

## SECTION 1: Prospectus Summary

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

<p><b>1.1 Basis and Purpose of the Offer:</b></p>	<p>This offer derives its basis from the Government of Ghana's (GOG) broad economic policy (reforms) of introducing and reinforcing market forces in the Ghanaian economy. Liberalisation, deregulation and privatisation are the three main important elements in this economic reform program. This divestiture therefore forms an inherent and important segment of GOG's economic drive of strengthening the private sector in its declared <i>Golden Age of Business</i>.</p> <p>The chosen divestiture technique used in this instance is a public offering of shares. To this end, Government, through NTHC Limited, is inviting the investing public to participate in the wealth creation potential of Benso Oil Palm Plantation Limited [BOPP]. Thirteen Million, Nine Hundred and Twenty Thousand shares (13,920,000), representing 40% of the total issued shares of BOPP are being offered for sale to the investing public. Subsequent to this public share offer, BOPP's shares will be listed for trading on the First Official List of the Ghana Stock Exchange.</p> <p>The purpose of the Offer among other things are:</p> <ul style="list-style-type: none"> <li>• To further Ghana Government's privatisation objectives;</li> <li>• To promote private enterprise in Ghana's <i>Golden Age of Business</i>;</li> <li>• To introduce BOPP to the investing public as well as provide investors the opportunity to share in BOPP's potential; and</li> <li>• To further demonstrate GOG's openness and transparency in the sale of Government's assets.</li> </ul>
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<p><b>1.2 The Company</b></p>	<p>BOPP is a crude palm oil producing and processing company incorporated on January 22, 1976 jointly by Unilever Plc and the Government of Ghana (GOG). BOPP is currently owned 58.45% by Unilever Ghana<sup>1</sup>, 40.00% by GOG and 1.55% by Barclays Bank Pension Fund (Ghana)</p> <p>The company is located between two towns, namely; Adum Bansa and Benso in the Wassa Mpohor East District of the Western Region. The area has the right ecological conditions for oil palm plantation. BOPP has about 6,799 hectares of oil palms of which 3,828 hectares are matured.</p> <p>The company also processes palm fruit from small private farmers numbering more than 6,000 in the Western and Central Regions. The 10-Year strategic plan of the company places emphasis on assistance to outgrowers and smallholder projects. The company's agronomic practices both in the nucleus estate and in the smallholder farms are effective, resulting in increasing supplies of Fresh Fruit Bunches (FFB) to its mill. BOPP is upgrading its factory milling capacity from 20 tons FFB/hr to 30 tons FFB/hr.</p> <p>Other supporting facilities of BOPP include: Nursery; Primary and Junior Secondary Schools; two Clinics; Sports grounds and Recreation Clubs; four Labour Villages and Houses; a nine-hole Golf Course and a Police Station.</p> <p>BOPP is a strong performing company with an established record of profitability. This profitability has generated by a very efficient management, highly skilled and dedicated workforce. The company has improved its earnings over the last four-(4) years and its liquidity position remains very healthy. The prospects of the company as a going-concern look bright.</p>
<p><b>1.3 Authorised Business:</b></p>	<p>The nature of business which BOPP is authorized to carry on include:</p> <ul style="list-style-type: none"> <li>• Growing of oil palm and other agricultural products</li> <li>• Processing of oil palm fruits to produce palm oil and palm kernels</li> <li>• Dealing and trading in palm oil, palm kernels and other agricultural products</li> </ul>

<sup>1</sup> Shares were initially owned by CWA Holding (Unilever Plc) of 48.71% and UOH Limited (Unilever Plc) of 9.74% but these were transferred to Unilever Ghana at an arms-length transaction.

<p><b>1.4 Oil Palm Industry</b></p>	<p>The palm fruit is known to be the most productive oil crop in the world. A hectare of palm fruit can produce 5 tons of crude palm oil, which is 5 to 10 times more than the yield of any commercially grown oil crop<sup>2</sup>.</p> <p>Internationally in the commodities markets, the production and processing of Palm Oil is classified under oils and fats. International production of oil and fats recorded a moderate decline in production from 31.9 million tons in the fourth quarter of 2002 to 29.5 million tons in the first quarter of 2003. This was mainly attributed to palm oil, which declined by 20% from 6.6 million tons to 5.2 million tons during the same period.</p> <p>There exists a huge market for palm oil and value added palm oil-based products in Africa. In Ghana alone, there is market for a minimum of 240,000 tonnes<sup>3</sup> of crude palm for direct consumption and processing. Currently, Ghana produces less than 100,000 tonnes leaving a shortfall of approximately 140,000 tonnes of palm oil. The market for West Africa is approximately 2.6 million tonnes of palm oil. The West African Region currently produces about 800,000 tonnes. This indicates a shortfall of 1.8 million tonnes.</p> <p>The opportunity for value-added manufacturing for the domestic and export market is also enormous, in categories such as: laundry products; toilet soaps; fats; cooking oils; edible red oil; industrial oils and cosmetics. The breadth of oil-palm based products provides a significant opportunity for the oil palm industry in Ghana. In the longer term, the opportunities are even greater in paints, pharmaceuticals, explosives, specialty foods, fibres and surfactants.</p> <p>With this potential, the development of the palm oil industry in Ghana at a full-scale could play a significant role in improving the country's balance of payments while creating rural employment. In this regard, the Presidential Special Initiative (PSI) on Palm Oil is a move in the right direction.</p>
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<sup>2</sup> Southern Philippines Development Authority Report on Palm Oil

<sup>3</sup> Secretariat of the Presidential Special Initiative on Palm Oil (Research Findings and Policy Document)

	<p>To meet the anticipated increase in both local and foreign demand, however, calls for good agricultural practices and improving the current extraction rate of various mills in the country.</p> <p>BOPP has an enormous market opportunities and it is poised to tap the full potential of the international market. Currently BOPP is backwardly integrated to the operations of Unilever Ghana to the extent that all the palm oil it produces is consumed by Unilever Ghana.</p>
<b>1.5 The Share Offer:</b>	<p>This is an unrestricted open cash share offer comprising 13,920,000 shares being sold by the Government of Ghana, its holdings of 40% in BOPP.</p> <p>The offer is being made to individuals and institutions resident in Ghana and to residents, individuals and institutions in a limited number of foreign jurisdictions whose laws allow them to invest under the terms of the offer.</p>
<b>1.6 Key Details of the Offer:</b>	<ul style="list-style-type: none"> <li>• Offer Price per Share.....:..... ¢5,000</li> <li>• Number of Ordinary Shares Offered .....13,920,000</li> <li>• Total Shares Outstanding .....34,800,000</li> <li>• Number of <i>Authorized</i> Ordinary Shares .....50,000,000</li> <li>• Current Market Capitalisation .....¢174,000,000,000</li> </ul>
<b>1.7 Listing of BOPP Shares:</b>	<p>Application was made to the Ghana Stock Exchange (GSE), a stock exchange approved in accordance with Section 280 of the Companies Code, 1963 (Act 179) as amended by Section 145 (2) of the Securities Industry Law 1993, (PNDCCL 333) and Securities Industry (Amendment) Act, 2000, (Act 590), for listing the shares hereby offered and the other issued shares of the Company on the GSE.</p> <p>The GSE has given approval for the listing of the said shares.</p>
<b>1.8 Symbol:</b>	<b>BOPP</b>
<b>1.9 Underwriting of Shares:</b>	NTHC Limited, Flotation Managers, shall underwrite 5% of the shares being offered under the offer. NTHC has no affiliation with BOPP.
<b>1.10 Units of Sales:</b>	Minimum of 100 shares and thereafter in multiples of 50. Thus, the minimum cedi amount is ¢500,000 and thereafter ¢250,000.
<b>1.11 Payment Terms:</b>	Payment in full on application except for group instalment payment plans approved by the vendor.

	<p>Cheques, Postal and Money Orders, which will be presented for payment, should be made payable to the Receiving Agents at whose office the Application Form is to be lodged and should be crossed <b>BOPP SHARE OFFER</b> and endorsed <b>COMMISSION TO DRAWERS ACCOUNT</b>.</p> <p>Non-resident share offer Applicants should refer to Section 9 herein.</p>
<b>1.12 Completing the Application Form:</b>	<p>Applications must be made on the accompanying Application Form or clear copies thereof and must be for a minimum of 100 shares and thereafter in multiples of 50.</p> <p>The completed Application Form together with the amount payable on application must be lodged during normal business hours while the Offer is open, at any of the offices of the Receiving Agents indicated on page vii.</p> <p>No Application will be accepted for consideration by the Directors, or treated as binding until after the closing of the Offer on Friday, February 27, 2004, at 3.00pm.</p>
<b>1.13 Return of Excess Application Money:</b>	<p>If any application is not accepted, or is accepted for smaller number of shares than applied for, the amount paid, or balance of the amount paid on application will be returned by crossed cheque in the currency of payment, and dispatched by registered mail not later than March 19, 2004 or three weeks after the Offer closes, in which event no bank commission, or transfer charges will be payable by the applicant on the amount returned.</p> <p>The Company and its authorized dealers and brokers reserve the right to withhold share certificates and remittances for surplus application monies pending clearance of cheques.</p> <p>Arrangements have been made for the registration by the Company of all the shares now being offered for subscription, in the name of persons entitled thereto, as well as those of the same class already in issue, in the names of persons entitled thereto.</p>
<b>1.14 Brokerage Fees:</b>	<p>Brokerage fees will be paid by the Government of Ghana. Total expenses for the flotation are not expected to exceed 10% of the proceeds.</p>

<b>1.15 Statutory and General Information:</b>	<p>The Company was incorporated in Ghana, as a private limited liability company on September 1976 under the Companies Code, 1963 (Act 179). By a shareholder's resolution passed on December xx, 2003 the Company adopted new Regulations and was converted into a public limited liability company.</p> <p>As a public limited liability company, one-third of the directors must retire annually, but <i>retiring directors are eligible for re-election</i>. Subsequent to the share offer, the number of current directors may be <i>reduced or expanded</i>.</p>
<b>1.16 Where to Obtain Copies of the Prospectus:</b>	<p>The Application lists for the shares being offered will open at 9.00am GMT on Tuesday, January 13, 2004 and close at 3.00pm on Friday, February 27, 2004.</p> <p>Copies of the Mini Prospectus together with Application Forms are being provided as a pullout supplement on selected dates in <i>Ghana's leading newspaper, Daily Graphic</i>, and may also be obtained from the offices of all receiving agents including brokers, banks, and selected rural banks.</p>
<b>1.17 Terms of the Offer:</b>	<p>The Shares hereby offered are subject to the terms of this Share Offer, the Application Form, and the Regulations of the Company. The said shares shall be ordinary shares and will rank equally in all respects with all other issued ordinary shares of the Company including voting rights and all other rights attached thereto.</p> <p>Purchase of shares offered herein and subsequent transfers thereof shall only be made subject to applicable laws.</p>
<b>1.18 Advisors of the Offer:</b>	NTHC Limited.
<b>1.19 Sponsoring Broker:</b>	NTHC Securities Limited
<b>1.20 Risk Factors:</b>	<p>Any investment in the securities of a Company entails certain risks. As a consequence, in considering a purchase of the securities being offered, prospective investors should consider the risk of <i>BOPP's</i> inability to control world market prices for palm oil set on the <i>international commodities exchanges</i>. In</p>

	addition, production of palm fruits could be affected by droughts and other vagaries of the weather.
<b>1.21 Shares:</b>	The Company has an authorised number of ordinary shares of 50,000,000 of which 34,800,000 have been issued and 13,920,000 shares are being offered for sale through this offer. The ordinary shares of the Company are transferable in multiples of one share in accordance with the Regulations of the Company by transfer on the prescribed form.
<b>1.22 Significant Issues:</b>	<p>As a public Company, BOPP's shares are fully transferable. No shares are agreed, or proposed to be issued for any consideration other than cash except for approved group instalment payment schemes.</p> <p>No commissions have been granted, or paid by the Company within the two years immediately preceding the date of this Offer for Subscription, or are payable for acquiring any shares or debentures of the Company. All the expenses of this offer, will be paid by the Government of Ghana.</p> <p>To improve efficiency and reduce costs, management has computerized most of the <i>routine information management tasks</i> to facilitate meeting all financial and other information demands of a first class public listed company.</p>
<b>1.23 Working Capital:</b>	The Directors of the Company are of the opinion that the Company's internally generated funds are sufficient to meet its working capital needs. BOPP has well established track record in the credit markets and solid relationships with the financial community.
<b>1.24 Dividend Policy</b>	<p>Based on the Company's performance, the Board of Directors of BOPP should be in a position to declare an annual dividend out of the Company's net earnings. The Board, however, <i>will ensure that any proposed dividend distribution does not jeopardise the Company's ability to operate effectively.</i></p> <p>The payment of all dividends remains at the discretion of the Board of Directors and will be determined on the basis of the Company's cash flow, earnings, capital requirements, operating and financial conditions, and other relevant factors.</p>
<b>1.25 Ordinary Shares</b>	Ordinary shareholders of the Company are entitled to <i>one vote for each share held on record</i> on matters submitted to a

	<p>vote of shareholders and are entitled to share proportionately in all assets of the Company available to shareholders and for distribution to shareholders upon liquidation, dissolution, or winding up of the Company's affairs.</p>
<b>1.26 Treasury Shares</b>	<p>The Company has no shares in treasury.</p>
<b>1.27 Allotment and Dispatch of Certificates</b>	<p>A Share Certificate in respect of the number of shares for which the Application is accepted will be sent by registered mail not later than April 9, 2004 or six (6) weeks after the Offer is closed (excluding holidays)</p> <p>The Managers reserve the right to accept or reject any Application in whole or in part for reasons given under Section 9.3 (g) herein. Applications which are received after the application lists have closed will not be considered.</p> <p>If the total number of shares applied for exceeds the number of shares offered, the basis of allotment will be decided by the Board of Directors of the Company in consultation with the Ghana Stock Exchange and the advice of the Managers in such a way as to bring about an appropriate spread of shares to meet the divestiture objectives of the Government.</p>



## 1.27 Summary Financial Information:

The following provides key financial information of the Company.

