

Unravelling the Socfin Group



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About this report

This report was commissioned by a number of civil society organisations that wished to understand the structure of Socfin and its relationship to the Bolloré group.

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Summary

Socfin is the Luxembourg-based holding company of an international agribusiness group involved in oil palm and rubber production in Asia and Africa, with about 400,000 hectares of concessions in ten countries.

The shareholding structure of the Socfin group is complex, with several cross-investments between various holding companies.

Although Socfin is stock-exchange listed, 93% of its shares are owned by only two groups of shareholders: companies belonging to the French Bolloré group (39%) and companies owned by Belgian businessman Hubert Fabri (54%). Fabri is a close friend to Vincent Bolloré, the chairman and controlling shareholder of the Bolloré group. Together, the Bolloré and Fabri families control the Socfin group. As major shareholders, various members of both families have high management positions in the different entities of the group.

Downstream, the Socfin group is split in two, represented by two different entities operating in two different areas: Socfinaf, which operates in Africa, and Socfinasia, which operates in Asia. These two entities own several plantation subsidiaries, which all generate revenues that will, in the end, benefit to Bolloré and Fabri.

Geographically, Socfin group's operations are focused on Africa and Asia, although the holding companies are located in Europe (mainly Luxembourg, Belgium and Switzerland).

Abbreviations

Abbreviation	Description
CEO	Chief Executive Officer
LAC	Liberian Agricultural Company - Liberia
PSG	Plantations Socfinaf Ghana – Ghana
SAC	Socfin Agricultural Company – Sierra Leone
SCC	Société Sud Comoé Caoutchouc - Ivory Coast
Socfin	Société Financière des Caoutchouc
SOGB	Société des Caoutchoucs de Grand Béréby - Ivory Coast
SPFS	Société des Palmeraies de la Ferme Suisse - Cameroon
SRC	Salala Rubber Corporation – Liberia

Introduction

This report examines the activities of the Socfin group, a Luxembourg-based holding which is involved in oil palm and rubber production in Asia and Africa, with about 400,000 hectares of concessions in ten countries. Socfin is 39% held by the French group Bolloré and 54% held by the Belgian businessman Hubert Fabri.

The objective of this report is to get a better overview of the Socfin group's ownership and holding structure.

Chapter 1 describes the Methodology used to build this report. Chapter 2 reviews the complex shareholding structure adopted within the Socfin group, to which extent the Bolloré group is linked to Socfin and what it earns from its participations. Chapter 3 focuses on Socfin's operational activities at the plantations level.

A summary of the findings of this report can be found on the first pages of this report.

Chapter 1 Methodology

This chapter describes the methodology used to research and analyse the Socfin Group structure and activity.

1.1 Companies under study

Four entities have been closely looked at in order to analyse their shareholding structure and activities. Indeed, since Socfin is at the heart of this study, it has been necessary to look at its major shareholder but also at its two main subsidiaries:

- Socfin,
- Bolloré, as a major shareholder of Socfin,
- Socfinaf, as a subsidiary of Socfin,
- Socfinasia, as a subsidiary of Socfin.

1.2 Shareholding structure analysis

In order to identify the main shareholders of Socfin, we used two main types of sources, including the companies' publications and websites (mainly Socfin and Bolloré) and online data sources (company registers, Bloomberg). We looked for the most recent information. The latest data published was from the 2018 Annual Reports published in April 2019, implying data from December 2018.

1.3 Operational and financial analysis

Analyses were conducted on operational activities (their nature and location), financial performance and financial flows from one company to another. The sources of information for these data were exclusively companies' publications and websites, among which mostly Annual Reports. For the same reasons as above, the latest data is from 2018 Annual Reports, implying data from December 2018.

Chapter 2 Unravelling Socfin group's ownership and holding structure

This chapter reviews the shareholding structure of Socfin. Section 2.1 presents an overview of the Socfin Group and its organization. Section 2.2 identifies the main shareholders of Socfin, with a focus given to the Bolloré Group and Hubert Fabri. Section 2.3 summarizes findings on dividends and other revenues that the shareholders derive from Socfin, Socfinaf and Socfinasia.

2.1 Overview of the Socfin group

2.1.1 Activity

Socfin is a holding company whose activity consists in managing participations in subsidiaries exploiting palm oil and rubber. In 2018, the group had nearly 400,000 ha of concessions and recorded 130,000 ha of palm oil plantations and 64,000 ha of rubber plantations.

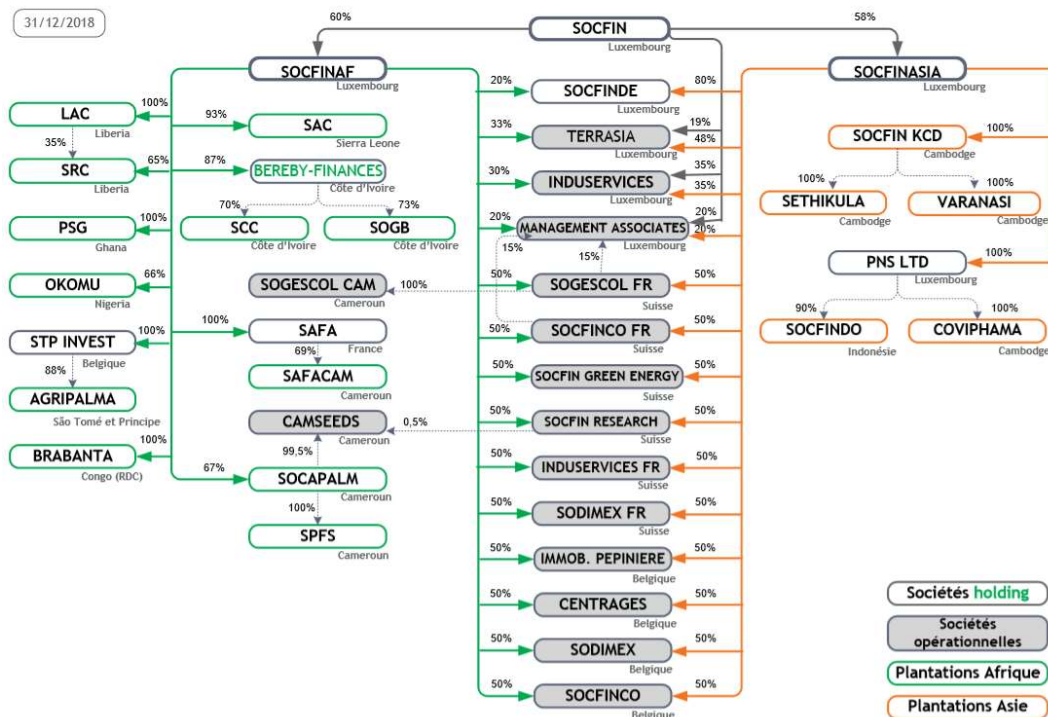
In 2018, Socfin generated EUR 545 million of revenues, of which EUR 306 million came from palm oil and EUR 167 million from rubber. The rest of the revenues were recorded through other agricultural products (EUR 10 million), commercial activities (EUR 57 million) and other activities (EUR 7 million).

