as against growth of 11.24%, 14.47% in 2019 and 2018 respectively. We expect that the COVID-19 threat will eventually fade as the Ebola, Zika and Severe Acute Respiratory Syndrome (SARS) have in recent years. More so, as vaccine production and development is ramped up.

#### **FUTURE DEVELOPMENTS**

Like many others during these unprecedented times, the Company has put in place several measures to ensure business continuity, reinvent itself while seizing emerging opportunities in the next normal. The Company's strategic objective is to achieve growth through expansion of its fleet of vehicles, leveraging strategic partnerships and alliances to drive expansion in the cargo and logistics business. In addition, the Company will improve brand awareness through marketing campaigns, and upgrade of select terminals, as part of the Company's plan to consolidate its position as a market leader in championing innovations in the industry.

#### **CONCLUSION**

Amidst the challenges, our business continues to seek innovative ways to grow and capitalize on the emerging opportunities within our operating environment. Our performance over the years reveals our effort to stay abreast of the changing environment, while drawing on our strength to retain our existing market share.



The Board and Management's gratitude goes to our shareholders, customers and all who have stood by us through the years. With your support, we are rebuilding a sustainable institution, underpinned by strong ethical, innovative and governance standards. We intend to maintain these standards as we reposition our business.

By accepting your Rights, you will be reinforcing your support and belief in ABC Transport Plc's ability to exploit new business opportunities, attain sustainable growth, while creating value for all Shareholders.

The Provisional Allotment Letter is included on pages 36-38 of this Rights Circular, detailing full instructions for acceptance, payment, and trading of your Rights.

Yours faithfully,

**Prince Olamide Obayomi**  
Chairman, Board of ABC Transport Plc



## **BUSINESS OVERVIEW**

### **OVERVIEW OF TRANSPORT AND LOGISTICS SERVICES INDUSTRY**

The logistics services Industry in Nigeria is responsible for the facilitation of the movement of goods, resources and services from the point of origin to the point of use. It involves the management of supply chain, covering customer service, warehousing, transport, purchasing, materials handling, strategic planning and a few other services.

In 2019, the Nigeria logistics industry grew by 32% year on year contributing 19% to Nigeria's total GDP. The services industry growth experienced is attributable to increase in global trade activities and the advancement in technology such as biometrics, automated material handling equipment and Global Positioning System.

The growth experienced in the industry is expected to continue over the next few years, although at a slightly decelerated rate, as transport infrastructure in Nigeria is inadequate and has been described as one of the leading impediments to the country's growth.

Current investment into Nigeria's infrastructure will have a positive impact on all freight modes in the near future, increasing and facilitating trade. The nation's infrastructure deficit has been recognized, with the African Development Bank planning to galvanise private sector funds and other development partners to handle some verified infrastructure projects, along with the Government taking steps to secure funding for the infrastructure deficit.

Like many other industries, logistics services will become increasingly affected by the forces of digitization. In the near future, telematics, complex algorithms, and analytics will help companies to optimize their freight networks and improve efficiency, which will lead to cost-savings. Alongside digitization, the growth of e-commerce is also expected to make scale a more important feature in the industry, as supply-chain requirements become more extensive, which could prove lucrative for large carriers.

The logistics services industry and the Nigeria economy at large rely heavily on oil and gas activities, particularly in relation to exports, as specialist freight transportation has benefited greatly from the nation's external oil trade. It is also expected that the development of a stronger manufacturing sector will increase trade and freight volume numbers, impacting all freight modes.

The Industry adopts various modes of transportation comprising airways, seaways (also referred to as marine), railways and roadways.

### **ROADWAYS**

While advanced countries largely utilize other means of transportation besides roadways, Nigeria focuses primarily on road transport. The country has the largest road network in West Africa and the second largest in Sub-Saharan Africa, behind South Africa. Road freight has always been the most dominant freight mode in Nigeria, due to the nature of the freight mode, accounting for a significant portion of the industry. Growth in the sub-industry is mainly driven by the oil, manufacturing and agricultural segments. As the economy grows, the sector is expected to further develop, on the back of the projected increase in the activities of these strategic segments. Roadways are responsible for the majority of inland freight transport in the country. Recognizing this, the government has committed to completing projects that are essential to support economic growth.

Intra and inter-state transportation is also fragmented with several operators ranging from sole proprietors to organized corporates in the likes of GIGM, Young Shall Grow Transport, ABC Transport



Plc, Peace Mass transit, GUO Transport, Chisco Transport, Cross country and Autostar. The Sub-sector Contracted by -22.25% in 2020 from 11.24% in 2019 and 14.47% in 2018. The gradual return of economic activities following the easing of restricted movements, is expected to impact positively on the Sector.

Despite relatively good inland and regional connections, setbacks faced include the lack of adequate highways, poor road quality, traffic congestion, high rate of accidents and security issues, which signals a high risk of supply chain disruption. The rapid growth in urban populations combined with the dearth of adequate mass transit systems means labour and freight mobility is severely inhibited by delays in traffic, raising risk of cargo spoilage and accidents.

### **SUPPLY CHAIN**

Nigeria's supply chains are overly reliant on the country's sub-par road network and congested ports, which heighten operational risks due to the high likelihood of disruption caused by congestion, traffic accidents, security issues and energy and fuel shortages.

Businesses have limited alternatives. Prior to the border closure on 20 August 2019, some goods bound for Nigeria were being routed inland through its neighbours, rather than arriving directly on its shores, raising lead times due to frequent congestion.



## **ABOUT ABC TRANSPORT**

ABC Transport commenced operations in road passenger transport in Nigeria in February 13, 1993, with a view to running a modern road transportation service on internationally accepted standards. In July 2004, the Company commenced road transportation business on the West African Coast between Lagos, Nigeria and Accra, Ghana.

ABC Transport passenger services are specifically designed for discerning travelers with operations carried out in modern terminals, with comfortable lounges, courteous crew on ground and on-board. The company is a strong player in Cargo/Haulage Logistics with vast experience, and one of the finest infrastructures in the industry. Our Haulage segment provides dedicated transport service to blue-chip companies in the manufacturing sector and City Transit Inn a support service unit in the company is a 114-room lodging facility next to the ABC Transport's modern terminal at the Federal Capital Territory, Abuja, which offers affordable air-conditioned accommodation with modern amenities. ABC Transport terminals are spread across the country and in Ghana, Togo and Benin Republic.

ABC Transport is the only road transport company in Nigeria currently quoted on the Nigeria Exchange Limited and in the last 28 years for ABC has been characterized by groundbreaking innovations, marking ABC Transport as the most outstanding, innovative and safety conscious, in land transportation in Nigeria and West Africa.

ABC Transport owns a 99% equity stake in ABC Transport (Ghana) Limited, a 5% equity stake in ABC Express Courier (ABEX) limited and 50% equity in Transit Support Services limited a company engaged in the assembly and sale of vehicles, after sales services and sundry vehicle spare parts.

ABC Transport is presently seeking additional funding to exploit the huge potentials and opportunities identified in the Cargo and Courier logistics segment of the transport industry, leveraging on a robust rolling-stock, wide geographical spread and vast experience in the line haul. The Company is also working to re-invigorate the passenger business for improved customer experience.

## **BOARD OF DIRECTORS**

The board guides and approves the company's strategic direction taking into consideration the company's risk profile. Below are the profiles of the board and management team.

### **PRINCE OLUMIDE OBAYOMI (CHAIRMAN)**

Prince Obayomi holds a Master's degree in Finance from the University of Lagos. He is a fellow of the Institute of Chartered Accountants of Nigeria. He is presently a Corporate Value Optimization, Entrepreneurship and Investment Consultant. Before his retirement, he had worked with African Capital Alliance for upwards of 17 years. He also serves on the Board of Falcon Corporation Ltd, Business Day Media Ltd, Accion MFB and Royal Funbay Ltd.

### **MR. FRANCIS NNEJI (MANAGING DIRECTOR/CEO)**

Francis Nneji founded the Company in 1993. He has been the Managing Director/Chief Executive Officer since November 2005 when the company went public. Francis Nneji holds a B.Sc in Zoology from the University of Nigeria, Nsukka, and has won many awards for his innovative and successful business initiatives, including the Fate Model Entrepreneur Award from Fate Foundation, and has undergone executive programmes at Wharton Business School, Philadelphia (USA) and Lagos Business School (Nigeria).



**MR. JUDE NNEJI (DEPUTY MANAGING DIRECTOR)**

Jude Nneji joined the company in 1993 and was appointed an Executive Director in November 2005. He holds a Bachelor's degree in Pharmaceuticals from the University of Nigeria Nsukka. He attended the Advanced Management Programme and the Chief Executive Programme at the Lagos Business School. He is presently the Deputy Managing Director of the company.

