



KOGI STATE GOVERNMENT

SEPARATING ACQUISITION FROM ASSET-GRABBING IN RESPONSE TO DANGOTE INDUSTRIES LIMITED'S ADVERTORIAL TITLED OBAJANA CEMENT PLANT: SEPARATING FACTS FROM FICTION

1. This response is issued with the sole purpose of addressing the concerns and apprehensions of over 4 million Indigenes of Kogi State who are distraught at the opaque dealings of Dangote Industries Limited (DIL) with their beloved patrimony, that is, Obajana Cement Plc ([OCP], the name of which she has now changed to Dangote Cement Plc [DCP]).
2. While agreeing with DIL that Nigeria is in the grips of significant economic challenges now, we insist that rather than make the current lawful claims of right by the Kogi State Government and People unreasonable, these economic difficulties JUSTIFY our disgust at DIL's callous and deliberate asset-grab that is not only aimed at dispossessing a people of what is rightfully theirs, but is being carried out via some of the most anachronistic, oppressive and duplicitous corporate practices that could be found anywhere on planet earth at the moment.
3. While also agreeing with DIL that the Obajana Cement Plant is one of the most critical components of economic activity in the nation today, we insist that it is so only because of its two most important assets, ie, its land and the vast limestone deposits naturally occurring thereunder. DIL's machinery and presence today would not be there otherwise.
4. For the records -
 - a. The Kogi State Government solely founded and owned Obajana Cement Plc in 1992, holding 100% of its shareholding in trust for its people, long before DIL ventured into the state and longer still before Dangote Cement Plc came into existence.
 - b. The Kogi State Government took out a loan of at least 15m Deutsche Marks to conduct feasibility assessments which confirmed the existence of those 'vast limestone deposits' which DIL found so enticing years later.
 - c. Sadly, for over a decade after DIL and DCP started posting profits from the operations of the Obajana plant, the Kogi State Government was still labouring to pay off the said loan and interests accruing thereon.
5. While agreeing that DIL and Kogi State Government, as then constituted, signed several agreements displaying parties' intents to collaborate in the development, expansion and commercialisation of land and mineral rights already vested in the former via Obajana Cement Plc, it is also indisputable:
 - a. That based on all the available documents, only the Kogi State Government gave valuable consideration at the various material times to satisfy the contractual elements.
 - b. That DIL and DCP did not offer, bring or otherwise pay any consideration whatsoever under the various agreements and that she did not acquire any part or all of the shares of Obajana Cement Plc in any manner known to law.
 - c. That over the years several disputes have arisen over the rights of the Kogi State Government versus those of DIL and DCP in the entity today known as Dangote Cement Plc and successive administrations have always invited DIL and DCP to prove that she paid ANYTHING AT ALL for her purported acquisition and alleged 100% ownership of Obajana Cement Plc, and each time, DIL and DCP have woefully failed to do.
 - d. That the current Government of Kogi State led by His Excellency, Governor Yahaya Bello has also made spirited efforts since 2016 to get either DIL or DCP to prove their claims of having lawfully acquired or and paid for an asset solely founded and 100% owned by the state and have, as usual, been presented with nothing.
 - e. That this Administration has resorted to all the legal mechanisms by which the truth in such matters are unearthed, including a Judicial Commission of Inquiry headed by an eminent senior jurist from another state, a Technical Fact-finding Committee composed of prominent administration officials and even well-publicized Public Hearings by the Kogi State House of Assembly and yet, despite being invited to and reluctantly participating in all of these processes, both DIL and DCP have not been able to prove from all available transactions and evidence that they paid anything for their alleged 100% acquisition of Obajana Cement Plc belonging to Kogi State and her people.
 - f. To clarify, both DIL and DCP which are steadfastly asserting ownership of Obajana Cement Plant to the exclusion of Kogi State and her people have not been able to show that they paid for the assets and equity in Obajana Cement Plc which they today operate for their sole benefit and profit in Kogi State. In fact, they have not even been able to show that the people of Kogi State gifted the company and her assets, assuming that were to be the case - which it certainly is not.



