
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about the contents of this document or any action to be taken, it is recommended that you consult your stockbroker, banker, solicitor, accountant, or any other independent professional adviser duly registered as a capital market operator by the Securities and Exchange Commission.

If you have sold or otherwise transferred all your shares in Cement Company of Northern Nigeria Plc and/or Obu Cement Company Plc, please hand over this document and the accompanying proxy forms to the purchaser(s) or transferee(s), or to the stockbroker, or bank through whom the sale or transfer was executed, for transmission to the purchaser(s) or transferee(s). If you have sold or transferred only part of your holding of Cement Company of Northern Nigeria Plc and/or Obu Cement Company Plc, you should retain this document.

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SCHEME OF ARRANGEMENT
(Under Section 539 of the Companies and Allied Matters Act, 1990)

between



Cement Company of Northern Nigeria Plc
RC 3111

and

The Holders of its Fully Paid Ordinary Shares of 50 Kobo Each

and

SCHEME OF ARRANGEMENT
(Under Section 539 of the Companies and Allied Matters Act, 1990)

between



Obu Cement Company Plc
RC 1193879

and

The Holders of its Fully Paid Ordinary Shares of 50 Kobo Each

For the Merger between Cement Company of Northern Nigeria Plc and Obu Cement Company Plc

**Incorporating an Explanatory Statement on the Proposed Schemes of Arrangement
in compliance with Section 540 of the Companies and Allied Matters Act, 1990**

Stanbic IBTC Capital Limited is acting as Financial Adviser to Cement Company of Northern Nigeria Plc and Rand Merchant Bank Nigeria Limited is acting as Financial Adviser to Obu Cement Company Plc.

Stanbic IBTC Capital Limited will not be responsible to any person, individual or corporate body other than Cement Company of Northern Nigeria Plc, and Rand Merchant Bank Nigeria Limited will not be responsible to any person, individual or corporate body other than Obu Cement Company Plc in relation to the arrangements referred to herein.

The notices convening the respective Court-Ordered Meetings of Cement Company of Northern Nigeria Plc and Obu Cement Company Plc are set out on pages 58 to 61 of this document. Proxy Forms are set out on pages 63 and 66. To be valid, a Proxy Form must be completed, signed and stamped, together with the powers of attorney or other authority, if any, under which it is signed and in accordance with the instructions printed thereon and must reach the Registrars of each of Cement Company of Northern Nigeria Plc and Obu Cement Company Plc not later than 24 hours before the time fixed for the respective Court-Ordered Meetings.

THE PROPOSALS, WHICH ARE THE SUBJECT OF THE SCHEMES OF ARRANGEMENT SET OUT IN THIS DOCUMENT, HAVE BEEN CLEARED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE ACTIONS THAT YOU ARE REQUIRED TO TAKE ARE SET OUT ON PAGE 17

**Financial Advisers to Cement Company
of Northern Nigeria Plc**



RC 1031358

**Financial Advisers to Obu Cement
Company Plc**



RC 1031371

This Scheme Document is dated 02 September 2019

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1. DEFINITIONS

In this document, unless otherwise stated or clearly indicated by the context, the following capitalised terms in the first column have the meanings stated opposite them in the second column.

<u>Terms</u>	<u>Definitions</u>
“Board” or “Board of Directors” or “Directors”	The directors of Cement Company of Northern Nigeria Plc and/or Obu Cement Company Plc, in the relevant context and comprising those persons whose names are set out on pages 7 and 8 of this Document
“Business Day”	Any day, other than a Saturday, Sunday or official public holiday declared by the Federal Government of Nigeria
“CAC”	Corporate Affairs Commission
“CAMA”	Companies and Allied Matters Act, 1990
“CCNN”	Cement Company of Northern Nigeria Plc
“CCNN Scheme”	The scheme of arrangement between CCNN and holders of its ordinary shares pursuant to section 539 of CAMA, in consequence of which CCNN will transfer all its assets, liabilities and undertakings including employees, real properties and intellectual property rights to Obu Cement as set out in this Document
“CGT Act”	Capital Gains Tax Act, Chapter C1, LFN 2004 as amended from time to time
“Court”	Federal High Court
“Court-Ordered Meetings” or “Scheme Meetings”	The separate meetings of the registered holders of ordinary shares of each of Cement Company of Northern Nigeria Plc and Obu Cement Company Plc, to be convened pursuant to Section 539 of CAMA, of which notices are set out on pages 58 to 61 of this Document, including any adjournment thereof
“Court Sanction”	An order made by the Court pursuant to Section 539 (3) of CAMA, approving and sanctioning the Scheme
“CSCS”	Central Securities Clearing System Plc
“CTC”	Certified True Copy
“Dissenting Shareholders”	Qualifying Shareholders of Cement Company of Northern Nigeria Plc and Obu Cement Company Plc who vote against the special resolutions proposed at the Scheme Meetings
“EBITDA”	Earnings before interest, taxation, depreciation and amortization
“Effective Date”	The date on which a certified true copy of the Court Sanction sanctioning the respective Schemes are delivered to the CAC for registration
“Enlarged Company”	The resultant company from the Merger
“Explanatory Statement”	The statement issued by the Financial Advisers for the purpose of explaining the terms, conditions and effects of the Schemes and set out on pages 14 to 19 of the Scheme Document
“FCCPC”	Federal Competition and Consumer Protection Commission

1. DEFINITIONS

“Financial Advisers”	Stanbic IBTC Capital Limited, acting as financial adviser to CCNN and Rand Merchant Bank Nigeria Limited, acting as financial adviser to Obu Cement
“FIRS”	Federal Inland Revenue Service
“Gazette”	Federal Republic of Nigeria Official Gazette
“Legal Advisers”	G. Elias & Co., acting as legal adviser to CCNN and Olaniwun Ajayi LP, acting as legal adviser to Obu Cement
“LFN”	Laws of the Federation of Nigeria
“Merger” or “Proposed Merger” or “Transaction”	The merger between CCNN and Obu Cement to be implemented by means of the Schemes of Arrangement as described in this Document
“MTPA”	Metric tonnes per annum
“MW”	Megawatts
“Obu Cement”	Obu Cement Company Plc
“Obu Cement Scheme”	The scheme of arrangement between Obu Cement and holders of its ordinary shares pursuant to section 539 of CAMA in consequence of which Obu Cement will issue the Scheme Shares to the Scheme Shareholders as set out in this Document
“Proxy Form”	Any of the attached proxy forms for use in connection with the Court-Ordered Meetings of CCNN or Obu Cement
“Qualification Date”	25 November 2019, being the date that the respective Register of Members of CCNN and Obu Cement shall be closed for the purpose of determining the shareholders eligible to attend and vote at the respective Court-Ordered Meetings
“Qualifying CCNN Shareholders”	The shareholders whose names appear in the Register of Members of CCNN as at the Qualification Date
“Qualifying Obu Cement Shareholders”	The shareholders whose names appear in the Register of Members of Obu Cement as at the Qualification Date
“Reconstructed Obu Cement Shares”	The 20,720,853,094 (Twenty Billion, Seven Hundred and Twenty Million, Eight Hundred and Fifty-Three Thousand and Ninety-Four) ordinary shares of Obu Cement consequent upon the reconstruction of Obu Cement’s shares from 40,000,000 ordinary shares, pursuant to the Obu Cement Scheme
“Register of Members”	The register of members of CCNN or Obu Cement as is required to be maintained pursuant to the provisions of CAMA
“Schemes” or “Schemes of Arrangement”	The CCNN Scheme and the Obu Cement Scheme
“Scheme Document” or “Document”	This document dated 02 September 2019, which contains the Schemes of Arrangement, the Explanatory Statement, the respective notices of the Court-Ordered Meetings and the various appendices therein in relation to the Schemes
“Scheme Shareholders”	The shareholders whose names appear in the Register of Members of CCNN as at close of business on the Terminal Date

1. DEFINITIONS

“Scheme Shares”	The 13,143,500,966 (Thirteen Billion, One Hundred and Forty-Three Million, Five Hundred Thousand and Nine Hundred and Sixty-Six) Obu Cement shares to be issued to the Scheme Shareholders pursuant to the Scheme
“SEC”	Securities and Exchange Commission
“Share Exchange Ratio”	1:1 which shall represent the ratio of CCNN ordinary shares to be exchanged for Scheme Shares
“Terminal Date”	The Business Day immediately preceding the Effective Date
“Transaction Date”	means the date falling no later than 15 (Fifteen) Business Days from the Effective Date
“The NSE”	The Nigerian Stock Exchange
“VWAP”	Volume Weighted Average Price

2. EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<u>EVENT</u>	<u>DATE</u>
Obtain SEC approval of the Merger	02 September 2019
Publish Notices of Court-Ordered Meetings in national newspapers	31 October 2019
Last date for lodging Proxy Forms	03 December 2019
Court-Ordered Meetings of CCNN and Obu Cement	04 December 2019
Obtain SEC formal approval of the respective Schemes	12 December 2019
File petition for the Court Sanction	13 December 2019
Obtain Court Sanction	18 December 2019
Obtain CTC of Court Sanction	19 December 2019
Register CTC of Court Sanction with CAC (Effective Date)	31 December 2019
File CTC of Court Sanction with the SEC	02 January 2020
Publish copy of Court Sanction in two national newspapers	02 January 2020
Credit CSCS accounts of the Scheme Shareholders	02 January 2020
Delist CCNN from The NSE	08 January 2020
List the Enlarged Company's shares on The NSE	08 January 2020

Important notice: The dates given above are indicative only. The timetable of principal events has been prepared on the assumption that Court dates for the Schemes will be available as and when applied for; if not, then dates surrounding events in the timetable may be subject to a corresponding adjustment.

3. DIRECTORS AND PARTIES TO THE CCNN SCHEME

Cement Company of Northern Nigeria Plc

Directors:

Alhaji Abdulsamad Rabiu CON (Chairman)

KM 10 Kalambaina Road
P.M.B 02166
Sokoto

Engr. Yusuf Hafiru Binji (Managing Director)

KM 10 Kalambaina Road
P.M.B 02166
Sokoto

Chimaobi K. Madukwe (Non-Executive Director)

KM 10 Kalambaina Road
P.M.B 02166
Sokoto

Alhaji Kabiru Rabiu (Non-Executive Director)

KM 10 Kalambaina Road
P.M.B 02166
Sokoto

Finn Arnoldsen (Non-Executive Director)

KM 10 Kalambaina Road
P.M.B 02166
Sokoto

Abubakar Magaji Esq. (Non-Executive Director)

KM 10 Kalambaina Road
P.M.B 02166
Sokoto

Alhaji Abbas Ahmad Gandi (Non-Executive Director)

KM 10 Kalambaina Road
P.M.B 02166
Sokoto

Alhaji Shehu Abubakar (Independent Director)

KM 10 Kalambaina Road
P.M.B 02166
Sokoto

Sen. Khairat Abdulrazaq Gwadabe (Independent Director)

KM 10 Kalambaina Road
P.M.B 02166
Sokoto

Company Secretary:

Ahmed Aliyu

KM 10 Kalambaina Road
P.M.B 02166
Sokoto

Registered Office:

KM 10 Kalambaina Road
P.M.B 02166
Sokoto

Professional Parties:

Financial Adviser:

Stanbic IBTC Capital Limited

I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos

Legal Adviser:

G. Elias & Co.

6 Broad Street
Lagos

Tax Adviser:

KPMG Advisory Services

KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
Lagos

Stockbrokers:

APT Securities and Funds

Limited

29 Marina Street

Marina

Lagos

Registrars:

Africa Prudential Plc

220B Ikorodu Road

Palmgrove

Lagos

Fairness Opinion Adviser:

KPMG Advisory Services

KPMG Tower

Bishop Aboyade Cole Street

Victoria Island

Lagos

Scrutineers:

Gbenga Badejo & Co

24 Ladipo Oluwole Street

Off Adeniyi Jones Avenue

Ikeja

Lagos

3 DIRECTORS AND PARTIES TO THE OBU CEMENT SCHEME

Obu Cement Company Plc

Directors:

Chimaobi K. Madukwe (Chairman)
32 Churchgate Street
Victoria Island
Lagos

Finn Arnoldsen (Managing Director)
32 Churchgate Street
Victoria Island
Lagos

Alhaji Abdulsamad Rabiu, CON (Non-Executive Director)
32 Churchgate Street
Victoria Island
Lagos

Alhaji Rabiu Kabiru (Non-Executive Director)
32 Churchgate Street
Victoria Island
Lagos

Company Secretary:

Aliyu Ahmed
32 Churchgate Street
Victoria Island
Lagos

Registered Office:

KM 164 Benin-Okene Express Way
Okpella
Edo State

Professional Parties:

Financial Advisers:

Rand Merchant Bank Nigeria Limited
3rd Floor Wings East Tower,
17A Ozumba Mbadiwe Street
Victoria Island
Lagos

Legal Advisers:

Olaniwun Ajayi LP
The Adunola
Plot L2, 401 Close
Banana Island
Ikoyi
Lagos

Reporting Accountant:

Gbenga Badejo & Co
24 Ladipo Oluwole Street
Off Adeniyi Jones Avenue
Ikeja
Lagos

Stockbrokers:

Stanbic IBTC Stockbrokers Limited
I.B.T.C Place
Walter Carrington Crescent
Victoria Island
Lagos

Registrars:

Africa Prudential Plc
220B Ikorodu Road
Palmgrove
Lagos

Scrutineers:

Gbenga Badejo & Co
24 Ladipo Oluwole Street
Off Adeniyi Jones Avenue
Ikeja
Lagos

4. LETTER FROM THE CHAIRMAN OF THE BOARD OF CCNN



RC 3111

Cement Company of Northern Nigeria Plc
KM 10 Kalambaina Road
PMB 02166
Sokoto State

02 September 2019

To the Shareholders of Cement Company of Northern Nigeria Plc

Dear Sir/Madam,

PROPOSED MERGER BETWEEN CEMENT COMPANY OF NORTHERN NIGERIA PLC AND OBU CEMENT COMPANY PLC

Introduction and background

The Directors of your company, Cement Company of Northern Nigeria Plc (“CCNN” or the “Company”), and that of Obu Cement Company Plc (“Obu Cement”), have been in discussions regarding a proposal to merge both companies (the “Proposed Merger”). The Boards of Directors of both companies have now reached an agreement on the terms under which both companies will be merged. Accordingly, it is with pleasure that I write to you to present the terms and benefits of the proposed merger for your consideration, and to seek your support and approval to effect the proposed merger.

The purpose of the Proposed Merger is to create additional value for shareholders deriving from operational synergies and administrative efficiencies and access to new markets. Your Board also believes the Proposed Merger will be attractive to all shareholders of the Merging Entities and provides an extremely compelling opportunity.

The Board of CCNN engaged Stanbic IBTC Capital Limited and G. Elias to act as Financial Adviser and Legal Adviser respectively to CCNN, to advise on the structure of the Proposed Merger, and manage the regulatory engagement.

The Proposed Merger will be effected by way of a Scheme of Arrangement, pursuant to Section 539 of the Companies and Allied Matters Act, 1990. The Scheme will involve the transfer of all CCNN’s assets, liabilities and undertakings including employees, real properties and intellectual property rights to Obu Cement. In consideration for the transfer, CCNN shareholders will receive shares in Obu Cement and the Company will be dissolved without being wound up. Obu Cement will remain the surviving entity and will be listed on The Nigerian Stock Exchange.

The Scheme which is to be presented for your consideration and approval at the Court-Ordered Meeting has already received the ‘Approval-in-Principle’ of the Securities and Exchange Commission. To approve the Scheme, you will need to vote in favour of the resolutions to be proposed at the Court-ordered Meeting to be held on 04 December 2019. You will find on pages 14 to 19 of the Scheme Document, an Explanatory Statement containing the details of the terms and effects of the Scheme.