Geographically, most of the revenues were generated in Africa (EUR 360 million) and Asia (EUR 125 million) while Europe recorded EUR 60 million of revenues.

2.1.2 Shareholding structure and operational organization

The Socfin Group has a very complex structure of cross investments and shareholdings, illustrated in Figure 1.

Figure 1 Organization chart of Socfin



Source: Socfin (2019), *Organization chart*, online: <https://www.socfin.com/en/investors/socfin>, viewed in January 2020.

In short:

- The three major financial holdings of the group, Socfin, Socfinaf and Socfinasia, are based in Luxembourg. Although they are listed on the Luxembourg stock exchange, only a limited part of their shares is in the hands of investors. The three companies are controlled by the Bolloré group and Hubert Fabri.
- The other holding companies of the group are based in Luxembourg, Ivory Coast, Belgium or France. Socfinde, PNS LTD, STP Invest and SAFA are fully owned by Socfinaf or Socfinasia. Bereby Finances is controlled (87%) by Socfinaf. For further details see Table 1.
- Operational companies are based in Luxembourg, Belgium, Switzerland and Cameroon. They are all fully owned by Socfin, Socfinaf and Socfinasia. These companies provide services and goods to the plantation subsidiaries of the group. For further details see Table 2.
- Subsidiaries for the management of the plantations are established in a dozen Sub-Saharan and Southeast Asian countries, including Ghana, Liberia, Nigeria, Cameroon and DRC in Africa, and Cambodia and Indonesia in Asia. Some of them are 100% owned by their holding company, Socfinaf or Socfinasia. Others are controlled by Socfinaf or Socfinasia while the rest of the capital is owned by other shareholders, mainly the governments of the countries where the plantations are located. We give more details about the plantation subsidiaries in Table 3 and section 3.1.

Table 1, Table 2 and Table 3 summarize the list of entities comprised in the Socfin group, their country and activity.

Table 1 Holding companies in the Socfin group

Entity	Country	Type	Activity
Socfin	Luxembourg	Holding	Holding company of the whole group
Socfinaf	Luxembourg	Holding	Holding company of African subsidiaries
Socfinasia	Luxembourg	Holding	Holding company of Asian subsidiaries
Socfinde	Luxembourg	Holding	Holding financial company
Bereby finances	Ivory Coast	Holding	Holding company of SOGB and SCC
PNS LTD	Luxembourg	Holding	Holding company of Socfindo and Coviphama
SAFA	France	Holding	Holding company of Safacam
STP Invest	Belgium	Holding	Holding company of Agripalma

Source: Socfin (2019 April), Annual Report 2018, pp. 54-55

Table 2 Operational companies in the Socfin group

Entity	Country	Type	Activity
Camseeds	Cameroon	Operational company	Research & Development, and seed production
Centrages	Belgium	Operational company	Administrative and accountancy service provider
Immobiliere de la Pepiniere	Belgium	Operational company	Owner of three offices in Brussels

Entity	Country	Type	Activity
Induservices	Luxembourg	Operational company	Administrative and accountancy service provider
Induservices FR	Switzerland	Operational company	Administrative and accountancy service provider + provider of the common IT platform for all the group's entities
Management Associates	Luxembourg	Operational company	Transportation
Socfin Green Energy	Switzerland	Operational company	Maintenance of energy production units
Socfin Research	Switzerland	Operational company	Research and study of agronomical projects
Socfinco	Belgium	Operational company	Technical, agronomical and financial assistance service provider
Socfinco FR	Switzerland	Operational company	Services, studies and management of plantations
Sodimex	Belgium	Operational company	Buying and selling of equipment for the plantations
Sodimex FR	Switzerland	Operational company	Buying and selling of equipment for the plantations
Sogescol Cam	Cameroon	Operational company	Marketing of palm oil in Cameroon
Sogescol FR	Switzerland	Operational company	Marketing of tropical products
Terrasia	Luxembourg	Operational company	Owner of offices

Source: Socfin (2019 April), Annual Report 2018, pp. 54-55

Table 3 Plantation subsidiaries in Socfin group

Entity	Country	Type	Activity	Size of concession (ha)	Oil palm planted area (ha)	Rubber planted area (ha)
Coviphama	Cambodia	Plantation Asia	Rubber exploitation	5,345	-	3,300
Sethikula	Cambodia	Plantation Asia	Beneficiary of land concession	-	-	-
Socfin KCD	Cambodia	Plantation Asia	Rubber exploitation	6,659	-	3,898
Socfindo	Indonesia	Plantation Asia	Palm oil & Rubber exploitation	48,057	39,476	8,490
Varanasi	Cambodia	Plantation Asia	Beneficiary of land concession	-	-	-
Agripalma	São Tome and Principe	Plantation Africa	Palm oil exploitation	4,917	2,100	-
Brabanta	Republic of the Congo	Plantation Africa	Palm oil exploitation	15,416	6,169	-
LAC	Liberia	Plantation Africa	Rubber exploitation	121,407	-	12,882

Entity	Country	Type	Activity	Size of concession (ha)	Oil palm planted area (ha)	Rubber planted area (ha)
Okomu	Nigeria	Plantation Africa	Palm oil & Rubber exploitation	33,112	18,879	7,335
PSG	Ghana	Plantation Africa	Palm oil & Rubber exploitation	18,249	6,162	958
SAC	Sierra Leone	Plantation Africa	Palm oil exploitation	18,473	12,349	-
Safacam	Cameroon	Plantation Africa	Palm oil & Rubber exploitation	15,529	5,327	4,151
SCC	Ivory Coast	Plantation Africa	Processing and marketing of Rubber	-	-	-
Socapalm	Cameroon	Plantation Africa	Palm oil & Rubber exploitation	50,063	32,624	2,067
SOGB	Ivory Coast	Plantation Africa	Palm oil & Rubber exploitation	34,712	7,471	16,530
SPFS	Cameroon	Plantation Africa	Production, processing and marketing of refined palm oil	-	-	-
SRC	Liberia	Plantation Africa	Rubber exploitation	8,000	-	4,147

Source: Socfin (2019 April), Annual Report 2018, pp. 54-55; Socfin (2019 July), Sustainability Report 2018, p. 75.

