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If you are in any doubt about the contents of this document or any action to be taken, you should consult your Stockbroker, Solicitor, or any other independent professional adviser duly registered under the Investment and Securities Act (No. 29 of 2007) immediately.

If you have sold or otherwise transferred all your shares in Newrest ASL Nigeria Plc, please give this document and the accompanying proxy forms to the purchaser or transferee or to the Stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

The receipt of this document or of any information contained in it or supplied with it or subsequently communicated to any person does not constitute investment advice to a shareholder from Newrest ASL Nigeria Plc or to any other person by the Company or its directors and the Company does not commit to providing shareholders with any other information, updates or corrections to this document or the information contained herein.

EXPLANATORY STATEMENT



Newrest ASL Nigeria PLC
RC. 304508

EXPLANATORY STATEMENT TO SHAREHOLDERS OF NEWREST ASL NIGERIA PLC ON THE PROPOSED VOLUNTARY DE-LISTING OF NEWREST ASL NIGERIA PLC FROM THE NIGERIAN STOCK EXCHANGE (“THE VOLUNTARY DE-LISTING”)

This Explanatory Statement has been prepared to provide all the material and required information to all the Shareholders of Newrest ASL Nigeria Plc. (“Newrest ASL” or “the Company”), in respect of the Special Resolution to consider and approve the voluntary delisting of Newrest ASL Nigeria Plc from the Main Board of The Nigerian Stock Exchange (“NSE”) to be considered at the Extra-Ordinary General Meeting (“EGM”) holding at 12 pm on January 29 2019 at Golden Tulip Hotel, Off Amuwo-Odofin/Festac Link Road, Amuwo Odofin G.R.A, Lagos

1. INTRODUCTION

The Company was listed on the Nigerian Stock Exchange (“the NSE”) in 2007 after the NSE had created a new sector in its daily official list (airline services sector) to admit Newrest ASL Plc. As at September 2018, Newrest ASL, its affiliates and related companies jointly holds circa 81% of the current shareholding with minority shareholders holding c.19%.

Newrest ASL’s Free Float currently stands at c19%, significantly below the NSE’s minimum Free Float of 20.00%. Given this Free Float deficiency, it is improbable that the NSE could take enforcement action and initiate a Regulatory Delisting, as the Free Float deficiency is not likely to be remedied.

By the proposed Voluntary Delisting, the Directors of the Company will be embarking on a process that will shield the Company from any enforcement action that the NSE may effect, by way of a Regulatory Delisting considering the outstanding Free Float deficiency. Furthermore, through the Voluntary Delisting process, the Company will be providing an Exit Consideration to minority shareholders who do not wish to remain in an unlisted company.

2. THE PROPOSAL

The Board of Newrest ASL Nigeria Plc proposes to delist all of the ordinary issued share capital of Newrest ASL Nigeria Plc (634,000,000 units) from listing on the Official List and from trading on the Main Market of the Nigerian Stock Exchange. (“Voluntary Delisting”).

The listing rules of the NSE is that listed Companies must have at least 20% of its listed shares held by the investing public. Newrest ASL Plc. is in violation of this Listing Rule and thus liable to be mandatorily delisted by The Nigerian Stock Exchange. Through the Voluntary Delisting of Newrest ASL Plc, the Directors of the Company will be shielding the Company from any enforcement action or sanction that the Nigerian Stock Exchange may impose, by way of a mandatory Regulatory Delisting and potential reputational damage to the Company.

The Voluntary Delisting will not occasion loss of the shares held by the minority shareholders as the shareholders retain their membership in the unlisted Company. Furthermore, through the Voluntary Delisting process, the minority shareholders - who do not wish to be members of an unlisted company – will have an opportunity to exit the Company.

a. Exit Options and Consideration

As part of the requirements of the NSE for Voluntary Delisting, the Board of Directors is required to provide an exit opportunity to the shareholders of Newrest ASL Nigeria Plc who desire to exit the Company ahead of the Delisting.

In furtherance thereof, the shareholders of Newrest ASL Nigeria Plc may exit the Company prior to the Delisting by:

- trading their shares on The Floor of the Nigerian Stock Exchange through their nominated Stockbroker;
- receiving consideration from the Majority shareholders in exchange for transferring their shares, on the terms stated below;
 - A cash consideration of N7.70 per share (“Additional Cash Consideration”) will be paid to every shareholder exchanging their Newrest ASL Nigeria Plc shares.