Overview of Obu Cement Company Plc

Obu Cement is a public limited liability company incorporated in Nigeria. Obu Cement was incorporated in 2014 as a private limited liability company and commenced operations in 2015. Obu Cement was re-registered as a public limited company in 2019. The company is primarily engaged in the business of quarrying, extracting and processing of limestone and the manufacture and supply of cement. Obu Cement is owned by Alhaji Abdulsamad Rabiou and Alhaji Isiaka Rabiou.

4 LETTER FROM THE CHAIRMAN OF THE BOARD OF CCNN

Obu Cement operates a six million MTPA cement production plant situated in Okpella, Edo State. The plant is configured to operate on multiple fuel sources including gas and liquid pour fuel oil. It is also equipped with a 50MW captive gas power plant which will supply the plant's non-kiln operations. Its main source of gas is a 30km gas pipeline built by Obu Cement from the Ajaokuta gas line to Okpella.

Rationale for and benefits of the Proposed Merger

The decision to pursue the Proposed Merger, is primarily motivated by the Board's goal of ensuring that the Company is well positioned to grow and expand in the Nigerian cement industry.

The merger with Obu Cement will create an entity with increased production capacity. We are of the opinion that the Proposed Merger will create a platform where significant synergies can be obtained for the benefit of our shareholders, employees, customers, distributors, suppliers and the broader economy.

Benefits to be derived from the Proposed Merger include:

- 1 Increased capacity to service new and existing markets:** The Proposed Merger will increase the production capacity of the Enlarged Company to 8 million MTPA. It is anticipated that in addition to meeting the demand from customers in our core regions in the country, the Enlarged Company would be positioned to distribute its products in new geographical markets, creating the potential for additional shareholder value creation.
- 2 Operational efficiencies:** We expect the Proposed Merger to provide opportunities for significant cost savings and improved operational efficiencies by streamlining operations and optimising the use of combined resources.
- 3 Economies of Scale:** The Proposed Merger will provide a platform where the Enlarged Company benefits from economies of scale in procurement, distribution and manufacturing of the products offered to our customers. We expect the benefits accruing from greater economies of scale to accrue to many stakeholders.
- 4 Shareholder value creation:** CCNN shareholders will become shareholders of a larger and highly profitable entity. Synergies created as a result of the Proposed Merger will create additional value for shareholders.
- 5 Communities and economy:** The Enlarged Company will create a platform for further investment that will have a positive impact on the communities where the operations of the companies are present as well as for the economy as a whole.

Voting at the Scheme Meeting

BUA Cement Company Limited, Damnaz Cement Company Limited, Alhaji Abdulsamad Rabiou and BUA International Limited have informed CCNN that they will not exercise their right to vote at the Court-Ordered Meeting, in compliance with a rule of The Nigerian Stock Exchange which seeks to prevent shareholders that are "related parties" or "interested persons" from voting in meetings scheduled to approve transactions with related parties or interested persons.

BUA Cement Company Limited, Damnaz Cement Company Limited, Alhaji Abdulsamad Rabiou and BUA International Limited have however informed CCNN that they are in full support of the Proposed Merger.

Fairness Opinion

Your Board has engaged the services of KPMG Advisory Services, a firm of professional accountants, to act as Fairness Opinion Adviser in connection with the Scheme. KPMG Advisory Services conducted an independent review and issued a fairness opinion dated 03 July 2019 confirming that the agreed share exchange ratio is fair and reasonable (the "Fairness Opinion"). The Fairness Opinion is contained in Appendix IV of this Scheme Document.

4 LETTER FROM THE CHAIRMAN OF THE BOARD OF CCNN

Recommendation

Your Board considers the terms of the Proposed Merger fair, reasonable and in the best interest of CCNN. Therefore, your Board unanimously recommends that you vote in favour of the sub-joined resolutions, which are to be proposed at the Court-Ordered Meeting to be held on 04 December 2019.

If you are unable to attend the meeting in person, please complete and return the enclosed Proxy Form on page 63 in accordance with the instructions thereon. Kindly note that the lodging of a Proxy Form does not prevent you from attending and voting in person, should you subsequently decide to do so. However, in such instance, your proxy will not be entitled to attend or to vote at the meeting.

We look forward to welcoming you or your proxy to the meeting.

Yours faithfully



Alhaji Abdulsamad Rabiu, CON
Chairman of the Board of Directors of Cement Company of Northern Nigeria Plc

5. LETTER FROM THE CHAIRMAN OF THE BOARD OF OBU CEMENT



RC 1193879

KM 164 Benin-Okene Express Way
Okpella
Obu Cement Company Plc
Edo State

02 September 2019

To the Shareholders of Obu Cement Company Plc

Dear Sir/Madam,

PROPOSED MERGER BETWEEN OBU CEMENT COMPANY PLC AND CEMENT COMPANY OF NORTHERN NIGERIA PLC

Introduction and background

It is with pleasure that I write to you on behalf of the Board of Directors (the “Board”) to present the terms and benefits of the Proposed Merger for your consideration, and to seek your support and approval to effect the Merger.

The Proposed Merger represents a compelling opportunity to create value for shareholders of Obu Cement. Our shareholders are well positioned to benefit from the stronger position of the resultant company from the Proposed Merger (“Enlarged Company”), greater economies of scale and enhanced operating and administrative efficiencies which are expected to accrue from the merger.

The Board has engaged the services of Rand Merchant Bank Nigeria Limited and Olaniwun Ajayi LP as Financial Adviser and Legal Adviser respectively, to advise it in connection with the Proposed Merger.

The Proposed Merger will be effected through a Scheme of Arrangement under Section 539 of the Companies and Allied Matters Act, 1990.

Overview of Cement Company of Northern Nigeria Plc

CCNN is a public limited liability company, principally involved in the manufacture and sale of cement. Incorporated as a limited liability company in August 1962, the company’s shares were listed on The Nigerian Stock Exchange in 1993.

The company began operations in 1967 with a 100,000 metric tonne cement production line. Strong demand and shareholder investments led to the installation of additional production capacity over the years.

CCNN has evolved from being a niche cement operator into one of the key suppliers of cement in Nigeria, operating 2 million MTPA across two lines:

- 0.5 million MTPA plant, installed in 1985
- 1.5 million MTPA plant, commissioned in 2018 that is configured to operate on multiple fuel sources including coal and LPFO. It also has a 32MW captive power plant to power its non-kiln operations

In December 2018, CCNN completed a merger with Kalambaina Cement Company Limited (“Kalambaina Cement”). Under the merger, Kalambaina Cement’s assets, liabilities and undertakings (including employees, real property and intellectual property rights) were transferred to CCNN.

5. LETTER FROM THE CHAIRMAN OF THE BOARD OF OBU CEMENT

Rationale for and benefits of the Proposed Merger

Your Board is resolute in its aspiration to grow and expand in the Nigerian Cement industry. It is in furtherance of this aspiration that the Proposed Merger is now being presented for your approval.

The Board firmly believes that the Proposed Merger presents an opportunity to capture significant synergies for the benefit of our shareholders, stakeholders and the broader Nigerian economy.

Some of the expected benefits to be derived from the Proposed Merger include:

1. **Increased capacity to serve new and existing markets:** The Proposed Merger will increase the production capacity of the Enlarged Company to 8 million MTPA. It is anticipated that in addition to meeting the demand from customers in our core regions in the country, the Enlarged Company would be positioned to distribute its products in new regions.
2. **Operational efficiencies:** We expect the Proposed Merger to provide opportunities for significant cost savings and improved operational efficiencies by streamlining operations and optimizing use of combined resources.
3. **Economies of scale:** The Proposed Merger will provide an opportunity for the Enlarged Company to benefit from economies of scale in manufacturing, procurement and distribution.
4. **Shareholder value creation:** Shareholders of Obu Cement will become shareholders of a larger entity. Synergies created as a result of the Proposed Merger will create additional value for shareholders.

Recommendation

Your Board considers the terms of the Proposed Merger fair, reasonable and in the best interest of Obu Cement. Therefore, your Board unanimously recommends that you vote in favor of the resolutions, which are to be proposed at the Court-Ordered Meeting to be held on 04 December 2019.

If you are unable to attend the meeting in person, please complete and return the enclosed Proxy Form on page 65 in accordance with the instructions thereon. Kindly note that the lodging of a Proxy Form does not prevent you from attending and voting in person, should you subsequently decide to do so. However, in such instance, your proxy will not be entitled to attend or to vote at the meeting.

We look forward to welcoming you or your proxy to the meeting.

Yours faithfully



Chimaobi K. Madukwe
Chairman of the Board of Directors of Obu Cement Company Plc

6. EXPLANATORY STATEMENT FROM THE FINANCIAL ADVISERS



RC1031358

Stanbic IBTC Capital Limited
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos



RC 1031371

Rand Merchant Bank Nigeria Limited
3rd Floor Wings East Tower
17A Ozumba Mbadiwe Street
Victoria Island
Lagos

02 September 2019

To the Shareholders of Cement Company of Northern Nigeria Plc and Obu Cement Company Plc

Dear Sir/Madam

PROPOSED MERGER BETWEEN CEMENT COMPANY OF NORTHERN NIGERIA PLC AND OBU CEMENT COMPANY PLC

6.1 INTRODUCTION

The respective Boards of Directors of the Cement Company of Northern Nigeria Plc (“CCNN”) and Obu Cement Company Plc (“Obu Cement”) (together the “Merging Entities”) have taken a decision to merge the two entities into a single entity (the “Proposed Merger”). The Proposed Merger will be implemented via a Scheme of Arrangement pursuant to Section 539 of the Companies and Allied Matters Act, 1990 (the “Scheme”). The Proposed Merger has been approved by the Federal Competition and Consumer Protection Commission (“FCCPC”) and the Securities and Exchange Commission (“SEC”).

The letters from your respective Chairmen convey the recommendations of your Board that you vote in favour of the Schemes at the Court-Ordered Meetings that will be convened for you to consider, and if deemed fit, approve the Schemes. Your Directors have authorised us to write to you, explaining on their behalf, the terms, conditions, provisions and effects of the Schemes, which are summarised below.

6.2 THE PROPOSAL

(a) Transfer and Consideration

Under the terms of the CCNN Scheme, it is proposed that:

- a. all the assets, liabilities, licenses and undertakings of CCNN, including employees, real property and intellectual property rights, be transferred to Obu Cement;
- b. the entire issued share capital of CCNN comprising 13,143,500,966 ordinary shares of 50 kobo each be cancelled and CCNN be dissolved without being wound up; and
- c. in consideration for the transfer of all the assets, liabilities and undertakings of CCNN to Obu Cement, it is proposed that each shareholder in CCNN shall be entitled to receive 1 (One) Scheme Share for each CCNN share held as at the Terminal Date.

Under the terms of the Obu Cement Scheme, it is proposed that:

- a. consequent on the reconstruction of the shares of Obu Cement, Obu Cement shall allot an aggregate of 20,720,853,094 ordinary shares to the Qualifying Obu Cement Shareholders in the ratio of 518 (Five Hundred and Eighteen) Reconstructed Obu Cement Shares for every 1 (One) Obu Cement share held;

6. EXPLANATORY STATEMENT FROM THE FINANCIAL ADVISERS

- b. all the assets, liabilities, licenses and undertakings of CCNN, including employees, real property and intellectual property rights, be transferred to Obu Cement; and
- c. in consideration for the transfer of all the assets, liabilities and undertakings of CCNN to Obu Cement, it is proposed that each shareholder in CCNN shall be entitled to receive 1 (One) Scheme Share for each CCNN share held as at the Terminal Date.

(b) Information for Dissenting Shareholders

Subject to the Schemes becoming effective, the Schemes will be binding on all shareholders of CCNN and Obu Cement respectively (including dissenting shareholders of each of CCNN and Obu Cement) and consideration received by the Scheme Shareholders will be the Scheme Shares.

(c) Settlement and Certificates

Upon the CCNN Scheme being effective, share certificates of CCNN and / or CCNN shares in CSCS accounts will cease to be of value. After the Court Sanction has been granted and the new Obu Cement shares arising from the Merger have been duly registered with the SEC, Africa Prudential Plc, registrars to Obu Cement, will credit the CSCS accounts of each Scheme Shareholder within 15 Business Days of the Effective Date.

In accordance with the SEC directive on dematerialisation of share certificates, shareholders who do not provide valid CSCS account numbers will have their shares credited at the CSCS using a Registrar Identification Number (RIN). A RIN is a number allocated to shareholders who do not have valid CSCS account numbers to warehouse their units of shareholding in public companies under a registrar's custody at the CSCS. The Scheme Shares will be transferred to the stockbroking account of the shareholder once valid CSCS account numbers are provided. Any shareholder who does not have a valid CSCS account number, is advised to open a stockbroking account with a stockbroker and obtain a valid CSCS account number from the stockbroker.

(d) Conditions Precedent

The CCNN Scheme will become effective and binding on the shareholders of CCNN if:

- i. It is ratified by a majority, representing not less than three-fourths (3/4) in value of CCNN shares cast by shareholders present and voting either in person or by proxy at the Court-Ordered Meeting of CCNN;
- ii. SEC approves, with or without modification, the terms and conditions of the CCNN Scheme agreed to by the majority of the shareholders of CCNN;
- iii. The Court sanctions the CCNN Scheme with orders to the effect that:
 - a. All the assets, liabilities, licenses and undertakings, including real properties and intellectual property rights of CCNN be assumed by Obu Cement without further act or deed as provided in the Scheme;
 - b. The Scheme Shares be issued and allotted and credited as fully paid to the Scheme Shareholders at the Share Exchange Ratio by the close of business on the Transaction Date;
 - c. The entire share capital of CCNN be cancelled;
 - d. The contracts of employment of all employees and officers of CCNN be novated to Obu Cement; and
 - e. All legal proceedings, claims and litigation, pending, contemplated or instituted by or against CCNN be continued by or against Obu Cement.

6. EXPLANATORY STATEMENT FROM THE FINANCIAL ADVISERS

The Obu Cement Scheme will become effective and binding on the shareholders of Obu Cement if:

- i. It is ratified by a majority, representing not less than three-fourths (3/4) in value of Obu Cement shares cast by shareholders present and voting either in person or by proxy at the Court-Ordered Meeting of Obu Cement;
- ii. SEC approves, with or without modification, the terms and conditions of the Obu Cement Scheme agreed to by the majority of the shareholders of Obu Cement; and
- iii. The Court sanctions the Obu Cement Scheme with orders to the effect that:
 - a. All the assets, liabilities, licenses and undertakings, including real properties and intellectual property rights of CCNN be assumed by Obu Cement without further act or deed as provided in the Scheme;
 - b. The Scheme Shares be issued and allotted and credited as fully paid to the Scheme Shareholders at the Share Exchange Ratio by the close of business on the Transaction Date;
 - c. The entire share capital of CCNN be cancelled;
 - d. The contracts of employment of all employees and officers of CCNN be novated to Obu Cement; and
 - e. All legal proceedings, claims and litigation, pending, contemplated or instituted by or against CCNN be continued by or against Obu Cement.

6.3 ELEMENTS OF THE SCHEMES

1. Rationale for the Transaction

The Proposed Merger represents a compelling opportunity to create value for all stakeholders of CCNN and Obu Cement. The shareholders of the Merging Entities are well positioned to benefit from the stronger position of the Enlarged Company due to greater economies of scale and enhanced operating and administrative efficiencies which are expected to accrue from the Proposed Merger.