**ALHAJI KABIRU YUSUF (NON-EXECUTIVE DIRECTOR)**

Alhaji Kabiru Yusuf was appointed to the Board as a Non-Executive Director in August 2006. He was a former university lecturer and was editor for Daily Triumph, Today and Citizen Magazine. He holds a Bachelor of Science and Master of Science in Political Economy from the Ahmadu Bello University, Zaria and University of Toronto, Canada respectively.

**MR. JOHN AMANZE OKORO (INDEPENDENT DIRECTOR)**

John Okoro holds a B.SC in Agric Economics from the Obafemi Awolowo University. He also holds an MBA in Banking and Finance from the University of Nigeria, Nsukka. He joined First Bank of Nigeria Plc in August 1994 as a Credit Officer and was involved in re-engineering programmes that transformed the bank before exiting in December 2010 after more than 25 years. Okoro was first appointed to the Board of Directors of ABC Transport in August 2012 as an Independent Director and has served in different Board Committee functions to date.

**MR. BAMIDELE AKPOFURE ASIJE (NON-EXECUTIVE DIRECTOR)**

Asije holds a B.SC in Accounting from Edo State University, Ekpoma. He is a Chartered Accountant with over 13 years professional experience spanning across Insurance, Forex Market and Agriculture. He served as Managing Director of Zabone BDC Limited between 2012 and 2015 before joining Phronesis Securities Limited as Financial Controller. He is currently the Chief finance Officer of Drolemoc Farms Limited.

**MR. REX CHIDI OKORO (EXECUTIVE DIRECTOR)**

Rex Okoro was appointed to the Board of Directors of the Company effective 15th July, 2018. He joined the Company in 2008. He became the Chief Financial officer and subsequently promoted to Assistant General Manager in 2010. He was promoted to Deputy General Manager in 2013 and was further promoted to General Manager in 2016. Mr. Rex holds a Higher National Diploma (HND) from the Federal Polytechnic Ilaro, Ogun State, Commonwealth, Executive Master of Business Administration (MBA) from the National Open University of Nigeria. He is a fellow of the Institute of Chartered Accountants of Nigeria.

**BARRISTER ONYEKACHUKWU CHUKWUEMEKA CHIGBO-COMPANY SECRETARY/HEAD LEGAL SERVICES**

Barrister Onyeka became the Company Secretary on 29th March, 2020. He holds a Bachelor of Law degree from the University of Nigeria Nsukka obtained in 2003 and was called to the Bar in 2004. He has experience in Litigation and Commercial/Corporate Law practice. Prior to joining the company he was engaged in private law practice and worked in such law firms as Iguh and Co and I.R. Nduka and Co.





## RISK FACTORS

*This section does not describe all the risks (including those relating to each prospective investor's particular circumstances). The risks in this section are provided as general information only. Prospective investors should refer to, and carefully consider the risks described below and the information contained elsewhere in this rights circular.*

### 1. IN RELATION TO NIGERIA

#### I. Economic Risks

***Lack of economic diversification exposes the country to downside risks in oil price and production***

The structure of the Nigerian economy remains largely undiversified; import dependent, consumption driven. The country is dependent on oil for economic activities, fiscal revenues and foreign exchange. Oil accounts for about 65% (2019) of exports and foreign exchange earnings while the manufacturing sector accounts for less than one percent of total exports. Dominance of oil as the major source of export receipts, coupled with import dependence heightens Nigeria's vulnerability to volatility in crude oil price

Nigeria exited recession occasioned by the twin shock of fall in oil prices and COVID-19 pandemic by fourth quarter of 2020. The goal remains to keep economic growth sufficiently above the population growth rate and maintain a stable macro-economy. However, given the downward pressure on the Naira, as a result of the steep decline in foreign currency revenue accruing to government from petroleum and inflationary pressures above the central bank target may adversely impact the business and operations of ABC Transport Plc due to increased input cost and capital expenditure. Therefore, any material decline in the overall macroeconomic landscape could have a material adverse effect on the Company's business, financial position and results of operations and/or cash flows.

#### II. Political Risks

Political, economic and social stability in Nigeria have historically been affected by political and religious conflicts, terrorism, and social and religious tensions. If the Federal Government is unable to address conditions such as poverty, low levels of education, religious intolerance, weak enforcement of law and order, these risks may persist.

### 2. IN RELATION TO THE ISSUER

ABC is exposed to operational and market risks in its ordinary course of business. Whilst ABC believes that it has implemented appropriate policies, systems, and processes to control and mitigate these risks, investors should note that any failure to control these risks adequately could have an adverse effect on the financial condition and/or reputation of ABC. The following is a description of the risk factors which are material in respect of the financial situation of ABC.

**I. Business Risks – These are the risks that ABC faces in its operations and include the following:**

***Regulatory and compliance requirements governing the sector in which ABC operates necessitate the procurement and maintenance of certain licenses, permits and approvals***

ABC's operations require it to procure and maintain certain permits, licenses, and approvals in relation to the group's business. Some of such licenses, permits and approvals are valid for limited periods, and must be periodically renewed. Furthermore, the official permits, licenses and approvals contain conditions and requirements that ABC and its relevant employees are required to fulfil. If ABC fails to renew such permits, licenses, or approvals, or if any of them is suspended or terminated, or if their conditions and requirements are amended, this could result in suspension of some of ABC's operations, causing disruption to services or incurring additional costs. It could also lead to the imposition of penalties by regulatory authorities,





such as reprimands, warnings and fines, for non-compliance with the relevant licensing and approval requirements.

***High exposure to a limited client base could lead to instability in ABC's revenue streams***

While ABC is expected to expand its client base and close on its pipeline contracts, current revenue stream of some of the group's subsidiaries is heavily concentrated on a few major clients. A failure to renew these principal contracts could have a detrimental effect on ABC's financial condition.

***Volatility in fuel prices and availability could lead to instabilities in the operational costs of ABC***

A significant part of ABC's business is centered on passenger, haulage/freight services via road transportation. ABC is particularly susceptible to fluctuations in fuel prices, changes to the existing national fuel subsidy regime and threats of fuel scarcity. The occurrence of any of these events could have a corresponding impact on ABC's operational expenses. Any increases in operating expenses would reduce ABC's operating margins and may have a material adverse effect on ABC's business, financial condition and results of operations.

**2. *ABC may be susceptible to medical and / or health emergencies, which could lead to a slowdown and adversely affect the company's business***

Whilst ABC has a substantive medical policy and health insurance for its employees as well as a business continuity plan policy that caters to risks that threaten business operations, ABC may be susceptible to operational challenges as a result of outbreaks of infectious diseases or pandemics in its chosen markets of operation. In Western Africa, incidences of such diseases have included Ebola hemorrhagic fever, Lassa fever and other health epidemics, most recently, the novel coronavirus (COVID-19) pandemic.

The COVID-19 pandemic is having significant adverse effects on the global scene, and negatively impacting national and regional economies, including that of Nigeria. The Federal Government issued a directive restricting movement in Lagos State, Ogun State and the Federal Capital Territory from 30 March – May 3, 2020, thereafter, began a gradual easing up with periodic review as part of efforts to curtail the spread of the virus. This had material adverse impact on passenger segment of the group.

***ABC's operations may pose certain hazards to the environment, which include but are not limited to release of carbon dioxide into the atmosphere***

Stricter enforcement of existing laws and regulations, the introduction of new laws and regulations, the discovery of previously unknown contamination or the imposition of new or increased requirements could require ABC to incur additional costs or become the basis of new or increased liabilities that could reduce earnings and cash available for operations and, as a result, adversely affect financial performance.

**3. *Financial Risk-*** ABC'S operations is exposed to the unpredictability of the financial markets and the adverse effect on the company's performance. The group has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Foreign Exchange Risk
- Market Risk
- Interest Risk

**Credit Risk:** - Credit risk, is the risk that a counterparty will default on its contractual objectives, resulting in financial loss to the group.





**Liquidity Risk:** – Liquidity risk is the risk that the group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering Cash or another financial asset.

**Foreign Exchange Risk:** These are risks that arise from the change in price of one currency against another: The input costs of ABC are subject to fluctuation in the exchange rate of the Naira against the United States Dollar and the New Ghanaian Cedi's (GHS). Unfavorable movement in exchange rates may affect ABC's foreign currency transactions and have a negative impact on ABC's financial condition. The group monitors the movement in these exchange rates, while implementing policies to mitigate the risk.

**Market Risk:** Risk refers to risk faced by the group, due to changes in market prices such as foreign exchange rates, interest rates and equity prices affecting the groups income or the value of the holdings of financial instruments.