Where a shareholder desires to remain a shareholder of Newrest ASL Nigeria Plc such shareholder shall be free to do so and there is no obligation to trade their shares or receive the Exit Consideration.

b. Conditions Precedent

The Voluntary Delisting will become effective upon occurrence of the following events:

- If a resolution is passed by the Existing Shareholders representing not less than three-fourth (3/4) of the shareholders of the Company present and voting, either in person or by proxy - approving the Voluntary Delisting;
- The NSE Written approval of the NSE is obtained to the Voluntary Delisting.

3. TRANSACTION RATIONALE

The purpose for listing Newrest ASL was to raise capital for the Company as well as provide liquidity to its shareholders. The current illiquidity nature of the market has rendered this primary corporate objective unattainable for Newrest ASL. Over the last 12 months, there has been a significant fall in trading volumes from 82,488,790 units between Dec 2016 – Dec 2017 to 8,543,694 units (18 Dec 2017-16 Dec 2018). Neither the Company nor any shareholder is benefiting from the continued listing on the NSE.

Furthermore, rationalization of operational expenses to support the Company's business and to meet the needs of various stakeholders as the attendant cost and time required to comply with its listing requirements (quarterly and annual fillings, annual certifications, filing fees, penalties or sanctions, corporate governance (“CGRS”) certifications, annual general meetings (“AGMs”) and extra-ordinary general meetings (“EGMs”)) are not commensurate with the benefits to the Company..

Also, the increasing competitive environment and the struggle to defend market share have resulted in market pressure to reduce price and this might significantly impact operating margin.

The Majority shareholder and its affiliate (with over 81% shareholding) are the promoters of the transaction and the majority shareholder wishes to offer other shareholders (the “Minority Shareholders”) the opportunity to either remain shareholders of the unlisted company or accept a consideration for their shares which the majority shareholders are willing to purchase (the “Exit Opportunity”). In line with NSE regulatory requirements for a voluntary delisting, an exit opportunity is provided for shareholders who do not wish to be part of the delisted company.

4. EFFECT OF THE DELISTING

Upon the Delisting of Newrest ASL Nigeria Plc, the shares of the Company will no longer be available for trading on The Nigerian Stock Exchange. It is envisaged that the delisted Newrest ASL will continue its operations as an unlisted public company.

The operations of the Company will continue to be domiciled in the present location in Lagos and Abuja, Nigeria.

5. PLAN FOR EMPLOYEES

The Voluntary Delisting of the Company will not have any impact on the existing contracts of employment.

6. DIRECTORS

The Voluntary Delisting of the Company will not have any impact on the Board of Directors of Newrest ASL.

7. TAXATION

The taxation consequences of the exercise of an exit option will depend on the jurisdiction in which each shareholder is resident for tax purposes. Under current Nigerian tax legislation, any gains realized by a shareholder from receiving the Exit Consideration should not give rise to any chargeable capital gains tax or stamp duty. However, this statement is not intended to be, and should not be construed to be, legal or tax advice to any particular shareholder.

Shareholders who are in doubt about their taxation position, or who are subject to taxation in a jurisdiction outside Nigeria, are strongly advised to consult their own professional advisers without delay as to the consequences of exercising any of the exit options.

8. MEETING TO APPROVE THE VOLUNTARY DELISTING

At the Extra-Ordinary General Meeting scheduled to hold on January 29 2019, the shareholders of Newrest ASL Nigeria Limited will consider and, if thought fit, approve the Voluntary Delisting. At the EGM, each shareholder entitled to vote will be entitled to one vote for every ordinary share held.

In the event that the resolutions are approved by the requisite majority of shareholders, Newrest ASL Nigeria Plc will submit an application to The Nigerian Stock Exchange for the approval of the Voluntary Delisting.

9. ACTIONS TO BE TAKEN

Attendance at the meeting for the purpose of voting on the resolutions that will be proposed to shareholders. In the alternative, the submission of a Proxy Form for purposes of voting at the meeting should attendance not be possible. The attached form should be duly completed and returned to the Registrars.