2. Benefits/Effects of the Merger

1. **Increased capacity to service new and existing markets:** The Proposed Merger will increase the production capacity of the Enlarged Company to 8 million MTPA. It is anticipated that in addition to meeting the demand from customers in the core regions in the country, the Enlarged Company would be positioned to distribute its products in new geographical markets, creating the potential for additional shareholder value creation.
2. **Operational efficiencies:** We expect the Proposed Merger to provide opportunities for significant cost savings and improved operational efficiencies by streamlining operations and optimising the use of combined resources.
3. **Economies of Scale:** The Proposed Merger will provide a platform where the Enlarged Company benefits from economies of scale in procurement, distribution and manufacturing of the products offered to customers.
4. **Shareholder value creation:** Shareholders of the Merging Entities will become shareholders of a larger and highly profitable entity. Synergies created as a result of the merger will create additional value for shareholders

6. EXPLANATORY STATEMENT FROM THE FINANCIAL ADVISERS

5. **Communities and economy:** The Enlarged Company will create a platform for further investment that will have a positive impact on the communities where the operations of the companies are present as well as for the economy as a whole.

3. Meetings to Approve the Scheme and Voting Rights

Separate Court-Ordered Meetings will be convened for considering and, if thought fit, approving the Scheme by the Qualifying Shareholders of CCNN and Qualifying Shareholders of Obu Cement. At the Court-Ordered Meetings, voting on the Schemes will be by poll. Each shareholder present in person or by proxy will be entitled to one vote for every ordinary share held. The statutory majority required to pass the resolutions to be proposed at the Court-Ordered Meetings is a majority representing not less than three fourths (3/4) in value of the shares of members present and voting either in person or by proxy.

With respect to CCNN, BUA Cement Company Limited, Damnaz Cement Company Limited, Alhaji Abdulsamad Rabiou and BUA International Limited have informed CCNN that they will not exercise their right to vote at the Scheme Meetings, in compliance with a rule of The Nigerian Stock Exchange which seeks to prevent shareholders that are “related parties” or “interested persons” from voting in meetings scheduled to approve transactions with related parties or interested persons.

Notices of the Court-Ordered Meetings are set out on pages 58 to 61 of this Scheme Document.

4. Plans for Employees and Directors

As from the Effective Date, all existing contracts of employment of all employees and officers of CCNN shall be novated to Obu Cement and such employees and officers shall become the employees and officers of the Enlarged Company. Where any employee of CCNN does not wish that his/her employment be novated to Obu Cement after the Merger, such employee will be entitled to obtain his/her terminal benefits based on his/her existing contract of service.

The proposed Scheme is not intended to jeopardise the employment of any employee of CCNN and Obu Cement. The composition of the Board of Directors of the Enlarged Company shall be in accordance with the Articles of Association of Obu Cement.

5. Actions to be Taken

Proxy Forms for the respective Court-Ordered Meetings are enclosed. If you are unable to attend the meeting in person, you are requested to complete the Proxy Form in accordance with the instructions thereon and return it as soon as possible to the Registrars of each of CCNN and Obu Cement. The Proxy Form is required to be received by the Registrars not later than twenty-four (24) hours before the time appointed for the Court-Ordered Meetings. The lodging of a Proxy Form, which to be valid, must be appropriately stamped, does not prevent you from attending the relevant meeting and voting in person should you so wish. However, in such instance, your proxy will not be entitled to attend or vote.

6.4 FINANCIAL EFFECTS OF THE SCHEME

The Share Exchange Ratio was determined on the basis of the relative values of CCNN to Obu Cement, based on various valuation methodologies used for the purpose of the Schemes. Consequently, the Board of Directors of the Merging Entities have agreed to a fair consideration as follows:

CCNN shareholders will receive 1 (One) Scheme Share for every 1 (One) ordinary share held in CCNN as at the Terminal Date.

6. EXPLANATORY STATEMENT FROM THE FINANCIAL ADVISERS

The resulting Share Exchange Ratio will have the following effects on the shareholders of the Merging Entities:

(i) Capital Value

Upon the Scheme coming into effect, each CCNN shareholder will receive 1 (*One*) Scheme Share for every 1 (*One*) ordinary share held in CCNN. Consequently, CCNN and Obu Cement shareholders will own 38.81% and 61.19% of the Enlarged Company's issued share capital respectively, upon implementation of the Merger.

(ii) Taxation

Under the current Nigerian tax regime, the implementation of the Scheme as proposed, should not give rise to capital gains tax. Section 32 of the Capital Gains Tax Act specifically exempts any gains made as a result of a takeover, merger or absorption in which one of the entities loses its identity, provided no cash payment is made in respect of the shares acquired.

The above statement is not intended to be, and should not be construed to be, legal or tax advice. Shareholders who are in any doubt about their tax position, or who are subject to tax in a jurisdiction outside Nigeria, are strongly advised to consult their professional advisers.

6.5 INFORMATION REGARDING CEMENT COMPANY OF NORTHERN NIGERIA PLC

CCNN is a public limited liability company, principally involved in the manufacture and sale of cement. Incorporated as a limited liability company in August 1962, the company's shares were listed on The Nigerian Stock Exchange in 1993.

The company began operations in 1967 with a 100,000 MTPA cement production line. Strong demand and shareholder investments led to the installation of additional production capacity.

CCNN has evolved from being a niche cement operator into one of the key suppliers of cement in Nigeria, capable of producing 2 million MTPA across two lines:

- 0.5 million MTPA plant
- 1.5 million MTPA plant, commissioned in 2018 and configured to operate on multiple fuel sources including coal and LPFO. It also has a 32MW captive power plant to power its non-kiln operations

In December 2018, CCNN completed a merger with Kalambaina Cement Company Limited.

6.6 INFORMATION REGARDING OBU CEMENT COMPANY PLC

Obu Cement is a public limited liability company incorporated in Nigeria. Obu Cement was incorporated in 2014 as a private limited liability company and commenced operations in 2015. Obu Cement was re-registered as a public limited company in 2019. The company is primarily engaged in the business of quarrying, extracting and processing of limestone and the manufacture and supply of cement. Obu Cement is owned by Alhaji Abdulsamad Rabi and Alhaji Isiaka Rabi

Obu Cement operates a 6 million MTPA cement production plant situated in Okpella, Edo State. The plant is configured to operate on multiple fuel sources including gas and liquid pour fuel oil. It is also equipped with a 50MW captive gas power plant which will supply the plant's non-kiln operations. Its main source of gas is a 30km gas pipeline built by Obu Cement from the Ajaokuta gas line to Okpella.

6. EXPLANATORY STATEMENT FROM THE FINANCIAL ADVISERS

6.7 FURTHER INFORMATION

Appendix I:	Further information regarding CCNN on pages 31 to 38
Appendix II:	Further information regarding Obu Cement on pages 39 to 45
Appendix III:	Proforma financial information of the Enlarged Company on pages 46 to 48
Appendix IV:	Fairness Opinion on page 49 to 52
Appendix V:	CCNN Financial Adviser's Opinion on pages 53 to 54
Appendix VI:	Statutory and general information on pages 55 to 57
Notice of Court-Ordered Meetings	on pages 58 to 61
Proxy Forms	on pages 63 to 66

6.8 CONCLUSION AND RECOMMENDATION

The respective Boards of CCNN and Obu Cement, having considered the terms and conditions of the Scheme, as well as the benefits thereof, recommend that you vote in favour of the resolutions which will be proposed at the respective Court-Ordered Meetings.

Yours faithfully



Funso Akere
Chief Executive
Stanbic IBTC Capital Limited



Dalu Ajene
Deputy CEO and Head Investment Banking Division
Rand Merchant Bank Nigeria Limited

7. VALUATION

7.1 BACKGROUND

The Proposed Merger will create a larger entity with increased production capacity and access to new geographical markets. It is expected that the Enlarged Company will be better positioned to distribute its products to new geographical locations, boost its market penetration and export potential, creating value for the Merging Entities' shareholders, employees, customers, distributors, suppliers and the economy.

Under the terms of the Scheme, it is proposed that the assets, liabilities and undertakings of CCNN will be assumed by Obu Cement and in consideration, Scheme Shares will be issued to Scheme Shareholders.

This section aims to provide an overview of the valuation methodologies and relevant assumptions in deriving the Share Exchange Ratio. Kindly note that the Share Exchange Ratio in this Document is quoted in terms of the number of CCNN shares that will be given up in exchange for Obu Cement shares.

7.2 BASIS AND ASSUMPTIONS

The main assumptions used for the valuation are as follows:

- (i) The valuation reference date is 18 April 2019;
- (ii) The forecasts used for the valuation were based on estimates obtained from management of each of the Merging Entities;
- (iii) The issued and fully paid share capital of CCNN was ₦6,571,750,483 comprised of 13,143,500,966 ordinary shares of 50 kobo each; and
- (iv) Pursuant to the Obu Cement Scheme, Obu Cement's shares will be reconstructed from 40,000,000 ordinary shares of 50 kobo each to 20,720,853,094 ordinary shares of 50 kobo each and will be issued to the Qualifying Obu Cement Shareholders in the ratio of 518 Reconstructed Obu Cement Shares to 1 (one) Obu Cement share held.

7.3 VALUATION METHODOLOGY

The financial advisers of the Merging Entities considered the following valuation methodologies in establishing the fair value of the Merging Entities and in deriving the implied Share Exchange Ratio for the Proposed Merger.

- Discounted Cash Flow ("DCF");
- Comparable Companies Trading Multiples; and
- Comparable Transaction Multiples.

Discounted Cash Flow: This approach values a company based on the future free cash flow projections of the company and discounts these cash flows using the weighted average cost of capital of the company to arrive at a present value of free cash flows and a terminal value. The financial advisers made certain assumptions, in line with global best practices, regarding the appropriate discount rates and terminal growth multiples to obtain a range of fair value estimates.

Comparable Companies Trading Multiples: This valuation approach derives an estimate of the value of each Merging Entity by capitalising operating metrics of the companies at an appropriate multiple. The estimates of value derived were based on market trading multiples of comparable companies. In implementing this methodology, comparable cement companies operating in sub-Saharan Africa as well as those operating in other African and Middle East markets were selected. This approach estimates the Enterprise Value ("EV") of each Merging Entity by applying a forecast market-determined multiple to the forecast EBITDA of the Merging Entity. The financial advisers derived EV estimates of the Merging Entities by applying the average and median forward EV/2019 EBITDA multiple of selected comparable companies to the 2019 forecast EBITDAs of the Merging Entities.

7. VALUATION

The equity values of the Merging Entities were derived from the EV by adding non-operating assets such as excess cash and subtracting non-operating liabilities such as present value of debt and other non-equity claims from EV.

Comparable Transaction Multiples: This valuation approach provides an estimate of value based on the consideration paid in other similar transaction. Directly comparable merger transactions are difficult to identify and as such, acquisition transactions involving cement companies in Africa and Middle East markets were used as a proxy for these types of transactions. This approach estimates the EV of each Merging Entity by applying a multiple based on the average and median EV/EBITDA multiples of selected transactions involving cement companies) to the 2019 forecast EBITDAs of the Merging Entities.

The equity values of the Merging Entities were derived from the EV by adding non-operating assets such as excess cash and subtracting non-operating liabilities such as present value of debt and other non-equity claims from EV.

7.4 VALUATION SUMMARY AND EXCHANGE RATIO

The process undertaken by the financial advisers to obtain the share exchange ratio included determining the relationship among the Merging Entities using the average of the DCF, comparable trading and precedent transaction multiples for the Merging Entities.

After careful consideration, the Boards of the Merging Entities agreed to an exchange ratio which results in the following share consideration to CCNN shareholders:

- 1 ordinary share in Obu Cement for every 1 ordinary share held in CCNN.

The share consideration was approved at separate meetings of the Boards of Directors of CCNN and Obu Cement.

A total of 13,143,500,966 new shares will be issued to the Scheme Shareholders. The total value of shares to be issued is ₦460,022,533,810 (Four Hundred and Sixty Billion, Twenty-Two Million, Five Hundred and Thirty-Three Thousand, Eight Hundred and Ten Naira).

8. THE SCHEME OF ARRANGEMENT BETWEEN CCNN AND ITS SHAREHOLDERS

SCHEME OF ARRANGEMENT BROUGHT UNDER SECTION 539 OF THE COMPANIES AND ALLIED MATTERS ACT 1990

BETWEEN

CEMENT COMPANY OF NORTHERN NIGERIA PLC (RC 3111)

AND

THE HOLDERS OF ITS FULLY PAID ORDINARY SHARES OF 50 KOBO EACH

A. PRELIMINARY

1. In this Scheme of Arrangement, except as hereinafter defined, the following expressions have the following meanings where the context so admits:

Authority	means any national, supranational, regional or local government or governmental, statutory, regulatory, administrative, fiscal, judicial, or government-owned body, department, commission, authority, tribunal, agency or entity;
Business Day	means any day other than a Saturday, Sunday or official public holiday declared by the Federal Government of Nigeria;
CAC	means the Corporate Affairs Commission;
CAMA	means the Companies and Allied Matters Act 1990;
CCNN	means Cement Company of Northern Nigeria Plc;
Court	means the Federal High Court of Nigeria;
Court-Ordered Meeting	means the meeting of the CCNN Shareholders to be convened by an order of the Court pursuant to the provisions of section 539 of CAMA notice of which is set out in the Scheme Document, including any adjournment thereof;
Court Sanction	means an order of the Court pursuant to Section 539 of CAMA approving the Scheme;
CSCS	means the Central Securities Clearing System Plc;
Effective Date	means the date on which a certified true copy of the Court Sanction, is delivered to the CAC for registration;
Obu Cement	means Obu Cement Company Plc;
Qualification Date	means 25 November 2019, being the date that the CCNN register of members shall be closed for the purpose of determining the shareholders eligible to attend and vote at the Court-Ordered Meeting;
Qualifying CCNN Shareholders	means the shareholders whose names appear in the register of members of CCNN as at the Qualification Date;
Scheme	means this scheme of arrangement pursuant to section 539 of CAMA between CCNN and its shareholders for the purpose of effecting, among others, the transfer of the assets, liabilities, licenses and undertakings, including real property and intellectual property rights of CCNN as at the Terminal Date to Obu Cement in consideration of the issuance of the Scheme Shares to Scheme Shareholders;
Scheme Document	means the document setting out the Scheme, the Explanatory Statement, the Notice of Court-Ordered Meeting and the various appendices therein;

8. THE SCHEME OF ARRANGEMENT BETWEEN CCNN AND ITS SHAREHOLDERS

Scheme Shareholders	means the holders of fully paid ordinary shares in CCNN whose names appear in the register of members of CCNN as at the Terminal Date;
Scheme Shares	means the 13,143,500,966 (Thirteen Billion, One Hundred and Forty-Three Million, Five Hundred Thousand and Nine Hundred and Sixty-Six) Obu Cement shares to be issued to the Scheme Shareholders pursuant to the Scheme;
SEC	means the Securities and Exchange Commission; and
Terminal Date	means the Business Day immediately preceding the Effective Date.

- As at the date of the Scheme Document, the authorised share capital of CCNN is ₦6,571,750,485 (Six Billion Five Hundred and Seventy-One Million, Seven Hundred and Fifty Thousand, Four Hundred and Eighty-Five Naira) comprising 13,143,500,970 (Thirteen Billion, One Hundred and Forty-Three Million, Five Hundred Thousand, Nine Hundred and Seventy) ordinary shares of 50 kobo each, of which ₦6,571,750,483 (Six Billion Five Hundred and Seventy-One Million, Seven Hundred and Fifty Thousand, Four Hundred and Eighty-Three Naira) comprising 13,143,500,966 (Thirteen Billion, One Hundred and Forty-Three Million, Five Hundred Thousand, Nine Hundred and Sixty-Six) ordinary shares of 50 kobo each have been issued and fully paid up.
- By a board resolution dated April 24, 2019 the directors of CCNN resolved to enter into the Scheme on the terms and conditions hereinafter set forth and any other terms that may be approved by the Qualifying CCNN Shareholders, the Court and any other relevant Authority.