**Interest Risk:** ABC often finances the acquisition of vehicles through bank borrowings. The employment of this source of funding is substantial in comparison with equity holders' funds and presents a key source of uncertainty and risk in view of the impact of interest rates on the group's finance cost, pressure of repayments on liquidity and the adverse consequences of repayment default.

#### 4. Legal Risk

Legal risk is the risk arising from the type and nature of the Company's contractual agreements. It also involves the risk that contracts may render the Company or any part, therefore, particularly vulnerable to litigation. These risks, if not addressed, may result in unspecified erosion of value for the Company. The Company's current exposure to loss from litigation is as explained in the claims and litigation section of this Rights Circular.





## SWORN DECLARATION OF FULL DISCLOSURE BY ABC TRANSPORT PLC.



**ABC TRANSPORT PLC**  
RC No. 219970

Km 5, MCC Road, Umuoba, Uratta  
P.O. Box 2575, Owerri, Imo State, Nigeria

Tel.: 046660283, 046660750  
0805-3002000, 0803-9600958  
e-mail: info@abctransport.com  
www.abctransport.com

September 30, 2021

**The Director-General**  
Securities and Exchange Commission  
SEC Tower  
Plot 272 Samuel Adesujo Ademulegun Street  
Central Business District  
Abuja

Dear sir

### DECLARATION BY THE ISSUER

This right circular has been prepared by the Issuing House on our behalf, ABC Transport Plc with a view to providing a description of the relevant aspects of the Company in connection with the issue and investment in the securities therein.

On behalf of the Board of Directors, we hereby make the following declarations:

1. We confirm that the information contained in this rights circular is to the best of our knowledge and belief, in accordance with the facts and contains no omission likely to affect the information therein.
2. We confirm that there has been no significant change in the financial condition or material adverse change in the prospects of the issuer since the date of this rights circular.
3. We confirm that the Company is not in breach of any terms and conditions in respect of borrowed monies which resulted in the occurrence of any event of default and an immediate recall of such borrowed monies during the 12 (twelve) months preceding the date of this rights circular.

Signed for and on behalf of  
**ABC Transport Plc**

By duly authorized representatives:

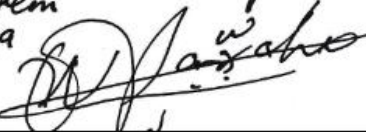
  
Barr. Onyekachukwu Chigbo  
COMPANY SECRETARY

  
Okoro Chidi Rex  
CHIEF FINANCIAL OFFICER

  
Nneji Francis  
MANAGING DIRECTOR

Notarised by me: *Williams W. Oparaoke Esq*  
150-7 Main Street Owerri  
Imo State - Nigeria












## LETTER FROM DIRECTORS ON GOING CONCERN STATUS ABC TRANSPORT PLC



**ABC Transport**

**ABC TRANSPORT PLC**  
**RC No. 219970**

Km 5, MCC Road, Umuoba, Uratta  
 P.O. Box 2575, Owerri, Imo State, Nigeria

Tel.: 046660283, 046660750  
 0805-3002000, 0803-9600958  
 e-mail: info@abctransport.com  
 www.abctransport.com

September 30, 2021

**The Managing Director/CEO**  
 FSL Securities Limited  
 Plot 688, Ahmodu Tijani close  
 Off Sanusi Fafunwa Street  
 Victoria island, Lagos State  
 Dear Sir,


**CONFIRMATION OF GOING CONCERN STATUS IN RESPECT OF THE PROPOSED RIGHTS ISSUE BY ABC TRANSPORT PLC**

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


The applicable international Financial Reporting Standard ("IFRS") have been followed and ABC Transport Plc's financial statement are prepared using accounting policies which comply with the requirement of the Financial Reporting Council of Nigerian Act and the Companies and Allied Matters Act 2004.

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

Yours faithfully,  
 For: ABC Transport Plc





Mr. Nneji Francis  
 Managing Director/CEO



Barr. Onyekachukwu Chigbo  
 Company Secretary/ Legal Advisers

*Notarised by me; Williams N. Opara, Esq.  
 100/1 Mann Street Owerri  
 Imo State - Nigeria*

Directors: Prince Olanide Obayomi (Chairman), Kabiru Yusuf, John Okoro, et al.





## RESOLUTIONS OF THE BOARD OF DIRECTORS



**ABC TRANSPORT PLC**  
RC No. 219970

Km 5, MCC Road, Umuoba, Uratta  
P.O. Box 2575, Owerri, Imo State, Nigeria

Tel: 046660283, 046660750  
0805-3002000, 0803-9600958  
e-mail: info@abctransport.com  
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### COMPANY AND ALLIED MATTERS ACT 2020

#### COMPANY LIMITED BY SHARES

#### BOARD RESOLUTION

#### OF

#### ABC TRANSPORT PLC RC: 219970


At the Meeting of the Board of Directors of ABC TRANSPORT PLC held on 27<sup>th</sup> November, 2020, at the Head Office of the Company situate at Km 5, MCC Road, Umuoba Uratta, Owerri, Imo State, the following resolutions were proposed and duly passed:

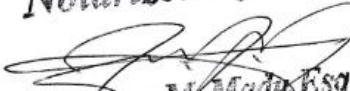
1. That in line with the mandate powers given to the Board of Directors by the shareholders at the 27<sup>th</sup> Annual General Meeting of the Company that the additional capital to be raised for the Company in the sum of ₦1,400,000,000.00 shall be obtained as follows: i) Rights Issue, (ii) Convertible bond to existing shareholders and (iii) Straight Bond.
2. That the Directors raise up to ₦394,532,600 of capital through Offer by way of Rights Issue of 1,127,236,000 ordinary shares of 50kobo each at 35kobo per share, on the basis of 68 new ordinary shares for every 100 ordinary shares held, on such terms and conditions and on such dates as may be determined by the Directors, subject to obtaining the approval of the relevant regulatory authorities.
3. That the Board is authorized to appoint professional parties and advisers and to undertake such other acts as may be necessary or incidental to and/or required for effecting the objective as set out above.
4. That the Directors and Secretary shall execute and file all the required documents necessary to give effect to the above resolutions

Dated this 30<sup>th</sup> day of November, 2020.

  
NNEJI FRANCIS  
DIRECTOR

*Notarized By Me*

  
OKORO CHIDI REX  
DIRECTOR

  
Maheshwari M. Madh Esq.  
Notary Public



Directors: Prince Olamide Obayomi (Chairman), Kabiru Yusuf, John Okoro, Rex Okoro,  
Jude Nneji, Frank Nneji (MD/CEO)





## SHAREHOLDERS RESOLUTION



**ABC TRANSPORT PLC**  
RC No. 219970

Km 5, MCC Road, Umuoba, Uraffa  
P.O. Box 2575, Owerri, Imo State, Nigeria

Tel.: 046660283, 046660750  
0805-3002000, 0803-9600958  
e-mail: info@abctransport.com  
www.abctransport.com

**THE FEDERAL REPUBLIC OF NIGERIA**  
**COMPANY AND ALLIED MATTERS ACT 2004**  
**COMPANY LIMITED BY SHARES**

**SPECIAL RESOLUTION**  
**OF**


**ABC TRANSPORT PLC RC: 219970**

At the Annual General Meeting of ABC TRANSPORT PLC held on 27<sup>th</sup> November, 2020, at the Mayfair Suites & Conference Centre, Plot 40, Egbu Road, Owerri, Imo State, Owerri, Imo State, the following resolutions were proposed and duly passed:


That the Directors are hereby authorized to raise up to N1,400,000,000.00 (One Billion Four Hundred Million Naira) additional capital for the Company through rights issue, placements and bond issuance to existing shareholders and to qualified investors, upon such terms and conditions that the Directors may deem fit in the interest of the Company, subject to obtaining the approvals of relevant regulatory authorities.

Dated this 30<sup>th</sup> day of November, 2020.

  
NNEJI FRANCIS  
DIRECTOR

  
OKORO CHIDI REX  
DIRECTOR

Notarised by me; Williams N. Oparaoke  
No. 7 Mann Street Owerri  
Imo State.








**LETTER FROM THE AUDITORS ON GOING CONCERN STATUS ABC TRANSPORT PLC**

PKF Professional Services



30 June 2021

The Managing Director  
ABC Transport Plc  
KM 5 MCC Road  
Umuoba Urata  
Owerri  
Imo State.

and

The Managing Director  
FSL Securities Limited  
Plot 688 Ahmodu Tijani Close  
Off Sanusi Fafunwa  
Victoria Island  
Lagos.