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6. We believe that in a company and country where profit, wealth or power is not the be all and end all of morality, people of goodwill will ask several pertinent questions of DIL and DCP in the interest of humanity and truth.
7. How come years after DIL and DCP claim they acquired 100 per cent of the equity and assets of Obajana Cement Plc, Kogi State officials were still listed as shareholders of the company, holding shares for and on behalf of the people of Kogi State in filings made by DIL and DCP at the Corporate Affairs Commission (CAC)?
8. Is the above paragraph not foolproof evidence that DIL and DCP which do not deny that Kogi State invited them to invest in Obajana Cement Plc in the first place, are lying when they defend their rapacity and duplicity by claiming that Kogi State allegedly abandoned her allotted shares and was subsequently kicked out of the company she founded by them thereby allegedly extinguishing all rights and interests of Kogi State and her people in the operations of the company?
9. By what rules of corporate acquisitions or even buy-outs are DIL and DCP operating in their highhanded dealings with Kogi State and people?
 - a. At what point was DIL and DCP able to raise money and Kogi State Govt not able to raise money to take up their allotments, resulting in the alleged transfer of Kogi's shares in Obajana to DIL/DCP?
 - b. Which money or consideration did DIL provide in 2002 for the alleged acquisition of the 90% equity in Obajana Cement Plc which used to be vested in the Kogi State Government and what money or consideration did DIL and DCP pay in 2003 to acquire the remaining 10% of Kogi's shares in Obajana Cement Plc.
10. Since this matter is still in the court of public opinion for now, we invite Nigerians and all persons of goodwill everywhere to chew on the following issues and make their own conclusions on the ways and manner in which DIL and DCP have shamelessly gone about their conspiracy to dispossess Kogi State and people of their rightful assets.
11. It is clear that DIL and DCP are asserting that they acquired Kogi State's shares in Obajana Cement Plc under a Private Placement Arrangement, but therein lies the more problems for their misadventure in falsehood:
 - a. In a private placement of shares, there must be a Placement Memorandum, stating the terms of the Sale of the shares, including the total number of shares for sale, and the price per share.
- b. The valuation methods employed to determine the values of the shares must be clearly stated.
- c. Whatever share price was arrived at, there was a need to pay a premium on the share price, no matter how large or little. This is the consideration which they have failed to prove was paid and which we strongly affirm, confirm, insist and reiterate that they never paid.
- d. Given that the shares in question constituted 90% and later the final 10% of the entire holding of Obajana Cement Company Limited, and their alleged alienation served to make DIL and DCP the owners of the company while Kogi State stood completely divested of her interests therein, is it not incumbent on DIL and DCP to explain, with full documentary evidence, that they actually paid for same?
12. Without prejudice to our full and irreducible rights as a State in the entire circumstances of DIL and DCP's abuse of our hospitality, trust and faith in this matter, we agree in good faith that when the factory had become fully operational, there must be significant difference between the initial price per share, and the subsequent generations of share price increase.
13. Accordingly, we demand a full accounting of our 20 years of business dealings with DIL and DCP and request that our shareholding be restored, along with all dividends, bonuses, increases, etc accruing thereto over the last 2 decades.
14. We also suggest a way forward as follows:
 - a. Carry out an entire Valuation of the factory and business as at date, by a mutually acceptable independent Valuation firm.
 - b. The valuation to be used in arriving at the percentage of shares of Dangote Cement Company Plc to be allotted to the entity formerly known as Obajana Cement Company Limited, being that DCP is now allegedly a conglomerate born of the merger of Obajana Cement Plc with others owned by DIL and DCP.
 - c. DCP Plc to give the part of her holdings accruing to the Kogi State and people to them.
 - d. This process to commence without delay as it is in the mutual interests of parties to arrive at an amicable resolution of this issue now.
 - e. In any case, the Kogi State Government will not stop demanding for the rights of her people until they are secured and returned.

Signed
Kogi State Government