2.2 Main shareholders

The two main shareholders of Socfin hold together 93% of the capital of Socfin:

- Bolloré Participations holds directly and indirectly 39.4% of the capital. Vincent Bolloré is the CEO of Bolloré Participations. He is a 67 years-old French businessman who managed the Bolloré group until March 2019 when he was replaced by his son, Cyrille Bolloré.¹
- Hubert Fabri holds directly and indirectly 54.24% of the capital. He is a Belgian businessman (but domiciled in Switzerland). The Fabri and Bolloré families have been close friends and partners for around 30 years.² It is worth noting that Philippe Fabri, the father of Hubert Fabri, was first to join the Socfin group.

Table 4 presents the main shareholders of Socfin. For readability and coherence reasons, we have put together the entities that are controlled by Hubert Fabri (Geselfina, AFICO, TwoSun Finance Establishment) and Hubert Fabri himself in one block, and those controlled by Bolloré (Bolloré Participations, Bolloré, Compagnie du Cambodge, Technifin, Plantations des Terres Rouges, Compagnie des Glénans) in another one.

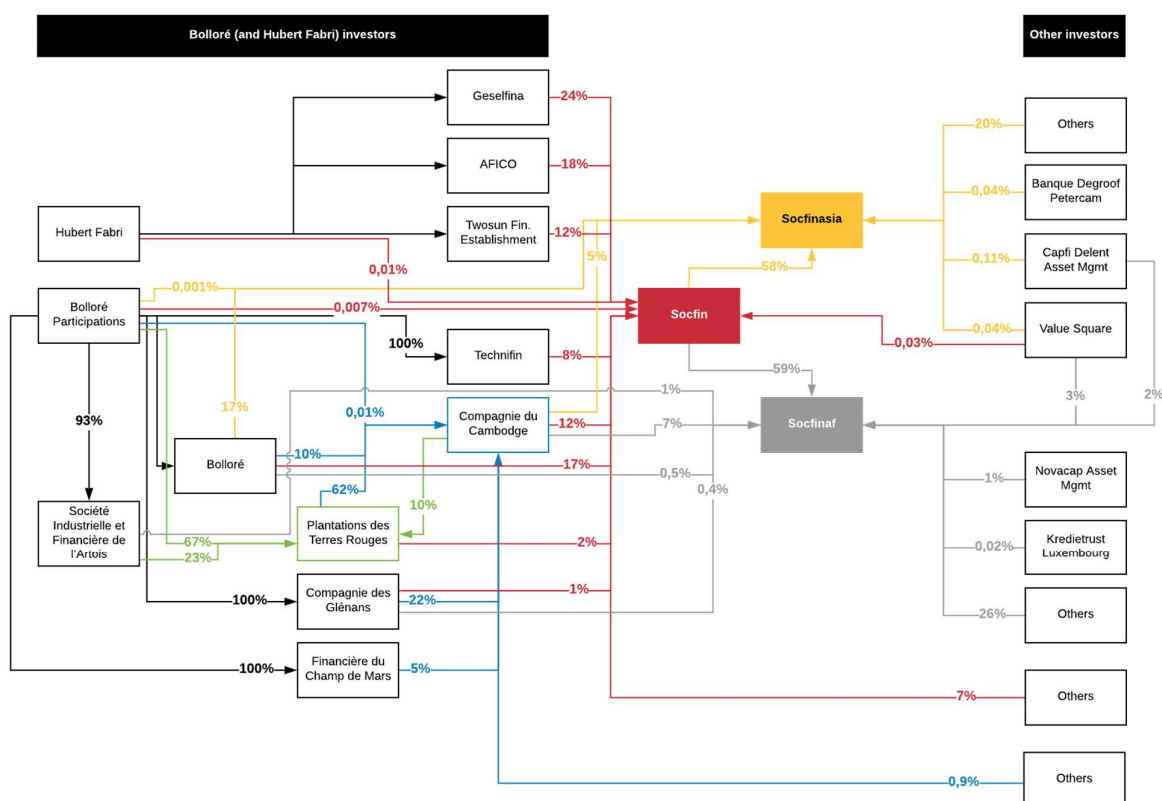
Table 4 Shareholders of Socfin

Shareholder	% capital
Geselfina	24%
AFICO	18%
Twosun Fin. Establishment	12%
Hubert Fabri	0%
Total Hubert Fabri	54%
Bolloré Participations	0.01%
Bolloré	17%
Compagnie du Cambodge	12%
Technifin	8%
Plantations des Terres Rouges	2%
Compagnie des Glénans	1%
Total Bolloré Participations	39%
Total Hubert Fabri + Bolloré Participations	93%
Value Square	0.03%
Others	7%
Total	100%

Source: Socfin (2019 April), *Annual Report 2018*, p. 22; Bloomberg, "Equity holdings: Socfin", viewed in January 2020.

Figure 2 illustrates the Socfin Group shareholding structure. It reveals complex cross investments between numerous entities linked, for most of them, directly or indirectly to the Bolloré group.

Figure 2 Upstream map – Structure of the Socfin group shareholders



Source: Socfin (2019 April), *Annual Report 2018*, p. 86; Socfinasia (2019 April), *Annual Report 2018*, p30; Socfinaf (2019 April), *Annual Report 2018*, p35; Bollore (2019 April), *Annual Report 2018*, p288; Cie du Cambodge (2019 April), *Annual Report 2018*, p. 9; Bloomberg, "Equity holdings: Socfin", viewed in January 2020; Bloomberg, "Equity holdings: Socfinasia", viewed in January 2020; Bloomberg, "Equity holdings: Socfinaf", viewed in January 2020; Value Square Fund (2019 March), *Rapport Annuel 2018*, p. 76.

As shown in Figure 2, the Bollore group and its business partner Hubert Fabri are the major shareholders of the three holdings Socfin, Socfinasia and Socfinaf through many different holding companies. Table 5 gives an overview of their respective participations.

Table 5 Participations of Bollore and Fabri in Socfin, Socfinaf and Socfinasia

Total participation (%)	Bollore	Hubert Fabri	Socfin	Other shareholders
Socfin	39%	54%	-	7%
Socfinaf	8%	0%	59%	33%
Socfinasia	22%	0%	58%	20%

Source: Bollore (2019 April), *Document de référence 2018*, p. 255; Socfin (2019 April), *Annual Report 2018*, p. 86; Socfinasia (2019 April), *Annual Report 2018*, p30; Socfinaf (2019 April), *Annual Report 2018*, p35; Bollore (2019 April), *Annual Report 2018*, p288; Cie du Cambodge (2019 April), *Annual Report 2018*, p9; Bloomberg, "Equity holdings: Socfin", viewed in January 2020; Bloomberg, "Equity holdings: Socfinasia", viewed in January 2020; Bloomberg, "Equity holdings: Socfinaf", viewed in January 2020.