B. THE SCHEME

1. TRANSFER OF ASSETS, LIABILITIES AND UNDERTAKINGS

Subject to the Scheme being approved by a majority representing not less than three-fourths (3/4) in value of the ordinary shares held by the Qualifying CCNN Shareholders present and voting either in person or by proxy at the Court-Ordered Meeting, and the Scheme being approved by the SEC and sanctioned by the Court, CCNN shall transfer all of its assets, liabilities, licenses and undertakings, including real property and intellectual property rights upon the terms and subject to the conditions set out in this Scheme to Obu Cement, without any further act or deed.

2. CANCELLATION OF SHARE CAPITAL

The entire share capital of CCNN shall be cancelled.

3. CONSIDERATION

- In consideration of the transfer of the assets, liabilities, licenses and undertakings, including real property and intellectual property of CCNN and the cancellation of the entire share capital of CCNN referred to immediately above, each of the Scheme Shareholders shall be issued and allotted 1 (One) Scheme Share for each CCNN share held as at the Terminal Date.
- The Scheme Shares shall for all intents and purposes after the Effective Date, rank *pari passu* and form a single class with all the shares present in the issued share capital of Obu Cement.
- Any fractional share that would have arisen from the allotment done pursuant to the foregoing sub-clauses shall be rounded up and credited to the Scheme Shareholders as a full Scheme Share.

4. CONSEQUENCES OF THE SCHEME

As from and including the Effective Date:

- the entire share capital of CCNN shall be cancelled;

8. THE SCHEME OF ARRANGEMENT BETWEEN CCNN AND ITS SHAREHOLDERS

- b. the share certificates in respect of the shares of CCNN and / or CCNN Shares in CSCS accounts shall cease to be of value;
- c. the NSE and the CSCS shall be notified and requested to terminate trading in the CCNN Shares with effect from the Terminal Date and no trading or transfer of the CCNN Shares shall be registered after that date;
- d. the CCNN shares shall be delisted from the NSE on the Terminal Date and following that date, all the share certificates representing the interests of the Scheme Shareholders and in the case of dematerialised share certificates, all the CCNN shares that were lodged with the CSCS shall cease to be valid or to have any value;
- e. 1 (One) Scheme Share shall be issued and allotted and credited as fully paid to the Scheme Shareholders for each CCNN share held as at the Terminal Date;
- f. CCNN shall be dissolved without being wound up; and
- g. Obu Cement shall enter the names of the Scheme Shareholders in its register of members. The respective CSCS accounts of the relevant Scheme Shareholders shall be credited with the Scheme Shares due to them.

5. EMPLOYEES

- a. As from the Effective Date, all existing contracts of employment of all employees and officers of CCNN shall be transferred to Obu Cement and such employees and officers shall become the employees and officers of the Enlarged Company. Where any employee of CCNN does not wish that his/her employment be transferred to Obu Cement pursuant to the Scheme, such employee will be entitled to obtain his/her terminal benefits based on his/her existing contract of service.
- b. The Scheme is not intended to jeopardize the employment of any employee of CCNN.
- c. The composition of the board of directors of the Enlarged Company shall be in accordance with the Articles of Association of Obu Cement.

6. DIRECTORS

From the Effective Date, the directors of CCNN will cease to hold office as directors of CCNN and only those persons who may already have been elected to Obu Cement, or who may subsequently be elected, shall be directors of the Enlarged Company.

7. CREDITORS

All loans raised and / or used and all liabilities and obligations incurred by CCNN for the operations of its business as at the Terminal Date shall be deemed to have been raised, used or incurred for and on behalf of Obu Cement and to the extent that they are outstanding on the Effective Date, shall without any further act or deed be and stand assumed by Obu Cement and shall become the liabilities and obligations of the Enlarged Company on the Effective Date.

8. CONTRACTS AND DEEDS

Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which CCNN is a party, subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Enlarged Company and may be enforced as fully and effectually as if, the Enlarged Company had been a party thereto.

9. CONDITIONS PRECEDENT

The Scheme will become effective and binding on the shareholders of CCNN if:

- a. it is ratified by a majority representing not less than three-fourths (3/4) in value of CCNN shares cast by shareholders present and voting either in person or by proxy at the Court-Ordered Meeting of CCNN;

8. THE SCHEME OF ARRANGEMENT BETWEEN CCNN AND ITS SHAREHOLDERS

- b. The SEC approves, with or without modification, the terms and conditions of the Scheme agreed to by the majority referred to in paragraph (i) above; and
- c. the Court sanctions the Scheme to the effect that:
 - i. all the assets, liabilities, licenses and undertakings, including real properties and intellectual property rights of CCNN be assumed by Obu Cement without further act or deed as provided in the Scheme;
 - ii. 1 (One) Scheme Share be issued and allotted and credited as fully paid to the Scheme Shareholders for every CCNN share held;
 - iii. the entire share capital of CCNN be cancelled;
 - iv. the contracts of employment of all employees and officers of CCNN be transferred to Obu Cement; and
 - v. all legal proceedings, claims and litigation, pending, contemplated or instituted by or against CCNN be continued by or against Obu Cement.

10. EFFECTIVENESS OF THE SCHEME

- a. The Scheme shall become effective on the day on which a certified true copy of the Court sanction of the Scheme, together with the Minutes are delivered to the CAC for registration.
- b. A certified copy of the order of the Court sanctioning this Scheme shall for the purposes of the Section 539(4) of the CAMA be deemed to confer title on Obu Cement in respect of the assets and undertakings of CCNN transferred to it in accordance with the Scheme without further act or deed.
- c. After the Effective Date, the Scheme shall become binding in accordance with its terms on all CCNN shareholders including those who were absent at the Court-Ordered Meeting and those who attended and did not vote, or who voted against the Scheme at the Court-Ordered Meeting or CCNN shareholders who could not be traced.

11. MODIFICATION

The board of directors of Obu Cement may with the agreement of the board of directors of CCNN consent to any modification of or addition to the Scheme before the Effective Date which SEC and/or the Court may deem fit to approve or to any condition which the Court may impose.

Dated this 2nd day of September 2019

G. Elias & Co.
(Solicitors to CCNN)
NCR Building
6 Broad Street
Lagos

9. THE SCHEME OF ARRANGEMENT BETWEEN OBU CEMENT AND ITS SHAREHOLDERS

SCHEME OF ARRANGEMENT

(PURSUANT TO SECTION 539 OF THE COMPANIES & ALLIED MATTERS ACT, 1990)

BETWEEN

OBU CEMENT COMPANY PLC

AND

THE HOLDERS OF ITS FULLY PAID ORDINARY SHARES OF 50 KOBO EACH

A. PRELIMINARY

1. In this Scheme of Arrangement, as hereinafter defined, the following expressions have the following meanings where the context so admits:

TERMS	DEFINITION
Board of Directors	means the board of directors of Obu Cement Company Plc;
Business Day	means any day, other than a Saturday, Sunday or official public holiday declared by the Federal Government of Nigeria;
CAC	means Corporate Affairs Commission;
CAMA	means the Companies and Allied Matters Act, 1990;
CCNN	means the Cement Company of Northern Nigeria Plc;
CCNN Court-Ordered Meeting	means the meeting of the registered holders of ordinary shares of CCNN to be convened by an Order of the Court pursuant to section 539 of CAMA, which is set out on pages 58 to 59 of this Scheme Document, including any adjournment thereof;
CCNN Scheme	means the scheme of arrangement between CCNN and holders of its ordinary shares;
Obu Cement	means Obu Cement Company Plc;
Court	means the Federal High Court of the Federal Republic of Nigeria;
Court-Ordered Meeting or Scheme Meeting	means the meeting of the registered holders of ordinary shares of Obu Cement to be convened by an Order of the Court pursuant to section 539 of CAMA, notices of which are set out on pages 60 to 61 of this Scheme Document, including any adjournment thereof;
Court Sanction	means an order made by the Court pursuant to Section 539(3) CAMA approving and giving effect to this Scheme;
Effective Date	means the date on which a certified true copy of the Court Sanction is delivered to the CAC for registration;

9. THE SCHEME OF ARRANGEMENT BETWEEN OBU CEMENT AND ITS SHAREHOLDERS

Enlarged Company	means the resultant company from the merger with CCNN;
Existing Shares	means the 40 million paid-up ordinary shares of 50 Kobo each existing in the share capital of Obu Cement as at the Qualification Date;
NSE	means The Nigerian Stock Exchange;
Qualification Date	means 25 November 2019, the date on which the register of members of Obu Cement will be closed for the purposes of determining the shareholders who will be eligible to attend and vote at the Court-Ordered Meeting;
Qualifying CCNN Shareholders	means the shareholders whose names appear in the register of members of CCNN as at the Qualification Date;
Qualifying Obu Cement Shareholders	means the shareholders whose names appear in the register of members of Obu Cement as at the Qualification Date and who are eligible to attend and vote at the Court-Ordered Meeting;
Reconstructed Obu Cement Shares	means the 20,720,853,094 (Twenty Billion, Seven Hundred and Twenty Million, Eight Hundred and Fifty-Three Thousand and Ninety-Four) ordinary shares of Obu Cement consequent upon the reconstruction of Obu Cement's shares from 40,000,000 ordinary shares, pursuant to the Scheme;
Scheme	means this Scheme in its present form or with any modification thereof or addition thereto or condition approved or imposed by the Court, in consequence of which Obu Cement will assume all assets, liabilities and undertakings of CCNN;
Scheme Document	means the document setting out the Scheme, the Explanatory Statement, the Notice of the Court-Ordered Meeting and the various appendices therein;
Scheme Shareholders	means the holders of fully paid ordinary shares in CCNN whose names appear in the register of members of CCNN as at the Terminal Date;
Scheme Shares	means the 13,143,500,966 (Thirteen Billion, One Hundred and Forty-Three Million, Five Hundred Thousand and Nine Hundred and Sixty-Six) Obu Cement shares to be issued to the Scheme Shareholders pursuant to the Scheme;
SEC	means Securities and Exchange Commission;
Share Exchange Ratio	means 1:1 which shall represent the ratio of the CCNN ordinary shares to be exchanged for the Scheme Shares;
Terminal Date	means the Business Day immediately preceding the Effective Date; and
Transaction Date	means the date falling no later than 15 (fifteen) Business Days from the Effective Date.

2. As at the date of this Scheme, authorised share capital of Obu Cement is ₦20,000,000 (Twenty Million Naira) comprising 40 million ordinary shares of 50 Kobo each, all of which have been issued and fully paid up.

3. By a Board resolution dated 24 April 2019, the Board of Directors resolved to propose to the shareholders of Obu Cement that the share capital of Obu Cement be re-organised and that Obu Cement be combined with CCNN on the terms and conditions hereinafter set forth and to this end proposed that the necessary resolutions required by law to carry the Scheme into effect be passed by the shareholders of Obu Cement at a Court-Ordered Meeting.

9. THE SCHEME OF ARRANGEMENT BETWEEN OBU CEMENT AND ITS SHAREHOLDERS

4. CCNN has consented to undergo a scheme with the holders of its ordinary shares to effect the transfer of its assets, liabilities and undertakings to Obu Cement, in consideration for the issue by Obu Cement, of the Scheme Shares to the Scheme Shareholders, as contemplated by this Scheme.

B. THE SCHEME

1. TRANSFER AND ASSUMPTION OF THE ASSETS, LIABILITIES AND UNDERTAKINGS OF CCNN

- a. By the CCNN Scheme, it is proposed that Qualifying CCNN Shareholders will pass a resolution agreeing to transfer all CCNN's assets, liabilities and undertakings to Obu Cement. Subject to the CCNN Scheme being approved by a majority representing not less than three-quarters (3/4) in value of the ordinary shares held by the Qualifying CCNN Shareholders present and voting either in person or by proxy at the CCNN Court-Ordered Meeting, and the CCNN Scheme being approved by the SEC as may be required, and sanctioned by the Court, CCNN shall transfer all of its assets, liabilities and undertaking to Obu Cement upon the terms and conditions set out in the CCNN Scheme without any further act or deed.
- b. Subject to this Scheme being approved by a majority representing not less than three-quarters (3/4) in value of the ordinary shares held by the shareholders of Obu Cement present and voting either in person or by proxy at the Court-Ordered Meeting, and the Scheme being approved by the SEC as may be required, and sanctioned by the Court, Obu Cement shall assume all of CCNN's assets, liabilities and undertakings upon the terms and subject to the conditions set out in this Scheme, without any further act or deed.
- c. Subject to the CCNN Scheme, the entire issued share capital of CCNN shall be cancelled and CCNN be dissolved without being wound up.

2. ISSUANCE AND ALLOTMENT OF SCHEME SHARES

- a. In consideration for the transfer of the assets, liabilities and undertakings of CCNN to Obu Cement pursuant to 1a above, Obu Cement shall issue, allot and credit as fully paid to the Scheme Shareholders, the Scheme Shares in accordance with the Share Exchange Ratio.
- b. The Scheme Shares allotted pursuant to the foregoing shall for all intents and purposes after the Effective Date, rank pari passu and form a single class with the Existing Shares in the Share Capital of Obu Cement.
- c. Any fractional share that would have arisen from the allotment done pursuant to the foregoing sub-clauses shall be rounded up and credited to the Scheme Shareholders as a full Company share.

3. REGISTRATION OF THE COURT SANCTION

Following the grant of the Court Sanction, a certified true copy of the Court Sanction shall be delivered to the CAC for registration pursuant to section 539(4) of CAMA.

4. CONDITIONS PRECEDENT

The Scheme will become effective and binding on the shareholders of Obu Cement if:

- a. it is ratified by a majority representing not less than three-fourths (3/4) in value of Obu Cement's shares cast by shareholders present and voting either in person or by proxy at the Court-Ordered Meeting of Obu Cement;
- b. SEC approves with or without modification, the terms and conditions of the Scheme agreed by the majority referred to in paragraph (i) above; and
- c. The Court sanctions the Scheme with orders to the effect that:

9. THE SCHEME OF ARRANGEMENT BETWEEN OBU CEMENT AND ITS SHAREHOLDERS

- i. all the assets, liabilities and undertakings of CCNN, be assumed by Obu Cement without further act or deed as provided in the Scheme;
- ii. the Scheme Shares be issued and allotted and credited as fully paid to the Scheme Shareholders at the Share Exchange Ratio by the close of business on the Transaction Date;
- iii. the Reconstructed Obu Cement Shares be issued and allotted and credited as fully paid up to the Qualifying Obu Cement Shareholders by close of business on the Transaction Date;
- iv. the entire share capital of CCNN be cancelled;
- v. the contracts of employment of all employees and officers of CCNN who elect to continue their employment in the Enlarged Company be novated to Obu Cement;
- vi. all legal proceedings, claims and litigation, pending, contemplated or instituted by or against CCNN be continued by or against Obu Cement; and
- vii. A certified copy of the Court Sanction is delivered to the CAC for registration.

5. CONSEQUENCES OF THE SCHEME

Following the conclusion of the Scheme, Obu Cement shall cause the Scheme Shareholders' CSCS accounts to be credited within 15 Business Days from the Effective Date.

6. PLANS FOR EMPLOYEES AND DIRECTORS

- a. As from the Effective Date, all existing contracts of employment of all employees and officers of CCNN shall be novated to Obu Cement and such employees and officers shall become the employees and officers of the Enlarged Company. Where any employee of CCNN does not wish that his/her employment be novated to Obu Cement after the Scheme, such employee will be entitled to obtain his/her terminal benefits based on his/her existing contract of service.
- b. The proposed Scheme is not intended to jeopardize the employment of any employee of CCNN.
- c. The composition of the Board of Directors of the Enlarged Company shall be in accordance with the Articles of Association of Obu Cement.

7. CREDITORS

All loans raised and/ or used and all liabilities and obligations incurred by CCNN for the operations of its business on the Transaction Date shall be deemed to have been raised, used or incurred for and on behalf of Obu Cement and to the extent that they are outstanding on the Effective Date, shall without any further act or deed be and stand assumed by Obu Cement and shall become the liabilities and obligations of the Enlarged Company on the Effective Date.