Selected Financial Information for the Fiscal Year Ended December 31 <sup>st</sup> (C' Millions)						
<b>BALANCE SHEET</b>	<b>Dec-1998</b>	<b>Dec-1999</b>	<b>Dec-2000</b>	<b>Dec-2001</b>	<b>Dec-2002</b>	<b>Sep-2003</b>
<b>Fixed Assets</b>	<b>22,590</b>	<b>22,539</b>	<b>23,270</b>	<b>26,468</b>	<b>26,732</b>	<b>29,135</b>
Stock	3,226	4,039	4,574	6,631	6,137	4,505
Debtors	1,100	2,567	13,990	5,869	9,369	11,551
Tax	0	295	0	924	2,085	4,076
Cash/Bank	10,094	10,203	5,819	11,686	19,624	17,375
<b>Current Assets</b>	<b>14,420</b>	<b>17,103</b>	<b>24,383</b>	<b>25,110</b>	<b>37,215</b>	<b>37,507</b>
Creditors & Overdraft	1,107	1,986	4,936	5,196	9,207	12,469
Dividend/Tax Payable	2,419	1,044	4,271	5,567	14,025	0
<b>Current Liabilities</b>	<b>3,526</b>	<b>3,030</b>	<b>9,207</b>	<b>10,763</b>	<b>23,232</b>	<b>12,469</b>
Working Capital	10,894	14,073	15,175	14,347	13,983	25,038
<b>Net Assets</b>	<b>33,484</b>	<b>36,612</b>	<b>38,445</b>	<b>40,815</b>	<b>40,715</b>	<b>54,173</b>
FINANCED BY:						
Stated Capital	32	32	32	32	32	20,000
Capital Surplus	17,782	17,779	17,701	17,685	17,685	17,685
Income Surplus	15,670	18,801	20,712	23,097	22,998	16,488
<b>Shareholders Int.</b>	<b>33,484</b>	<b>36,612</b>	<b>38,445</b>	<b>40,815</b>	<b>40,715</b>	<b>54,173</b>

<b>PROFIT &amp; LOSS</b>	<b>Dec-1998</b>	<b>Dec-1999</b>	<b>Dec-2000</b>	<b>Dec-2001</b>	<b>Dec-2002</b>	<b>Sep-2003</b>
Turnover	26,209	24,769	28,484	37,013	57,532	60,816
Production Cost	14,614	16,215	17,994	26,239	37,031	39,691
<b>Gross Profit</b>	<b>11,595</b>	<b>8,554</b>	<b>10,490</b>	<b>10,774</b>	<b>20,501</b>	<b>21,125</b>
SGA <sup>4</sup>	2,667	3,326	4,091	3,445	5,803	7,409
Depreciation	2,389	2,326	2,272	2,428	2,751	1,716
<b>Operating Profit</b>	<b>6,539</b>	<b>2,902</b>	<b>4,127</b>	<b>4,900</b>	<b>11,947</b>	<b>12,000</b>
Other Income	2,502	2,047	3,473	4,809	4,614	3,837
<b>EBT<sup>5</sup></b>	<b>9,041</b>	<b>4,949</b>	<b>7,600</b>	<b>9,709</b>	<b>16,561</b>	<b>15,837</b>
Taxation	1,391	773	1,418	1,757	2,636	2,379
<b>Net Profit</b>	<b>7,650</b>	<b>4,176</b>	<b>6,182</b>	<b>7,953</b>	<b>13,925</b>	<b>13,457</b>
<b>INCOME SURPLUS</b>	<b>Dec-1998</b>	<b>Dec-1999</b>	<b>Dec-2000</b>	<b>Dec-2001</b>	<b>Dec-2002</b>	<b>Sep-2003</b>
Beginning Balance	11,844	15,670	18,801	20,712	23,098	22,998
Net Earnings	7,650	4,176	6,182	7,953	13,925	13,457
<b>Dividend</b>	<b>3,825</b>	<b>1,045</b>	<b>4,271</b>	<b>5,567</b>	<b>14,025</b>	<b>0</b>
Transfer to Stated Capital	0	0	0	0	0	(19,967)
Closing Balance	15,670	18,801	20,712	23,098	22,998	16,488

<sup>4</sup> SGA refers to selling, general and administrative expenses

<sup>5</sup> EBT refers to earnings before tax

<b>CASHFLOW STATEMENT</b>	<b>Dec-1998</b>	<b>Dec-1999</b>	<b>Dec-2000</b>	<b>Dec-2001</b>	<b>Dec-2002</b>	<b>Sep-2003</b>
<b>Cash flows from operations (CFO)</b>						
Cash from operations	12,977	3,972	(3,310)	14,123	14,802	15,489
Interest paid	(3)	(23)	(88)	(17)	(20)	(34)
Interest received	2,081	1,728	3,561	4,162	3,674	3,060
Tax paid	(1,596)	(1,355)	(1,103)	(2,457)	(3,797)	(4,370)
<b>Net CFO</b>	<b>13,459</b>	<b>4,321</b>	<b>(940)</b>	<b>15,812</b>	<b>14,659</b>	<b>14,145</b>
<b>Cash flows from investing (CFI)</b>						
Purchase of fixed assets	(1,869)	(2,340)	(3,141)	(5,672)	(3,376)	(4,125)
Sale of fixed assets	448	261	46	695	1,321	817
<b>Net CFI</b>	<b>(1,420)</b>	<b>(2,080)</b>	<b>(3,095)</b>	<b>(4,978)</b>	<b>(2,055)</b>	<b>(3,308)</b>
<b>Cash flows from financing (CFF)</b>						
Dividend paid	(3,600)	(2,132)	(1,044)	(4,271)	(5,567)	(14,025)
<b>Net CFF</b>	<b>(3,600)</b>	<b>(2,132)</b>	<b>(1,044)</b>	<b>(4,271)</b>	<b>(5,567)</b>	<b>(14,025)</b>
(Decrease)/increase in cash <sup>6</sup>	8,439	109	(5,080)	6,562	7,037	(3,188)
Beginning balance	1,655	10,094	10,203	5,123	11,686	18,722
<b>Closing balance</b>	<b>10,094</b>	<b>10,203</b>	<b>5,123</b>	<b>11,686</b>	<b>18,722</b>	<b>15,534</b>

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<sup>6</sup> applies to both cash and cash equivalents

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<p><b>1.28 Documents For Inspection:</b></p>	<p>Copies of the following documents in respect of the business and affairs of the <i>Benso Oil Palm Plantation Limited</i> and the share offer are available for inspection at the registered offices of <i>Benso Oil Palm Plantation Limited</i> and <i>NTHC Limited</i>, during normal business hours of any working day from Tuesday, January 13, 2004 to Friday, February 27, 2004</p> <ul style="list-style-type: none"> <li>• The Approved Regulations of <i>Benso Oil Palm Plantation Limited</i>.</li> <li>• <i>Benso Oil Palm Plantation Limited</i> audited accounts for the five years ended December 31, 2002.</li> <li>• <i>Benso Oil Palm Plantation Limited</i> un-audited accounts for 9-months ending September 30, 2003.</li> <li>• <i>Benso Oil Palm Plantation Limited</i> Certificate of Incorporation.</li> <li>• <i>Benso Oil Palm Plantation Limited</i> Certificate to Commence Business.</li> <li>• Undertaking by <i>Benso Oil Palm Plantation Limited</i> in support of its Application to the First List.</li> <li>• <i>Benso Oil Palm Plantation Limited</i> Tax Clearance Certificate.</li> <li>• <i>Benso Oil Palm Plantation Limited</i> Social Security &amp; National Insurance Trust Clearance Certificate.</li> <li>• <i>Benso Oil Palm Plantation Limited</i> Fixed Assets Valuation Report.</li> <li>• A copy of the <i>Benso Oil Palm Plantation Limited</i> Share Offer Prospectus.</li> <li>• Management and Technical Services Agreements</li> <li>• Government of Ghana Assurance Letter</li> </ul> <p>To the best knowledge of the Advisors to the Vendor and Managers of the offer, this prospectus constitutes a full and true disclosure of all material facts about <i>Benso Oil Palm Plantation Limited</i> and the share offer, and the Advisors and Managers will not be held responsible for any inaccuracies in all information obtained from the Company.</p>
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## SECTION 2: Description Of The Offer

### 2.1 The Share Offer

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

The Ghana Government expects to raise an amount of ₵69.6 billion (US\$8.0 million) from the proceeds of this offer including cash and deferred payments. The Government of Ghana will apply the proceeds generally to any appropriate purposes for which national revenue is raised.

### 2.2 The Application

Each application must be for a minimum of 100 shares, and in multiples of 50 shares thereafter. The latest time for receipt of application forms is Friday, February 27, 2004<sup>7</sup>.

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

If your application is not accepted, or is accepted in part, or if the amount of the application divided by the offered price does not equal a whole number of shares, a refund for the appropriate amount, without interest, will be returned to you by March 19, 2003<sup>8</sup>, or three (3) weeks after the offer closes (excluding holidays).

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

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<sup>7</sup> The Managers in consultation with the Government of Ghana, BOPP, and the Ghana Stock Exchange, may extend the offer period.

<sup>8</sup> If the offer period closing date is extended, this date will also be extended accordingly.

### **2.3 Registration**

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

### **2.4 Dealings**

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

### **2.5 Listing**

Application has been made to the Ghana Stock Exchange for all of the 34,800,000<sup>9</sup> ordinary shares outstanding and any additional new shares issued as described herein to be admitted to the First Official List. The Ghana Stock Exchange has given approval for the listing of the said shares.

### **2.6 Dividend Withholding Tax**

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

### **2.7 Capital Gains**

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

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

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<sup>9</sup> Ordinary shares of BOPP were increased from 322,000 to 34,800,000 through a special resolution by the Board on xxxxxxxx

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## 2.8 Gift Tax

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

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

## 2.9 Stamp Duty

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

## 2.10 Restrictions on foreign share ownership of listed securities

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

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

Shareholding in BOPP, as indicated in *Government of Ghana Assurances*, has been granted dispensation from these restrictions to facilitate the Company's access to international financing and expand the financing possibilities in its processing business. There is clearly a strong national interest in BOPP's products and this is exhibited in the Presidential Special Initiative (PSI) on palm oil as well as its structural links to the international market in oil palm. BOPP may also require support, alliances, and direct linkages to participants in international intermediate oil palm markets. These linkages may necessitate unrestricted holdings in its shares to enable the Company to strengthen its operations.

## 2.11 Exchange Control Act

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

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

## SECTION 3: BENSO OIL PALM PLANTATION LIMITED (BOPP)

### 3.1 The Company

BOPP was incorporated on January 22, 1976 jointly by Unilever Plc and the Government of Ghana (GOG) as a private company limited by shares to produce Crude Palm Oil (CPO) in Ghana. The company was converted into a public limited liability with 50 million authorized shares of which 34.8 millions shares were issued. The company is located between two towns namely Adum Bansa and Benso in the Mponohor Wassa East District of the Western Region. The area has the right ecological conditions for an oil palm plantation.

Recognizing the prevailing economic difficulties of the country in the mid 1970s, the government at the time prevailed upon Unilever Plc to reinvest about 50% of its accumulated profits locally before it would be allowed to repatriate the rest. Unilever Plc, in anticipation of the supply of CPO to their existing factory at Tema, decided to invest in oil palm plantation. The government on its part assisted in the acquisition of a land for the purpose. A 6,799 hectare land was acquired on 50 years leasehold ending in 2026. The plantation is 42 km from Takoradi and 267 km from Accra.

The nature of business the company is authorized to carry on include:

- Growers of oil palm and other agricultural products
- Processors of oil palm fruits to produce palm oil and palm kernels
- Dealers and traders in palm oil, palm kernels and other agricultural products.

### 3.2 Shareholding Structure

The current shareholding structure of the company is presented below:

	<u>No. of Shares</u>	<u>(%) Shareholding</u>
Government of Ghana	13,920,000	40.00
Unilever Ghana Limited	20,340,600	58.45
Barclays Bank (Ghana) Pension Fund	539,400	1.55
<b>Total</b>	<b>34,800,000</b>	<b>100.00%</b>

Initially the government's shares were in the form of land, while the other shareholders contributed cash. The cash-related contribution was classified as Class "A" shares and the non-cash, Class "B" shares.

Before this offer, Unilever Ghana's shares were held 48.71% by CWA Holding (Unilever Plc) and 9.74% by UOH Limited (Unilever Plc). The transfer of shares from Unilever Plc to Unilever Ghana Limited was effected after receipt of relevant transfer forms and special resolution of the BOPP Board of Directors on September 5, 2003.

### **3.3 Production**

Construction of the palm oil mill commenced in 1979 but it was commissioned in November 1981. The oil mill is capable of handling 100,000 metric tons of FFB per annum and the current stated capacity per hour is 20 metric tons.

Annual production is currently over 17,000 metric tons (mt) of palm oil and 5,000 metric tons of palm kernel. The company processes fruit from small private farmers numbering more than 6,000 in the Western and Central Regions of Ghana, from towns stretching from Adum Bansa to Beposo, Elubo and Kisi.

Outside Purchases of Fruit (OPF) operations in BOPP is undertaken by third party buyers who are paid an agreed rate upon delivery of fruits at mill gate. This arrangement commenced in BOPP in 1997 and continues to operate satisfactorily to date.

There are now about 3,828 hectares of mature oil palms, which were planted between 1978 and 2000. Average yield of Fresh Fruit Bunches (FFB) per hectare of BOPP's own estate is 14 metric tons (mt). The best area currently under cultivation is yielding 18 mt per hectare.

The high quality of the company's palm oil is achieved by early harvesting and sterilization of the fruit soon after cutting. In this regard, BOPP has built a network of 317 km (197 miles) of road within the estate and maintains strict quality standards before dispatching the FFB to the Palm Oil Mill. BOPP continues to support the activities of local buyers by organizing quarterly farmers' meetings where technical advice is given to farmers. Sale of higher yielding seedlings, Unilever products and farm implements are also made at competitive prices to farmers on a regular basis to maintain their loyalty and commitment.

In 1995, a 1650 hectare smallholder scheme was funded with Government aid money through the Agence Francaise De Development (AFD). Under the scheme, each farmer was allocated a 4 hectare plot and money in the form of loans for inputs. The scheme was in three phases (1995-97) and farmers were selected from the local communities. Small private farmers continue to contribute to BOPP's production activities. In 2002, the smallholders contributed 17,989 mt, which is 13.4% of total production of FFB, and this is expected to increase as more trees mature. To encourage farmers to boost production, yearly awards are given to the six best farmers.



Continued good cultural practices vis-à-vis the potential of planting material used is expected to increase both OPF and small holdings to 18% and 25% in 2003 respectively. The table below shows productions in metric tons of OPF and Small holdings for 2001-2002 and projected for 2003:

	2001	2002	2003
OPF	17,942	27,237	30,000
Smallholder	16,920	17,989	23,000
<b>Total</b>	<b>34,862</b>	<b>45,226</b>	<b>53,000</b>

### 3.4 Replanting

BOPP has in place a phased replanting programme since 1998. So far 1,273 hectares have been replanted with a plan to replant 250 hectares in 2003. The replantings in 1998 and 1999 have already matured and are being harvested.

With the new planting technique of terracing, BOPP has developed 196 hectares of previously steep areas, which were regarded as unsuitable for oil palm cultivation.

As BOPP enters the fifth year of replanting, purchased fruits will become more important to offset the shortfall expected from the estate nucleus plantation. For 2003 and subsequent years, the company plans to carry out promotional activities to make BOPP the preferred buyer of FFB.

### 3.5 Safety, Health and Environmental Management

It is the policy of BOPP to do all that is reasonably practicable to establish and maintain high standards of occupational health, safety and environmental protection at work, in order to prevent personal injury or illness, property damage, fires, security loss and environmental pollution.