2.3 Dividends received by the shareholders

For the year 2018, Socfin distributed a dividend of EUR 0.55 per share. As the number of shares held by the different shareholders of Socfin are known, we calculated in Table 6 the amount of dividend perceived by each of them for the year 2018.

Table 6 Dividends received by the shareholders of Socfin for 2018

Shareholders Socfin	% capital	Number of shares	Dividends paid (EUR)
Geselfina	24%	3,453,200	1,899,260
AFICO	18%	2,596,352	1,427,994
Twosun Fin. Establishment	12%	1,658,960	912,428
Hubert Fabri	0%	1,000	550
Total Hubert Fabri	54%	7,709,512	4,240,232
Bolloré	17%	2,406,760	1,323,718
Compagnie du Cambodge	12%	1,642,220	903,221
Technifin	8%	1,120,000	616,000
Plantations des Terres Rouges	2%	268,080	147,444
Compagnie des Glénans	1%	80,000	44,000
Bolloré Participations	0%	1,000	550
Total Bolloré Participations	39%	5,518,060	3,034,933
Value Square	0%	4,400	2,420
Others	7%	927,748	510,261
Total	93%	14,159,720	7,787,846

Source: Socfin (2019 April), *Annual Report 2018*, p. 17; Bloomberg, "Equity holdings: Socfin", viewed in January 2020; Value Square Fund (2019 March), *Rapport Annuel 2018*, p. 76.

For the year 2018, Socfinaf distributed a dividend of EUR 0.10 per share. As the number of shares held by the different shareholders of Socfinaf are known, we calculated in Table 7 the amount of dividend perceived by each of them for the year 2018.

Table 7 Dividends received by the shareholders of Socfinaf for 2018

Shareholders Socfinaf	% capital	Number of shares	Dividends paid (EUR)
Socfin	59%	10,497,046	1,049,705
Compagnie du Cambodge	6%	1,157,929	115,793
Financière de l'Artois	1%	176,636	17,664
Bolloré	0%	80,642	8,064
Compagnie des Glénans	0%	58,993	5,899
Total Bolloré	8%	1,474,200	147,420
Value Square	3%	593,923	59,392
Capfi Delen AM	2%	296,000	29,600
Novacap AM	1%	135,000	13,500
Kredietrust Luxembourg	0%	3,000	300
Others	27%	4,837,481	483,748
Total	100%	17,836,650	1,783,665

Source: Socfinaf (2019 April), *Annual Report 2018*, p. 30; Bloomberg, "Equity holdings: Socfinaf", viewed in January 2020

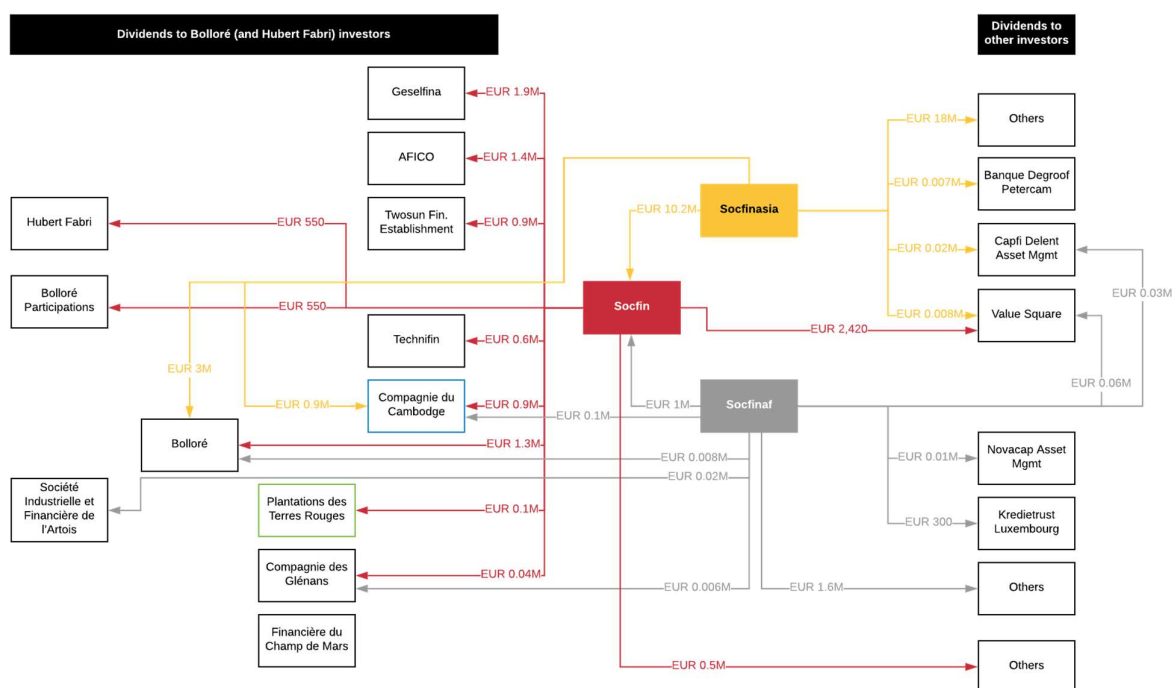
For the year 2018, Socfinasia distributed a dividend of EUR 0,90 per share. As the number of shares held by the different shareholders of Socfinasia are known, we calculated in Table 8 the amount of dividend perceived by each of them for the year 2018.

Table 8 Dividends received by the shareholders of Socfinasia for 2018

Shareholders Socfinasia	% capital	Number of shares	Dividends paid (EUR)
Socfin	58%	11,324,179	10,191,761
Bolloré	17%	3,358,300	3,022,470
Compagnie du Cambodge	5%	1,002,500	902,250
Total Bolloré	22%	4,360,800	3,924,720
Capfi Delen AM	0%	22,900	20,610
Value Square	0%	9,000	8,100
Banque Degroof Petercam	0%	7,500	6,750
Others	20%	3,869,881	3,482,893
Total	100%	19,594,260	17,634,834

Source: Socfinasia (2019 April), *Annual Report 2018*, p. 25; Bloomberg, "Equity holdings: Socfinasia", viewed in January 2020

Figure 3 Dividends paid to the shareholders of Socfin, Socfinaf and Socfinasia



Source: Socfin (2019 April), *Annual Report 2018*, p. 17; Bloomberg, "Equity holdings: Socfin", viewed in January 2020; Socfinaf (2019 April), *Annual Report 2018*, p. 30; Bloomberg, "Equity holdings: Socfinaf", viewed in January 2020; Socfinasia (2019 April), *Annual Report 2018*, p. 25; Bloomberg, "Equity holdings: Socfinasia", viewed in January 2020; Value Square Fund (2019 March), *Rapport Annuel 2018*, p. 76.