Dear Sirs,

**CONFIRMATION OF GOING CONCERN  
PROPOSED ABC TRANSPORT PLC RIGHTS ISSUE OF 1,127,236,000 ORDINARY SHARES  
OF 50 KOBO EACH AT 35 KOBO PER SHARE ON THE BASIS OF 68 NEW ORDINARY  
SHARES FOR EVERY 100 SHARES HELD IN THE COMPANY AMOUNTING TO ₦394,532,600**

ABC Transport Plc ("the Company") seeks to make a Rights Issue of 1,127,236,000 ordinary shares of 50 kobo each on the basis of sixty-eight (68) new ordinary shares for every one hundred (100) ordinary shares held in the company at 35 kobo per share amounting to ₦394,532,600.

The proceeds of the rights issue are to be utilized to support the company's working capital requirements.

Based on our audit of the financial statements for the year ended 31 December 2020 and review of the financial forecast of ABC Transport Plc (for which the Directors are solely responsible) for the three years ending 31 December 2021, 2022 and 2023, and necessary enquiries from management, we confirm that nothing has come to our notice that indicates that the Company will not continue in operation as a going concern in the foreseeable future.

This letter has been prepared only for the purposes of compliance with the rules and regulations of the Nigerian Securities and Exchange Commission.

Yours faithfully,

  
**Ayodeji Sonukan, FCA**  
**FRC/2013/ICAN/00000002431**  
For: PKF Professional Services  
(Chartered Accountants)  
Lagos.



**Date: 30 June 2021**

PKF House • 205A Ikorodu Road • Obanikoro • Lagos • G.P.O. Box 2047 • Marina • Lagos • Nigeria.  
Tel: +234(0) 9030001351 | 9030001352 • Email: lagos@pkf-ng.com | info@pkf-ng.com • Web: www.pkf-ng.com

List of Partners and Partner equivalents are available at 205A Ikorodu Road • Obanikoro • Lagos.

Offices in: Abuja • Jos • Kadiuna • Kano • Port Harcourt

PKF Professional Services is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms





## FINANCIAL INFORMATION

The financial information has been extracted from the Company's audited financials from 2016 to 2020.

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>						
	<b>9 Months ended Sept.30,2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
	<b>=N=000</b>	<b>=N=000</b>	<b>=N=000</b>	<b>=N=000</b>	<b>=N=000</b>	<b>=N=000</b>
<b>Non-current assets</b>						
Property, plant and equipment	3,052,611	<b>3,284,812</b>	3,005,209	2,503,101	2,955,045	2,977,889
Intangible assets	22,996	<b>18,664</b>	20,723	12,923	18,565	18,457
Investment in subsidiaries						
Financial assets - FVOCI	1,845	<b>1,845</b>	1,845	1,845	1,845	1,845
Financial assets - FVPL	16,061	<b>15,509</b>	19,378	17,214	19,792	16,935
Other investments						
Deferred tax asset	59,864	<b>60,543</b>	60,543	60,543	60,543	60,543
<b>Total non-current assets</b>	<b>3,153,377</b>	<b>3,381,373</b>	3,107,698	2,595,626	3,055,790	3,075,669
<b>Current assets</b>						
Inventories	758,002	<b>801,235</b>	877,321	807,170	587,087	552,936
Finance lease receivable	858					
Trade and other receivables	744,437	<b>437,053</b>	263,208	616,120	324,909	248,884
Other assets	1,034,301	<b>746,700</b>	750,303	427,702	329,655	362,535
Cash and bank balances	262,024	<b>506,949</b>	135,700	119,579	173,191	85,635
Current tax assets	1,722	<b>1,722</b>	377			
<b>Total current assets</b>	<b>2,801,342</b>	2,493,658	2,026,909	1,970,571	1,414,842	1,249,990
<b>Total assets</b>	<b>5,954,719</b>	<b>5,875,031</b>	<b>5,134,607</b>	<b>4,566,197</b>	<b>4,470,632</b>	<b>4,325,659</b>
<b>Equity and reserves</b>						
Issued share capital	828,850	<b>828,850</b>	828,850	828,850	828,850	828,850
Share premium	558,916	<b>575,391</b>	575,391	575,391	575,391	575,391
Retained earnings	(190,273)	<b>(617,318)</b>	(39,139)	(96,317)	324,595	142,804
Other comprehensive income reserve	(95,706)	<b>25,108</b>	(76,778)	(35,337)	(1,684)	(45,534)
<b>Shareholder's fund</b>	<b>1,101,787</b>	812,031	1,288,324	1,272,587	1,727,152	1,501,511
Non-controlling interests	310,098	<b>349,842</b>	249,520	109,065	214,435	(117,001)
<b>Total equity and reserves</b>	<b>1,411,885</b>	<b>1,161,873</b>	<b>1,537,844</b>	<b>1,381,652</b>	<b>1,941,587</b>	<b>1,384,510</b>
<b>Non-current liabilities</b>						
Loans and borrowings	458,131	<b>231,179</b>	546,236	278,115	357,653	50,726
Post employment benefits - defined benefits	183,182	<b>225,173</b>	251,138	293,897	268,039	270,436
Provisions	77,134	<b>78,959</b>	71,414	76,739	24861	6,614
Deferred tax liabilities	27,695	<b>27,695</b>	12,098			
<b>Total non-current liabilities</b>	<b>746,142</b>	563,006	880,886	648,751	650,553	327,776
<b>Current liabilities</b>						
Loans and borrowings	1,061,865	<b>561,368</b>	410,028	229,125	453,265	1,029,769
Finance Lease Obligation						45,607
Post employment benefits - defined contribution	283,311	<b>264,843</b>	227,146	180,818	204,419	187,549
Current tax liabilities	322,825	<b>204,846</b>	165,296	223,613	262,329	158,996
Trade and other payables	2,102,168	<b>3,045,336</b>	1,721,809	1,835,559	939,665	1,185,183
Deferred income	26,522	<b>73,760</b>	191,600	66,679	18,814	6,269
<b>Total current liabilities</b>	<b>3,796,691</b>	4,150,152	2,715,879	2,535,794	1,878,492	2,613,373
<b>Total Liabilities</b>	<b>4,542,833</b>	4,713,158	3,596,765	3,184,545	2,529,045	2,941,149
<b>Total equity and liabilities</b>	<b>5,954,718</b>	<b>5,875,032</b>	<b>5,134,609</b>	<b>4,566,197</b>	<b>4,470,632</b>	<b>4,325,659</b>



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

ABC TRANSPORT PLC						
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME						
	9 Months Ended Sept.30,2021	2020	2019	2018	2017	2016
	=N=000	=N=000	=N=000	=N=000	=N=000	=N=000
<b>Continuing operations</b>						
Revenue	4,458,185	7,751,099	6,681,010	6,861,004	7,186,797	6,710,047
Direct costs	(3,597,865)	(6,527,831)	(4,969,798)	(5,487,592)	(5,568,814)	(5,498,566)
<b>Gross profit</b>	<b>860,320</b>	<b>1,223,268</b>	<b>1,711,212</b>	<b>1,373,412</b>	<b>1,617,983</b>	<b>1,211,481</b>
Other operating income	63,504	40,393	60,905	44,420	282,211	85,263
Investment income		0				
Interest income	551	55,123	1,841	691	754	1,778
Net fair value gains on financial assets through profit or loss	553	1,131	2,163	2,422	2,285	1,783
Other gains	293,874	235,834	247,696	179,418	100,323	115,829
Impairment losses		(56,907)				(8,184)
Administrative expenses	(986,137)	(1,569,304)	(1,401,033)	(1,360,292)	(1,036,500)	(1,409,015)
<b>Operating profit/(loss)</b>	<b>232,665</b>	<b>(70,462)</b>	<b>622,784</b>	<b>240,071</b>	<b>967,056</b>	<b>(1,065)</b>
Finance costs	(130,450)	(253,079)	(209,889)	(172,946)	(200,211)	(489,514)
<b>Profit/(loss) before income tax</b>	<b>102,215</b>	<b>(323,540)</b>	<b>412,895</b>	<b>67,125</b>	<b>766,845</b>	<b>(490,579)</b>
Income tax expense	(192,580)	(155,346)	(214,812)	(180,549)	(253,586)	(109,219)
<b>Profit/(loss) from continuing operations</b>	<b>(90,365)</b>	<b>(478,886)</b>	<b>198,083</b>	<b>(113,424)</b>	<b>513,259</b>	<b>(599,798)</b>
<b>Attributable to:</b>						
Equity shareholders	(151,134)	(578,179)	57,178	(189,889)	181,791	(481,525)
Non-controlling interests	60,770	99,293	140,904	76,466	331,467	(118,273)
	(90,364)	(478,886)	198,082	(113,423)	513,258	(599,798)
<b>Other Comprehensive income:</b>						
<b>Items that will not be reclassified subsequently to profit or loss:</b>						
Remeasurement of defined benefit obligation				15,310	43,601	27776
Net fair value loss on equity investments designated at FVOCI						
<b>Items that may be reclassified subsequently to profit or loss</b>						
Net exchange differences on translating foreign operations	(11,294)	102,915	(41,441)	(48,964)	249	(3,095)
Other comprehensive (loss)/ income	(11,294)	102,915	(41,441)	(33,654)	43,850	24,681
<b>Total comprehensive income/(loss) for the year</b>	<b>(101,658)</b>	<b>(375,971)</b>	<b>156,641</b>	<b>(147,077)</b>	<b>557,108</b>	<b>(575,117)</b>
<b>Attributable to:</b>						
Equity shareholders	(162,315)	(476,293)	16,186	(223,003)	225,671	(457,082)
Non-controlling interests	60,657	100,322	140,455	75,926	331,436	(118,035)
	(101,658)	(375,971)	156,641	(147,077)	557,107	(575,117)
Basic and diluted earnings/(loss) per share (Kobo)		(29)	12	(7)	31	(36)





