

**GOMBE STATE INVESTMENT AND PROPERTY
DEVELOPMENT COMPANY LIMITED**

**PRESENTATION OF ACTIVITIES
AND PROJECTS**

**BY
MANAGING DIRECTOR/CEO**

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DEVELOPMENT COMPANY LIMITED**

A. RECAPITALISATION OF GSIPDC

At incorporation in 1999 the paid up share capital of the company was N20 million. This is certainly inadequate. In order to capitalize the company to put it in a position that it can attract funding for execution of project, the State Government increased the paid up share capital to N500 million.

B. FUNDING FOR PURCHASE OF STOCKS

During the bank consolidation of 2006, in an effort to mobilize funds for recapitalization, the Bank of the North had a rights issue. We needed to pay for our rights in respect of the State Government shares being managed by us to the tune of N250 million. The State Government provided this amount since the company was not in a position to pay for the rights.

C. REPAYMENT OF LOANS

When the company started building its first Estate, it sought for a foreign currency loan of \$1.5 million from Shelter Afrique Kenya to execute the project. Although the company repaid N13,044,390.09 as scheduled, some bottlenecks developed which resulted in default of payment for some instalments which also accrued interest. In order to arrest this development, the State Government helped to liquidate the outstanding principal with accrued interest to tune of N124,111,661.25 in 2006.

The Company also sought for a N50 million loan from the then Bank of the North in order to upgrade and expand the state Hotel Bajoga taken over from the State Government. A change in the marketing strategy of Ashaka Cem Plc on whose operations the Motel depended largely for its sales negatively affected the sales revenue of the Motel. In order to arrest the growing indebtedness to the Bank, the State

Government also bailed out the company by setting its debt to the tune of N116,067,068.00 in 2006.

The Company was able to make modest achievements in the year 2009 despite the problems brought about by the economic meltdown worldwide. These are highlighted in the following areas:-

D. ESTATE AND PROPERTY DEVELOPMENT

I) Construction of Tumfure Housing Estate

This 240 housing units estate constructed with a N500 million estate development loan from the Federal Mortgage Bank augmented with N170 million by the State Government was completed in late 2008. However, the provision of infrastructures – roads, drainage, electricity and water was done in 2009. This was made possible via a State Government contribution of N506,916,101.04. The disposal of the houses is expected in due course.

II) Construction of Investment Shopping Malls.

The shopping malls were constructed in three strategic locations in the Gombe Metropolis namely (a) Bello Sabon Kudi Junction, (b) Kasuwan Dare and (c) BCGA Bogo. A total number of 90 shops and 25 offices were constructed at a total cost of N236,625,605.03. Government is considering the best options to dispose of the shops.

E. BUSINESS AND INVESTMENT PROMOTION

I) Commodity Trading

This is a new activity embarked upon after the reorganization of the company's operation. We purchased groundnuts and maize during the 2008/2009 commodity season and made some reasonable gains after their disposal in mid 2009. The experience acquired will enable us plan better in the next buying season.

II) Training of Commodity Brokers

The Company sponsored two staff for training at the Abuja Securities and Commodity Exchange Plc through Basic,

Intermediate and Advanced courses. The staff have successfully completed the training and have been registered as Commodity Brokers. They are qualified to trade on the Commodity Exchange when it becomes operational.

III) Liquefied Petroleum Gas Project

This is a project for procurement, filling and sale of LPG popularly known as cooking gas to the public. We have met all the requirements leading to the issuance of Authority to Construct (ATC) by the Department of Petroleum Resources (DPR) of the Nigerian National Petroleum Corporation (NNPC) in February 2009. What is left is funding arrangement to enable realize the project.

F. SECURITIES AND PORTFOLIO MANAGEMENT

I) Askom Travel Agency Limited

We have acquired a majority shareholding in this company which has been in operation for some years. With our buying in, we have facilitated the efforts to meet all requirements to enable the company operate Hajj and Umrah airlifting of pilgrims and do all other Travel Agency activities. To that effect, we have successfully airlifted pilgrims for Hajj 2009 from the Gombe Airport.

II) Gombe Securities Limited

The Council of the Nigeria Stock Exchange has approved a stockbroking Licence to this company to enable us set up a stock broking firm. The Company has been incorporated with a share capital of N100 million and will have two offices in Gombe and Lagos. The Company is expected to be fully operational by March ending 2010.