8. CONTRACTS AND DEEDS

Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which CCNN is a party, subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favor of the Enlarged Company and may be enforced as fully and effectually as if, the Enlarged Company had been a party thereto.

9. EFFECTIVENESS OF THE SCHEME

- a. The Scheme shall become effective on the day on which a certified true copy of the Court Sanction is delivered to the CAC for registration (the Effective Date) and shall become

9. THE SCHEME OF ARRANGEMENT BETWEEN OBU CEMENT AND ITS SHAREHOLDERS

binding on all shareholders of Obu Cement, including those who were absent at the Scheme Meeting, those who attended but did not vote, and those who voted against the Scheme at the Scheme Meeting.

- b. Not later than 15 Business Days after the Effective Date Obu Cement shall take such procedural steps as are necessary to implement and give full force and effect to the issuance and allotment of the Scheme Shares provided for by Clauses 2a and 2b of this Scheme and shall credit their respective CSCS accounts.

10. MODIFICATION

The board of directors of Obu Cement may with the agreement of the board of directors of CCNN consent to any modification of or addition to the Scheme before the Effective Date which SEC and/or the Court may deem fit to approve or to any condition which the Court may impose.

Dated this 2nd day of September 2019

OLANIWUN AJAYI LP

(Legal Advisers to Obu Cement)

The Adunola

Plot L2, 401 Close

Banana Island

Ikoyi, Lagos

10. APPENDIX I – FURTHER INFORMATION REGARDING CCNN

10.1 BACKGROUND INFORMATION

A. Incorporation and Share Capital History

The authorised and paid up share capital of CCNN was ₦3,200,000 at incorporation. As at 31 December 2018, the authorised share capital of the company was ₦6,571,750,485 divided into 13,143,500,970 Ordinary Shares of 50 kobo each. The issued share capital was ₦6,571,750,483 divided into 13,143,500,966 Ordinary Shares of 50 kobo each.

The changes in the share capital of the company since inception are summarized below:

Date	Authorised (₦)		Issued and fully paid (₦)		Consideration
	Increase	Cumulative	Increase	Cumulative	
1962	3,200,000	3,200,000	3,200,000	3,200,000	Cash
1964	16,800,000	20,000,000	16,800,000	20,000,000	Cash
1984	3,600,000	23,600,000	3,600,000	23,600,000	Cash
1991	96,400,000	120,000,000	96,400,000	120,000,000	Cash
1995	80,000,000	200,000,000	30,000,000	150,000,000	Bonus (1 for 4)
1996	-	200,000,000	30,000,000	180,000,000	Loan conversion
1998	50,000,000	250,000,000	-	180,000,000	
2000	-	250,000,000	13,644,676	193,644,676	Debenture conversion
2000	125,000,000	375,000,000	-	193,644,676	
2001	-	375,000,000	174,280,209	367,924,885	Rights Issue
2002	130,000,000	505,000,000	-	367,924,885	
2003	-	505,000,000	117,826,106	485,750,991	Loan conversion
2004	-	505,000,000	73,270	485,824,261	Loan conversion
2005	50,000,000	555,000,000	48,582,426	534,406,687	Bonus (1 for 10)
2005	-	555,000,000	7,264,764	541,671,451	Loan conversion
2006	200,000,000	755,000,000	-	541,671,451	
2007	-	755,000,000	86,667,432	628,338,885	Rights Issue
2012	2,513,355,540	3,268,355,540	-	628,338,885	
2018	3,303,394,945	6,571,750,485	5,943,411,600	6,571,750,483	Merger

B. Shareholding Structure

As at the date of this Scheme Document, the 13,143,500,966 Ordinary Shares of 50 kobo each in the issued share capital of CCNN were beneficially held as follows:

Shareholders	No of Shares	% Holding
BUA Cement Company Limited	11,490,595,760	87.42
Others	1,652,905,206	12.58
Total	13,143,500,966	100.00

Other than the shareholder listed above, no individual shareholder owns more than 5% of the issued shares of CCNN.

C. Company's Activities

CCNN is engaged in the production and marketing of cement under the brand name Sokoto Cement. The company produces the CEM II cement grade at its 2 million MTPA plant in

10. APPENDIX I – FURTHER INFORMATION REGARDING CCNN

Sokoto state, Nigeria. CCNN's Sokoto Cement is used for a variety of construction purposes including block-making, plastering and concrete works.

D. Directors' Beneficial Interests

The interests of CCNN Directors in the issued share capital of the company as at the date of this Scheme Document are listed below;

	Direct	Indirect	Representing
Alhaji Abdulsamad Rabiu	396,227,440	12,356,573,791	BUA International Limited, Damnaz Cement Company Limited and BUA Cement Company Limited
Engr Yusuf Haliru Binji	7,093	-	-
Chimaobi K Madukwe	-	-	-
Alhaji Kabiru Rabiu	-	-	-
Finn Arnoldsen	-	-	-
Alhaji Shehu Abubakar	-	-	-
Sen Khairat Abdulrazaq Gwadabe	-	-	-
Alhaji Abbas Ahmad Gandi	-	-	-
Abubakar Magaji Esq.	45,456	-	-

E. Indebtedness

As at 31 December 2018, CCNN had no outstanding debentures mortgages, loans, charges or similar indebtedness or material contingent liabilities or other similar indebtedness, other than those incurred in the ordinary course of business.

10. APPENDIX I – FURTHER INFORMATION REGARDING CCNN

10.2 EXTRACTS FROM MEMORANDUM & ARTICLES OF ASSOCIATION

A. Memorandum of Association

1. The objects for which CCNN was established are:
 - (a) To carry on all or any of the business of manufacturers of and dealers and workers in cement, chalk, lime, plasters, artificial stone, and builders requisites and convenience of all kind, and of engineers, railways, training, ship, barge, lighter, and truck owners, wharf owners and wharfingers, quarry owners/farmers, landowners, factory owners, general manufacturers builders, general contractors and carriers or any other trade or business whatsoever which can, in the opinion of the Board, be advantageously carried on by the company in connection with or as ancillary to the general business of the company.
 - (b) To purchase, take on lease or in exchange, hire otherwise acquire and hold for any estate or interest, any lands, buildings, railways, tramlines, wharves easements right, privilege concessions, machinery, patents, trademarks, plant, stock-in-trade, and any real and personal property of any kind necessary or convenient for the company's business.
 - (c) To erect, construct, lay down, enlarge, alter and maintain any building factories, workshops railways, tramlines wharves plants, engineer works and machinery necessary or convenient for the Company's business.
 - (d) To borrow and raise money for the purpose of the Company's business.
 - (e) To mortgage and charge the undertaking and all or any of the real and personal property present or future an all or any of the uncalled capital for the time being of the company, and to issue at par or at a premium or discount debentures, mortgage debentures and debenture stock, payable to bearer or otherwise and either permanent or redeemable or repayable and collaterally or further to secure any securities of the company by a trust deed or other assurance.
 - (f) To issue and deposit any securities which the company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities and also by way of security for the performance of any contracts or obligations of the company.
 - (g) To receive money on deposit or loan, upon such terms as the company may approve and to guarantee the debts and contracts of customers.
 - (h) To make advances to customers and others with or without security, and upon such terms as the company may approve and generally to act as bankers for customers and others.
 - (i) To enter into partnership or any joint arrangement or any arrangement for sharing profit, or interest or cooperation with any company, proposing to carry on any business within the object of this company, and to acquire and hold shares, stock or securities of any company.
 - (j) To amalgamate with any of the company whose objects are, or include objects similar to those of the company whether by sale or purchases (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any such other company, as aforesaid, with or without winding up, or by sale or purchase (for fully or partly paid-up shares or otherwise) of all the shares or stock of this or any such other company as aforesaid or by partnership of stocks of this or any other company as aforesaid, or by partnership or any arrangement of the nature of partnership or in any other manner.
 - (k) To do all or any of the above things in any part of the world, and either as principals, agent trustees, contractors or otherwise, and either alone or in conjunction with others

10. APPENDIX I – FURTHER INFORMATION REGARDING CCNN

and either by or through local managers, agents, sub-contractors, trustees or otherwise, and to do all such other things as are incidental or conducive to the above objects or any of them.

B. Articles of Association

Alteration of Share Capital

41. The Directors may with the sanction of special resolution of the company, increase the share capital by 'such' to be divided into shares of such amount as the resolution shall prescribe.
42. If determined by the company by the resolution sanctioning the increase of the share capital, new shares may, before issue, be offered to such person as at the date of the offer are entitled to receive notice from the Company of General meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer share be made by notice specifying the number of shares offered and limiting a time within which the offer if not accepted, will be deemed to be declined and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offer, the director may dispose of the same in such manner as they think most beneficial to the company.

The Directors may likewise dispose of any new shares which (by reason of the ration which the new shares bears to shares held by person entitled to an offer of new shares) cannot in the opinion of the Directors be conveniently offered under the Articles.

43. Except insofar as it is otherwise provided by these Articles or by the conditions of issue any new shares shall be subject to the same provisions with affecting new reference to the payment of calls lien transfer transmission forfeiture, and capital otherwise as the share in the original ordinary share capital.
44. The company may, by special Resolution in General Meeting.
- (a) Consolidate and divide all or any part of its share capital into shares of larger amount than existing shares.
 - (b) Subdivide its shares or any of them, into share of smaller amount than is fixed by the memorandum so however, that in the subdivision the proportion unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.
 - (c) Cancel any shares, which at the date of passing of the resolution, have not been taken by any person, and diminish the amount of its share capital by the amount of share so cancelled.
 - (d) Reduce its shares capital in any manner and with, and of subject to any incident authorised, and consent required law.

General Meeting

45. The Statutory General Meeting of the company shall be held pursuant to section 211 of the Act.
46. A General Meeting to be known as the Annual General Meeting shall be held on in every year in accordance with Section 213, of the Act at such times not being more than fifteen months after the holding of the last preceding General Meeting and place as the Director shall appoint in Nigeria.
47. All General Meeting other than annual/General meetings shall be called Extra-Ordinary General Meeting and shall be held in accordance with section 215 of the Act.

10. APPENDIX I – FURTHER INFORMATION REGARDING CCNN

48. The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting, and Extra-Ordinary General Meetings shall also be convened by such requisitionists as provided by section 215 of the Act.

If at such time, there are not within Nigeria sufficient Directors capable of acting to form a quorum at a meeting of Directors and Directors or any two members may convene an Extra-ordinary General meeting in the same manner as nearly as possible as that in which meeting may be convened by the Directors.

Notice of Meetings

49. The notice required for all types of general meeting shall be 21 days from the date on which the notice was sent out. The notice shall be exclusive of the day on which it is served or to be served and for which it is given, and shall be given, in manner hereinafter mentioned or in such other manner if any, as may be prescribed by the company in general meeting to such persons as are under the regulation of the company, entitled to receive such notices from the company provide that a meeting of the company shall, notwithstanding that it is called by shorter notice than that specified in this regulation be deemed to have duly called if it is so agreed.
- (a) In the case of meeting called as the Annual General Meeting by all the members entitled to attend and vote thereat; and
- (b) In the case of any other meeting; by a majority in number of the members having a right to attend and vote at the meeting being a majority holding not less than 95 percent in nominal value of the shares giving that right or in case of a company, not having a share capital, together representing not less than 95 percent of the total voting rights at that meeting of all the members.
50. The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting.

Proceedings at General Meetings

51. All business transacted at annual general meetings and also in Extra-Ordinary General Meeting shall be deemed special business except declaring a dividend, the presentation of financial statements and the reports of the Directors and Auditors, the election of Directors in the place of those retiring the appointment of the Members of the audit committee which shall be ordinary business.
52. No business shall be transacted at any General Meeting unless a quorum of member is present at the time when the member proceeds to business save as herein otherwise provided three members present in person or proxy shall be a quorum.
53. If within an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved in any other case it shall stand adjourned to the same day in the next week at the time and place or to such time and place as the chairman of the meeting may determine, and if at the adjourned meeting, quorum is not present within an hour from the time appointed for the meeting, members present shall be a quorum.
54. The chairman, if any of the Board of Directors shall preside as chairman at every general meeting of the company.
55. If there is no such Chairman, or if at any meeting he is not present within one hour after the time appointed for holding the meeting or is unwilling to act as chairman the Directors present shall elect one of their members to be chairman of the meeting.
56. The chairman of the meeting may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourned the meeting from time to

10. APPENDIX I – FURTHER INFORMATION REGARDING CCNN

time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting save, as aforesaid it shall not be necessary to give any notice of an adjournment of the business to be transacted at an adjourned meeting.

57. At any general meeting, a resolution put to the vote shall be decided on show of hands, unless a poll is (before or on the declaration of the result of the show of hands demanded by the chairman where he is a shareholder or a proxy, at least three members present or by proxy representing not less than one tenth of the total voting rights of all the members having the right to vote at the meeting and unless a poll is not demanded a declaration by the chairman that a resolution has on a show of hands been carried or unanimously, or by a particular majority, or lost and an entry to that effect in the book containing minutes of the proceedings of the company, shall be conclusive evidence of the fact, without proof of number or proportion of the votes recorded in favour or against the resolution.
58. A poll demanded on the election of chairman, or on question of adjournment, shall be taken forthwith and on any other question shall be taken at such time as the chairman of the meeting directs and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.
59. In the case of an equality of votes, whether on show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
60. If at any general meeting any votes shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting in majority or shall otherwise in the opinion of the chairman of the meeting be of sufficient magnitude to vitiate the result of the voting.

Votes of Members

61. Subject to any rights or restriction attached to any voting class of share on a show of hands every member present in person or by proxy shall have one vote and on a poll every member present in person or by proxy shall have one vote for each share of which he is the holder.
62. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by order in which the names stand in the register of members.
63. A member of the unsound mind, or in respect of whom an order has been made by any court having jurisdiction in Lunacy, may vote, whether on a show of hands or on a poll, by his committee, or curator bonis appointed by the nature of a committee, or curator bonis or other person may, on a poll, vote by proxy.
64. No member shall be entitled to vote at any General meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
65. A proxy need not be a member, but a member may act as a proxy although he is not entitled on his own behalf to attend and vote at the meeting at which he acts as proxy.
66. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or in some manner approved by the director.
67. Any corporation which is a member may, by resolution of its Directors or by writing under the hand of any one of its directors, authorise such person as it thinks fit to act as

10. APPENDIX I – FURTHER INFORMATION REGARDING CCNN

its representative at any meeting of the company or of any class of members, and the person so authorised shall be entitled to exercise it as if he were an individual member. The production at the meeting of a copy of such resolution duly signed by one director of such corporation and certified by him, as being true copy of the resolution shall on production at the meeting be accepted by the company as sufficient evidence of the validity of the appointment of the representative of such corporation.

68. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office or at such other place within Nigeria as is specified for that purpose in the notice convening the meeting not less than forty-eight hours before the time of Holding the meeting at which the person named in the instrument proposed to vote or in the case of poll, not less than 24 hours before the time appointed for the taking of the poll.
69. An instrument appointing a proxy may be in the following form or in any form which the Directors shall approve.

THE CEMENT COMPANY OF NORTHERN NIGERIA
PUBLIC LIMITED COMPANY

"I _____ of _____ being a member of the above named Company hereby appoint _____ of Annual or extra-ordinary General Meeting of the Company to be held on _____ day of _____ and at any adjournment therefore signed this _____ day of _____

70. Unless otherwise directed by the Chairman of the meeting a vote given in accordance with the terms of the instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.

10. APPENDIX I – FURTHER INFORMATION REGARDING CCNN

10.3 DOCUMENTS AVAILABLE FOR INSPECTION BY CCNN SHAREHOLDERS

Copies of the following documents may be inspected at the offices of Stanbic IBTC Capital Limited at I.B.T.C. Place, Walter Carrington Crescent, Victoria Island, Lagos during normal business hours on any Business Day, until the Effective Date.