<b>ABC TRANSPORT PLC</b>						
<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>						
	<b>9 Months ended Sept.30,2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
	<b>=N=000</b>	<b>=N=000</b>	<b>=N=000</b>	<b>=N=000</b>	<b>=N=000</b>	<b>=N=000</b>
<b>Cash flows from operating activities</b>						
Profit/(loss) for the year	(90,364)	(478,886)	198,082	(113,423)	513,258	(599,798)
<b>Adjustment for:</b>						
Depreciation and amortisation	611,816	861,144	783,984	856,541	915,883	1,140,631
Adjustment to opening balance and translation difference in PPE		18,707	7,086	(23)		
Other items of property, plant and equipment derecognised		0	18,525			
Write off property, plant and equipment		11,991	13,863	170		
Other movement in non-controlling interest			(449)	(540)	0	65,501
Non-controlling interest translation gain					(31)	
Movement in FVTPL					(2,857)	0
Fair value gain on financial assets - FVTPL	(553)	(1,131)	(2,163)	(2,422)	(3,039)	1,434
Interest income	(551)	(55,123)	(1,841)	(691)		
Interest expense	130,450	253,079	209,889	172,946	200,211	489,514
Net exchange differences on translating foreign operations		102,915	(41,441)	(48,964)		
Pension deducted		59,597	111,472	35,671		
Current service cost				34,171		
Interest cost				35,919		
Write back on defined benefit obligation scheme			(17,583)			
(Over)/under provision of tax		(4,903)	(20,257)	(802)		
Income tax expense	192,580	160,249	235,069	180,549	253,586	109,219
Transfer to WIP		18,443				
Profit on disposal of property, plant and equipment	(315,180)	(60,627)	(79,211)	(94,497)	(23,542)	(38,921)
Impairment on other assets		12,769	26,036		0	8,184
Impairment on other assets written back				(34,961)		
(write back)/impairment on trade receivables		(7,954)	(1,495)	8,421		
Impairment on staff receivables		39,727	(8,696)	32,537		
	528,198	929,996	1,430,870	1,060,602	1,853,470	1,175,764
<b>Changes in:</b>						
Current tax assets		(1,345)	(377)			
Inventories	244,925	76,087	(70,152)	(220,083)	(76,025)	71,366
Trade and other receivables	(307,384)	(202,198)	363,101	(332,169)	32,880	88,544
Other comprehensive income reserve					43,850	0
Other assets	(288,459)	(9,167)	(348,637)	(63,088)	(34,151)	643,954
Provisions	1,825	7,546	(5,325)	51,878	18,247	(3,521)
Trade and other payables	(1,008,479)	1,320,111	(113,750)	885,079	(245,518)	128,922
Deferred income	47,238	(117,840)	124,921	47,866	12,545	275
<b>Cash generated from operating activities</b>	<b>(782,136)</b>	<b>2,003,190</b>	<b>1,380,651</b>	<b>1,430,085</b>	<b>1,605,299</b>	<b>2,105,304</b>
Tax paid using withholding tax certificate	(72,776)		(132,273)	(78,520)	(125,766)	(76,490)
Tax paid through cash		(100,200)	(128,758)	(139,943)	(24,487)	(86,445)
Pension remitted	18,468	(21,900)	(65,144)	(48,455)		
Employee benefit paid	(41,991)	(25,965)	(25,176)	(28,922)	14,474	34,604
<b>Net cash from operating activities</b>	<b>(878,435)</b>	<b>1,855,125</b>	<b>1,029,300</b>	<b>1,134,245</b>	<b>1,469,519</b>	<b>1,976,973</b>
<b>Cash flows from investing activities:</b>						
Investments in financial assets - FVTPL additions					3,039	1,783
Investments in financial assets - FVTPL withdrawals		4,998		5,000		
Purchase of property, plant and equipment	(454,748)	(1,245,986)	(1,318,961)	(398,400)	(890,389)	(402,082)
Purchase of intangible assets	(9,475)	(4,951)	(14,929)	(3,009)	(9,016)	(3,237)
Other movement in property, plant and equipment	(9,738)				4,898	3,991
Proceeds on sale of property plant and equipment	395,390	123,736	79,735	96,802	24,902	66,320
Interest received	1,104	55,123	1,841	691		
Cash received from investment in finance leases					0	21,792
<b>Net cash used in investing activities</b>	<b>(77,466)</b>	<b>(1,067,080)</b>	<b>(1,252,314)</b>	<b>(298,916)</b>	<b>(866,567)</b>	<b>(311,433)</b>
<b>Cash flows from financing activities:</b>						
<b>issue of shares</b>	<b>(16,475)</b>					
Additional loans and borrowings	817,768	314,646	645,600		535,892	0
Repayment of loans and borrowings	(168,011)	(301,954)	(378,179)	(334,822)	(785,959)	(988,618)
Repayment of finance lease obligations					(45,607)	(127,170)
Dividend paid				(412,317)		
Finance costs	(130,450)	(253,079)	(209,889)	(172,946)	(200,211)	(489,514)
<b>Net cash paid/(used) in financing activities</b>	<b>502,833</b>	<b>(240,387)</b>	<b>57,532</b>	<b>(920,085)</b>	<b>(495,885)</b>	<b>(1,605,302)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(453,068)</b>	<b>547,658</b>	<b>(165,482)</b>	<b>(84,756)</b>	<b>107,067</b>	<b>60,238</b>
Cash and cash equivalents at 1 January	302,615	(245,043)	(79,561)	5,197	(101,871)	(162,110)
<b>Cash and cash equivalents at 31 December</b>	<b>(150,453)</b>	<b>302,615</b>	<b>(245,043)</b>	<b>(79,559)</b>	<b>5,196</b>	<b>(101,872)</b>





## STATUTORY AND GENERAL INFORMATION

### 1. INCORPORATION AND SHARE CAPITAL HISTORY

The Company was incorporated in Nigeria on April 5, 1993, as a Private Limited Liability Company with the name Associated Bus Company Limited to engage in the business of transportation and ancillary services.

The table below details the changes in the share capital of the company since incorporation.

Date	Authorized		Issued and fully paid-up capital		
	Additional	Cumulative	Additional	Cumulative	Consideration
	₦	₦	₦	₦	₦
<b>April.1993</b>	1,000,000	1,000,000	1,000,000	1,000,000	Cash
<b>Dec. 1998</b>	19,000,000	20,000,000	19,000,000	20,000,000	Cash
<b>Feb. 2003</b>	10,000,000	30,000,000	10,000,000	30,000,000	Cash
<b>Dec. 2005</b>	400,000,000	430,000,000	180,000,000	210,000,000	Bonus
<b>Feb. 2006</b>	370,000,000	800,000,000	-	210,000,000	-
<b>April.2006</b>	-	800,000,000	210,000,000	420,000,000	-
<b>Sept.2006</b>	-	800,000,000	333,500,000	753,500,000	Cash
<b>Aug.2014</b>	200,000,000	1,000,000,000	75,350,000	828,850,000	Bonus
<b>Nov. 2020</b>	700,000,000	1,700,000,000	-	828,850,000	-

The list of Shareholders with 5% shareholding and above, as at 30<sup>th</sup> November 2021 is as follows:

S/N	Name of Shareholder	No. of Shares	% Holding
1	Francis Nneji	626,000,000	37.76%
2	Drolemoc Farms Limited	279,835,881	16.88%





## 2. SHAREHOLDING STRUCTURE

SHAREHOLDING STRUCTURE AS AT 30 NOVEMBER 2021						
RANGE			No of Holders	% Holders	Units	% Units
1	-	1000	1,001	5.41	462,145	0.03
1001	-	5000	7,077	38.22	19,278,242	1.16
5001	-	10000	3,191	17.23	22,329,269	1.35
10001	-	50000	5,566	30.06	110,754,205	6.68
50001	-	100000	806	4.35	54,074,026	3.26
100001	-	500000	726	3.92	124,012,342	7.48
500001	-	1000000	86	0.46	59,372,132	3.58
1000001	-	5000000	45	0.24	77,493,638	4.67
5000001	-	10000000	6	0.03	37,387,506	2.26
10000001	-	50000000	7	0.04	108,818,624	6.56
50000001	-	100000000	2	0.01	146,182,792	8.82
100000001	-	1657700000	2	0.01	897,535,079	54.14
			18,515	100.00	1,657,700,000	100.00

## 3. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the date of this prospectus, the company had the following Subsidiaries.