In conclusion, the Bolloré group is the main beneficiary of the payment of dividends by Socfin, Socfinaf and Socfinasia. The different entities belonging to Bolloré receive a total of EUR 7.1 million, i.e. 0.6% of Bolloré group 2018 net income (EUR 1.1 billion³). Hubert Fabri appears to be the second major beneficiary with a total of EUR 4.2 million. Table 9 shows the beneficiaries of the dividends' payments.

Table 9 Beneficiaries of 2018 dividends from Socfin, Socfinaf and Socfinasia

Shareholders	Total dividends received
Bolloré	7,107,073
Hubert Fabri	4,240,232
Other major shareholders	138,252
Other shareholders	4,479,322
Total	15,964,879

Source: Socfin (2019 April), *Annual Report 2018*, p. 17; Bloomberg, "Equity holdings: Socfin", viewed in January 2020; Socfinaf (2019 April), *Annual Report 2018*, p. 30; Bloomberg, "Equity holdings: Socfinaf", viewed in January 2020; Socfinasia (2019 April), *Annual Report 2018*, p. 25; Bloomberg, "Equity holdings: Socfinasia", viewed in January 2020; Value Square Fund (2019 March), *Rapport Annuel 2018*, p. 76.

2.4 Other revenues received by the shareholders

This section reviews the revenues that the shareholders receive from Socfin and its subsidiaries. Section 2.4.1 presents the findings on revenues generated from loans interests, while Section 2.4.2 focuses on revenues from management positions.

2.4.1 Revenues from loans

It appears that several shareholders of the Socfin group also act as creditors, meaning that they lend money and expect in return the payment of interests.

- **Socfin**

Mopoli is a creditor of Socfinaf. Mopoli is a Dutch company that is controlled by Geselfina (76% of voting rights) and Afico (7% of voting rights), both owned by Hubert Fabri. It is a small holding company without employees. The only activity at 30 June 2019 are cash loans to Socfinaf, Afico and Socfin.⁴

Mopoli was also a shareholder of Socfin until recently. It divested from Socfin's capital in December 2016.⁵

In 2018, Socfin concluded a cash advance with Mopoli for EUR 3.0 million. This advance has an annual interest rate of 4% and implied interests' payment of EUR 39,233 in 2018. The amount was reimbursed in full in 2018.

In 2018, Socfin received a loan of EUR 1 million from Mopoli. In August 2019, Mopoli issued an additional loan of EUR 1 million to Socfin. Both loans were repaid by Socfin in October 2019.⁶

- **Socfinaf**

Socfin is also a creditor of Socfinaf. In 2018, Socfinaf indicated it has total borrowings of EUR 140.6 million from Socfin, with annual interest rates varying from 2.25% and 4.8%. As a result, in 2018, Socfinaf paid EUR 5.5 million of interests to Socfin.

Bolloré is a creditor of Socfinaf as well. In 2016, Socfinaf borrowed EUR 20 million from Bolloré Participations. With an annual interest rate of 4%, it generated EUR 0.8 million of interests to Bolloré Participations in 2018. At the end of the year 2018, the remaining balance amounts to EUR 20,2 million, which is even higher than the amount originally borrowed.

Finally, Mopoli is a creditor of Socfinaf. In 2014, Socfinaf concluded a cash advance with Mopoli for EUR 35 million. This advance has an annual interest rate of 4% and implied interests' payment of EUR 0.8 million in 2018. In 2018, there is still EUR 20 million outstanding.⁷

Due to the nature of its activity and its several financial operations with Socfin, Socfinaf and even Afico, we suspect that the aim of Mopoli could be tax related.

- **Socfinasia**

We found no evidence that Socfinasia registered borrowings from its major shareholders.

We should remind that this type of transaction, where a subsidiary borrows money from a shareholder, has sometimes other objectives than solely financing. Indeed, the interests paid on loans by the subsidiary mechanically reduce its taxable income. Therefore, the corporate tax paid is lowered as well, which benefits to the net income.

However, we have no evidence to ensure that the aim of the loans provided by their shareholders to Socfin, Socfinaf and Socfinasia was to avoid tax. What could be a sign of tax avoidance is if the subsidiaries were borrowing money from shareholders at above market interest rates. Yet, the interest rates at which they borrow money stand around 4%, which seems not too high nor too low.

2.4.2 Revenues from management positions

As presented in Section 3.2, the main shareholders of Socfin and Socfin's subsidiaries are also occupying strategic management positions. They are members of the boards of directors of several entities. As part of these functions, they receive a remuneration.

In 2018, it is indicated from the entities, that they paid a remuneration to their Board of Directors of:

- Socfin: €9,873,697 to 6 administrators⁸,
- Socfinaf: €1,068,805 to 9 administrators⁹,
- Socfinasia: €7,119,847 to 8 administrators¹⁰.

The split of the remuneration by administrator is not given but looking at the composition of each Board of Directors, we can assume that Bolloré and Fabri obtain a significant share of this remuneration.

Table 10 Socfin's Board of Directors

Name	Function
Hubert Fabri	Chairman
Vincent Bolloré	Member
Bolloré Participations, represented by Cédric de Bailliencourt	Member
AFICO, represented by Luc Boedt	Member
Philippe de Taux	Member and Secretary General
Francois Fabri	Member

Source: Socfin (2019 April), *Annual Report 2018*, p. 18

Table 11 Socfinaf's Board of Directors

Name	Function
Hubert Fabri	Chairman
Vincent Bolloré	Member
Philippe de Taux	Member and Secretary General
Bolloré Participations, represented by Cyrille Bolloré	Member
AFICO, represented by Jean-Charles de Fauconval	Member
Luc Boedt	Member
Fulgence Koffy	Member
Gbenda Oyebode	Member
Francois Fabri	Member

Source: Socfinaf (2019 April), *Annual Report 2018*, p. 31

Table 12 Socfinasia's Board of Directors

Name	Function
Hubert Fabri	Chairman
Vincent Bolloré	Member
Bolloré Participations, represented by Cédric de Bailliencourt	Member
AFICO, represented by Wolfgang Ullens	Member
Philippe Fabri	Member
Philippe de Traux	Member and Secretary General
Luc Boedt	Member
Francois Fabri	Member

Source: Socfinasia (2019 April), *Annual Report 2018*, p. 26

We could not find information on the remuneration paid by the plantation subsidiaries to their Board of Directors. However, looking at the several occurrences of Bolloré and Fabri names at the Boards of Directors of the plantation subsidiaries (see Section 3.2), it is likely that they earn more from these directorships.