To achieve the above objectives, management continues to implement the following policies:

- Promoting employee training awareness in safety/health and environmental issue.
- Providing suitable protective equipment to its employees.
- Providing adequate fire fighting/preventive equipment and training.
- Applying consultative procedures to facilitate the active involvement and commitment of all employees to fulfill their roles and responsibilities under the policy.
- Providing adequate health delivery system such as well equipped clinic, resident doctor, and nurses, basic facilities in the villages and water supply.

### 3.6 Fixed Assets

The main fixed assets of the company include buildings, plant and machinery, vehicles and the plantation. A valuation carried by the Architectural and Engineering Services Ltd. (A.E.S.L) on September 2003 puts the total value at **¢62.28 billion**. The plantation has been estimated at **¢20.0 billion** based on the sale value of the existing trees. Thus, resulting in total fixed assets of **¢82.28 billion** with the following breakdown:

Fixed Assets	Open Market Value (¢' Million)
Buildings & Other Improvements	16,651
Plant and Machinery	29,680
Land	15,950
Plantations	20,000
Total Fixed Assets	<b>82,281</b>

### 3.7 Social Facilities

#### Schools

Nursery, Primary and Junior Secondary schools employing 31 teachers (22 are Government employees) are available for the children of employees and some from the community. A modern school block consisting of 14 classrooms, office, library and Junior Secondary School workshops and classrooms have been built.

#### Clinics

There are two clinics on the estate manned by a resident doctor, medical assistant, qualified midwife and two nurses providing free medical treatment to BOPP employees and their dependants. Medical services are being upgraded with the provision of a laboratory and extension of the main clinic.

A company ambulance is used to transport seriously ill patients to hospital during emergency.

#### Sports and Recreation

There is a nine hole golf course spanning 2551 yards totaling 36 par with 2 par 3s 4 par and 2 par 5s. Play is on greens. BOPP Golf Club is a member of the Ghana Golf Association.

#### Labour Village and Houses

BOPP has four labour villages and houses supplied with water and electricity on the estate for workers, supervisors and managers.

#### Estate Security

The company employs its own security force of 43 men to combat theft of palm fruit and ensure security of company property. BOPP has also built a police station and provides free housing on the estate for the police.

#### Community Support

Assistance is given to local communities in the building of schools, clinics, installation of electrical equipment and maintenance of township roads.

Management provides advice on good agricultural practices and assists outgrowers in surrounding areas. Improved seedling and fertilizers are sold to farmers in the locality to increase their yields.

### **3.8 Outlook for BOPP**

2002 ended on a good note with a good peak crop season reflecting the three-year cycle of peaks. CPO production was also above target with a production of 17,583 metric tons, representing an increase of 7% over 2001. BOPP will continue its pricing formula of aligning local prices to world market prices.

Total crop production is expected to increase by 8% to 98,000 metric tones by the end of 2003 due to increases in expected purchases of FFB. Purchases of crop expected to be milled will constitute more than 50% of total crop. Palm Oil and Palm Kernel oil production are also expected to be higher in 2003 and the subsequent years.

The company has very bright prospects as a going concern. It will continue to increase turnover, profits and cash flows through:

- Replanting of ageing palm trees with higher yielding varieties to increase output
- Increasing the purchase of FFB to improve volumes.
- Expanding processing capacity from 20 Mt per hour to 30 Mt per hour.
- Efficient field supervision and processing of palm oil and palm kernel oil.
- Effective cost control and increased productivity.

## **SECTION 4            INDUSTRY AND MARKET REVIEW**

### **4.1    Background**

The history of palm oil can be traced back to the days of the Egyptian pharaohs 5000 years B.C. Palm oil was, however, familiar to West Africans. It was introduced in Malaysia at the start of the 20th century and commercially produced in 1917. Today Malaysia's oil palm plantations cover 40% of its cultivated land, and it has become the world's largest producer and exporter of palm oil. Indonesia has also embarked on a massive oil palm plantation program, and having a much bigger land base, it is expected to catch up soon with Malaysia.

In Ghana the development of large-scale oil palm plantations is documented to have started in the 1940's. It continued when Ghana gained independence and the government established State Farms which led to the development of plantations like National Oil Palm Plantations (NOPL) and Benso Oil Palm Plantation with the aim of milling palm oil to feed the established industries for the manufacture of soap and edible fat.

The Government recognised the importance of the industry in contributing to the development of the country and sought further assistance from the World Bank in the 1970's to establish Ghana Oil Palm Development Corporation at Kwae in the Eastern Region. Twifo Oil Palm Plantation was also established around the same period with assistance from the E.E.C in the Twifo-Heman area.

With the inflow of funds from both external and local sources into the Oil Palm industry, a number of private entrepreneurs also entered the industry utilizing farms integrated with mills including Ayiem Oil Mills, Ashanti Oil Mills, and Juabeng Oil Mills among others. Their operations are however on small-scale basis with each of these estates dependent on a nucleus farm and to larger extent on out-growers for the supply of fresh fruit bunches.

Major end users of the products from the oil palm industry have been industrial concerns such as Unilever Ghana Limited and PZ Cussons Ghana Limited. These Companies have been able to absorb output from the oil palm industries for the manufacture of soaps, edible fats, etc.

## 4.2 Structure of the Oil Palm Industry in Ghana

### 4.2.1 Farms

The primary unit of production of the oil palm industry is the farm where the oil palm tree is cultivated to produce oil palm fruits. Oil Palm grows wild in Ghana and covers areas in southern Ghana limited by the sea and the end of the Transitional - Zone in the North.

#### Small Scale Farms

A small-scale farm may cover from 0.1 ha up to 7.5 ha. The oil palm fruits produced by the small-scale farms may be processed by the farmer using the traditional method of palm oil extraction or sold to women processors who also use the traditional method. They may also sell to industrial units for processing.

The small-scale farms are generally well maintained. The farmers may or may not adopt modern agronomic practices e.g. fertiliser application, cover cropping etc. to improve soil fertility and yields. The average yields are about 2 - 8 tonnes per hectare, depending on the agro-climatic zone in which the farm is located. Mostly they use pre-germinated seed-nuts from the Oil Palm Research Institute (OPRI) at Kusi and illegitimate planting materials, as well as Dura variety.

#### Medium Scale Farms

The medium scale farm is of a size between the small scale and 500 ha. They are normally cultivated using modern agronomic practices i.e. spacing, cover cropping, fertilisation, ring-weeding, pruning, improved seed, etc. They generally use seed nuts from OPRI, although some of them use illegitimate planting materials but not Dura variety. Some of the farmers in this category own oil extraction mills (medium- and small-scale mills) and they purchase fruits from other farmers to supplement their own produce for processing. Those who do not own mills face marketing problems during the peak season when fruits are in abundance and this affects the maintenance of their farms in subsequent seasons. This situation also leads to the felling of some of the palm trees of the medium-scale farms.

### Large -Scale Farms

A large-scale farm covers an area of over 500 ha. This category of farms includes the National Oil Palm Limited (NOPL), Ghana Oil Palm Development Company Ltd, (GOPDC), Benso Oil Palm Plantation Ltd, (BOPP) and Twifo Oil Palm Plantation Ltd., (TOPP). The State Oil Palm Plantation (SOPP) which used to be an estate has been liquidated and most of its farms divested to private holdings and companies. The farms which have not yet been divested are not operational. Those which have been divested are operating on lower scale and may be considered as medium-scale farms. All the four large-scale farms have their own mills which process the produce from the farms. The three mills of SOPP are, however, defunct and not operational. The large-scale farms operate nucleus plantations, small-scale holdings and out-grower schemes. In addition to produce from these farms some of them purchase fresh fruits from private holdings. They employ sophisticated agronomic practices and the farms are managed by professionally qualified and experienced personnel. They provide extension service and inputs to the smallholder schemes and out-growers. They also provide social services (school, health, sports, electricity etc.) to their employees as well as their dependants and in the communities they work.

The farming activities (land preparation, weeding, pruning, phytosanitary, harvesting and carrying) are labour intensive and therefore require substantial labour force. Almost all the seed-nuts used by the estates are imported from outside sources such as Côte d'Ivoire, Benin and Democratic Republic of Congo (formerly Zaire).

### **4.2.2 Research Institutions**

#### Oil Palm Research Institute (OPRI)

The Oil Palm Research Institute located at Kusi, near Kade, is mandated to carry out research aimed at providing scientific and technological support to the Oil Palm Industry in Ghana.

The Institute's research activity covers Agronomy, Breeding and Seed Production, Entomology, Pathology, Plantation Management, Oil Extraction Technology and Quality and demarcation of areas suitable for oil palm. Between 1967 and 1998 the Institute distributed 27,113,572 pre-germinated seed-nuts. These were made available to private small holder farmers who cultivate about 75% of land under oil palm in Ghana. The Institute provides training annually for farmers and occasionally for processors.

### University of Ghana Research Station

The University of Ghana Research Station at Okumaning near Kade also conducts research into oil palm. In addition to 10 hectares of oil palm plantation which is used for fertiliser trials, the Institute has 2.5 hectares of commercial farm yielding 9-10 tonnes/ha. Another 8 hectares was replanted in 1998/99 for research purposes. There is a small-scale 'Kramer' type mill with a hydraulic press at the station for commercial oil extraction.

### **4.2.3 Palm Oil Extraction**

The primary product of both the farm and the wild grove is the fruit which is used to a limited extent for culinary purposes in Ghana. The rest is processed mainly for the production of palm oil. Palm fruits have to be processed immediately after harvest to avoid deterioration of the quality of the oil.

Various processing methods are used in the industry – traditional processing method, semi-mechanised processing method and fully mechanised processing method which could be either a medium-scale or a large-scale.

#### Traditional Method

The traditional method of palm oil extraction is widespread in the industry and is undertaken by women. In this process, boiling, digesting or pounding, separation of fibre and nut from the mesocarp suspension, boiling of the suspension, skimming off the oil from the suspension are all done manually.

The traditional method produces palm oil and palm nuts. The nuts are either cracked by hand, or by machine to obtain palm kernel.

#### Semi-Mechanised Method

The semi-mechanised method of palm oil extraction is similar to the traditional method except that digestion and pressing of the fruits are the two stages that are mechanised. In some cases digestion is by mechanical means while pressing for oil is done by hand or spindle press.

In other cases the digestion and pressing are integrated and pressing is by hydraulic press. The rate of extraction in this case is better than the traditional method. It can also handle larger volumes of produce than the traditional method. There is proliferation of the semi- mechanised system in the industry. The 'Kramer' type which uses the spindle press has capacities ranging from 3.0 metric tonne FFB/day to 8 metric tonnes FFB/day. There are about 210 such mills scattered throughout the country.

### Medium-Scale Mills

The third method of extraction uses medium-scale mills that are highly mechanised from sterilisation through to palm oil extraction and kernel recovery. The final products are palm oil and palm kernel. In some medium-scale mills nut cracking mechanism is not incorporated and nut is produced instead of kernel. The capacities of medium-scale mills vary from 1.5 tonnes FFB/hr to about 4.0 tonnes FFB/hr. The owners of some of the medium-scale mills have nucleus farms and supplement their requirement of fruits with purchases from private farms. Some of them use contractors to purchase fruits for them. The extraction rate of the medium-scale mills is higher than the semi-mechanised mills, ranging between 15 % and 18 %. In this category are Juaben Oil Mills and Ayiem Oil Mills.

### Large Scale Mills

The fourth processing method uses large-scale industrial mills which are also highly mechanised from sterilisation stage through to palm oil extraction and kernel recovery. The capacities are in excess of 4 metric tonnes FFB/hour. They are managed by highly qualified and experienced personnel with background in Agriculture, Engineering, Accounting, Finance, Personnel and Marketing. GOPDC, TOPP, BOPP and NOPL are in this category.

## **4.2.4 Palm Kernel Oil Extraction Units**

The kernel produced after fruit processing is further processed into palm kernel oil and cake. Two main processing methods are used. The traditional method and the mechanical method.

### Traditional Method

The traditional method is practiced by itinerant women who go from house to house to purchase the nuts. The nuts are cracked by hand either by the processor or by independent nut crackers. The kernels are released after cracking and separated from the shell before they are processed into oil and cake. The oil is extracted by boiling the milled kernels and later scooped. This type of extraction is not efficient.

### Mechanical Method

The mechanical method of palm kernel oil extraction uses expellers which press the kernel to release the oil. The by-product of this process is the cake. The crude kernel oil is then passed through filters for filtration to remove impurities. The quality of the oil produced by this mechanism is better than that of the traditional method.



Producers of palm kernel oil are dependent on the palm oil processors for the kernel. There are linkages between the supply of FFB, the price of palm oil and the price of palm kernel oil.

#### **4.2.5 Input Supplies**

The production of palm fruits and the allied products is undertaken using inputs such as fertilisers, weedicides, insecticides, poly-bags, fungicides, sprayers, protective collars, seedlings, cutlasses, harvesting knives, power tillers, tractors, machinery and equipment. Whilst the agricultural inputs are supervised by the Ministry of Food & Agriculture but handled by the private sector, the industrial inputs are supervised by the Ministry of Trade and Industry and also handled by the private sector. The seed-nut production is undertaken by OPRI and supervised by Ministry of Science Environment and Technology. The main machinery suppliers are Pasico Ltd and Reiss & Co. Ltd. Most of the palm kernel oil extraction plants are imported from India. The semi-mechanised palm oil mills were originally designed by Technology Consulting Centre (TCC) of University of Science and Technology, Kumasi. Currently there are many fabricators producing the mills in Oda and Kade districts and other parts of the oil palm growing areas of the country. Thus, whilst the fully-mechanised mills are imported, the semi-mechanised ones are generally fabricated locally by firms such as FATECO and Agricultural Engineers Limited, both located in Accra.

#### **4.2.6 Secondary Processors**

Industrially both palm oil and palm kernel oil are used in the manufacture of margarine, cooking fat, soap and other by-products. Soap is produced by Unilever (Ghana) Ltd, P. Z. (Ghana ) Ltd and Oils and Fats Limited all in Accra, Ameen Sangaari Industries in Cape Coast, Lovable Industries Ltd in Takoradi and Appiah-Menka Complex in Kumasi. The supply of palm oil affects the production of soap. Palm oil refining is done by Unilever Ghana Ltd. The cake produced by pressing the kernel is used for the preparation of animal feed, thus linking the oil palm industry to the livestock industry. However, the stocks of palm kernel cake being kept indicate that there is a limited market for the cake. The average export price in 1999 was US\$35.00 per metric tonne, which is far below production cost.

The processing of palm fruits using large-scale industrial machines incorporates incinerators for bunch burning, oil purifiers and dryers as well as kernel recovery units. Most of the oil palm producing companies in the country employ the mechanized method for their production. The practical annual capacity of these plants range between 120,000 – 180,000 tonnes per annum and are normally backed by plantations covering areas of not less than 4000 ha.

### **4.3 Uses of Palm Oil**

Palm oil's unique composition makes it versatile in its application in food manufacturing and in the chemical, cosmetic and pharmaceutical industries. Its semi-solid physical properties are needed in many food preparation. Its non-cholesterol quality and digestibility make it popular as source of energy, while its technical and economic superiority makes it preferable as base material in the manufacture of various non-edible products.