S/N	SUBSIDIARIES	HOLDING (%)
1	ABC Transport (Ghana)Limited	99%
2	Transit Support Services Limited	50%

## 4. DIRECTORS' BENEFICIAL INTEREST

The Beneficial Interest of the Directors in the Company's shareholding as at November 30,2021 is as follows:

S/No	NAME	HOLDINGS		TOTAL
		DIRECT	INDIRECT	
1	PRINCE OLUMIDE OBAYOMI	110,000	5,720,000	5,830,000
2	MR. FRANCIS NNEJI	626,000,000	75,901,087	701,901,087
3	MR. JUDE NNEJI	18,202,508	-	18,202,508
4	MR. JOHN AMANZE OKORO	907,253	-	907,253
5	MR. BAMIDELE AKPOFURE ASIJE	700,000	279,835,881	280,535,881
6	ALHAJI KABIRU	1,100,000	-	1,100,000
7	MR. REX CHIDI OKORO	-	-	0





## 5. INDEBTEDNESS

As at September 30, 2021, the Company had an outstanding debt balance of ₦805,047,721.49 from commercial Banks and other financial institutions at interest rates between 12.50% and 20% obtained in the ordinary course of business.

### DEBTORS CONSTITUTING MORE THAN 5% OF ISSUERS TOTAL CREDIT

S/N	DEBTORS	NATURE OF TRANSACTION	N'000	% OF TOTAL CREDIT
1	Perfetti Van Melle Ltd	Trade	32,633	44%
3	World Wide Commercial Ventures Ltd	Trade	15,770	21%
3	Lafarge Africa Plc	Trade	11,516	15.5%

## 6. OFF BALANCE SHEET ITEMS

No off-balance sheet item was reported in the audited financial statements as at December 31, 2019, 2020 and unaudited 9-Months financial statement as at September 30, 2021.

## 7. CLAIMS AND LITIGATION

Claims instituted against the issuer, arose majorly from accidents involving the Issuers vehicles, loss or damages on shipped items. Whereas that instituted by ABC also involved accidents cases, and as a member of Transport operators operating from their private parks against The Federal capital territory.

The aggregate amount of monetary claims against ABC Transport Plc in respect of pending litigation is \$19,620.00 (Nineteen Thousand Six Hundred and Twenty US Dollars) and ₦204,100,698.00 (Two Hundred and Four Million, One Hundred Thousand, Six Hundred and Ninety-Eight Naira). As at the date of this Right circular. The Solicitors to the issue are of the opinion that the pending litigation matters have arisen in the ordinary course of the Issuer's business, and that the contingent liabilities which could materialize from these matters are not likely to adversely affect the Issuer significantly or adversely affect the ability of the Issuer to perform its obligations.

## 8. USE OF PROCEEDS

After the deduction of the costs and expenses of the issue estimated at ₦11,171,976.92 representing 2.83% of gross proceeds excluding registrars' fees. The expected net proceeds of ₦382,823,124.08 will be used as showed in the table below.

Purpose	Amount in Naira	% of Net proceeds	Duration
Motor Vehicles*	200,000,000.00	52.24%	2 <sup>ND</sup> QUARTER, 2022
Working Capital	114,000,000.00	29.78%	2 <sup>ND</sup> QUARTER, 2022
Terminal upgrade	68,823,124.08	17.98%	2 <sup>ND</sup> QUARTER, 2022

\*The motor vehicles to be acquired are 10 units of Setrac midi-buses (16 seats, 3TZ gasoline engine 3693cc, Euro 3, 5MT specification) at ₦20,000,000.00 per unit.



## 9. MATERIAL CONTRACTS

The following agreements are considered material to the transaction:

- I. Vending Agreement dated April 27, 2022 to be executed amongst the Issuer and the Issuing House- FSL Securities Limited.

## 10. UNCLAIMED DIVIDENDS

The total amount of unclaimed dividend as at December 31, 2020 was N58,476,000.00. In addressing the issue of unclaimed/unpaid dividend, the Company periodically publishes a schedule of unclaimed dividends in its Annual Report, circulated to all shareholders of the Company. In addition, the Company places notices on its website and through its registrars, encourages shareholders to open e-dividend accounts to enable payments directly into shareholders' accounts on every dividend payment date.

## 11. RESEARCH AND DEVELOPMENT

The Company continually explores ways of enhancing its operations and service delivery to its numerous clients to ensure that all stakeholders are adequately served. The personnel are adequately trained to perform the different functions assigned to them. However, no amount was expended on research and development in the last 3 years.

## 12. MERGERS AND TAKEOVERS

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

As at the date of this Rights Circular, the Company has not made any attempt to acquire a majority shareholding in respect of another company's securities.

## 13. RELATIONSHIP BETWEEN THE COMPANY AND ITS ADVISERS

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

## 14. RELATED PARTY TRANSACTION

S/N	RELATED PARTY	NATURE OF TRANSACTION	BALANCE DUE TO/(FROM) RELATED PARTY N'000	DATE
1	Rapido Ventures Limited	Shared cost, trade and rent of premises	42,600	31/12/2020

The Managing Director of ABC Transport Plc, Francis Nneji is the largest shareholder in both Rapido Ventures Limited and ABC Transport Plc and is equally the Chairman of Rapido Ventures Limited. The nature of the major transactions between the Group and Rapido are the reimbursable costs of operation which include the diesel issued to Rapido, sales of sausage rolls for onboard entertainment, shared cost of administrative and building costs. ABC Transport sometimes delivers cargo on behalf of Rapido. All transactions are carried out at arm's length.





## DIRECTORS' RELATIONSHIPS

The Managing Director of ABC Transport Plc Mr. Francis Nneji is a brother to the Deputy Managing Director, Mr. Jude Nneji. whereas Mr. Victor Nneji the Head of Innovations and Strategy, ABC Transport Plc is the son of the Managing Director, ABC Transport Plc.

## 15. DECLARATIONS

Except as otherwise disclosed herein:

1. No share of the Company is under option or agreed conditionally or unconditionally to be put under option
2. There are no long-term service agreements between the Company and any of the Directors and employees except pension agreements
3. The Company also hereby declares that none of its directors or management staff is subject to any of the following in Nigeria or elsewhere:
  - a. A petition brought under any bankruptcy or insolvency proceedings either against his/her person or against any partnership or company of which he or she is partner, director or key personnel;
  - b. A conviction in a criminal proceeding relating to fraud or dishonesty;

### 4. Corporate Governance

ABC Transport Plc is committed to promoting good corporate governance and best practices in accordance with applicable laws and regulations in Nigeria and the requirements of the Nigerian Exchange Limited as well as in compliance with the Code of Corporate Governance in Nigeria, 2011.

The Board is currently made up of four Non-Executive Directors and three Executive Directors. The position of the Chairman is distinct from that of the Managing Director/Chief Executive Officer. With the approval of the Chairman of the Board, the Directors may take advice from third party professionals in areas where such advice will improve the quality of their contribution to Board deliberations.

### A. Board Committees

The Boards functions are further dispensed through the Board Committees indicated below, which work closely with the Board of Directors to achieve their objectives.

1. **The Risk Management Committee:** The committee is tasked with the responsibility of setting and reviewing the Company's risk policies; setting policies on the Company's risk profile and limits, determining the adequacy and completeness of the company's risk detection and measurement systems; oversight of management's processes for the identification of significant risk across the Company.
2. **The Governance and Remuneration Committee:**  
 The Committee is charged with instituting a transparent procedure for the appointment of new Directors to the Board of Directors and making recommendations to the Board regarding the tenures and reappointment of Non-Executive Directors to the Board, framework and policy for the remuneration of the Executive Directors, Non-Executive



Directors and Senior Management staff of the Company. The Committee is comprised of Non-Executive Directors only

### 3. SHAREHOLDERS AUDIT COMMITTEE

The Committee is a statutory committee established in compliance with section 359 (3) of the Companies and Allied Matters, 1990. The committee is made up of four members, two members of the Board and two shareholders' representatives appointed at the Annual General Meetings.