2.4.3 Other revenues

We did not find any indication that the shareholders of the Socfin group are receiving other type of revenues, including payments of fees for consultancy, research, advice, technical assistance or other services...

Many of these services are actually provided internally by other group subsidiaries: the operational companies, listed in Table 2. We should highlight that:

- The operational companies are often located in different countries, such as Luxembourg and Switzerland, which offer tax avoidance opportunities.
- The revenues generated from their services provided to the plantation subsidiaries do not flow directly to the Bolloré and Fabri families (apart from the fees earned for their directorships of these companies) but to their shareholders, namely Socfin, Socfinaf and Socfinasia. However, since Bolloré and Fabri families are major shareholders of Socfin, Socfinaf, Socfinasia, they indirectly benefit from the revenues that the operational companies generate from the services provided to the plantation subsidiaries.

Chapter 3 Key data for Socfin's plantation subsidiaries

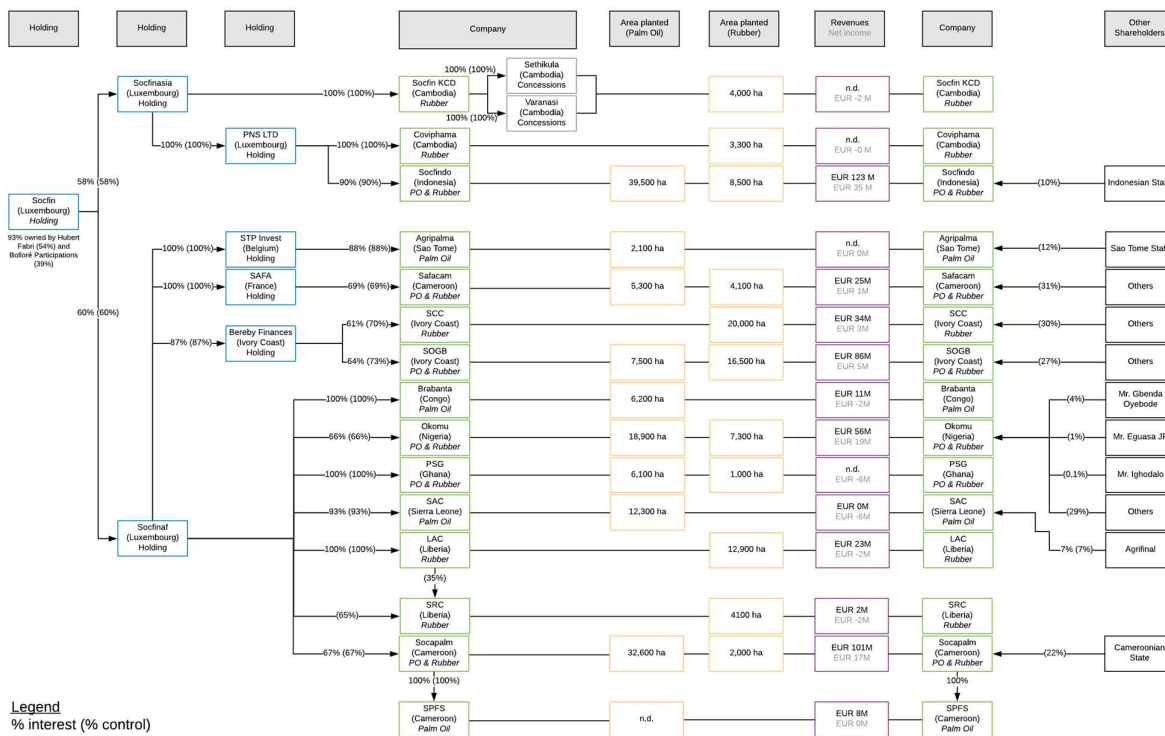
This chapter presents the different operating companies of Socfinaf and Socfinasia. Section 3.1 gives an overview of their links to the parent companies, their activities, locations, and revenues/income generated. Section 3.2 shows the high level of implication of the Bolloré and Fabri spheres (family and friends) in the management of the different subsidiaries. Section 0 indicates the different land concessions benefiting to Socfin in the different plantations.

3.1 Shareholding structure

Figure 4 illustrates the shareholding structure of the plantation subsidiaries in the Socfin sphere. It includes both plantations belonging to Socfinasia and those owned by Socfinaf.

- Socfinasia ensures a control over all the plantations, with at least 90% of the capital owned and at least 90% as a percentage of control.
- Socfinaf sometimes owns less than 67% of the capital (e.g. SCC 61%, SOGB 64%, Okomu 66%) but ensures a percentage of control of minimum 67%, implying an absolute control of the subsidiaries.

Figure 4 Downstream map – Structure of the operating companies



Source: Socfinaf (2019 April), *Annual Report 2018*, pp. 8-19, 64; Socfinasia (2019 April), *Annual Report 2018*, pp. 7-12, 45, 67; Okomu (2019 July), *Annual Report 2018*, p. 12; Socfin (n.d.), "Investors", online: <https://www.socfin.com/en/investors>, viewed in January 2020

Reminder: Percentage of interest and percentage of control

Percentage of interest: The interest percentage enables calculation of the share of assets held directly or indirectly by the mother company in the different companies of the group. It determines which share of the company's revenues/profits and dividend the shareholder gets.

Percentage of control: The control percentage is the cumulative percentage of voting rights held and, under certain conditions, potentially held, by the consolidating entity, either directly or indirectly. Indirectly means via the intermediary of entities under exclusive control. Having control over a company therefore allows to influence the decision taken in this company. This influence is exerted through the voting rights for strategic decisions linked for example to the activity or the management of the company. Because particularities exist over shares, such as shares with double voting rights or shares without voting right etc., the percentage of control may be different from the percentage of interest.

Source: Sigmaconso (n.d.), "Determining the scope of consolidation", online: <https://www.sigmaconso.com/en/determining-the-scope-of-consolidation/>, viewed in January 2020; Corporate Finance Institute (n.d.), "Equity Method", online: <https://corporatefinanceinstitute.com/resources/knowledge/accounting/equity-method/>, viewed in January 2020

- **Percentage of control:**

For the Socfin Group, the fact that:

- Socfin has a control over Socfinasia (58%) and Socfinaf (60%),
- Socfinasia and Socfinaf have a control over the plantation subsidiaries,

implies that Socfin itself has the same control over the plantation subsidiaries.