In the food industries, palm oil is the choice for manufacturing solid fat products. Palm oil and stearin are popularly used worldwide in making margarine, shortenings and confectionery, and in frying snack foods.

Palm oil is cost-effective as it needs not go through expensive hydrogenation process. Its high content of natural antioxidants and its stability at high temperatures make it excellent as a deep frying medium. It also gives fried products a longer shelf life, while its bland taste brings out the natural flavors of food.

Palm oil is also used in the manufacture of soaps, detergents and other surfactants. It is a good raw material for producing oleo chemicals, fatty acids, fatty alcohols, glycerol and other derivatives for the manufacture of cosmetics, pharmaceuticals, household and industrial products.

Oleo chemicals manufactured from palm oil and palm kernel oil are now popular for the manufacture of environmentally friendly detergents as they are readily biodegradable.

The current estimated consumption of edible oil per head in Ghana is estimated at 6.5kg per annum, which works out to give an edible oil market of around 120,000 tonnes with the country's current population of 18.5 million.

Soap manufacturing serves as one of the important avenue for sale of palm oil in Ghana. The major soap manufacturers are Unilever Ghana Limited and PZ Cussons (PZ). It is estimated that Unilever alone consumes 38,000MT of crude palm oil annually for food and soap. Two main types of soap produced from palm oil are toilet and laundry soap.

#### 4.4 International Market Analyses

On the international front, supply of palm oil is mainly from Malaysia, Indonesia, Costa Rica, Colombia and Ecuador. The major producers of oil in West Africa are Ghana, Nigeria and Cote d'Ivoire. The production of Nigeria and Cote d'Ivoire during the last few years have remained stagnant. However, Cote d'Ivoire has revamped its state controlled company through privatization and injected significant capital into the industry. Marketing and pricing mechanism in Cote d'Ivoire has also been privatized, thus the world market price is used as the basis for determining the market price for crude palm oil in Cote d'Ivoire.

##### World Palm Oil Production

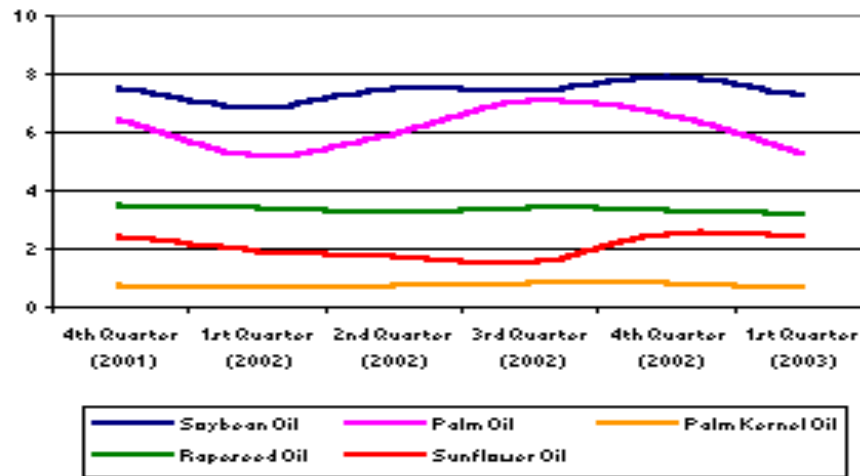
According to the Southern Philippines Report on Palm Oil, world production of all oils and fats declined by 7.8% from 31.9 million tons in the fourth quarter of 2002 to 29.5 million tons in the first quarter of 2003 (*Figure 1*)<sup>10</sup>. This was mainly attributed to palm oil, which declined by 20% from 6.6 million tons in the last quarter of 2002 to 5.2 million tons the first quarter of 2003. Soybean oil, rapeseed oil and sunflower oil declined by 9%, 6% and 3.6% respectively due to the decline in crushing.

World palm oil production declined by 1.386 million tons from 6.647 million tons in the last quarter. Production of palm kernel oil also declined from 0.806 to 0.667 million tons or by 17.2%. Production of palm oil in Malaysia declined in the first quarter of 2003 from 3.206 million tons in the previous quarter to 2.613 million tons i.e. down by 18.23%. This decline is due to the lag effect of the previous drought and the threefold increase in replanting of oil palm. In Indonesia, production of CPO declined from 2.7 million tons to 2.2 million tons during the same periods. This was brought about by the biological cycle of the palms as well as the drought.

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<sup>10</sup> Source of figure 1, 2 & 3 is Techo-Economics Research Unit (Economics and Industry Development Division of the Philippines)

*Figure 1: World Production of Selected Oils (Mn/T)*

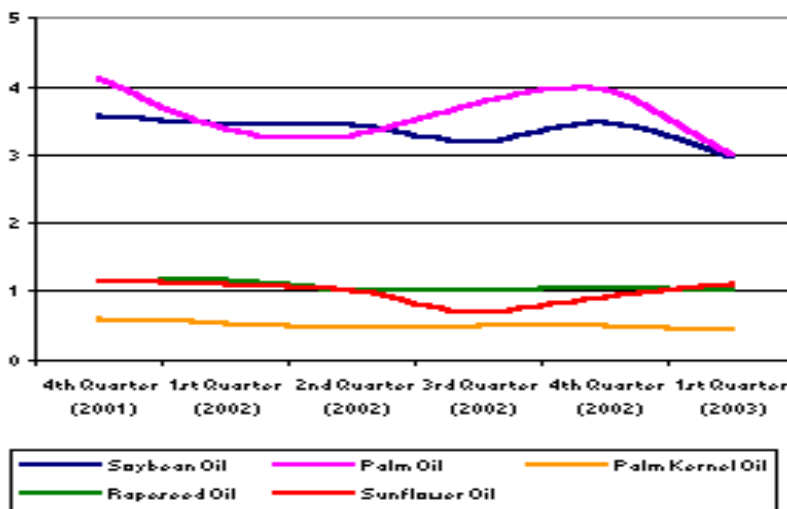


Stocks of Major Oils

Ending stocks of oils and fats declined by 5.65% from 14.43 million tons in the fourth quarter of 2002 to 13.62 million tons in the first quarter of 2003 (Figure 2). About 44% of the ending stocks comprised soybean oil and palm oil, which together declined by nearly 1.5 million tons. Ending stocks of sunflower seed oil increased by 22.54% from 0.914 million tons to 1.12 million tons. Approximately 34% of the ending stocks of palm oil are that of Malaysian origin indicating that there was nearly 1.01 million tons of palm oil being held as stocks in Malaysia.

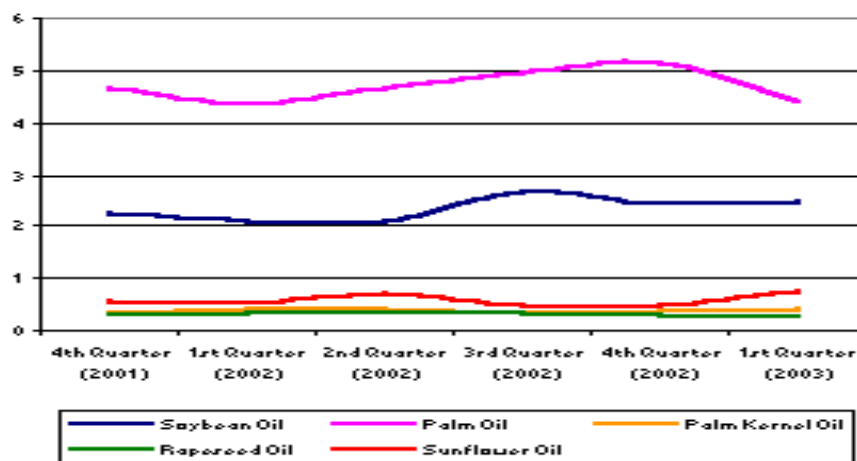
Total Imports of Oils

*Figure 2: World Ending Stocks of Selected Oils (Mn/T)*



Imports of total oils and fats declined by 5.32 % from 10.7 million tons to 10.1 million tons (Figure 3). Palm oil remained as the largest traded oil (4.41 million tons) contributing to nearly 44% of the total trade in oils and fats. Its imports however declined by 14.14% compared to a marginal increase of 2% in imports of soybean oil from 2.41 million tons to 2.46 million tons in the respective quarters. Exports of Malaysian palm oil declined from 3.2 million tons to 2.5 million tons, and accounted for 56.8% of the total palm oil trade during this quarter. Exports of Indonesian palm oil were also down, by 0.2 million tons from 1.9 million tons in the last quarter. On the other hand, total imports of sunflower seed oil increased quite sizably, by 51% from 0.501 mt in the last quarter to 0.757 million tons in this quarter.

Figure 3: World Imports of Selected Oils  
(Mn T)



### Pricing

Pricing is the major factor in the sale of palm oil in Ghana. Ghana Oil Palm Development Association (GOPDA) has largely controlled the prices of the commodity over the years. The norm initially was for the association to fix uniform prices for their products. Lately the prices are dependent on world market prices, which tend to change the local prices more frequently. The association currently communicates world market prices of palm kernel oil and crude palm oil to its members. Recent world prices have however not been favourable to producers of the crop.

As indicated by the chart below, a linear trendline derived from the annual world market prices indicates a gradual fall in the mean price of CPO per mt but it continues to be within the \$400 and \$500 band throughout the period. The current average price is \$420

World Market Prices for Crude Palm Oil in US\$  
1980 - 2001



Source: Oil World ([http://161.142.157.2/home/ei\\_table5\\_17.htm](http://161.142.157.2/home/ei_table5_17.htm))

## 4.5 Demand and Supply Analysis in Ghana/West Africa

### 4.5.1 Demand Analysis

A research carried out by the Secretariat of the Presidential Special Initiative (PSI) on palm oil has identified significant demand gaps for palm oil and related products in Ghana and West Africa.

**Table 1: Demand for Palm Oil Related Products**

Product	Ghana (Mt)	West Africa (Mt)
Laundry Soaps	90,000	620,000
Personal Wash	12,000	84,000
Fat and Margarine	21,000	170,000
Refined Cooking Oil (Industrial)	32,000	330,000
Edible Palm Oil	106,000	730,000

The volumes of palm oil needed to meet the requirements in table 1 are indicated on table 2 below.

**Table 2: Palm Oil Requirements**

Product	Ghana (Mt)	West Africa (Mt)
Laundry Soaps	54,000	373,000
Personal Wash	8,500	58,000
Fat and Margarine	17,000	134,000
Refined Cooking Oil (Industrial)	53,000	550,000
Edible Palm Oil	106,000	730,000
<b>Total</b>	<b>238,500</b>	<b>1,845,000</b>

### 4.5.2 Supply Analysis

In contrast to the demand requirements outlined on table 2, domestic supply of palm oil has been estimated at 70,000 Mt obtained from the existing main plantations with additional 30,000 Mt provided by small farmers. This indicates an excess demand gap of 138,500 Mt of palm oil required to meet the production of palm oil related products in Ghana. Similarly, the supply falls short of what is required in the West African region where about 2.0 million Mt is required for both industrial and non-industrial use, but production has been estimated at about 1.0 million Mt.

### 4.5.3 Specific Market for BOPP

BOPP is backwardly integrated to the operations of Unilever Ghana to the extent that all the palm oil it produces is consumed by Unilever Ghana.

#### **4.6 Potential of the Industry**

Known to be the most productive oil crop, a hectare of oil palm can produce 5 tons of crude palm oil. This is 5 to 10 times more than the yield of any commercially grown oil crop. With this potential, the development of the palm oil industry in Ghana at full-scale could play a significant role in improving our balance of payments through the production of palm oil as import substitutes and as a major export. It could also play a significant role in curbing rural-urban drift because employment would be created if nucleus farms and milling plants were set up strategically throughout the country.

On the international front, the West Asian region is presently unstable due to the US led war on Iraq. Exports of palm oil are expected to continue through third world countries even with increases in shipping costs. Prospects for palm oil are expected to be favorable considering that more than 0.5 million tons of edible oils are expected to enter Iraq under UN's Oil-For-Food programme.

There exists a huge market for palm oil and value added palm oil-based products in Africa. In Ghana alone, there is market for a minimum of 240,000 tonnes of crude palm for direct consumption and processing. Currently, Ghana produces less than 100,000 tonnes leaving a shortfall of approximately 140,000 tonnes of palm oil. The market for West Africa is approximately 2.6 million tones of palm oil. The Region currently produces about 800,000 tonnes. This indicates a shortfall of 1.8 million tonnes.

The opportunity for value-added manufacturing for the domestic and export market is strong in categories such as laundry products, toilet soaps, fats, cooking oils, edible red oil, industrial oils and cosmetics. This provides a significant opportunity for the oil palm industry in Ghana. In the longer term, the opportunities are even greater in the production of paints, pharmaceuticals, explosives, specialty foods, fibres and surfactants.

The industry holds great potential for Ghana with its current population growth of about 2.3% and rapid urbanisation. To meet the anticipated increase in both local and foreign demand, there is the need for improvement on the current extraction rate of 15-17% in medium to semi mechanised small-scale mills in the country.



Increased production and earnings from palm oil will, however, depend on the following:

- Improvement in the yields of palm fruits from the farms.
- Improvement in skill of farmers cultivating oil palm to enhance their cultural practice, which will impact positively on yields from their farms.
- Higher labour productivity especially from nucleus farms operated by the oil companies is also important because of the multiplier effect it will have on out-grower schemes that supply fresh fruit bunches to these oil palm manufacturers.
- High efficiency rates from the milling equipment at the various mills will also ensure that the mills improve extraction rates and make maximum returns from fresh fruit bunches supplied to these mills.

## SECTION 5: Directors, Management & Organization

### 5.1 Directors of BOPP

The Benso Oil Palm Plantation Limited is under the direction of a 5 member Board of Directors appointed by the shareholders of the Company.

#### 5.1.1 Profile Of Current BOPP Board Of Directors

The profile below presents information on the current members of the board of the company.