- i) The Certificate of Incorporation of CCNN;
- ii) The Memorandum and Articles of Association of CCNN;
- iii) The order of the Court convening the meeting of the holders of the ordinary shares of CCNN;
- iv) The signed Explanatory Statement;
- v) The audited financial statements of CCNN for each of the preceding five years from 31 December 2014 to 31 December 2018;
- vi) Claims & Litigation referred to on page 55 of Appendix VI;
- vii) The material contracts including the Financial Advisory Services Agreement between CCNN and Stanbic IBTC Capital Limited referred to on page 55 of Appendix VI;
- viii) The written consents referred to on page 56 of Appendix VI; and
- ix) The Valuation Report issued by Stanbic IBTC Capital Limited and Rand Merchant Bank Nigeria Limited.

11. APPENDIX II – FURTHER INFORMATION REGARDING OBU CEMENT

11.1 BACKGROUND INFORMATION

A. Incorporation and Share Capital History

As of the date of this Scheme document, the authorised and issued share capital of Obu Cement is ₦20,000,000 divided into 40,000,000 Ordinary Shares of 50 Kobo each.

B. Shareholding Structure

As at the date of this Scheme Document, the 40,000,000 Ordinary Shares of 50 Kobo each in the issued share capital of Obu Cement was beneficially held as follows:

Shareholders	No. of Shares	% Holding
Abdulsamad Rabi, CON	36,000,000	90
Isiaku Rabi	4,000,000	10
Total	40,000,000	100

C. Company's Activities

Obu Cement is primarily engaged in the business of quarrying, extracting, processing and dealing in limestone and the manufacture and supply of cement.

D. Directors' Beneficial Interests

The interests of Obu Cement Directors in the issued share capital of the company as at the date of this Scheme Document are listed below:

	Direct	Indirect	Representing
Abdulsamad Rabi CON	36,000,000	NIL	90%

E. Indebtedness

As at 31 December 2018, Obu Cement had no outstanding debentures mortgages, loans, charges or similar indebtedness or material contingent liabilities or other similar indebtedness, other than those incurred in the ordinary course of business.

11. APPENDIX II – FURTHER INFORMATION REGARDING OBU CEMENT

11.2 REPORTING ACCOUNTANTS' REPORT ON OBU CEMENT



Thursday,
18 July, 2019

The Director,
OBU Cement Company Plc,
32 Churchgate Street,
Victoria Island,
Lagos State,
Nigeria.

and

The Director
Stanbic IBTC Capital Limited,
I.B.T.C. Place,
Walter Carrington Crescent,
Victoria Island,
Lagos State,
Nigeria.

Gentlemen,

Office 24, Ladipo Oluwole Street,
Adeniyi Jones Avenue, Ikeja.
Postal P. O. Box 14802, Ikeja,
Lagos, Nigeria.
☎ 01-8620276, 0809 622 7865
E-mail aobgbc1@yahoo.co.uk
aobgbc2@yahoo.co.uk
www.gbc-consult.com

ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF OBU CEMENT COMPANY PLC FOR THE SEVEN MONTH PERIOD ENDED 31 DECEMBER, 2014 AND FOUR YEARS ENDED 31 DECEMBER, 2018.

Report on the Financial Information

We have reviewed the accompanying statement of financial position for the seven month period ended 31 December, 2014 and four years ended 31 December 2015, 2016, 2017 and 2018 and statement of profit or loss and other comprehensive income for the periods then ended. The financial information was derived from the audited financial statements of OBU Cement Company Plc for the seven month period ended 31 December, 2014 and four years ended 31 December 2015, 2016, 2017 and 2018 and in accordance with Note 1 to the summarized financial information.

The financial statements for the seven month period ended 31 December, 2014 and four years ended 31 December 2015, 2016, 2017 and 2018 were audited by Pricewaterhousecoopers (PWC).

Directors' Responsibility for the Financial Information

The Directors are responsible for the preparation of these financial information which are derived from the financial statements and the Financial statements which were prepared in accordance with the International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act CAP120 LFN 2004 and the Financial Reporting Council Act No.6, 2011 and for such internal control as Directors determine is necessary to enable the preparation of the financial statements that are free from material

A. O. Badejo B.Sc. (Hons.) FCA

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11. APPENDIX II – FURTHER INFORMATION REGARDING OBU CEMENT

Accountants' Responsibility for the Financial Statements

Our responsibility is to express a conclusion on the accompanying financial information. We conducted our review in accordance with the International Standard on Review Engagement (ISRE) 2400 (Revised), Engagements to review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of the financial information in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We have performed procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with the International Standards on Auditing (ISA). Accordingly we do not express an audit opinion on these financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial information have not been prepared:

- i. so as to give a true and fair view of the state of OBU Cement Company Plc's affairs as at 31 December, 2014, 2015, 2016, 2017 and 2018 and of its profit or loss for the year then ended,
- ii. in accordance with the International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act CAP 120 LFN 2004 and the Financial Reporting Council Act No 6, 2011.

Use of our Report

This Report is solely for the use of the Directors of OBU Cement Company Plc and other relevant parties. Our review has been undertaken so that we might state to the Company's Directors those matters we have agreed to state to them in a reviewers' report and for no other purpose. No part of this report may be quoted or circulated outside these parties without the prior written approval of Gbenga Badejo & Co.


Adesuyi Oluwayomi Bamidele, FCA
FRC/2014/ICAN/00000007990
Gbenga Badejo & Co.,
(Chartered Accountants),
24, Ladipo Oluwole Street,
Off Adeniyi Jones Avenue,
Ikeja, Lagos State.



Date: 19th July, 2019

11. APPENDIX II – FURTHER INFORMATION REGARDING OBU CEMENT

Note 1

The summary financial information comprises the statement of financial position for the seven month period ended 31 December, 2014 and four years ended 31 December 2015, 2016, 2017 and 2018 and statement of profit or loss and other comprehensive income for the periods then ended; derived from the full financial statements prepared in accordance with the Company's accounting policy.

Statement of financial Position

	31 December 2018	31 December 2017	31 December 2016	31 December 2015	31 December 2014
	N'000	N'000	N'000	N'000	N'000
Assets					
Non-current assets					
Property, plant and equipment	167,862,190	156,696,279	128,643,984	117,145,691	103,684,866
Intangible assets	1,023,085	965,800	575,691	349,480	93,912
Deferred tax asset	10,972,246	-	-	1,532,772	103,751
	179,857,521	157,662,079	129,219,675	119,027,943	103,882,529
Currents assets					
Inventories	8,290,889	5,984,719	4,203,628	2,677,770	110,588
Due from related parties	60,216,759	36,779,547	15,577,074	337,340	-
Trade and other receivables	533,736	687,171	473,700	146,366	-
Cash and cash equivalents	1,272,652	2,917,584	3,665,355	577,957	-
	70,314,036	46,369,021	23,919,757	3,739,433	110,588
Total assets	250,171,557	204,031,100	153,139,432	122,767,376	103,993,117
Equity attributable to shareholders					
Ordinary share capital	20,000	20,000	20,000	20,000	20,000
Retained earnings/(Accumulated loss)	85,994,767	29,319,662	5,596,126	(3,592,058)	(245,755)
Total equity	86,014,767	29,339,662	5,616,126	(3,572,058)	(225,755)
Liabilities					
Current liabilities					
Trade and other payables	27,421,901	32,022,451	31,768,286	5,614,501	3,000
Contract liabilities	5,940,771	-	-	-	-
Due to related parties	124,074,794	122,753,697	109,753,093	118,543,540	104,215,872
Current income tax liabilities	-	1,483,785	481,789	-	-
Borrowings	3,410,332	-	-	-	-
Provision	3,308,992	3,302,870	5,136,868	2,181,393	-
	164,156,790	159,562,803	147,140,036	126,339,434	104,218,872
Non-current liabilities					
Deferred tax liability	-	15,128,635	383,270	-	-
	-	15,128,635	383,270	-	-
Total liabilities	164,156,790	174,691,438	147,523,306	126,339,434	104,218,872
Total equity and liabilities	250,171,557	204,031,100	153,139,432	122,767,376	103,993,117

11. APPENDIX II – FURTHER INFORMATION REGARDING OBU CEMENT

Statement of profit or loss and other comprehensive income

	Year end				Seven-Month ended
	31 December	31 December	31 December	31 December	31 December
	2018	2017	2016	2015	2014
	N'000	N'000	N'000	N'000	N'000
Revenue from contract with customers	87,290,610	87,193,161	48,638,749	5,653,367	-
Cost of Sales	(40,290,541)	(36,278,938)	(22,229,206)	(6,527,646)	-
Gross Profit	47,000,069	50,914,223	26,409,543	(874,279)	-
Administrative expenses	(8,852,720)	(5,642,415)	(8,629,860)	(706,034)	(355,106)
Distribution and selling expenses	(4,509,755)	(576,241)	(312,436)	(141,632)	-
Net impairment losses on financial assets	(2,380,382)	-	-	-	-
Other Income	3,892,631	11,270	18,650	10	5,600
Operating profit	35,149,843	44,706,837	17,485,897	(1,721,935)	(349,506)
Finance income	-	313,303	-	-	-
Finance cost	(3,329,744)	(5,549,243)	(5,899,882)	(3,053,389)	-
Net Finance cost	(3,329,744)	(5,235,940)	(5,899,882)	(3,053,389)	-
Profit/(Loss) before Tax	31,820,099	39,470,897	11,586,015	(4,775,324)	(349,506)
Income tax credit/(expenses)	26,765,768	(15,747,361)	(2,397,831)	1,429,021	103,751
Profit/(Loss) after Tax	58,585,867	23,723,536	9,188,184	(3,346,303)	(245,755)
Total comprehensive profit/(loss) for the year	58,585,867	23,723,536	9,188,184	(3,346,303)	(245,755)
Earnings/(loss) per share					
Basic and diluted (Naira)	2,992.29	1,186.18	459.41	(167.32)	(10.29)

11. APPENDIX II – FURTHER INFORMATION REGARDING OBU CEMENT

11.3 EXTRACTS FROM MEMORANDUM & ARTICLES OF ASSOCIATION

Memorandum of Association

1. The objects for which Obu Cement was established are:
 - a) To produce, manufacture, treat, process, prepare, refine, import, export, purchase, sell and generally deal in either as principals or as agents either solely or in partnership with others, all types and kinds of cement ordinary, white colored, Portland, pozzolana, alumina, blast furnace, silica and all other varieties of cement, lime and limestone, clinker and/or by-product thereof, as also cement products of any or all descriptions, such as pipes, poles, slabs, asbestos sheets, blocks, tiles, garden wares, plaster of paris, lime pipes, building materials and otherwise, and articles, things, compounds and preparations connected with the aforesaid products and in connection therein to take on lease or otherwise acquire, erect, construct, establish, work, operate and maintain factories, quarries, mines and workshop
 - b) To carry on all or any of the business as manufacturers and dealers in cement products, lime, plasters, whiting clay, gravel, sand, minerals, earth, coke, fuel, gypsum, coal, jute, Hessian cloth, gunny bags, paper bags, artificial stores and all builders requisite made out of cement and cement products and conveniences of all kinds
 - c) To carry on the business of manufacturers and dealers in cement products, lime, plasters, whiting clay, gravel, sand, concrete, mortar, minerals earth coke fuel artificial stone and builders requisites and conveniences of all kinds and to produce manufacture, purchase, refine, prepare, process, import, export, sell and generally deal in cement, Portland cement, alumina cement, plaster of paris, lime and lime stone, marble granite, kankar and or by products thereof and in connection therewith to acquire erect, construct establish, operate and maintain cement factories workshops and other works
 - d) To manufacture and deal in any goods which the company may cache the company conveniently manufacture or deal in while engaged in the manufacture and supply of cement and associated products; or to carry on any business whatsoever which the company may wish to carry on
 - e) To acquire any such shares, share stocks, debentures, debenture stocks, bonds, mortgages obligations and other securities by original subscription, syndicate participation, tender purchase exchange or otherwise subscribe for the same either conditionally or otherwise and guarantee the subscription thereof
 - f) To borrow or rent money in such manner as the company shall think fit and in particular by the issue of debenture stocks (perpetual or otherwise) and to secure the repayment of any money borrowed raised or owing by mortgage charge or lean upon the whole of any part of the company's property or assets (whether present or future) including its uncalled capital and also by a similar mortgage charge or lean to secure and guarantee the performance of any obligations or liability it may undertake
 - g) To remunerate any persons whether directors, officers, or agents of this company and any other firm or company rendering services to this company either by cash payment or by the allotment to him or her of bloc shares or securities or securities of the company credited as paid up in full or in part or otherwise as may be thought expedient

Articles of Association

Alteration of Capital

- 5 The company may from time to time by ordinary resolution effect an alteration of its share capital in any of the ways set out in section 100 of the Act.
- 6 Subject to the provisions of the Act on reduction of capital, the company may whenever it considers it expedient to do so, by special resolution reduce its share capital, any capital redemption fund or any share *premium* account.

11. APPENDIX II – FURTHER INFORMATION REGARDING OBU CEMENT

Meetings

- 7 The annual general meeting shall be held at such time and place as the directors shall appoint.
- 8 The chairman, if any, of the Board of Directors shall preside as a chairman at every general meeting of the company, or if there is no such chairman or if he is not present within thirty minutes after the time appointed for the holding of the meeting or is unwilling to act, the directors present shall elect one of their number to be chairman of the meeting.
- 9 If at any meeting no director is willing to act as chairman or if no director is present within thirty minutes after the time appointed for the holding the meeting, the members present shall choose one of their number to be chairman of the meeting.

Voting

- 10 No member shall be entitled to vote at any general meeting unless all calls or other sums payable by him in respect of shares in the company have been paid.

Notices

- 12 A notice may be given by the company to any member either personally or by sending it by post to him or to his registered address, or (if he has no registered address within Nigeria) to the address, if any, within Nigeria supplied by him to the company for the giving of notice to him. When a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected at the expiration of seven days after the letter containing the same is posted.

11.4 DOCUMENTS AVAILABLE FOR INSPECTION BY OBU CEMENT SHAREHOLDERS

Copies of the following documents may be inspected at the offices of Rand Merchant Bank Nigeria Limited at 3rd Floor Wings East Tower, 17A Ozumba Mbadiwe Street, Victoria Island, Lagos during normal business hours on any Business Day, until the Effective Date.

- i) The Certificate of Incorporation of Obu Cement;
- ii) The Memorandum and Articles of Association of Obu Cement;
- iii) The order of the Court convening the meeting of the holders of the ordinary shares of Obu Cement;
- iv) The signed Explanatory Statement;
- v) The audited financial statements of Obu Cement for each of the preceding five years from 31 December 2014 to 31 December 2018;
- vi) Claims & Litigation referred to on page 55 of Appendix VI;
- vii) The material contracts including the Financial Advisory Services Agreement between Obu Cement and Rand Merchant Bank Nigeria Limited referred to on page 55 of Appendix VI;
- viii) The written consents referred to on page 56 of Appendix VI; and
- ix) The Valuation Report issued by Stanbic IBTC Capital Limited and Rand Merchant Bank Nigeria Limited

12. APPENDIX III – PROFORMA FINANCIAL INFORMATION OF THE ENLARGED COMPANY

12.1 KEY ASSUMPTIONS

The pro-forma Statement of Financial Position and Income Statement have been prepared in accordance with International Financial Reporting Standards (IFRS), as required by the Financial Reporting Council of Nigeria.

Assumptions used in preparing the pro-forma Statement of Financial position

- i) The pro-forma Financial Position has been prepared on the assumption that all Scheme Shareholders will receive shares in the Enlarged Company as consideration.
- ii) Following the merger, and in accordance with IFRS 3, the assets of CCNN and Obu Cement have been placed at their fair value.