Audit Committee performs a valuable assessment of the principal risk facing the company and a reflection on how the management of these risk is being overseen by the Board, Members of the Audit Committee have basic financial literacy. The terms of reference of the committee include:

- Review of the nature and scope of the external audit plan:
- Review of internal and external audit reports:
- Review of findings on management issue with external auditors.
- To make recommendation to the Board in respect of the remuneration of the external auditors of the Company.
- Review of the integrity of the company's financial statements, effectiveness of its system of accounting and internal control.

### Pledge of Assets

As at the date of this rights circular, the following assets have been pledged by the Issuer to creditors

S/N	DESCRIPTION OF ASSET	VALUE OF ASSET	% OF PLEDGED ASSET TO TOTAL ASSET OF THE COMPANY	BENEFICIARIES	TOTAL ASSET OF THE COMPANY
1	ABC Abuja Terminal and City Transit Inn(Hotel)	1,450,000,000	27%	Fidelity Bank Plc	5,412,000,000
2	ABC Cargo Express, Centre Building Fadeyi, Lagos	242,000,000	4.5%	Fidelity Bank Plc	5,412,000,000
3	ABC Bus Terminal, Amuwo-Odofin, Lagos	473,140,000	8.7%	Access Bank Plc	5,412,000,000

*\*Figures above represent Estimate open market values of the company's property. Plant and equipment and excludes current asset and other non-current assets of the company.*





## CONSENTS

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

PARTIES	ROLE
Prince Olumide Obayomi	Chairman
Mr. Francis Nneji	Managing Director/CEO
Mr. Jude Nneji	Deputy Managing Director
Alhaji Kabiru Yusuf	Director
Mr. John Amanze Okoro	Director
Mr. Bamidele Asije	Director
Mr. Rex Chidi Okoro	Director
Barrister Onyekachukwu Chukwuemeka Chigbo	Company Secretary
FSL Securities Limited	Issuing House
Pac Solicitors	Solicitor to the Issue
FSL Securities Limited	Stockbroker
PKF Professional Service Limited	Auditor
First Registrars & investor Services	Registrar
Fidelity Bank Plc	Receiving Bank

## DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of the Issuing House during normal business hours on any weekday (except public holidays) between Monday, May 16, 2022 to Tuesday May 31, 2022

The Certificate of Incorporation of the Company, duly certified by the CAC.

- The Memorandum and Articles of Association of the Company, duly certified by the CAC.
- The Board resolution authorizing the Rights Issue, dated 27<sup>th</sup> November 2020, passed at the meeting of the Board of Directors, signed by two Directors.
- The resolution of the shareholders passed at the AGM dated November 27, 2020, approving the Capital Raising Exercise.
- The Company's Audited Accounts for the financial years ended December 31, 2016, 2017, 2018, 2019, 2020 and the unaudited financial statement for 9-Months period ended Sept.30, 2021.
- The schedule of the Claims and Litigation referred to on page 31.
- Letters of approval from SEC
- Letters of approval from Nigerian Exchange Limited (NGX)



October 29, 2021.

RC: 219970

Dear Sir/Madam

**RIGHTS ISSUE OF 1,127,236,000 ORDINARY SHARES OF 50 KOBO EACH AT 35 KOBO PER SHARE IN ABC TRANSPORT PLC****1. Provisional Allotment**

The Chairman's letter dated September 30, 2021, on page 11 of this Rights Circular contains particulars of the Rights Issue now being made. The Directors have provisionally allotted to you the number of Ordinary Shares set out on the first page of the enclosed Acceptance/Renunciation Form, representing Sixty-Eight **(68)** new ordinary share for every One hundred **(100)** ordinary shares registered in your name at the close of business on 30<sup>th</sup> November 2021. The new Ordinary Shares will rank pari passu in all respects with the existing Ordinary Shares of the Company.

You may accept all or some of the shares offered to you or renounce your Rights to all or some of them. If you are accepting the provisional allotment in full, kindly complete box A of the Acceptance/Renunciation Form, while if renouncing your rights partially or in full, kindly complete box B of the form. You may also apply for additional shares over and above your provisional allotment as described in 2(b) below.

**2. Acceptance and Payment**

The receipt of any payment with your Acceptance/Renunciation Form will constitute an acceptance of all or part of this allotment on the terms of this letter, subject to the Memorandum and Articles of Association of the Company and to the clearance of the Securities and Exchange Commission. If payment is not received by May 31, 2022 the provisional allotment will be deemed to have been declined and will be cancelled. You may participate in the Rights Issue through any of the following methods:

**a) Full Acceptance**

If you wish to accept this provisional allotment in full, please complete box A of the Acceptance/Renunciation Form. The completed Acceptance/Renunciation Form together with evidence of electronic funds transfer, cheque or bank draft for the full amount payable must be submitted to any of the Receiving Agents listed on page 39 of this document not later than May 31, 2022 .

Any payment value exceeding ₦10 million should be made via SWIFT, RTGS or NEFT into the designated account provided in section 2(d) below.

**b) Applying for Additional Shares**

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

**c) Partial Acceptance**

To accept your provisional allotment partially, please complete box B of the Acceptance/ Renunciation Form and submit the completed Acceptance/Renunciation Form to any of the Receiving Agents listed on Page 39 of this document together along with full amount





payable in respect of the number of shares you wish to accept. Payment should be made in accordance with 2(a) above.

#### d) Payment Instruction

Investors should ensure that payment of the amount applied for, is received on or before offer closure date via the CBN RTGS or the Nigerian Inter-bank System Electronic Funds Transfer ("NEFT") into the designated Rights Proceeds Account domiciled with the Receiving Bank.

BANK	ACCOUNT NAME	ACCOUNT NO	SORT CODE
FIDELITY BANK PLC	FSL/ABC TRANSPORT RIGHTS PROCEEDS ACCOUNT	5110041094	

### 3. Trading in Rights on the NGX

The approval of The Exchange has been obtained for trading in the Rights of the Company. The Rights will be tradable between May 16, 2022, and May 31, 2022, at the price at which the Rights are quoted on the Exchange. If you wish to trade your Rights, you may do so on the floor of the Exchange between these dates. Please complete item (iii) of box B of the Acceptance/Renunciation Form and contact your stockbroker for assistance. If you wish to purchase Rights traded on the Exchange, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing traded Rights. Any purchaser of Rights may also trade those Rights between these dates.

### 4. Allotment of Additional Shares

Ordinary shares which are not taken up by May 31, 2022 will be allotted, on a pro-rata (equal) basis to Existing Shareholders who applied and paid for additional shares over and above their provisional allotment by completing item (ii) of box A. Shares not taken up by shareholders after allotment will be returned to ABC's authorized share capital as part of its un-issued shares.

### 5. Subscription Monies

Acceptance/Renunciation Forms must be accompanied with the full amount due on acceptance in accordance with 2(a) above. All subscription monies will be retained in interest yielding bank accounts by the Receiving Bank.

### 6. Surplus Application Monies

If any application for additional shares is not accepted or accepted for fewer shares than the number of shares applied for; a cheque for the balance of the amount paid will be returned by registered post within 5 (five) working days of allotment.

### 7. Rounding Principle

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

### 8. Settlement

The CSCS accounts of Shareholders will be credited not later than 15 working days from the date of allotment. Shareholders are hereby advised to state the name of their respective stockbrokers, their CHN and CSCS account numbers in the relevant spaces on the Acceptance/Renunciation form.



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

Yours faithfully,

**For: ABC TRANSPORT PLC**

Company Secretary







## RECEIVING AGENTS

A copy of the Rights Circular has been forwarded to each of the shareholders whose names appeared in the Company's Register of Members as at 30<sup>th</sup> November, 2021. The completed Acceptance Forms may be returned to any of the following Receiving Agents to whom brokerage will be paid by the Issuer at the rate of ₦1.00 per ₦666.67 worth of shares allotted in respect of Acceptance Forms bearing their official stamp.