Name	Age	BOPP Board Designation	Place of Work/ Contact Address	Other Private/Public Appointments/ BOD	Year Appointed BOPP Director
Hon. Dr. Gyesika <b>Agambila</b>	51	<b>Chairman,</b> Representing Government of Ghana	Accra  Ministry of Ports and Harbours, P.O. Box M.40, Accra.	<ul style="list-style-type: none"> <li>• Chairman of the FAD/FAR Committee, PUFMARP Steering Committee and Data Bases Control Board.</li> <li>• Member of the National Overview Committee for NIRP and Gateway Oversight Committee</li> </ul>	2/10/2001
Kwame <b>Addae</b>	56	Managing Director	Takoradi  Adum Bansa Estate Office, P.O. Box 470, Takoradi.	<ul style="list-style-type: none"> <li>▪ Twifo Oil Palm Plantation Ltd.</li> <li>▪ GCMT Company Limited.</li> <li>▪ Ghana Plant Hire Limited</li> <li>▪ GBO Ghana Investments Ltd.</li> <li>▪ Millers Swanzy Ghana Ltd.</li> <li>▪ A J Seward Ghana Ltd.</li> <li>▪ GB Ollivant Ghana Ltd.</li> <li>▪ Kingsway Stores of Ghana Ltd.</li> <li>▪ Unilever Ghana Ltd.</li> </ul>	1/9/2000

Ishmael <b>Yamson</b>	61	Member Representing Unilever	Tema  Unilever Ghana Factory, P.O. Box 721, Tema.	<ul style="list-style-type: none"> <li>▪ Ghana Plant Hire Limited</li> <li>▪ GBO Ghana Investments Ltd.</li> <li>▪ Millers Swanzy (Gh) Limited</li> <li>▪ A J Seward (Gh) Limited</li> <li>▪ United Africa Trust Limited</li> <li>▪ Kingsway Stores of Ghana Ltd.</li> <li>▪ Twifo Oil Palm Plantation Ltd.</li> <li>▪ GCMT Company Limited</li> <li>▪ GB Ollivant Ghana Limited</li> <li>▪ Barclays Bank of Ghana Limited</li> <li>▪ Ghana Textile Printing Co. Ltd.</li> <li>▪ T&amp;E Ghana Limited</li> <li>▪ Juapong Textiles Limited</li> <li>▪ Ghana Brewery Limited</li> <li>▪ Swanzy Real Estate Limited</li> <li>▪ Premier Textiles Company Ltd.</li> <li>▪ Ghacem Limited</li> <li>▪ Unilever Ghana Ltd.</li> </ul>	27/2/1987
Emmanuel <b>Kojo Idun</b>	51	Member Representing Unilever	Tema  Unilever Ghana Factory, P.O. Box 721, Tema.	<ul style="list-style-type: none"> <li>▪ Twifo Oil Plantation Ltd.</li> <li>▪ Trustee of Unilever Ghana Managers Pension Scheme</li> <li>▪ Trustee of Unilever Ghana Provident Scheme</li> <li>▪ Swanzy Real Estate Limited</li> <li>▪ Empretec Ghana Foundation</li> <li>▪ GCMT Company Limited</li> <li>▪ Ghana Plant Hire Limited</li> <li>▪ GBO Ghana Investment Ltd.</li> </ul>	28/5/1999

				<ul style="list-style-type: none"> <li>▪ Millers Swanzy Ghana Ltd.</li> <li>▪ AJ Seward Ghana Limited</li> <li>▪ United Africa Trust Ltd.</li> <li>▪ Kingsway Stores of Ghana Ltd.</li> <li>▪ Unilever Ghana Limited</li> </ul>	
Norman Barry <b>Swanepoel</b>	56	Member Representing Unilever	Tema  Unilever Ghana Factory, P.O. Box 721, Tema	<ul style="list-style-type: none"> <li>▪ Unilever Ghana Limited</li> <li>▪ Trustee Unilever Ghana Managers Pension Scheme</li> <li>▪ Trustee of Unilever Ghana Provident Fund</li> </ul>	20/3/2000
Shirley <b>Longdon</b>	37	Secretary	Tema  Unilever Ghana Ltd. P.O. Box 721, Tema	-	

## 5.2 Management

Under technical and management services between BOPP and Unilever Plc, the management of BOPP is technically the responsibility of Unilever Plc which appoints the Managing Director and provides some vital technical and specialist services, and advice in the fields of:

- Evaluation of results of experiments to improve yields and reduce costs;
- Engineering design for factory construction and improvement;
- Application of appropriate agronomic practices;
- Personnel selection and training; and
- Marketing and distribution of BOPP's products.

The agreement further provides BOPP the opportunity of sending some of its employees on attachment training in Unilever's plantation companies spread throughout the world. A number of BOPP employees have acquired expertise in various aspects of plantation businesses under this arrangement.

Benso Oil Palm Plantation Limited is managed by a management team of five-(5) namely the *Managing Director, Commercial Manager, Factory Manager, Human Resource Manager and the Estate Manager*.

The management team is well versed in the oil palm industry. They have worked in various capacities connected with their current positions and their effectiveness have resulted in the profitable operations of BOPP over the years.

### **5.2.1 Management's Mission and Objectives**

#### *Mission Of BOPP*

The mission of the Company is to supply the Unilever Factory with superior quality palm oil and palm kernel at world market price parity. In this regard, BOPP continues to improve its agricultural practices and yields thereby increasing factory throughput and efficiencies.

#### *Objectives of Management*

- To supply its customers with palm oil at world market price parity.
- To effectively manage local palm oil supply to the Fast Moving Consumer Goods (FMCG) business.
- To uphold the best safety, health and environment practices on the plantation.
- To improve profitability to enhance shareholders value.

### **5.2.2 Profile Of Management Personnel Of BOPP**

#### **Mr. Kwame Addae (Managing Director)**

Mr. Addae is a 56 year old Ghanaian and mechanical engineering graduate of Kwame Nkrumah University of Science and Technology (KNUST). Mr. Addae has been in the Unilever system since 1971 and BOPP has benefited immensely from his wealth of experience accumulated over the course of his numerous years of employment with Unilever.

He worked with Tractor and Equipment as a Service Engineer, Lever Brothers (Ghana) as Personnel Director, Unilever Ghana as Group Personnel Director, Hindustan Lever (India) on attachment, Unilever Ghana as Technical Director and Pamol Plantations (Malaysia) on attachment before becoming the Managing Director of BOPP and Twifo Oil Palm Plantations (TOPP).

**Mr. Neneyo A. Mate-Kole (Commercial Manager)**

Mr. Mate-Kole is a 48 year old Ghanaian and an accountant by profession. He is a graduate of the University of Ghana and has worked with the Unilever Group since 1988. Mr. Mate-Kole held the position of Internal Audit Manager for UAC Ghana, Management Accountant with Lever Brothers Ghana and Company Accountant with Unilever Ghana. Mr. Mate-Kole is the Commercial Manager of both BOPP and TOPP.

**Mr. Kwesi Otoo (Human Resources Manager)**

Mr. Otoo is a 53 year old Ghanaian and a graduate in Economics from the University of Ghana. He has worked with BOPP since 1990. Prior to that, he worked in the area of human resources management for 15 years with Nestle Ghana Limited in Accra and G.D.C Limited at Takoradi.

**Mr. Francis Yeboah (Factory Manager)**

Mr. Yeboah is a 39 year old Ghanaian and a Mechanical Engineer by profession. He graduated from KNUST and has worked for 12 years in the area of CPO production first as Maintenance Engineer for 10 years at TOPP and then at BOPP. Mr. Yeboah is currently responsible for the on-going upgrading of the Mill from 20FFB/hr to 30FF/hr.

**Mr. Emmanuel Yao Ahiable (Estate Manager)**

Mr. Ahiable is a 48 year old Ghanaian and a graduate in Agricultural Engineering from Kwame Nkrumah University of Science and Technology (KNUST). He has worked as a Field Manager since joining TOPP in 1982 and was on attachment in Pamol Plantations in Malaysia prior to becoming the Estate Manager of BOPP.

**5.3 Organisation**

BOPP is organized into four main departments namely; Estate, Commercial, Technical and Human Resources.

5.3.1 The Estate Department is responsible for the maintenance of the nucleus plantations, estate administration, purchase of fruits and transportation.

5.3.2 The Commercial Department oversees the finances and marketing activities of the company.

5.3.3 The Technical Department is in charge of the laboratory as well as the maintenance of the mechanical, electrical and motor workshops.

5.3.4 The Human Resource Department takes charge of all personnel and administrative matters of the company. It is also responsible for the Estate's clinic, schools, canteen and recreational facilities.

### 5.3.5 Management Information System

Monthly, quarterly and annual management reports from the four departments above are compiled into a management information booklet by the Commercial Department. Each department reports on its current and future operations, achievements and problems for the information of management.

## 5.4 **Employment**

BOPP employs 547 permanent workers made up as follows:

Management/Assistant Management	-	16
Senior Staff	-	36
Junior Staff	-	<u>495</u>
		<u>547</u>

The departmental distribution of staff is as follows:

Managing Director's Office	-	2
Commercial	-	39
Estate	-	298
Technical	-	122
Human Resource	-	<u>86</u>
		<u>547</u>

Unionised workers' pay and conditions are negotiated by the Agricultural Workers Union of the TUC and local union every three (3) years with Wage Reopeners every twelve (12) months.

## **5.4 Additional Disclosures**

### *5.4.1 Bankruptcy Petitions*

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

### *5.4.2 Criminal Proceedings Or Convictions For Fraud Or Dishonesty*

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

### *5.4.3 No Prohibition Against Financial Advisory Or Capacity To Hold Office*

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

### *5.4.4 Directors' Emoluments*

Total Directors' remuneration and expenses for the year ended December 30, 2001 was ₪535.4 million, and for the December 31, 2002 was ₪516.7 million.

### *5.4.5 Materiality Of Interests Of Directors In Company's Business & Affairs*

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

### *5.4.6 Materiality Of Interests Of Management In Company's Business & Affairs*

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

### *5.4.7 Directors' Powers To Borrow & Charge The Company's Assets*

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

### *5.4.8 Affiliations & Affiliated Companies And Businesses*

Benso Oil Palm Plantation Limited has affiliations with Unilever. Operating under a technical management services agreement, it is the responsibility of Unilever Plc to appoint the Managing Director of BOPP. Unilever is also involved in providing technical advice in the area of engineering, training, marketing, agronomic practices and strategies to improve yields and reduce costs.



## SECTION 6: Financial Information

### K. B. ANDAH & ASSOCIATES

Chartered Accountants, Management Consultants, Training, Research, Investment & Taxation Advisors  
VAT Reg. No: 524V003749

P. O. Box 5845  
Accra-North  
Ghana

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

Direct Dial +233 (21) 25 23 72/4  
Facsimile +233 (21) 22 99 16  
E-mail [sagecl@wwwplus.com](mailto:sagecl@wwwplus.com)

12<sup>th</sup> November 2003

The Board of Directors  
Benso Oil Palm Plantation Limited  
Swanmill  
Kwame Nkrumah Avenue  
P. O. Box M390  
Accra

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

Dear Sirs

#### Financial Forecasts

We have reviewed the accounting policies and calculations for the financial forecast of Benso Oil Palm Plantation Limited (BOPP) for the three-year period to 31<sup>st</sup> December 2005 as set out in Section 6 of this prospectus. We conducted our work in accordance with *“Investment Circular Reporting Standards”* in the *“Auditing Handbook”* as well as *“Examination of Prospective Financial Information”*. We believe reasonable evidence and assurance have been obtained as basis for our conclusion and opinion.

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

Yours faithfully,



K. B. Andah & Associates  
Chartered Accountants

## 6.1 Projected Financials in €' million (2003–2005)

<b>BALANCE SHEET</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Fixed Assets	25,703	30,778	38,985
Stock	8,056	8,849	10,710
Debtors	12,637	14,765	19,039
Cash/Bank	28,766	40,978	58,236
Current Assets	49,459	64,592	87,985
Creditors & Overdraft	16,648	18,288	22,133
Dividend Payable	5,339	7,173	10,478
Current Liabilities	21,987	25,461	32,611
Working Capital	27,470	39,131	55,374
<b>Net Assets</b>	<b>53,173</b>	<b>69,909</b>	<b>94,358</b>
FINANCED BY:			
Stated Capital	20,000	20,000	20,000
Capital Surplus	17,685	17,685	17,685
Income Surplus	15,488	32,224	56,673
<b>Shareholders Interest</b>	<b>53,173</b>	<b>69,909</b>	<b>94,358</b>

<b>PROFIT AND LOSS</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Turnover	78,981	92,279	118,996
Production Cost	53,707	58,994	71,398
Gross Profit	25,274	33,285	47,598
Selling, Gen. & Adm.	9,061	10,586	13,651
Depreciation	2,797	3,293	4,017
<b>Operating Profit</b>	<b>13,416</b>	<b>19,405</b>	<b>29,930</b>
Other Income	7,898	9,228	11,900
EBT <sup>11</sup>	21,314	28,633	41,830
Taxation	3,517	4,724	6,903
<b>Net Profit</b>	<b>17,797</b>	<b>23,909</b>	<b>34,927</b>
<b>INCOME SURPLUS</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Beginning Balance	22,998	15,488	32,224
Net Earnings	17,797	23,909	34,927
Dividend	(5,339)	(7,173)	(10,478)
Transfer to Stated Capital	(19,968)	0	0
Closing Balance	15,488	32,224	56,673

<sup>11</sup> EBT refers to earnings before tax

<b>CASHFLOW STATEMENT</b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>
<b>CASH INFLOWS</b>			
Cash Sales	66,344	77,514	99,957
Receipts from Debtors	9,369	12,637	14,765
Other Income	7,898	9,228	11,900
Total Inflows	83,611	99,379	126,621
<b>CASH OUTFLOWS</b>			
Direct Costs	38,977	41,499	51,125
SG&A Expenses	9,061	10,586	13,651
Payments	8,306	16,649	18,288
Corporate Tax	3,517	4,724	6,902
Capital Expenditures	6,229	8,368	12,225
Total Outflows	66,090	81,827	102,191
Cash Flows Before Financing	17,522	17,552	24,430
Dividend Payments	(14,025)	(5,339)	(7,173)
Net Cash flows	3,497	12,213	17,257

## 6.2 Underlying Assumptions for Projections

Projections for BOPP were based on a careful analysis of its Audited Historical Financial Statements in the last ten-(10) years. Fruit losses arising from the ongoing replanting exercise will result in nucleus (Estate) crop output remaining constant at 45,000 mt over the projected period. Consequently OPF will be aggressively grown to make up for the shortfalls in nucleus crop. The smallholder output is also expected to increase as the trees are still in their prime. The table below shows how projected revenues were computed:

<u>FFB PRODUCTION (TONNES)</u>	<b>2003</b>	<b>2004</b>	<b>2005</b>
ESTATE	44,850	45,000	45,500
OPF	30,333	33,000	35,000
SMALLHOLDER	23,367	24,000	26,000
TOTAL FFB	98,550	102,000	106,500
<u>SALES VOLUME (TONNES)</u>			
PALM OIL	18,959	20,450	21,415
PALM KERNEL	4,888	-	-
PALM KERNEL OIL	-	3,843	4,084
<u>AVERAGE USD PRICE PER MT</u>			
CPO	422	420	420
PK	103	-	-
PKO	-	430	430
<u>AVERAGE CEDI PRICE PER MT</u>			
CPO - Delivered	3,629,200	4,334,400	5,201,280
PK	885,800	-	-
PKO	-	4,257,000	5,325,120
<u>SALES (C'MILLION)</u>			
CPO	74,307,631	86,553,268	111,385,411
PK	4,673,787	-	-
PKO (VALUE ADDITION)		5,725,704	7,611,076
<b>TOTAL</b>	<b>78,981,418</b>	<b>92,278,972</b>	<b>118,996,487</b>

- Production cost as a percent of sales were computed as follows:

2003	2004	2005
68%	64%	60%

*Note: This trend is expected due to the additional values to be created from the processing of PKO.*

- The following expenses were computed based on the average in the last five-(5) years:
  - ✓ Selling, General and Distribution Expenses represent 11.47%.
  - ✓ Other incomes (interest on cash deposit/debit balances and profit on asset disposals) constitute 10% of revenue.
  - ✓ Stocks (palm oil, palm kernel and non-tradeables) represent an average 15% of total production cost.
  - ✓ Debtors constitute an average 16% of revenue and creditors represent an average 31% of total production cost.
- 50% of undistributed profits will be used for capital expenditures during 2003-2005.
- Depreciation is computed using the straight-line method so as to write off the cost/valuation over the estimated useful lives of the assets. Fixed assets have been depreciated as follows:
  - ✓ Leasehold land and buildings - 2.5%
  - ✓ Plantation development (oil) - 4.5%
  - ✓ Plant, fixture and fittings - 7.0%
  - ✓ Vehicles - 20%
  - ✓ Office equipment - 33.3%
- A transfer of ₦19,968 million from income surplus to stated capital has also been assumed.

