

TOUR OF OSUN STATE BY THE NEW MANAGEMENT OF NIGERIA GOVERNORS FORUM SECRETARIAT, ABUJA

WELCOME ADDRESS BY MR. SHITTU AKINADE THE CO-ORDINATING ACCOUNTANT COCOA PRODUCTS INDUSTRY (NIGERIA) LIMITED, EDE AT COCOA BEANS STORE, CPI, EDE ON WEDNESDAY, 1ST SEPTEMBER, 2010

The delegates of new management of Governors forum Secretariat, other protocols duly observed. It is my privilege to welcome you to Cocoa Products Industry (C.P.I) Limited, Ede; on behalf of the Management and Staff of the Company.

Cocoa Products Industry (Nigeria) Limited, Ede was **established on 16th March, 1979** and **incorporated on 29th June, 1979** with an initial **Capital of N4,450,000**. The **Company was commissioned on 16th October, 1982** by late Chief Bola Ige, the Governor of old Oyo State to process annually 30,000 metric tonnes of **Cocoa beans** into semi-finished products such as **Cocoa Liquor, Cocoa Butter, Cocoa Cake and Cocoa Powder**.

The capital of the Company was substantially provided by old Oyo State Government and its agencies. **Sequel to the creation of Osun State, old Oyo State's equity in the Company was inherited by Osun State**. Howbeit, the Plant and Machinery of the Company was grossly under-utilized since inception due to inadequate working Capital and operational problems. These problems resulted in accumulated loss.

The Company was therefore, **leased to a consortium of Lessees led by Worldwide Industrial Ventures Limited, Lagos**. Due to disagreement which later ensued between the Principal lessee and a co-lessee (**M/s Dalami Nigeria Limited**), the Lease agreement was temporarily terminated in 1992 and as a result of accrued Lease rent, the contract was finally terminated on 5th May 1995. **A new Lease agreement was signed with Messrs Goldline Agric Processors Limited in May 1995**. The Lease contract was also terminated in May 2000 due to unpaid Lease rent, accrued personnel and overhead cost..

On 5th September, 2000; **Osun State Government inaugurated an interim Board of Directors to manage and prepare the Company for privatization.** However, there was no working Capital and this prompted the Company to engage in Third-party or Toll processing contract. Unfortunately, the Company major toll processing clients could not supply Cocoa beans to the factory in December 2001 as a result of abnormal rise in price of Cocoa beans and **this culminated in the closure factory on 28th February, 2002.**

7/8/02
Considering the plight of the entire staff of the Company, **His Excellency, Prince (Dr.) Olagunsoye Oyinlola, the Executive Governor of Osun State graciously approved the payment of accrued Staff Salaries for 22 months** in order to alleviate the sufferings of CPI workers. Besides, concrete steps have been taken by Osun State Government to speed up the revival of the Company. **The giant strides of the State Government towards resuscitating the factory snowballed into divestment of 85% Equity stakes of CPI to Qianchan Trading Company Limited, China recently.**

The products and bye-products of the Company are used by manufacturers of Chocolate, Sweet, Biscuit and Bread, Dairy and other instant drink (Tea) as well as Poultry/Livestock, Cosmetics and Pharmaceutical industries. **The Company's product brand - "Agbale Butter" is well accepted and has acquired a high reputation in international markets.** Cocoa cake and Cocoa powder, noted for high quality were also widely acceptable in both domestic and foreign markets. **Exports of these products qualify the Company for the Export incentives of Federal Government of Nigeria.** Before the closure of factory, the Company has made shipment of its products to Netherlands, Germany, Spain, England, France, Australia, and so on.

Finally, may God almighty grant our "august" visitors journey mercy to Abuja and **uphold His Excellency, Prince (Dr.) Olagunsoye Oyinlola to continue his excellent performance in Osun State including re-opening of CPI in the next few months.**

I thank you for your attention.

Shittu Akinade, ACA

— #17 in judgment debt sealed by govt.
#180w per sc
#100x2 — foreign creditors (2)
#37.1w — 3rd party contracts