Example:

- Socfin controls Socfinaf because it owns more than 50% of Socfinaf. It owns 60%, implying a percentage of control of 60%.
- Socfinaf controls SAC because it owns more than 50% of SAC. It owns 93%, implying a percentage of control of 93%.
- As a conclusion, Socfin controls SAC, with the same percentage as Socfinaf's control over SAC: 93%.

- **Percentage of interest:**

However, since Socfin does not fully own Socfinasia and Socfinaf, the percentage of interest in these subsidiaries is lower. The rule for the calculation of the percentage of interest of the mother company A that owns an indirect participation in C through B is the following: (% of interest of A in C) = (% of interest of A in B) x (% of interest of B in C).

Example:

- Socfin has a 60% interest in Socfinaf,
- Socfinaf has a 93% interest in SAC,
- Meaning that Socfin has a $60\% \times 93\% = 55,8\%$ interest in SAC.

Table 13 illustrates the % of interest and % of control of Socfin over the plantation subsidiaries.

Table 13 Socfin's interest and control over the plantation subsidiaries

Company	Location	Crop	Planted area (ha)	Socfin's percentage of interest	Socfin's percentage of control
Agripalma	São Tomé and Príncipe	Palm oil	2,100	53%	88%
Brabanta	Congo	Palm oil	6,200	60%	100%
Coviphama	Cambodia	Rubber	3,300	58%	100%
LAC	Liberia	Rubber	12,900	60%	100%
Okomu	Nigeria	Palm oil & Rubber	26,200	40%	66%
PSG	Ghana	Palm oil & Rubber	7,100	60%	100%
Safacam	Cameroon	Palm oil & Rubber	9,500	41%	69%
SRC	Liberia	Rubber	4,100	60%	100%
Socapalm	Cameroon	Palm oil & Rubber	34,700	40%	67%
SAC	Sierra Leone	Palm oil	12,300	56%	93%
Socfin KCD	Cambodia	Rubber	4,000	58%	100%
Socfindo	Indonesia	Palm oil & Rubber	48,000	52%	90%
SOGB	Ivory Coast	Palm oil & Rubber	24,000	38%	73%
SPFS	Cameroon	Palm oil	-	40%	100%
SCC	Ivory Coast	Rubber	-	37%	70%

Source: Socfin (2019 April), *Annual Report 2018*, p. 53

3.2 Management of the entities

Regarding the management of the different entities presented in Figure 4, we observe that some names occur several times at high management positions¹¹. Two conclusions emerged from the review of the management positions:

- This small group of persons, often belonging to the same families (Fabri and Bolloré) therefore has a significant control over the important decisions taken within the Socfin group.
- Hubert Fabri has several official positions at the Boards of entities related to Bolloré. This observation reinforces the credibility of a close relationship between the two families.

3.2.1 Vincent Bolloré

Vincent Bolloré decided not to renew his mandate of administrator at Bolloré in March 2019, as he was turning 67 years old. He was therefore immediately replaced by his son, Cyrille Bolloré. However, he remains the CEO of Bolloré Participations. He is also:

- Chairman of Financière du Champ de Mars,
- Vice-Chairman of:
 - Bereby Finances,
 - SOGB,

- Member of the Board of Directors of:
 - Coviphama,
 - LAC,
 - Plantations des Terres Rouges,
 - PSG,
 - SAC,
 - Socfin as a non-executive director. His mandate was renewed at the Ordinary General Meeting of the shareholders on May 28th, 2019, for 6 additional years¹², i.e. until 2025,
 - Socfinaf,
 - Socfinasia,
 - Socfinco FR,
 - Socfindo,
 - Socfin KCD,
- Represents Bolloré Participations at the Board of Directors of:
 - Bereby finances,
 - Brabanta,
 - Compagnie du Cambodge,
 - Safacam,
 - Socapalm,
 - Société Industrielle et Financière de l'Artois,
 - SOGB.

3.2.2 Chantal Bolloré

Chantal Bolloré is a sister of Vincent Bolloré. Within the Bolloré group, she has the following official functions:

- Member of the Board of Directors of:
 - Bolloré,
 - Société Industrielle et Financière de l'Artois,
- Member of the Supervisory Board of Compagnie du Cambodge.

3.2.3 Cyrille Bolloré

Cyrille Bolloré is a son of Vincent Bolloré. Within the Bolloré group, he has the following official functions:

- CEO of Bolloré,
- Chairman of Compagnie du Cambodge,
- Member of the Board of Directors of:
 - Société Industrielle et Financière de l'Artois,
 - Plantations des Terres Rouges,
 - Financière du Champ de Mars,
- Represents Bolloré Participations at the Board of Directors of Socfinaf.

3.2.4 Sébastien Bolloré

Sébastien Bolloré is a son of Vincent Bolloré. Within the Bolloré group, he has the following official functions:

- Member of the Board of Directors of:
 - Bolloré,
 - Bolloré Participations,
 - Société Industrielle et Financière de l'Artois,
- Represents Plantations des Terres Rouges at the Board of Directors of Compagnie du Cambodge.

3.2.5 Marie Bolloré

Marie Bolloré is a daughter of Vincent Bolloré. Within the Bolloré group, she has the following official functions:

- Chairman of the Supervisory Board of Compagnie du Cambodge,
- Member of the Board of Directors of:
 - Bolloré,
 - Société Industrielle et Financière de l'Artois.

3.2.6 Cédric de Bailliencourt

Cédric de Bailliencourt is a nephew of Vincent Bolloré. Within the Bolloré group, he has the following official functions:

- Chairman of:
 - Compagnie des Glénans,
 - Plantations des Terres Rouges,
 - Redlands Farm Holdings,
 - Société Industrielle et Financière de l'Artois,
- Vice Chairman of:
 - Bolloré,
 - Compagnie du Cambodge,
- Member of the Board of Directors of:
 - Financière du Champ de Mars,
 - Technifin,
- Represents Bolloré Participations in the quality of non-executive director of the Board of Directors of Socfin, Socfinasia, Socfinde, Terrasia and Induservices.