### 6.3 Historical Financial Review

#### K. B. ANDAH & ASSOCIATES

Chartered Accountants, Management Consultants, Training, Research, Investment & Taxation Advisors  
VAT Reg. No: 524V003749

P. O. Box 5845  
Accra-North  
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E-mail [sagecl@wwwplus.com](mailto:sagecl@wwwplus.com)

12<sup>th</sup> November 2003.

The Board of Directors  
Benso Oil Palm Plantation Limited  
Swanmill, Kwame Nkrumah Avenue  
P. O. Box M390  
Accra

Dear Sirs,

#### Accountants' Report on Historical Financial Information

We have reviewed the financial information set out in parts one, two and three of our report. The information has been prepared for inclusion in the Prospectus of Benso Oil Palm Plantation Limited for listing on the Ghana Stock Exchange.

The financial information is based on the audited financial statements of Benso Oil Palm Plantation Limited for the five (5) years ended 31<sup>st</sup> December 2002 and management accounts for the nine (9) months ending 30<sup>th</sup> September 2003, after making such reclassifications, as we considered necessary

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

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

In our opinion the financial information present fairly, in all material respects, the state of affairs of Benso Oil Palm Plantation Limited for the five (5) years and nine (9) months to 30<sup>th</sup> September 2003, and its results and cash flows for the period then ended.

Yours faithfully,

*K. B. Andah & Associates*

K. B. Andah & Associates  
Chartered Accountants

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

Partners: K. B. Andah

P. O. Andah

E. F. Asamoah

**Lead Manager: NTHC Limited**  
**Sponsoring Broker: NTHC Securities Limited**

A summarised analysis of Benso Oil Palm Plantation Limited's (BOPP) financial performance for the five (5) year period to 31<sup>st</sup> December 2002 and nine months to September 2003 are as follows:

### **6.3.1 Profitability**

The average increase in net sales over the period under review is 27% with the highest increase of 55% being recorded in 2002, mainly due to increased output. The management accounts for the nine-month period to September 2003 recorded an increase in net sales by 6% over 2002.

During the same period gross profit margins averaged 17% with the highest of 25% in 1998. This was mainly due to the fact that 1998 recorded the highest average Crude Palm Oil (CPO) price of US\$671 per tonne. Gross profit margin for the nine-month period was 35%.

Changes in profit before tax on a yearly basis averaged 27% with the lowest and highest change of negative 45% and 75% occurring in 1999 and 2002 respectively.

Return on assets averaged 16% over the period under review with the lowest and highest increases of 11% and 22% occurring in 1999 and 2002 respectively. The nine-month period to September 2003 recorded a return on assets of 20%

### **6.3.2 Working Capital**

The company had an average current and quick ratio of 3.35 and 2.61 respectively. Debtors' days averaged 70 days with the lowest and highest of 15 and 179 days occurring in 1998 and 2000.

### **6.3.3 Capital Expenditure**

The company has consistently increased its capital expenditure over the four-year period to 2001 from ₪1.9 billion in 1998 to ₪5.7 billion in 2001. However, it fell to ₪3.4 billion in 2002.

### **6.3.4 Dividend Payout Ratio**

Available financial information show an improving trend with an average of 63% of profit after tax paid to shareholders, the highest and lowest of 101% and 25% occurring in 2002 and 1999 respectively.

### **6.3.5 Cash flow**

The period under review recorded net cash inflows for 1998, 1999, 2001 and 2002 averaging ₪5.5 billion with the exception of the year 2000 which recorded a net cash outflow of ₪5.1 billion. This was due significantly to increase in the level of debtors.



<b>BALANCE SHEET</b>	<b>Note</b>	<b>Dec-1998</b>	<b>Dec-1999</b>	<b>Dec-2000</b>	<b>Dec-2001</b>	<b>Dec-2002</b>	<b>Sep-2003</b>
<b>Fixed Assets</b>	<b>11.0</b>	<b>22,590</b>	<b>22,539</b>	<b>23,270</b>	<b>26,468</b>	<b>26,732</b>	<b>29,135</b>
Stock	6.0	3,226	4,039	4,574	6,631	6,137	4,505
Debtors	7.0	1,100	2,567	13,990	5,871	9,369	11,551
Tax		0	295	0	924	2,084	4,076
Cash/Bank	10.0	10,094	10,202	5,819	11,686	19,623	17,375
<b>Current Assets</b>		<b>14,420</b>	<b>17,103</b>	<b>24,383</b>	<b>25,110</b>	<b>37,215</b>	<b>37,507</b>
Creditors	8.0	1,107	1,986	4,221	5,196	8,306	10,628
Dividend Payable		2,132	1,044	4,271	5,567	14,025	0
Tax Payable		287	0	19	0	0	0
Bank Overdraft		0	0	696	0	901	1,841
<b>Current Liabilities</b>		<b>3,526</b>	<b>3,030</b>	<b>9,207</b>	<b>10,763</b>	<b>23,232</b>	<b>12,469</b>
<b>Working Capital</b>		<b>10,894</b>	<b>14,073</b>	<b>15,175</b>	<b>14,347</b>	<b>13,983</b>	<b>25,038</b>
<b>Net Assets</b>		<b>33,484</b>	<b>36,612</b>	<b>38,445</b>	<b>40,815</b>	<b>40,715</b>	<b>54,173</b>
FINANCED BY:							
Stated Capital		32	32	32	32	32	20,000
Capital Surplus		17,782	17,779	17,701	17,685	17,685	17,685
Income Surplus		15,670	18,801	20,712	23,098	22,998	16,488
<b>Shareholders Int.</b>		<b>33,484</b>	<b>36,612</b>	<b>38,445</b>	<b>40,815</b>	<b>40,715</b>	<b>54,173</b>

<b>PROFIT &amp; LOSS</b>	<b>Note</b>	<b>Dec-1998</b>	<b>Dec-1999</b>	<b>Dec-2000</b>	<b>Dec-2001</b>	<b>Dec-2002</b>	<b>Sep-2003</b>
Turnover		26,209	24,769	28,484	37,013	57,532	60,816
Production Cost		14,614	16,215	17,994	25,996	36,606	39,691
SGA <sup>12</sup>		2,667	3,326	4,091	3,445	5,803	7,409
Depreciation		2,389	2,326	2,272	2,428	2,751	1,716
Operating Profit	2.0	6,539	2,902	4,127	4,900	11,947	12,000
Other Income	3.0	2,502	2,047	3,473	4,809	4,614	3,837
<b>EBT<sup>13</sup></b>		<b>9,041</b>	<b>4,949</b>	<b>7,600</b>	<b>9,709</b>	<b>16,986</b>	<b>15,837</b>
Taxation	4.0	(1,391)	(773)	(1,418)	(1,514)	(2,636)	(2,379)
Natioanal Rec. Levy		0	0	0	(242)	(425)	0
<b>Net Profit</b>		<b>7,650</b>	<b>4,176</b>	<b>6,182</b>	<b>7,953</b>	<b>13,925</b>	<b>13,457</b>
<b>INCOME SURPLUS</b>							
Beginning Balance		11,844	15,670	18,801	20,712	23,098	22,998
Net Earnings		7,650	4,176	6,182	7,953	13,925	13,457
Dividend	5.0	(3,825)	(1,045)	(4,271)	(5,567)	(14,025)	0
Transfer to stated capital		0	0	0	0	0	(19,967)
Closing Balance		15,670	18,801	20,712	23,098	22,998	16,488

<sup>12</sup> SGA refers to selling, general and administrative expenses

<sup>13</sup> EBT refers to earnings before tax

<b>CASHFLOW STATEMENT</b>	<b>Dec-1998</b>	<b>Dec-1999</b>	<b>Dec-2000</b>	<b>Dec-2001</b>	<b>Dec-2002</b>	<b>Sep-2003</b>
<b>Cash flows from operations (CFO)</b>						
Cash from operations	12,977	3,972	(3,310)	14,123	14,802	15,489
Interest paid	(3)	(23)	(88)	(17)	(20)	(34)
Interest received	2,081	1,728	3,561	4,162	3,674	3,060
Tax paid	(1,596)	(1,355)	(1,103)	(2,457)	(3,797)	(4,370)
Net CFO	13,459	4,321	(940)	15,812	14,659	14,145
<b>Cash flows from investing (CFI)</b>						
Purchase of fixed assets	(1,869)	(2,340)	(3,141)	(5,672)	(3,376)	(4,125)
Sale of fixed assets	448	261	46	695	1,321	817
Net CFI	(1,420)	(2,080)	(3,095)	(4,978)	(2,055)	(3,308)
<b>Cash flows from financing (CFF)</b>						
Dividend paid	(3,600)	(2,132)	(1,044)	(4,271)	(5,567)	(14,025)
Net CFF	(3,600)	(2,132)	(1,044)	(4,271)	(5,567)	(14,025)
(Decrease)/increase in cash <sup>14</sup>	8,439	109	(5,080)	6,562	7,037	(3,188)
Beginning balance	1,655	10,094	10,203	5,123	11,686	18,722
<b>Closing balance</b>	<b>10,094</b>	<b>10,203</b>	<b>5,123</b>	<b>11,686</b>	<b>18,722</b>	<b>15,534</b>

<sup>14</sup> applies to both cash and cash equivalents

## 1.0 Accounting Policies

The significant Accounting policies adopted by the company and which have been used in preparing these Accounts are as follows:

### (a) Basis of Accounting

These Accounts have been prepared under the Historical Cost Convention as modified by revaluation of certain properties (plant and equipment) and in accordance with Ghana Accounting Standards.

### (b) Depreciation

Depreciation on fixed assets is calculated to write off assets value on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates used are:

Leasehold Land and Buildings	2.5%
Plantation Development – Oil Palm	4.5%
Plant, Fixtures and Fittings	7.0%
Vehicles – Light Passenger & Lorries	25.0%
Vehicles – Heavy Road Equipment, Tractors and Trailers	16.7%
Computers	33.3%

### (c) Stocks

Stocks are valued on the basis of the lower of cost and net realizable value. Cost is determined by the weighted average method.

The cost of finished goods and work in progress comprises raw materials, direct labour and other direct cost and related production overheads (based on normal operating capacity) but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

### (d) Trade Receivables

Trade debtors are carried at original invoice amount less an estimate made for receivables based on a review of all outstanding amounts at the year-end.

Bad debts are written off when identified.

### (e) Foreign Currencies

Transactions in the foreign currencies during the year are converted into cedis at the prevailing rates at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into cedis at the rates of exchange ruling at the balance sheet date. The resulting gains and losses are dealt with in the profit and loss account.

**(f) Deferred Income Tax**

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax assets are recognized for tax losses carried forward only to the extent that realization of the related tax benefit is probable.

**(g) Cash and Cash Equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprises cash on hands, deposits held at call with banks and bank overdrafts.

**(h) Revenue Recognition**

Sales are recognized upon delivery of products and customer acceptance. Sales are shown net of value added taxes and discounts.

**(i) Post Balance Sheet Events**

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

## Notes to the Financial Information

<b>2.0 Operating Profit</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<i>Is stated after charging:</i>	<b>(€' million)</b>	<b>(€' million)</b>	<b>(€' million)</b>	<b>(€' million)</b>	<b>(€' million)</b>
Depreciation	2,389	2,326	2,272	2,428	2,751
Directors' emoluments	89	127	221	314	517
Auditors' remuneration	30	37	50	72	85
Loss on disposal of FA	0	0	14	0	0
National Reconstruction Levy	-	-	-	243	425
<b>3.0 Other Income</b>					
Net Interest on cash deposits	2,081	1,728	3,473	4,145	3,654
Exchange gain	30	120	0	0	0
Profit on asset disposals	391	198	0	664	961
	2,502	2,047	3,473	4,809	4,615
<b>4.0 Income Tax (€' mil.)</b>					
	<b>Beginning Balance</b>	<b>Payments</b>	<b>Charge to P/L</b>	<b>Closing Balance</b>	
1998	(71)	-	-	(71)	
1999	(304)	-	-	(304)	
2000	(33)	-	-	(33)	
2001	(734)	-	-	(734)	
2002	-	(3,797)	2,692	(1,105)	
	(1,249)	(3,797)	2,692	(2,354)	
Deferred Tax	325	-	(56)	269	
Total	(924)	(3,797)	2,636	(2,085)	
<b>5.0 Dividend</b>					
	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
	<b>(€' million)</b>	<b>(€' million)</b>	<b>(€' million)</b>	<b>(€' million)</b>	<b>(€' million)</b>
Unpaid (Beg. of the year)	1,907	2,132	1,044	4,271	5,567
Interim declared and final proposed	3,825	1,044	4,271	5,567	14,025
Payments during the year	(3,600)	(2,132)	(1,044)	(4,271)	(5,567)
Unpaid at the end of the year	2,132	1,044	4,271	5,567	14,025
<b>6.0 Stocks</b>					
Palm oil	109	288	224	114	489
Palm kernel	33	61	72	11	21
Non-trade stocks	3,084	3,690	4,277	6,507	5,627
	3,226	4,039	4,574	6,631	6,137
<b>7.0 Debtors</b>					
Amounts due from associated companies	605	288	12,123	4,628	5,899
Amounts due from officers	132	61	614	655	588
Other debit and payment in advance	363	3,690	1,254	587	2,882
	1,100	4,039	13,990	5,870	9,369

	1998	1999	2000	2001	2002
<b>8.0 Creditors/Accruals</b>	(¢' million)	(¢' million)	(¢' million)	(¢' million)	(¢' million)
Amounts due to associated companies	386	483	2,387	1,519	3,264
Amounts due to officers	14	2	159	259	160
Sundry creditors and accrued liabilities	707	1,501	1,675	3,417	4,882
	1,107	1,986	4,221	5,196	8,306
Directors Emoluments	89	127	221	314	517
<b>9.0 Cash from Operations</b>					
Profit before tax	9,041	4,949	7,599	9,467	16,561
Depreciation	2,389	2,326	2,272	2,428	2,751
Loss/profit on disposal of assets	(391)	(198)	14	(664)	(961)
Increase in stocks	(655)	(812)	(535)	(2,057)	494
Increase in debtors	4,505	(1,467)	(11,423)	8,120	(3,500)
Increase in creditors and accrued liabilities	165	879	2,235	975	3,110
Interest paid	3	23	88	17	21
Interest received	(2,081)	(1,728)	(3,561)	(4,162)	(3,674)
	12,977	3,972	(3,310)	14,123	14,802
<b>10.0 Cash/Cash Equivalents</b>					
Cash and Bank Balance	10,094	10,203	5,820	11,686	19,624
Bank Overdrafts	0	0	(696)	0	(901)
	10,094	10,203	5,123	11,686	18,723