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

### BANKS

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

Adamawa Securities Limited Adonai Stockbrokers Limited African Alliance Stockbrokers Ltd Afrinvest (West Africa) Limited Alangrange Securities Limited Anchoria Inv& Securities Ltd Apel Asset Limited APT Sec. & Funds Limited Arian Capital Management Ltd ARM Securities Limited Arthur Steven Asset Mgt Ltd Associated Asset Managers Ltd Atlas Portfolio Limited Belfry Stockbrokers Limited Bestlink Investment Limited Bestworth Assets & Trust Ltd Calyx Securities Limited Camry Securities Limited Capital Asset Limited Capital Bancorp Limited Capital Express Securities Ltd Capital Trust Brokers Limited Cardinal Stone Securities Ltd Cashcraft Securities Limited Cashville Inv & Sec. Limited CDL Capital Markets Limited Centre-Point Inv. Limited Century Securities Limited Chapel Hill Denham Sec. Ltd Chartwell Securities Limited Citi Investment Capital Limited City-Code Trust & Inv Limited Clearview Inv Co. Limited Compass Inv and Sec Limited Condros Capital Limited Core Trust & Investment Ltd Coronation Securities Limited Cowry Asset Mgt Limited Crane Securities Limited Crossworld Securities Limited Crown Capital Limited CSL Stockbrokers Limited Deep Trust Investment Limited De-Lords Securities Limited Dependable Securities Limited Diamond Securities Limited Dominion Trust Limited DSU Brokerage Services Ltd Dumbell Securities Limited Dunn Loren Merrifield Sec. Ltd Dynamic Portfolios Limited ECL Asset Management Limited EDC Securities Limited Edgefield Capital Mgt Ltd	EFCP Limited Elixir Securities Limited Emerging Capital Limited Enterprise Stockbroker Plc Equity Capital Solutions Limited Eurocomm Securities Limited Express Discount Asset Mgt Ltd Express Portfolio Services Ltd FBC Trust & Securities Limited FBN Securities Limited FCSL Asset Mgt. Company Ltd Fidelity Finance Company Ltd Fidelity Securities Limited Financial & Analytics Capital Ltd Financial Trust Company LtdFinmal Finance Company Ltd First Integrated Capital Mgt Ltd First Stockbrokers Limited FIS Securities Ltd Foresight Sec. & Inv Limited Forte Financial Limited Forthright Sec & Investments Ltd Fortress Capital Limited FSDH Securities Limited Funds Matrix & Assets Mgt Ltd Futureview Securities Limited Gem Assets Mgt Limited Gidauniya Inv. & Sec Limited Global Assets Mgt (Nig) Limited GlobalView Capital Limited Golden Securities Limited Greenwich Securities Limited Gruene Capital Limited GTI Capital Limited Harmony Securities Limited Heartbeat Investments Limited Hedge Sec. & Inv. Co. Limited Heritage Capital Mkt Limited Horizon Stockbrokers Limited ICMG Securities Limited ICON Stockbroker Limited Imperial Assets Managers Ltd Independent Securities Limited Integrated Trust & Inv. Limited Interstate Securities Limited Investment Centre Limited Investment One Stock Brokers Investment Shark & Asset Mgt. Ltd Investors & Trust Co Limited Iworld Financial Services Limited Kapital Care Trust & Sec. Ltd Kedari Securities Limited Kinley Securities Limited Kofana Securities & Inv. Limited	Kundila Finance Services Ltd Lambeth Trust & Inv. Co. Ltd Lead Securities and Inv. Limited Lighthouse Asset Mgt Limited Long Term Global Capital Ltd Magnartis Fin & Inv Limited Mainland Trust Limited Mainstreet Bank Securities Ltd Marriot Sec. & Invest. Co. Ltd Maven Asset Mgt Limited Maxifund Invest & Sec. Limited Mayfield Investment Limited MBC Securities Limited Mega Equities Limited Meristem Securities Limited Midas Stockbrokers Limited Milestone Capital Mgt Ltd Mission Securities Limited Molten Trust Limited Morgan Capital Sec Limited Mountain Invest. & Sec. Ltd Mutual Alliance Invest. and Sec. Ltd Network Capital Limited Network Sec. & Finance Ltd Newdevco Invest. & Sec. Co Ltd Nigerian Intl Sec Limited Nigerian Stockbrokers Limited Nova Finance & Securities Ltd Options Securities Limited PAC Securities Limited Partnership Securities Limited Peace Capital Market Limited Perfecta Inv Trust Limited Phronesis Sec Limited Pilot Securities Limited Pinefields Inv Serv Limited PIPC Securities Limited Pivot Trust and Invest. Co Ltd Planet Capital Limited Portfolio Advisers Limited Primera Africa Securities Prime Wealth Capital Limited Prominent Securities Limited PSI Securities Limited Pyramid Securities Limited Quantum Securities Limited Rainbow Sec. and Invest Co. Ltd Readings Investment Limited Regency Assets Mgt Limited Rencap Securities (Nig.) Limited Resort Securities & Trust Ltd Reward Invest and Services Ltd Rostrum Inv& Sec Limited Rowet Capital Mgt Limited	Royal Crest Finance Limited Royal Guaranty & Trust Limited Royal Trust Securities Limited Santrust Securities Limited Securities Africa Financial Ltd Securities and Capital Mgt. Co. Ltd. Security Swaps Limited SFC Securities Limited Shalom Invest. & Sec. Transactions Ltd Shelong Investment Limited Sigma Securities Limited Signet Investments & Sec. Ltd Skyview Capital Limited SMADAC Securities Limited Solid-Rock Sec & Invest. Plc Spring Trust & Securities Ltd Springboard Trust & Inv Limited Stanbic IBTC Stockbrokers Ltd Standard Alliance Capital Asset Mgt Ltd Standard Union Securities Ltd TFS Sec. & Investment Ltd The Bridge Securities Limited Tiddo Securities Limited Tomal Trust Limited Topmost Securities Limited Tower Asset Mgt Limited Tower Secs & Invest. Co. Ltd Trade Link Securities Limited Traders Trust & Invest Co. Ltd TransAfrica Fin. Services Ltd Transworld Invest & Sec. Ltd Trust Yields Securities Limited TrustBanc Capital Mgt Limited TrustHouse Investments Ltd TRW Stockbrokers Limited Tyndale Securities Limited UNEX Capital Limited Union Capital Markets Limited United Capital Securities Ltd Valmon Securities Limited ValueLine Sec. & Invest. Ltd Vetiva Securities Limited Woodland Capital Markets Plc WSTC Financial Services Ltd Yuderb Inv. & Sec. Limited Zenith Securities Limited Zion Stockbrokers & Sec. Ltd
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# ACCEPTANCE/RENUNCIATION FORM

ISSUING HOUSE



On behalf of



**Rights Issue of**  
**1,127,236,000 Ordinary Shares**  
**of 50 kobo each at 35 kobo on the basis of 68 new Ordinary Shares**  
**for every 100 Ordinary Shares held as at close of business on 30<sup>th</sup> November 2021**

**Payable in Full on Acceptance**

## INSTRUCTIONS FOR COMPLETING THE ACCEPTANCE/RENUNCIATION FORM

- Acceptance and/or renunciation must be made on this Form.
- Allottees should complete only ONE of the boxes marked A and B on the reverse of this form. Shareholders accepting the provisional allotment in full should complete box A and submit their Acceptance/renunciation Forms to any of the Receiving Agents listed on Page 39 of the Rights Circular together with evidence electronic transfer, a cheque or bank draft made payable to the Receiving Agent for the full amount payable on acceptance. The cheque or draft must be crossed "ABC Transport Rights", with the name, address and mobile number of the shareholder written on the back.  
If payment is not received by May 31, 2022, the provisional allotment will be deemed to have been declined and will be cancelled.
- Shareholders accepting their provisional allotment partially should complete box B and submit their Acceptance/Renunciation Forms to any of the Receiving Agents listed on Page 39 of the Rights Circular together with the evidence of payment transfer for the partial acceptance in accordance with 2 above.
- Shareholders who wish to trade their rights partially or in full on the floor of The Exchange should complete item (III) of box B. They should obtain a Transfer Form from their stockbroker, complete it in accordance with these instructions, and return it to the stockbroker together with the completed Acceptance/ Renunciation Form and the amount payable/evidence of transfer for any partial acceptance in accordance with 2 above.
- Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase traded rights and/or apply for additional shares by completing items (II) and (III) of box A.
- All cheques or bank drafts for amounts below ₦10 million will be presented for payment on receipt and all acceptances/applications in respect of which cheques are returned unpaid for any reason will be rejected and cancelled. Shareholders are advised to obtain an acknowledgement of the amount paid from the Receiving Agent through which this Form is lodged.
- Joint Allottees must sign on separate lines in the appropriate section of the Form.
- Acceptance/ Renunciation Forms of Corporate Allottees must bear the Incorporation numbers and corporate seals and must be completed under the hands of duly authorized officials who should also state their designations.

## FOR REGISTRARS USE ONLY

Number of Ordinary Shares Provisionally Allotted	Number of Ordinary Shares Accepted	Number of Additional Ordinary Shares applied for	Number of Ordinary Shares Renounced	Number of Additional Ordinary Shares Allotted	Total number of Ordinary Shares Allotted	Total amount payable ₦	Amount paid ₦	Amount to be returned ₦	Bank Draft/ Cheque Number