Assumptions used in preparing the pro-forma Income Statement

- i) The financial impact of transactions among the Merging Entities has been eliminated.
- ii) The impact of the fair value adjustments on assets have been considered.

12.2 UNAUDITED PROFORMA FINANCIAL POSITION

The pro-forma Financial Position set out hereunder has been prepared for illustrative purposes only and, given its nature, may not present a true picture of the Enlarged Company's post-merger financial position.

The pro-forma Financial Position of the post-merger entity has been prepared by combining the historical financial positions of CCNN as at 31 December 2018 and Obu Cement as at 31 December 2018, assuming the merger was effective on 01 January 2019.

	CCNN Pre-merger	Obu Cement Pre-merger	Enlarged Company Post-merger
Assets			
Non-current Assets	(N'000)	(N'000)	(N'000)
Property, Plant and Equipment	219,573,208	167,862,190	387,435,398
Intangible Assets	110,890,671	1,023,085	111,913,756
Deferred tax asset	-	10,972,246	10,972,246
Total non-current assets	330,463,879	179,857,521	510,321,400
Current Assets			
Inventories	12,642,312	8,290,889	20,933,201
Trade and other receivables	4,044,361	533,736	4,578,097
Cash and cash equivalent	595,904	1,272,652	1,868,556
Due to related companies	-	60,216,759	60,216,759
Total current assets	17,282,577	70,314,036	87,596,613
Total assets	347,746,456	250,171,557	597,918,013
Equity and liabilities			
Equity			
Share Capital	6,571,751	20,000	6,591,751
Share Premium	312,352,806	-	312,352,806
Retained Earnings	14,334,165	85,994,767	100,328,932
Other reserves	228,966	-	228,966
Total equity	333,487,688	86,014,767	419,502,455

12. APPENDIX III – PROFORMA FINANCIAL INFORMATION OF THE ENLARGED COMPANY

Liabilities

Non-current liabilities

Deferred tax liabilities	1,288,054	-	1,288,054
Long term borrowings	118,287	-	118,287
Deferred revenue	5,701	-	5,701
Employee benefit liability	1,255,236	-	1,255,236
Provision	37,246	-	37,246
Total non-current liabilities	2,704,524	-	2,704,524

Liabilities

Current liabilities

Trade and other payables	8,861,084	27,421,901	36,282,985
Income tax payables	2,257,725	-	2,257,725
Contract liabilities	-	5,940,771	5,940,771
Provision of decommissioning liability	-	3,308,992	3,308,992
Short term borrowings	409,149	3,410,332	3,819,481
Deferred revenue	26,287	-	26,287
Due to related companies	-	124,074,794	124,074,794
Total current liabilities	11,554,244	164,156,790	175,711,034
Total liabilities	14,258,768	164,156,760	178,415,558
Total liabilities and equity	347,746,456	250,171,557	597,918,013

12.3 UNAUDITED PROFORMA INCOME STATEMENTS

The pro-forma income statement for the 12-month period ending 31 December 2018, set out hereunder, have been prepared for illustrative purposes only and, given its nature may not present a true picture of the Enlarged Company's post-merger financial position.

For the 12-month period ending 31 December 2018	CCNN Pre-merger	Obu Cement Pre-merger	Enlarged Company Post-merger
	(N'000)	(N'000)	(N'000)
Revenue	31,721,962	87,290,610	119,012,572
Cost of sales	(17,511,016)	(40,290,541)	(57,801,557)
Gross profit	14,210,946	47,000,069	61,211,015
Other Income	243,492	3,892,631	4,136,123
Selling and distribution costs	(1,571,066)	(4,509,755)	(6,080,821)
Administrative expenses	(5,008,797)	(8,852,720)	(13,861,517)
Net Impairment losses on financial assets	-	(2,380,382)	(2,380,382)
Finance cost	(420,499)	(3,329,744)	(3,750,243)
Finance income	137,591	-	137,591
Profit before interest & tax	7,591,667	31,820,099	39,411,766
Income tax	(1,860,347)	26,765,768	24,905,421
Profit for the year	5,731,320	58,585,867	64,317,187

12. APPENDIX III – PROFORMA FINANCIAL INFORMATION OF THE ENLARGED COMPANY

12.4 PROFORMA STATEMENT OF SHAREHOLDING

Upon the Schemes taking effect, in accordance with the terms and conditions stated in this Document, the ordinary shares of the Enlarged Company will be beneficially held as follows:

Shareholders	No. of Shares	% Holding
Alhaji Abdulsamad Rabi	18,648,767,785	55.07
BUA Cement Company Limited	11,490,595,760	33.93
Others	3,724,990,515	11.00
Total	33,864,354,060	100.00

The Merging Entities are conscious that the Enlarged Company will not meet The NSE's free float requirement following the implementation of the Merger.

Immediately following the Proposed Merger, the Board of Obu Cement will engage the key shareholders of the Enlarged Company and The NSE to agree the appropriate strategy to meet the free float requirement. The strategy may include pursuing a premium board listing on The NSE; and/or a controlled sell-down of key shareholders' stake on The NSE.

13. APPENDIX IV – FAIRNESS OPINION



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The Board of Directors
Cement Company of Northern Nigeria Plc
Km. 10, Kalamaina Road
Sokoto, Nigeria

3 July 2019

Dear Sir

Independent expert's opinion on the fairness and reasonableness of the share exchange ratio in connection with the proposed merger of Cement Company of Northern Nigeria Plc with Obu Cement Company Limited ("the Transaction")

Introduction

The Board of Directors of Cement Company of Northern Nigeria Plc ("CCNN" or "the Company") and Obu Cement Company Limited ("Obu Cement"); (both referred to as "the Merging Entities") have agreed to a merger of the two entities in order to create additional value for shareholders deriving from operational synergies, administrative efficiencies and access to new geographical markets.

Based on the letter dated 24 April 2019 written to the Board of Directors of CCNN by Obu Cement, the Transaction will involve the transfer of all CCNN's assets, liabilities and undertakings including employees, real properties and intellectual property rights to Obu Cement. In consideration for the transfer, CCNN shareholders will receive shares in Obu Cement and the Company will be dissolved without being wound up. This will be implemented via a Scheme of Arrangement between CCNN and its shareholders and between Obu Cement and its shareholders, pursuant to Section 539 of the Companies and Allied Matters Act, 2004 ("the Scheme").

KPMG Professional Services (KPMG) has been appointed by the Board of Directors of CCNN to provide an independent expert's opinion on the fairness of the proposed share exchange ratio for the merger.

Responsibility

Compliance with NSE listing requirements and SEC regulations is the responsibility of the Boards of the Merging Entities ("the Board"). The Board is also responsible for the fairness of the valuation of the respective Merging Entities.

Our responsibility is to express an opinion as to the fairness and reasonableness of the proposed share exchange ratio in connection with the Transaction.

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Document classification: KPMG Confidential



KPMG is entitled to receive a fixed fee plus reasonable out-of-pocket expenses and VAT for our opinion. This fee is not contingent in whole or in part on the conclusions reached in this opinion or the completion of the Transaction. KPMG has no interest in the Merging Entities.

Definition of the term “fair”

For the purpose of this opinion, “fair market value” and “fair value” are defined as the price available in an open and unrestricted market, between informed, prudent parties acting at arm’s length and under no compulsion to act, expressed in terms of money or money’s worth, as determined in the context of the Transaction. Fairness is primarily based on quantitative issues while reasonableness is based largely on qualitative issues.

The proposed exchange ratio between the Merging Entities for the purpose of the Transaction may be considered fair if it is based on the fair value of the respective Merging Entities. Even though the proposed exchange ratio may differ from what would be determined using the fair value of the Merging Entities, the proposed exchange ratio may be considered reasonable in certain circumstances after considering certain qualitative factors.

Procedures

In arriving at our opinion, we have, inter alia, considered the following:

- Indicative valuation of the Merging Entities provided by the valuation adviser, Stanbic-IBTC Capital Limited dated March 2019;
- Certain information relating to CCNN including audited financial statements for the period ended 31 December 2016 to 31 December 2018, financial forecast for the period ended 31 December 2019 to 31 December 2023 including management assumptions;
- Certain information relating to Obu Cement including financial forecast for the period ended 31 December 2019 to 31 December 2023 including management assumptions;
- Letter dated 24 April 2019 by Obu Cement to the Board of Directors of CCNN regarding the proposed merger and the key terms and conditions of the Transaction;
- Certain public stock market and financial data for publicly traded companies considered comparable to the Merging Entities;
- Certain publicly available information on transactions involving publicly traded companies considered reasonably comparable to this transaction; and
- The relative liquidity of the shares of the Merging Entities.

TC



Assumptions and limitations

KPMG has relied upon the fact that all of the financial and other factual information, data, advice, opinions or representations obtained by it from public sources and the representative of the Merging Entities (hitherto collectively referred to as “the Information”) is complete, accurate and has been fairly presented.

With respect to forecast financial information and valuation provided to KPMG, we believe that it has been reasonably prepared on a basis reflecting the best currently available estimates and judgments of management of the Merging Entities as to the matters covered thereby. We believe this is reasonable on the basis of the procedures undertaken, including discussing the basis of preparation and key assumptions with the management and financial advisers to the Merging Entities, a comparison with historical results, and a review of publicly available information concerning the key markets in which the Merging Entities operate.

Our procedures and enquiries did not constitute an audit in terms of the International Standards for Auditing (ISA) and accordingly, we do not express any opinion on the financial data or other information used in arriving at our opinion.

In providing this opinion, KPMG is not making any recommendation to any person as to how to vote or otherwise deal with his or her shares in connection with the Transaction in whole or in part. An individual shareholder’s decision may be influenced by such shareholder’s particular circumstances and such a shareholder should consult an independent expert if such a shareholder is in any doubt as to the merits or otherwise of the Transaction. KPMG’s opinion does not purport to cater for individual shareholders.

KPMG’s conclusions are rendered on the basis of financial, economic and general business conditions prevailing as at the date of this opinion, and the condition and prospects, financial and otherwise, of the Merging Entities as they were reflected in the information and as they have been represented to KPMG in discussions with the representative of the Merging Entities.

No opinion, counsel, or interpretation is intended in matters that require legal or other appropriate professional advice. It is assumed that such opinions, counsel or interpretations have been or will be obtained from the appropriate professional sources.

This opinion is given as of **3 July 2019**. KPMG disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting this opinion, which may occur after the date of this opinion. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting this opinion after the date hereof, KPMG reserves the right, but will be under no obligation, to change, modify or withdraw this opinion.

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Moreover, KPMG reserves the right, but will be under no obligation, to complete any additional analyses that might be subsequently required, following the receipt of additional information.

Opinion

Based upon and subject to the foregoing and such other matters KPMG considered to be relevant as at the date hereof, KPMG is of the opinion that the proposed exchange ratio of 1:1, which represents one reconstructed ordinary share in Obu Cement for every one ordinary share held in CCNN, appears to be fair and reasonable.

Consent

We consent to the inclusion of this letter and the reference to our opinion in the Scheme Document to be issued to the shareholders of the Merging Entities in the form and context in which it appears.

Yours faithfully

Ijeoma Emezio-Ezigbo
Partner, Deal Advisory



02 September 2019

To the Shareholders of Cement Company of Northern Nigeria Plc

Dear Sir/Madam

Proposed Merger between Cement Company of Northern Nigeria Plc and Obu Cement Company Plc

Introduction

Cement Company of Northern Nigeria Plc (“CCNN” or the “Company”) is considering a merger of its operations with Obu Cement Company Plc (“Obu Cement”) (the “Proposed Merger”).

The Board of Directors of CCNN has appointed Stanbic IBTC Capital Limited (“Stanbic IBTC Capital”) as Financial Adviser to CCNN with respect to the Proposed Merger. Pursuant to Rule 20.7, Part C of the Nigerian Stock Exchange Rules (“NSE Rules”), Stanbic IBTC Capital in its capacity as Financial Adviser to CCNN is required to provide this opinion with respect to the Proposed Merger. The NSE Rules require that this opinion state whether the Proposed Merger;

1. is executed on normal commercial terms; and
2. is prejudicial to the interests of the issuer and its minority shareholders.

Our understanding of the required opinion

Normal Commercial Terms: “Normal commercial terms” are understood to imply that the negotiated consideration for the transfer of the assets, liabilities and undertakings of CCNN to Obu Cement does not include provisions which unduly favor either party to the Proposed Merger.

Prejudicial to the interests of the issuer and its minority shareholders: In considering whether the interests of the issuer and its minority shareholders are prejudiced, a review of the costs and benefits of the Proposed Merger to the Company and its minority shareholders is considered. This review includes the rights of minority shareholders to vote at the meeting of the shareholders to approve the Proposed Merger, and whether provisions for dissenting shareholders are in line with statutory requirements.

Basis of opinion

We have reviewed certain financial and non-financial information obtained from CCNN and other public sources in the course of our work. Our conclusion is based on the assumption that the information reviewed is complete and accurate in all material respects.

Our opinion is based on:

- the rationale for the Proposed Merger as represented by the directors and management of CCNN;
- our consideration of the proforma financial information provided for the Enlarged Entity;
- our valuation of CCNN and Obu Cement using different valuation methodologies and determination of an acceptable range for the share exchange ratio;
- the understanding that neither CCNN and Obu Cement entities have material legal proceedings, liabilities or contingencies, other than as disclosed, that could materially affect the value of any of either entity; and
- the understanding that BUA Cement Company Limited, Damnaz Cement Company Limited, Alhaji Abdulsamad Rabiu and BUA International Limited, will abstain from voting at the court ordered meeting of the shareholders to approve the Proposed Merger.

14. APPENDIX V – CCNN’S FINANCIAL ADVISER’S OPINION

Opinion

In our opinion, the Proposed Merger is being executed on normal commercial terms and is not prejudicial to the interests of CCNN or its minority shareholders.

Caveats

This opinion is based on forecasts, statements, estimates and projections supplied to us by CCNN and reflects prevailing market and economic conditions as well as our views as of the date of this letter, all of which are accordingly subject to change.

The opinion expressed herein represents Stanbic IBTC Capital’s judgment and should be regarded as indicative, preliminary and for illustrative purposes only. In preparing this opinion, we have relied upon and assumed to the best of our knowledge, without independent verification, the accuracy and completeness of all information available from public sources or which was provided to us by or on behalf of the Company or which was otherwise reviewed by us. In addition, our analyses are not and do not purport to be appraisals of the assets, stock, or business of the Company or any other entity.

The information contained in this opinion does not purport to be all inclusive or to contain all of the information that the recipient may deem material to its decision to participate in the Proposed Merger.

Stanbic IBTC Capital shall have no liability (whether in contract, delict or otherwise) for any direct, indirect or consequential loss or damage suffered due to reliance being placed on this letter or the information contained herein.

Each recipient of this letter acknowledges and understands that: (a) Stanbic IBTC Capital is not providing financial, legal, tax, regulatory, accounting or any other advice and nothing in this letter or which may otherwise be communicated or done in connection herewith constitutes advice of any sort to the recipient; (b) there may be financial, legal, tax, regulatory or accounting risks associated with the Proposed Merger and each recipient should receive advice from its advisers with appropriate expertise to assess relevant risks; and (c) each recipient should apprise herself or decision makers in its organization regarding such advice and the disclaimers as to these matters contained herein.

The opinion contained in our letter is provided exclusively for the use of the shareholders of CCNN in connection with the Proposed Merger. Therefore, it should not be relied upon by any other persons or for any other purpose.

Yours faithfully



Funso Akere
Chief Executive
Stanbic IBTC Capital Limited

15. APPENDIX VI – STATUTORY AND GENERAL INFORMATION

15.1 RESPONSIBILITY STATEMENT

The Directors of CCNN and Obu Cement have taken all reasonable care to ensure that the facts stated, and opinions expressed in this Document with regard to CCNN and Obu Cement respectively are both fair and accurate. The Directors confirm, having made all reasonable enquiries that to the best of their knowledge and belief as at the date of this Document, no material facts concerning their respective companies have been omitted from this Document. The Directors hereby accept responsibility for the information provided.