3.2.7 Hubert Fabri

Hubert Fabri has been a close friend of Vincent Bolloré for 30 years¹³. He has the following official functions:

- Chairman of:
 - AFICO,
 - Bereby Finances,

- LAC,
- PSG,
- Socfin,
- Socfinaf,
- Socfinasia,
- Vice Chairman of:
 - Plantations des Terres Rouges,
 - SOGB,
- Vice Chairman of the Supervisory Board of Compagnie du Cambodge,
- Member of the Board of Directors of:
 - Bolloré,
 - Brabanta,
 - Coviphama,
 - Financière du Champ de Mars,
 - Financière Moncey
 - Financière de l'Odéon
 - Okomu,
 - SAC,
 - SCC,
 - Safacam,
 - Socfindo,
 - Socfin KCD,
 - Société Industrielle et Financière de l'Artois.
- Represents AFICO at the Board of Directors of Socapalm.

3.2.8 François Fabri

François Fabri is a son of Hubert Fabri. He has the following official functions:

- Member of the Board of Directors of:
 - Socfin,
 - Socfinaf,
 - Socfinasia,
 - Safacam,
 - Socapalm.
- Represents AFICO at the Board of Directors of SOGB.

3.2.9 Philippe Fabri

Philippe Fabri is the son of Hubert Fabri. He has the following official functions:

- Member of the Board of Directors of Socfinasia.

3.3 Land concessions

Socfinaf and Socfinasia do not hold all the lands on which the plantations operate. Generally, Socfinaf and Socfinasia have long-term concessions for these areas. Table 14 shows the different concessions listed by Socfin:

Table 14 List of concessions of Socfinaf and Socfinasia

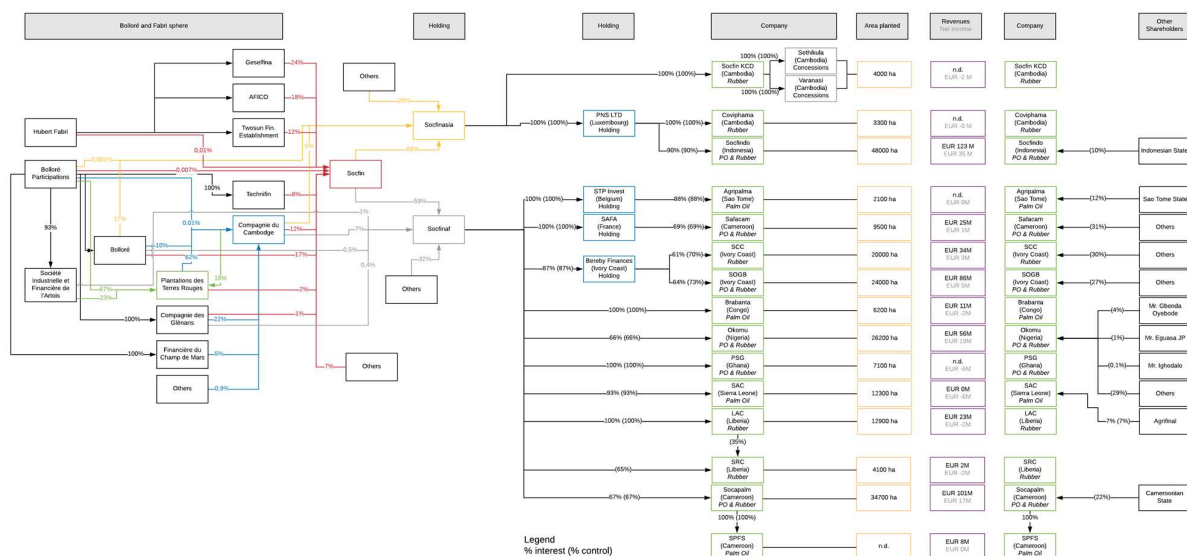
Holding	Company	Country	Initial date of lease or renewal/extension	Duration of the initial lease (years)
Socfinaf	SAC	Sierra Leone	2012/2013	48-49
Socfinaf	LAC	Liberia	1959	70
Socfinaf	SRC	Liberia	1959	70
Socfinaf	SOGB	Ivory Coast	1995	99
Socfinaf	PSG	Ghana	2016/2016	50
Socfinaf	Okomu	Nigeria	1986/2011/2013	92-99
Socfinaf	Socapalm	Cameroon	2000	60
Socfinaf	Agripalma	São Tomé and Príncipe	2009	25
Socfinaf	Brabanta	Congo	2004/2007/2008/2011/2013/2015/2018	25
Socfinasia	Sethikula	Cambodia	2010	99
Socfinasia	Varanasi	Cambodia	2009	70
Socfinasia	Coviphama	Cambodia	2008	70
Socfinasia	Socfindo	Indonesia	1995/2015	25-35

Source: Socfin (2019 April), *Annual Report 2018*, p88.

References

- 1 Bollore (2019 March), *Press release 2018 Results*, p8.
- 2 Vescovacci N. & Canet J.P., (2018), *Vincent Tout-Puissant*, n.d.: JC Lattès, p. no. n.d.
- 3 Bollore (2019 March), *Document de référence 2018*, p. 66
- 4 Mopoli (2019 October), *Annual Report 2018-2019*, pp. 4, 6.
- 5 Mopoli (2018 November), *Annual Report 2017-2018*, p. 9.
- 6 Mopoli (2019 October), *Annual Report 2018-2019*, pp. 5, 19, 25.
- 7 Socfinaf (2019 April), *Annual Report 2018*, p. 100.
- 8 Socfin (2019 April), *Annual Report 2018*, p. 21.
- 9 Socfinaf (2019 April), *Annual Report 2018*, p. 35.
- 10 Socfinasia (2019 April), *Annual Report 2018*, p. 30.
- 11 Bollore (2019 April), *Document de référence 2018*, pp. 130-136.
- 12 Socfin (2019 May), *Assemblée Générale des Actionnaires – Résultats des votes*, p. 2.
- 13 Vescovacci N. & Canet J.P., (2018), *Vincent Tout-Puissant*, n.d.: JC Lattès, p. no. n.d.

Appendix 1 Combined map of Socfin shareholding structure (upstream) and operational activity structure (downstream)



Source: Socfin (2019 April), *Annual Report 2018*, pp. 8-19, 86; Socfinasia (2019 April), *Annual Report 2018*, pp. 7-12, 30, 45, 67; Socfinaf (2019 April), *Annual Report 2018*, p35; Bollore (2019 April), *Annual Report 2018*, p288; Cie du Cambodge (2019 April), *Annual Report 2018*, p9; Okomu (2019 July), *Annual Report 2018*, p. 12; Socfin (n.d.), "Investors", online: <https://www.socfin.com/en/investors>, viewed in January 2020; Bloomberg, "Equity holdings: Socfin", viewed in January 2020; Bloomberg, "Equity holdings: Socfinasia", viewed in January 2020; Bloomberg, "Equity holdings: Socfinaf", viewed in January 2020.



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