The submission of the Proxy Form will not preclude attendance at the meeting, although the submitted Proxy Form will not be valid for voting purposes in that circumstance.

10. SETTLEMENT

At the expiration of the three (3) month regulatory notice period, the Newrest ASL shareholders that have opted to exit the Company will receive the cash consideration.

The cash consideration will be settled by way of electronic transfer to the respective bank accounts of the exiting shareholders as provided in the attached form. Consideration Warrants will be issued to shareholders that do not provide details of their bank account.

7. I/We advise that I/we may be contacted:
- a. By mobile telephone on
.....
 - b. By fax on
.....
 - c. By email at
.....

8. I/We hereby request that the consideration payable to us/me for the shares relinquished/transferred pursuant to the terms of the Voluntary Delisting be settled by payment into my/our nominated bank account.

Bank Name:

Branch Address:

Bank Account Number:

Bank Sort Code:

Bank Verification Number (BVN):

Offer lapses on Date, 25 March 2019 *

This Form must be submitted only to the addresses indicated below:

Meristem Registrars Limited
 213 Herbert Macaulay Road
 Yaba
 Lagos

Helix Securities Limited
 40B, Awori Road, Dolphin Estate,
 Ikoyi
 Lagos

The Company Secretary
LPC Solicitors
 9, Oyo Close, Off Niger Street
 Parkview Estate
 Ikoyi
 Lagos

PROXY FORM

EXTRA ORDINARY GENERAL MEETING to be held at 12pm on Tuesday, January 29 2019 at Golden Tulip Hotel, Off Amuwo-Odofin/Festac Link Road, Amuwo Odofin G.R.A, Lagos.

I/We*..... being a member/members of Newrest ASL Nigeria Plc hereby appoint **..... or failing him/her/it, the Chairman as my/our proxy to act and vote for me/us and on my/our behalf at the Extra Ordinary General Meeting of the Company to be held on Tuesday, January 29 2019, and at any adjournment thereof.

SN	RESOLUTIONS	FOR	AGAINST	WITHELD
1	<p>SPECIAL RESOLUTION</p> <p>"THAT, pursuant to the recommendation of the Board of Directors of the Company (hereinafter referred to as "the Board") dated 18th December, 2018 consent is hereby accorded to the Board, by the members of the Company, to seek voluntary delisting of all the shares of the Company from the Daily Official List and from trading on the Main Board of the Nigerian Stock Exchange where the shares of the Company are currently listed, subject to the Listing Rules of the Nigerian Stock Exchange and all other applicable laws"</p>			
2	<p>ORDINARY RESOLUTION</p> <p>"THAT the Board be, and is hereby authorized to do all such acts, deeds, matters, and delegations that may be required for giving effect to the above resolution."</p>			

Dated thisday of.....2018

Signature.....

*Delete as necessary

Please indicate with an "x" in the appropriate box how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

NOTE:

- 10. This Proxy Form should be completed, duly signed and stamped by the Commissioner of Stamp Duties and should be deposited with the Registrars, Meristem Registrars Limited, 213

Herbert Macaulay Road, Yaba Lagos not later than 48 hours before the time for holding the meeting.

11. This Proxy Form should NOT be completed and sent to the Registrars if the member will be attending the meeting.
12. In the case of joint Shareholders, any of such may complete the form, but the names of all joint Shareholders must be stated.
13. If executed by a corporation, this form must be sealed with its common seal.
14. **Provision has been made on this form for the Chairman of the Meeting to act as your proxy, but if you wish, you may insert in the blank space the name of any person, whether a member of the Company or not, who will attend the Meeting and vote on your behalf instead of the Chairman.

ADMISSION FORM

EXTRA ORDINARY GENERAL MEETING to be held at 12:00pm on Tuesday, 29th January, 2018 at Golden Tulip Hotel, Off Amuwo-Odofin/Festac Link Road, Amuwo Odofin G.R.A, Lagos

Name of Shareholder.....

(in **BLOCK LETTERS**) (Surname)

(Other names)

Shareholder's Account No Number of shares held.....

Name of person attending..... Signature:

IMPORTANT

This admission slip must be produced by the shareholder or his proxy who need not be a member of the company, to gain entrance to the Annual General Meeting.

Shareholders or their Proxies are requested to sign the admission slip before attending the meeting.