<b>11.0 Fixed Assets Schedule</b>	<b>Laboratory Equipment</b>	<b>Building &amp; Housing</b>	<b>M. Vehicle &amp; Plant/Mach</b>	<b>Computers &amp; Furn./Fittings</b>	<b>Work in Progress</b>	<b>Total</b>
	<b>(¢' mil.)</b>	<b>(¢' mil.)</b>	<b>(¢' mil.)</b>	<b>(¢' mil.)</b>	<b>(¢' mil.)</b>	<b>(¢' mil.)</b>
Cost/Valuation						
Bal.at 31/12/2002	11,902	8,775	23,430	1,614	5,624	51,345
Bal.at 31/12/2001	10,180	8,775	22,102	1,493	5,934	48,486
Bal. at 31/12/2000	9,438	8,775	20,436	1,299	3,048	42,997
Bal. at 31/12/1999	9,438	8,688	19,696	1,001	1,720	40,544
Bal. at 31/12/1998	9,447	8,612	19,019	838	568	38,485
Accum. Depr <sup>15</sup>						
Bal. at 31/12/2002	4,093	2,382	16,915	1,222	0	24,612
Bal. at 31/12/2001	3,598	2,162	15,548	710	0	22,018
Bal. at 31/12/2000	3,152	1,942	14,127	506	0	19,727
Bal. at 31/12/1999	3,152	1,942	14,127	506	0	19,727
Bal. at 31/12/1998	2,310	1,519	11,835	231	0	15,895
Net Book Value						
Bal. at 31/12/2002	7,809	6,393	6,515	391	5,624	26,733
Bal. at 31/12/2001	6,582	6,613	6,555	783	5,934	26,468
Bal. at 31/12/2000	6,286	6,833	6,309	793	3,048	23,270
Bal. at 31/12/1999	6,706	6,954	6,488	670	1,720	22,539
Bal. at 31/12/1998	7,137	7,094	7,184	607	568	22,590

<sup>15</sup> Accum. Depr refers to Accumulated Depreciation

## **SECTION 7: Risk Factors In The Investment Decision**

An investment in the securities of a Company entails certain investment risks. In considering a purchase of BOPP ordinary shares being offered, prospective investors should consider carefully, the following potential risks of an investment in the Company, including any relevant information contained in this prospectus.

### **Production Risk**

Production of palm fruits could be affected by drought and other vagaries of the weather, which will be beyond the control of BOPP.

### **Price Risk**

The price of palm oil on the international market may be volatile and is influenced by factors most of which are outside the control of the Company. Demand for palm oil is also sensitive to changes in consumer tastes, consumer acceptance and other substitutes, and new scientific discoveries. All these affect the price of BOPP's products either positively or negatively.

### **Foreign Exchange Risk**

This is the exposure to fluctuations in the value of the major currencies, the *British Sterling*, *Euro*, and the *United States Dollar*, in which the prices of palm oil are set on the world market, and also fluctuations in the value of the local currency, the *cedi*, against these major currencies. These affect the value of the amounts realized from sale of BOPP's products.

### **Competition**

BOPP's products compete in both the international and local markets. BOPP's competitors in the domestic market include NOPL and GOPDC. Therefore, BOPP, like all businesses constantly faces challenges in all aspects of its business. Unilever will continue to use BOPP's products as raw materials for the manufacture of soaps and other detergents, thus, providing ready market for BOPP products. Government has also indicated its support for palm oil through its PSI.

### **Land**

BOPP's total land area is under cultivation. However the company has programmed to aggressively increase its Outside Purchased Fruit (OPF) from the open market. It is therefore embarking on an expansionary programme to increase factory processing from 20 mt per hour to 30 mt per hour in the next 3 years to cater for the increase crop production.



Farmers within the catchment area are also being encouraged to plant high yielding Tenara seedlings instead of the low yielding Dura to increase oil production

## **SECTION 8: Terms And Conditions Of The Offer**

### **8.1 Introduction**

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

If you apply for Shares in the Benso Oil Palm Plantation Limited “Share Offer” you will be agreeing with the Managers and the Ghana Government as set out below and accepting the conditions in 9.2 and 9.8

## 8.2 General Conditions

- a. If you receive a copy of this document and/or Application Form in any territory other than Ghana, you may not treat it as constituting an invitation or offer to you, nor should you in any event use such Application Form, unless in the relevant territory such an invitation could lawfully be made to you without compliance with any unfulfilled registration or other legal requirements. It is your responsibility if you are outside Ghana and/or subject to the laws of any other territory and if you receive a copy of this document and/or an Application Form and wish to make an Application, to satisfy yourself as to full observance of any governmental or other consents and compliance with other necessary formalities, and to pay any transfer charges or other taxes or duties required to be paid in such territory in respect of the offer shares acquired by you under the offer.
  
- b. If you are a Qualifying Offer Applicant resident outside Ghana, you may apply for a specified number of shares by completing and returning an Application Form for a specified number of Offer Shares which you wish to acquire, by hand or by registered post to GHANA INTERNATIONAL BANK, 69 CHEAPSIDE, LONDON, EC2P2BB, England, UK, not later than 3.00 pm (Ghana Time) on Friday February 27, 2004. For applications delivered by hand, a cheque, bankers draft or cash for the relevant amount in US dollars or British Sterling equivalent of the Cedis price of the offer shares should accompany your Application Form and should be in a form which will realize cleared funds for the full amount payable on application by 3.00 pm (Ghana Time) on Friday February 27, 2004. For Applications delivered by registered post, funds should be remitted by bank transfer to the following account(s): "BOPP SHARE OFFER USD Account **No. xxxxxxxx** (for US Dollar amounts)", and "BOPP SHARE OFFER STERLING Account **No. xxxxxxxx** (for all sterling amounts)", and "BOPP SHARE OFFER EURO Account **No. xxxxxxxx** (for all euro amounts)", at Ghana International Bank, 69 Cheapside, London, EC2 P2BB, England, UK, **or** "NTHC Limited USD Account **No. 0041 2212 8125** (also for US Dollar amounts), at Bank of America N.A., P.O. Box 25118, Tampa, Florida 33622-5118, USA, **routing number** 051 000017", for value not later than 3.00 pm (Ghana Time) on Friday February 27, 2004.

- c. If you are a Qualifying Offer Applicant resident outside Ghana and a Receiving Agent has been appointed in your country of residence, you may return your Application Form by hand or by registered post to such Receiving Agent together with your remittance to realize cleared funds for the full amount payable on application by 3.00 pm (Ghana Time) on Friday, February 27, 2004.
- d. For the avoidance of doubt, payments accompanying Applications from residents in Ghana must be made in Cedis and, payments accompanying Applications from non-resident Applicants must be made in US Dollars, or British Pound Sterling, or Euro, for payments in US Dollar amounts, and British Pound Sterling amounts, and Euro amounts, respectively. For non-resident Applicants, *the cedis equivalent of the amount of offer shares being paid for, whether payment is made in US dollars, or British Sterling, or Euro, will be credited and the same Cedi Offer Price (¢5,000 per share) will apply, but a uniform exchange rate of Cedis 8,700 =US\$1.00, and Cedis 14,700=£1.00, and Cedis 10,150 =€1.00, will apply over the offer period.*
- e. Any Application from outside Ghana which is not received, for any reason, from a Qualifying Offer Applicant by a Receiving Agent which will realize cleared funds for the full amount payable on application by 3.00 pm (Ghana Time) on Friday, February 27, 2004 shall be considered as invalid.
- f. All documents and remittances sent or delivered to or by Applicants will be sent or delivered at their own risk.

### **8.3 Offer to purchase Shares**

- a. You offer to purchase from the Ghana Government and Benso Oil Palm Plantation Limited at Cedis 5000 per Share the number of Offer Shares indicated in your application form (or any smaller number in respect of which your application is accepted) on these terms and conditions, and on the basis of the information contained in the Prospectus and subject to the Regulations of the Company. You agree that for all payments and transactions in this BOPP Share Offer, subsequent payments to you in any capacity will be denominated in cedis *except for refunds, which will be made in the currency in which you paid for the offer shares.*
- b. You agree that your offer cannot be revoked prior to February 27, 2004 and promise that any cheque, bankers' draft or money/postal order accompanying your application will be honoured on first presentation

and that this paragraph constitutes a collateral contract between you, the Company and the Ghana Government. It becomes binding when your application is posted to or, in the case of delivery by hand, received by, one of the Receiving Agents. All bank commissions and transfer and other charges must be paid by the applicant.

- c. No application will be considered by the Managers as representatives of the Government or treated as binding until after the closing of the Application List on February 27, 2004.
- d. A thumbprint on an application form will be accepted instead of a signature thereon.
- e. If your application form is not completed correctly or is amended, or if any accompanying cheque, bankers' draft, money/postal order or other remittance is in the wrong currency or realizes, on presentation, cleared funds, after 3.00 p.m. (Ghana time) on Friday February 27, 2004 and/or an amount which is less than the amount due in respect of the number of Shares applied for it may still be treated as valid. In these circumstances the Managers' decision as to whether to treat your application as valid, and how to construe, amend or complete it, shall be final. You will not, however, be treated as having offered to purchase a number of Offer Shares greater than the number specified in your application form.
- f. Applications must be for a minimum of 100 Shares, and thereafter in multiples of 50 Shares.
- g. Any application may be rejected in whole or in part, if it is determined to be incomplete, illegible, or if it is determined that the Applicant is not eligible to participate in this Offer.

#### 8.4 Acceptance of your offer

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

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

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

#### 8.5 Payment for the Shares

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

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

## 8.6 Warranties

- a. You warrant that:
- (i) You are a Qualifying Applicant;
  - (ii) In making your application you are not relying on any information or representation concerning the Company and/or the Offers or any of them not contained in the Prospectus. You agree that no person responsible for this document or any part of it will have any liability for any such other information or representation, and
  - (iii) If the laws of any place outside Ghana are applicable to your application, you have complied with all such laws and none of the Managers, the Ghana Government, the Company (in any capacity whatsoever), will infringe any laws outside Ghana as a result of the acceptance of your offer or any actions arising from your rights and obligations under these terms and conditions and the Regulations of the Company.
- b. If the person signing, or making a thumb print on, the application form is not the applicant, that person warrants that he has authority to do so on behalf of the applicant and that this authority is vested in him by virtue of any power of attorney which (or a copy of which certified by a solicitor) accompanies the application.

- c. If the Applicant is other than a natural person, the person signing the Application Form warrants that he has authority to do so on behalf of the Applicant.

## **8.7 Supply and disclosure of information**

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

## **8.8 Miscellaneous**

- a. The rights and remedies of the Company, the Government of Ghana, and the Managers under these terms and conditions are in addition to any rights and remedies, which would otherwise be available to each of them, and the exercise or partial exercise of one will not prevent the exercise of others.
- b. If you deliver your application form to a Receiving Agent, you authorize the Government of Ghana and the Company and their respective agents to send any money returnable to you and a share certificate for the number of Shares for which your application is accepted to the Receiving Agent to which you delivered your application form for collection by you from such Receiving Agent, and you agree to produce the completed receipt from the bottom of the application form and/or other appropriate evidence of your entitlement to the certificate and/or returned monies to such Receiving Agent upon collection thereof. If your application was sent by post, you authorize the Government or its agents to send a share certificate for the number of Shares for which your application is accepted and/or a cheque for any money returnable by registered post to you at your address (or, in the case of joint applicants, the address of the first-named person) as set out in the application form.
- c. All documents and monies sent or delivered to or by you will be sent or delivered at your own risk. Any cheque, in regards to a refund, will be made payable to you (or the first person named in any joint application) and will be in the currency in which you applied for Offer Shares, and you agree and accept that a payment to you in the currency in which

you applied for Offer Shares in this instance does not constitute a waiver of any part of 9.1(a) above.

- d. You agree to be bound by the Regulations of the Company once the Offer Shares you have agreed to purchase have been transferred to you.
- e. Your application, any acceptance of that application and the contract resulting there from will be governed by, and construed in accordance with, the laws of Ghana. For the exclusive benefit of the parties mentioned in the introduction to these terms and conditions you irrevocably submit to the jurisdiction of the Ghanaian courts in respect of these matters. This does not prevent an action being taken against you in any other jurisdiction.
- f. Words defined in the Prospectus and not defined in these terms and conditions have the same meanings in these terms and conditions and in your application form and in the guide to the application form as in the Prospectus. In the case of a joint application, references to an applicant in these terms and conditions are to each of the joint applicants and their liability is joint and several.
- g. There is no stamp duty on dealings in shares listed or to be listed on the Ghana Stock Exchange.
- h. The Government of Ghana reserves the right, after consultation and with the agreement of the Company, and the Managers, and the Ghana Stock Exchange to extend the period of the Benso Oil Palm Plantation Limited Share Offer, save that it will not be extended beyond xxxxxx, 2003 and/or to extend the Benso Oil Palm Plantation Limited Share Offer to persons other than natural persons.
- i. Although the Government of Ghana, and the Company, will be co-operating with the Managers in connection with the co-ordination of the Benso Oil Palm Plantation Limited Share Offer, it is the responsibility of the Managers to ensure full compliance with all applicable laws and regulations in relation to the Benso Oil Palm Plantation Limited Share Offer and the solicitation of applications thereof. Neither the Government of Ghana nor the Company, accepts any responsibility in this regard.



## SECTION 9 Additional Information

### 9.1 Overview of Ghana Stock Exchange

#### Inception & Organization

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

#### Key Information

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

#### Access to trade and general

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

Trading on the Exchange began on 12th November, 1990 with eleven listed companies. The number of listed companies has since then increased to 25 with the recent listings of the Produce Buying Company Ltd., a commodity trading concern in May, 2000, and Sam Woode Ltd. in April, 2002 while UTC-Estates was de-listed in 2001. The Ghana Government Index Linked Bond (GGILB) was also listed on the Exchange on December 28, 2001. Total value of GGILBs listed on the GSE to date is ₵1,254.03 billion.

### 9.3 Business Sectors:

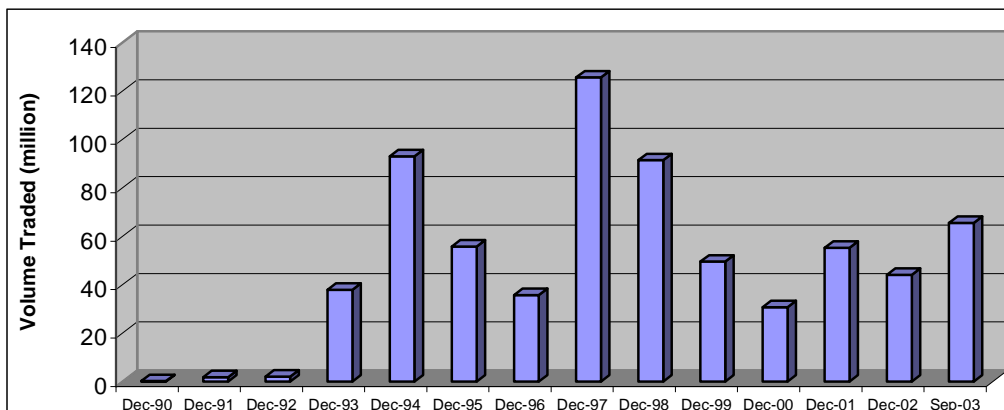
Sectoral distribution of listed companies on both the first and second official lists as at September 30, 2003 is as follows:

Industry	No. of Companies	September 2003	
		Market Cap.(₹bn)	% of Market Cap
Mining	1	3,754.48	36.42
Brewery	3	846.07	8.21
Trading	3	618.79	6.00
Financial	6	3,355.27	32.55
Manufacturing	8	1,619.30	15.71
Petroleum Marketing	1	98.01	0.95
Printing & Publishing	3	17.27	0.17
<b>Total</b>	<b>25</b>	<b>10,309.19</b>	<b>100.00</b>

### 9.4 Trading Volumes:

Trading volumes on the stock market improved substantially in 1994 from the low levels in the nascent years, and since then have generally stayed up while going through the highs and lows of the business cycle, as charted below. Volumes jumped over 6,880% from 1991 full year's 1,825,800 shares to full year's 125.63 million shares in 1997. The volume took a dip in 1998 and 1999, as a result of the economic instability in those years. The figure for 2001 shows a remarkable recovery from the trough of 2000, rising by 80%. Trading volumes however dropped from 55.30 million shares in 2001 to 44.12 million shares at the close of 2002, before rising by about 49% to 65.55 million shares in September 2003. With the improving trend in major macro-economic indices, the recovery is expected to continue.

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

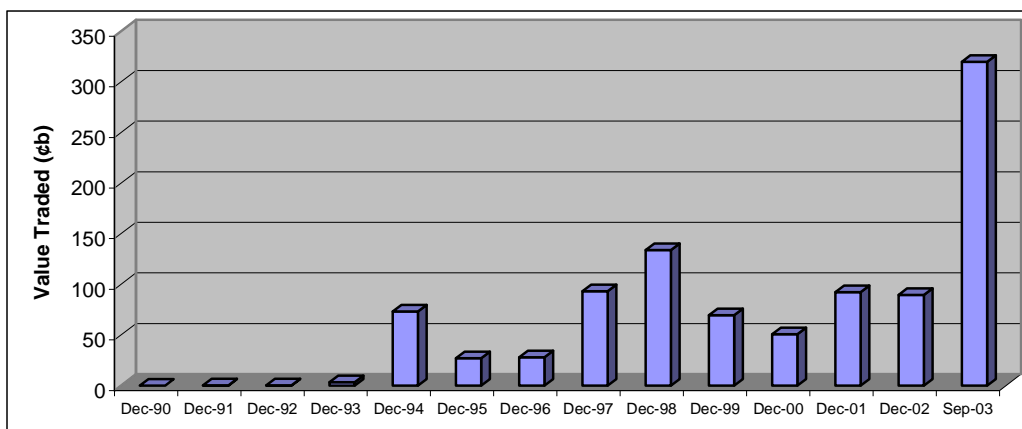


**9.5 Trading Values:**

As figure below shows, total trading values have generally trended upwards, growing from full 1991 year value of ₦60 million in 1990 to a high of ₦134.0 billion in 1998, a growth of 223,233%. Values declined in 1999 and 2000, but recovered in 2001 showing a rise of 82%.

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

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



### Market Performance & Impact of Ghana's Privatization Program

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

#### Ghana Stock Market Performance Trends

	1994	1995	1996	1997	1998	1999	2000	2001	2002	Sept 03
GSE Index Value	298.1	317.0	360.8	511.7	868.4	736.2	858.0	956.0	1,395.3	2,643.3
GSE Index Change [%]	124.3	6.3	13.8	41.9	69.7	-15.2	16.6	11.4	46.0	89.4

Activity on the stock market is expected to increase as more companies are listed on the exchange and the government's privatisation programme actively uses the Ghana Stock Exchange to accelerate the process. In addition to the listing of BOPP, there is expectation that more of the state-owned enterprises in the ongoing privatisation programme will be listed on the Exchange in the short to medium term, while the utilities will also be listed in the medium term. It is expected that BOPP's divestiture through public share flotation and listing on the GSE will affirm this positive trend.

## 9.6 Investor & Minority Protection

### Protection Of Minorities:

The Companies Code provisions on minority shareholders<sup>16</sup> make it possible only in limited circumstances for action to be brought by a minority shareholder either in his own name, or in the name of the Company, to redress a wrong done by the Company. However, the courts may permit a minority shareholder to bring such an action if the act complained of is illegal, or beyond the corporate power of the Company, or infringes the Regulations, or constitutes a fraud on the minority shareholders.

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

The courts may make such order as is thought fit upon such an application including an order, (a) directing, or prohibiting any act, or canceling, or varying any transaction, or resolution, (b) regulating the affairs of the company in the future, or (c) providing for the purchase of shares of any members, by other members, or by the Company itself with a consequential reduction in its stated capital.

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

### **9.7 Power to Dispose Of BOPP's Assets:**

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

### **9.8 Power to Borrow**

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

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<sup>16</sup> Shareholders and members of a company are used interchangeably.

## 9.9 Ghana Stock Exchange Takeover Code

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

## 9.10 Key Changes To Prepare For Listing On Ghana Stock Exchange

As part of Government of Ghana's objective to divest itself from BOPP through public share flotation and listing on the Ghana Stock Exchange, relevant changes were effected in the Company's status and the following reflect the relevant key actions undertaken.

The Board of Directors by written resolution recommended on the Tuesday Dec 16, 2003, and the shareholders by written special resolution dated Tuesday 16<sup>th</sup> December 2003 :

- a. adopted new regulations;.
- b. converted the Benso Oil Palm Plantation Limited into a *public company* limited by shares;
- c. authorized the Board of Directors to take all actions, issue such number of shares as are required and to negotiate on all matters and sign all documentation necessary to complete the flotation process to list the Benso Oil Palm Plantation Limited on the Ghana Stock Exchange.
- d. resolution transferring funds of ₵10,000,000,000 from surplus to stated capital

## SECTION 10 Application Form, Completion Guide, And Return Instructions

### 10.1 Instructions For Completion Of Application Form

***Before completing an Application Form you should read this carefully.***

**PLEASE USE BLOCK/CAPITAL LETTERS.**

**PLEASE RETURN THE COMPLETED APPLICATION FORM SOONEST BUT NOT LATER THAN FRIDAY, FEBRUARY 27, 2004<sup>17</sup>.**

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<sup>17</sup> The Managers of the Offer may, in consultation with the Government of Ghana, Directors of BOPP, and the Ghana Stock Exchange, extend the Offer period beyond this date.

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

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

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

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

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

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

3. Fill in the number of shares (**minimum is 100 shares and thereafter in multiples of 50**) that you are applying for and the amount of your payment (minimum is ₱500,000). Please use figures.

Your payment must be in a form, which will realize cleared funds for the full amount payable by 3:00pm (GMT) on Friday, February 27, 2004.

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

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

*The Minimum Application is for 100 shares, and in multiples of 50 shares thereafter.*

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

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

#### 8. Joint Applicants.

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

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

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

***PHOTOCOPIES Of Application Forms used MUST BE CLEAR AND CLEAN.***

## 10.2 Instructions For Return Of Your Application Form

### IN GHANA:

You must return your completed Application Form, together with your payment by 3.00pm Ghana Time on February 13, 2004 to any of the following Receiving Agents:

#### **Receiving Brokers:**

NTHC Limited

New World Investments Limited

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**Lead Manager: NTHC Limited**  
**Sponsoring Broker: NTHC Securities Limited**



Capital Alliance Company Limited  
 CAL Brokers Limited  
 Databank Brokerage Limited  
 Gold Coast Securities Limited  
 Ecobank Stockbrokers Limited  
 Sterling Securities Limited

Worldwide Securities Limited  
 CDH Securities Limited  
 First Atlantic Brokers Limited  
 Merban Stockbrokers Limited  
 SDC Brokerage Limited  
 Strategic African Securities Limited

### **Receiving Banks:**

Ghana Commercial Bank Limited  
 National Investment Bank Limited  
 Prudential Bank Limited  
 S S B Bank Limited  
 Merchant Bank Ghana Limited  
 Amalgamated Bank Limited  
 Stanbic Bank Limited  
 International Commercial Bank Limited  
 Metropolitan & Allied Bank Limited

The Trust Bank Limited  
 Agricultural Development Bank Limited  
 Ecobank Ghana Limited  
 CAL Merchant Bank Limited  
 First Atlantic Merchant Bank Limited  
 Barclays Bank of Ghana Limited  
 Standard Chartered Bank Gh. Limited  
 Unibank Ghana Limited

### **Receiving Rural Banks:**

Bia Torya Rural Bank (Bonsu Nkwanta,  
 Western Region)

Kaaseman Rural Bank (Sefwi Kaase,  
 Western Region)

Amenfiman Rural Bank (Manso Amenfi,  
 Western Region)

### **OUTSIDE GHANA:**

If you are a "Qualifying Applicant" applying for Offer Shares outside Ghana, you may return your completed application form and remittance by hand or registered post to **Ghana International Bank, 69 Cheapside, London, EC2 P2BB, England, UK.**

For applications delivered by hand, your application form and cheque or draft (made out to "BOPP SHARE OFFER") should be in a form which will realize cleared funds, for the full amount payable on application by 3.00pm (Ghana Time) on February 13, 2004.

For applications delivered by registered post, funds should be remitted by bank transfer to "BOPP SHARE OFFER USD Account **No. XXXXXXXX** (for *US Dollar amounts*)", and "BOPP SHARE OFFER STERLING Account **No. XXXXXXXX** (for all *Sterling amounts*)", , and "BOPP SHARE OFFER EURO Account **No. XXXXXXXX** (for all *euro amounts*)", at Ghana International Bank, 69 Cheapside, London, EC2 P2BB, England, UK, **or** "NTHC Limited USD Account **No. XXXXXXXX** (also for *US Dollar amounts*), at Bank of America

N.A., P.O. Box 25118, Tampa, Florida 33622-5118, USA, routing number 051 000017", for value not later than 3.00 pm (Ghana Time) on Friday, February 27, 2004.

## GUIDE TO COMPLETING THE APPLICATION FORM

**AFTER YOU HAVE COMPLETED THE APPLICATION FORM YOU SHOULD DELIVER IT IN ACCORDANCE WITH THE STATED INSTRUCTIONS. POSTAL APPLICATIONS SHOULD BE RECEIVED BY 3PM GMT ON February 27, 2004.**

**1 Multiple applications are not permitted.**

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

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

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

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

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

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

**3 Put in Box 3 the number of Shares for which you are applying and the amount (in**

figures) of your payment, which must be in a form which will realize cleared funds for the full amount payable on application by 3:00 p.m. GMT on Friday, February 27, 2004, Cheques, money/postal orders and bankers' drafts should be made payable to "BOPP Share Offer", crossed A/c payee only and endorsed, where applicable, COMMISSION TO DRAWER'S ACCOUNT'. The applicant must pay all bank commissions and transfer charges.

THE MINIMUM APPLICATION IS FOR ONE HUNDRED SHARES AND AN AMOUNT OF CEDIS 500,000

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

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

**4 Put in Box 4 your full address in BLOCK/CAPITAL LETTERS**

**5** Put in **Box 5** the bank, branch and account number that you wish dividends attributable to any Shares allocated to be paid into. Otherwise leave blank.

**6** Tick the relevant box on the application form to indicate your citizenship (whether or not you are resident in Ghana).

Also state your country of residence in the indicated box even if it is Ghana.

**7 CAUTION**

By signing an application form you will be applying for Offer Shares on the terms and conditions set out in the Prospectus and in this form. Proceedings may be instituted against anyone knowingly making a false declaration. This applies whether the application is made solely or jointly with other parties.

8

### **JOINT APPLICANTS**

- You may apply jointly with up to three other people, providing each applicant is an adult over 18 years of age. They should complete and sign **Box 8**.
- Power(s) of attorney must be enclosed if anyone is signing on behalf of any joint applicant(s)

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

**Benso Oil Palm Plantation Limited Public Share Offer Prospectus – 2003**  
**BENSO OIL PALM PLANTATION SHARE OFFER**

Before completing this form read carefully the **GUIDE TO COMPLETING THE APPLICATION FORM**

**PLEASE USE BLOCK/CAPITAL**

<b>1</b>		Broker/Bank Signature & Stamp	
Form Number	Receiving Agent/Branch Code		
Date			Signature/Thumbprint ( above the line)

<b>2</b>	Surname/Company name:	<b>3</b>	Number of	
	Forename(s) in State title if any, or Mr./Mrs./Ms./Alhaji etc.:		Amount Payable (Ghana Residents)	
	Minor's Name: (if applying on behalf of a minor):		Amount Payable (Foreign Residents)£/\$/€	

<b>Applicant's Address Details:</b>		<b>Dividend payment details:</b>	
<b>4</b>	Hse	<b>5</b>	Bank:
	P. O. Box		Branch
	Town:		Branch
	Region:		Verify from Receiving
	Country :		Account
			Account

<b>6</b>	Nationality: Ghanaian <input type="checkbox"/> other ECOWAS <input type="checkbox"/> Other <input type="checkbox"/>	<b>COUNTRY OF RESIDENCE :</b>
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<b>7</b>	<b>Declaration:</b> I/We hereby apply for offer Shares on the terms and conditions set out in the Prospectus. I/We declare that I/we am/are a Qualifying Offer Applicant(s) and that to my/our knowledge there is no other application being made for my/our benefit (or that of any person for whose benefit) I/We am/are applying for BOPP Shares for which I/we have applied on this form. I/we understand the caution in Note 7 of the Completion Guide.
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<b>8</b>	<b>Joint Applicants:</b> I/We join in this application and give the Declaration in <b>Box 7</b> above			<b>DATE:</b>
	Other	2nd Joint Applicant	3rd Joint Applicant	4th Joint Applicant
	Surname: (Mr./Mrs./Ms/Alhaji)			
	Forename(s) in			
	Signature or Thumbprint			

To be completed by receiving Broker/Bank and then signed by applicant and retained by applicant as evidence of payment

**BENSO OIL PALM PLANTATION SHARE OFFER : COUNTERFOIL**      **Form Number:**

Surname/Organisation		Applicant's	Broker/Bank Signature & Stamp
Forename(s) in			
Title (Mr./Mrs./Ms/Alhaji, etc.):			
Address (Hse			
P. O. Box:	Town:		
Region:			
Country:			
NUMBER OF SHARES:		Amount Paid[¢/\$/£/€]:	Agent Code:

**Lead Manager: NTHC Limited**  
**Sponsoring Broker: NTHC Securities Limited**