15.2 CLAIMS & LITIGATIONS

Cement Company of Northern Nigeria Plc

As at April 26, 2019, CCNN was involved in 2 suits. Only one of the suits has a monetary claim in the sum of ₦32,500,000 (Thirty-Two Million, Five Hundred Thousand Naira) (minus interest claims) against the CCNN. The reliefs sought in the other suit (which is on appeal at the Supreme Court of Nigeria) are declaratory in nature.

Based on the information provided, G. Elias in their report dated May 2, 2019 are of the opinion that the claims against CCNN are inconsequential and are unlikely to have a material adverse effect on the CCNN Scheme.

Obu Cement Company Plc

As at May 2019, there are no pending or contemplated claims/litigation involving Obu Cement.

Based on the information provided, Olaniwun Ajayi LP in their report dated 3 May 2019 have also confirmed that there are no pending action, suits, or non-litigation claims against the company, its officers or its assets before any court, governmental department, agency, regulatory body or administrative tribunal and there is no basis for any such action, suit, investigation, proceedings or claims.

15.3 MATERIAL CONTRACTS TO THE SCHEMES

Cement Company of Northern Nigeria Plc

The following agreement(s) have been entered into by CCNN and are deemed material to the CCNN Scheme:

1. Financial Advisory Services Agreement dated 03 September 2019, between CCNN and Stanbic IBTC Capital Limited;
2. Loan Agreements between CCNN and Bank of Industry Limited;
3. Deed of debenture between CCNN and Afribank Nigeria Plc (now Polaris Bank Limited) dated May 19, 1997;
4. All assets debenture between CCNN and Union Bank of Nigeria Plc dated September 7, 2004; and
5. EPC Turnkey Contract for the Design, Engineering, Supply and Construction of the Sokoto 6,000 TPD Cement Production Plant Line between Kalambaina Cement Company Limited (now CCNN pursuant to an order of the Federal High Court of Nigeria, Lagos on December 24, 2018) and CBMI Construction Co. Limited dated December 12, 2018.

Obu Cement Company Plc

The following agreement(s) have been entered into by Obu Cement and are deemed material to the Obu Cement Scheme:

15. APPENDIX VI – STATUTORY AND GENERAL INFORMATION

1. Mandate Letter issued by Obu Cement Company Plc appointing Rand Merchant Bank Limited as Financial Adviser; and
2. Financial Advisory Services Agreement dated 03 September 2019 between Obu Cement Company Plc and Rand Merchant Bank Nigeria Limited.

15.4 CONSENTS OF PARTIES TO THE SCHEMES

Cement Company of Northern Nigeria Plc

The following have given and have not withdrawn their written consents to the issue of this Scheme Document with the inclusion of copies of their reports and references to their names in the form and context in which they appear herein:

Directors:	Alhaji Abdulsamad Rabiu, CON Engineer Yusuf Haliru Binji Chimaobi K. Madukwe Alhaji Kabiru Rabiu Finn Arnoldsen Abubakar Magaji Esq. Alhaji Abbas Ahmad Gandi Alhaji Shehu Abubakar Senator Khairat Abdulrazaq Gwadabe
Company Secretary:	Ahmed Aliyu, Esq.
Financial Adviser:	Stanbic IBTC Capital Limited
Legal Adviser:	G. Elias & Co.
Fairness Opinion Adviser:	KPMG Advisory Services
Stockbrokers:	APT Securities Limited
Registrars:	Africa Prudential Plc
Scrutineers:	Gbenga Badejo & Co

15. APPENDIX VI – STATUTORY AND GENERAL INFORMATION

Obu Cement Company Plc

The following have given and have not withdrawn their written consents to the issue of this Scheme Document with the inclusion of copies of their reports and references to their names in the form and context in which they appear herein:

Directors:	Chimaobi K. Madukwe Finn Arnoldsen Alhaji Abdulsamad Rabi, CON Alhaji Kabiru Rabi
Company Secretary:	Ahmed Aliyu, Esq.
Financial Adviser:	Rand Merchant Bank Nigeria Limited
Legal Adviser:	Olaniwun Ajayi LP
Stockbrokers:	Stanbic IBTC Stockbrokers Limited
Registrars:	Africa Prudential Plc
Scrutineers:	Gbenga Badejo & Co

15.5 GENERAL INFORMATION

1. Except as otherwise disclosed in this Document, there is no agreement, arrangement or understanding between Cement Company of Northern Nigeria Plc and Obu Cement Company Plc or any other person acting in concert with the respective companies and any of the Directors or recent Directors, shareholders or recent shareholders of Cement Company of Northern Nigeria Plc and Obu Cement Company Plc in relation to the Schemes. There is no agreement, arrangement or understanding whereby the beneficial ownership of any of the assets, liabilities and undertakings of CCNN to be transferred to Obu Cement pursuant to the Schemes will be transferred to any other person.
2. Except as otherwise disclosed in this Document, no share or loan capital of Cement Company of Northern Nigeria Plc and Obu Cement Company Plc are under option or agreed conditionally or unconditionally to be put under option.
3. Except as otherwise disclosed in this Document, there are no founders, management or deferred shares or any options outstanding in Cement Company of Northern Nigeria Plc and Obu Cement Company Plc.
4. Except as otherwise disclosed in this Document, there are no material service agreements between Cement Company of Northern Nigeria Plc and Obu Cement Company Plc or any of their directors and employees other than in the ordinary course of business.
5. Except as otherwise disclosed in this Document there are no contracts, which are or may be material, entered into by Cement Company of Northern Nigeria Plc and Obu Cement Company Plc with other parties other than in the ordinary course of business.

16. NOTICE OF COURT-ORDERED MEETING – CCNN

IN THE FEDERAL HIGH COURT OF NIGERIA
HOLDEN AT LAGOS

SUIT NO: FHC/L/CS/1828/2019

IN THE MATTER OF AN APPLICATION UNDER SECTION 539 OF THE COMPANIES AND
ALLIED MATTERS ACT 1990

AND

IN RE: CEMENT COMPANY OF NORTHERN NIGERIA PLC

MEETING OF THE HOLDERS OF THE FULLY PAID-UP ORDINARY SHARES OF CEMENT
COMPANY OF NORTHERN NIGERIA PLC

NOTICE IS HEREBY GIVEN that by an order of the Federal High Court, sitting in Lagos (hereinafter called "**the Court**") dated the 17th day of October 2019 made under the hand of the Honourable Justice A.M. Liman in the above matter, the Court has directed that a meeting of the holders of the fully paid-up ordinary shares of Cement Company of Northern Nigeria Plc ("**CCNN**") be convened and held for the purpose of considering and if thought fit, approving (with or without modification) a scheme of arrangement between CCNN and the holders of its fully paid-up ordinary shares (the "**Scheme of Arrangement**"). The Scheme of Arrangement is explained in detail in the Explanatory Statement on pages 14 to 19 of the Scheme Document enclosed herewith.

The meeting will be held at Transcorp Hilton Hotel, 1 Aguiyi Ironsi Street, Maitama, Abuja or any other venue approved by the Board of Directors on the 4th of December 2019 at 11am, or so soon thereafter, at which place and time all the aforesaid shareholders are requested to attend. Registration of shareholders will commence three (3) hours before the scheduled time of the meeting.

At the meeting, the following sub-joined resolutions will be proposed and if thought fit passed as special resolutions of CCNN:

That:

1. *"The proposed merger of CCNN with Obu Cement Company Plc by which CCNN shall transfer all of its assets, liabilities, licenses and undertakings, including real property and intellectual property rights without any further act or deed to Obu Cement in consideration for the issuance of 13,143,500,966 (Thirteen Billion, One Hundred and Forty-Three Million, Five Hundred Thousand and Nine Hundred and Sixty Six) Obu Cement shares to CCNN's shareholders upon the terms and subject set out in the Scheme of Arrangement, dated 2nd September 2019, a printed copy of which has been submitted to the meeting and, for the purposes of identification subscribed by the Chairman, and the Board of Directors be and is hereby approved;"*
2. *"The Directors be and are hereby authorised to consent to any modifications of the Scheme of Arrangement that the Securities and Exchange Commission, Federal Competition and Consumer Protection Commission or the Federal High Court, may think fit to impose and approve;"*
3. *"The entire share capital of CCNN be and is hereby cancelled;"*
4. *"The solicitors of CCNN seek an order or orders from the Court vesting all assets, liabilities, licenses, undertakings, including real properties, intellectual property rights and contracts of CCNN in Obu Cement Company Plc without any further act or deed;"*
5. *"All pending legal proceedings and claims instituted by or against CCNN be continued by or against the Obu Cement Company Plc after the date the Scheme of Arrangement becomes effective under the terms of section 539 of the Companies and Allied Matters Act 1990;"*
6. *"The Board of Directors of CCNN be and is hereby authorised to take the actions required to bring effect to the Scheme of Arrangement;"*

16. NOTICE OF COURT-ORDERED MEETING - CCNN

7. *“The Nigerian Stock Exchange (The “NSE”) and the Central Securities Clearing System Plc (the “CSCS”) shall be notified and requested to terminate trading in the shares with effect from the Terminal Date and no trading or transfer of CCNN’s shares shall be registered after that date;”*
8. *“CCNN’s shares shall be delisted from The NSE on the Terminal Date and following that date, all the share certificates representing the interests of the shareholders and in the case of dematerialised share certificates, all the shares of CCNN that were lodged with the CSCS shall cease to be valid or to have any value;”*
9. *“1 (One) Scheme Share shall be issued and allotted and credited as fully paid to the shareholders of CCNN for every 1 (One) ordinary share of 50 kobo held in CCNN as at the Terminal Date;”*
10. *“CCNN be dissolved without being wound up; and”*
11. *“Obu Cement Company Plc shall enter the names of the shareholders of CCNN as at the Terminal Date in its register of members. The respective CSCS accounts of the relevant shareholders of CCNN as at the Terminal Date shall be credited with the Scheme Shares due to them.”*

By the said Order, the Court has appointed the Chairman of the Board of Directors, Alhaji Abdulsamad Rabi, or failing him, Alhaji Kabiru Rabi, a director of CCNN or failing them both, any other director appointed in their stead by the shareholders present at the meeting to act as Chairman of the said meeting and has directed the Chairman of the meeting to report the results thereof to the Court.

Voting at the meeting in respect of the Scheme, will be by poll. Shareholders may vote in person or they may appoint a proxy, whether a shareholder or not, to attend and vote in their stead.

A Proxy Form is being sent to each shareholder. In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the register of members of CCNN.

It is requested that the executed Proxy Form be lodged at the office of the Registrars, as shown on the Proxy Form, not less than 24 hours before the time appointed for the meeting.

Please note that the lodging of a Proxy Form does not prevent you from attending the meeting and voting in person should you so wish. However, if you attend the meeting in person, your proxy will not be entitled to attend or vote.

The said Scheme of Arrangement will be subject to the subsequent approval of the Securities and Exchange Commission and the sanction of the Court.

Closure of Register of Members: The register of members will be closed on 25 November 2019 for the purpose of attendance at the court-ordered meeting. Changes to, or entries in, the register of members of CCNN after that date and time shall be disregarded for purposes of the meeting.

Dated this 31st day of October 2019

G. Elias & Co.
(Solicitors to Cement Company of Northern Nigeria Plc)
NCR Building
6, Broad Street
Lagos

ANY MEMBER ENTITLED TO ATTEND THE MEETING WHO DOES NOT RECEIVE A COPY OF THE SCHEME DOCUMENT WITHIN 14 DAYS OF THIS NOTICE CAN OBTAIN A COPY OF THE SCHEME DOCUMENT FREE OF CHARGE FROM AFRICA PRUDENTIAL PLC, 220B IKORODU ROAD, PALMGROVE, LAGOS.

17. NOTICE OF COURT-ORDERED MEETING – OBU CEMENT

IN THE FEDERAL HIGH COURT OF NIGERIA
HOLDEN AT LAGOS

SUIT No. FHC/L/CS/1827/2019

IN THE MATTER OF

THE COMPANIES & ALLIED MATTERS ACT, 1990 (CAMA)

AND

IN THE MATTER OF AN APPLICATION UNDER SECTION 539 CAMA

AND

IN RE: OBU CEMENT COMPANY PLC (RC 1193879) - APPLICANT

MEETING OF THE REGISTERED HOLDERS OF THE ISSUED AND FULLY PAID ORDINARY SHARES OF OBU
CEMENT COMPANY PLC

NOTICE IS HEREBY GIVEN that by the order of the Federal High Court, sitting in Lagos (hereinafter called "the Court") dated 17th day of October made in the above matter, the Court has directed that a meeting of the holders of the fully paid up ordinary shares of Obu Cement Company Plc (hereinafter called "Obu Cement" or the "Company") be convened for the purpose of considering and if thought fit, approving (with or without modification) a Scheme of Arrangement between the Company and the holders of its fully paid up ordinary shares (the "Scheme"). The Scheme is explained in detail in the Explanatory Statement on Pages 14 to 19 of the Scheme Document.

The Meeting will be held at Transcorp Hilton Hotel, 1 Aguiyi Ironsi Street, Maitama, Abuja on the 4th of December 2019 at 12:15pm, or soon thereafter, at which place and time all the aforesaid shareholders are requested to attend. Registration of shareholders will commence three (3) hours before the scheduled time of the meeting.

A copy of the Scheme and a copy of the Statement required to be furnished pursuant to Section 539 of the Companies and Allied Matters Act, 1990 ("CAMA") are enclosed herewith.

At the meeting, the following sub-joined resolutions will be proposed and if thought fit passed as special resolutions of the company:

- (1). *That Obu Cement's Articles of Association be and is hereby amended by the insertion of a new regulation 4 (details of which are specified hereunder) as follows:*

"PAYMENT FOR SHARES

4 Subject to the provisions of the Act, the company may accept such consideration, whether cash or other valuable consideration, or partly cash and partly valuable consideration other than cash in exchange for the issuance of its shares."

- (2). *That Obu Cement's Articles be and is hereby renumbered in the manner appearing in the amended document.*
- (3). *That the Scheme of Arrangement dated the 2nd September 2019 be and is hereby approved and that the Directors be and are hereby authorised to implement the Scheme subject to any modification of the Scheme of Arrangement that the Federal High Court shall deem fit to impose or approve.*

17. NOTICE OF COURT-ORDERED MEETING – OBU CEMENT

- (4). *That Obu Cement be and is hereby authorised to assume all of Cement Company of Northern Nigeria Plc's (CCNN) assets, liabilities and undertakings upon the terms and subject to the conditions set out in the Scheme of Arrangement, without any further act or deed.*
- (5). *That in consideration for the transfer by CCNN of all its assets, liabilities, licenses and undertakings, including real property and intellectual property rights without any further act or deed to Obu Cement, the Scheme Shares shall be issued and allotted to the Scheme Shareholders and credited as fully paid.*
- (6). *The Reconstructed Obu Cement Shares be issued and allotted and credited as fully paid up to the Qualifying Shareholders of Obu Cement.*
- (7). *That the Board of Directors of Obu Cement be and is hereby authorised to take all actions that are necessary to give effect to all actions in respect of the foregoing.*

By the said Order, the Court has appointed the Chairman of Obu Cement, Chimaobi K. Madukwe or failing him, Finn Arnoldsen, the Managing Director of Obu Cement, or failing them both any other director appointed in their stead by the shareholders present at the meeting to act as Chairman of the said meeting and has directed the Chairman to report the results thereof to the Court. Voting at the meeting in respect of the Scheme will be by poll.

Shareholders may vote in person or they may appoint a proxy, whether a shareholder or not to attend and vote in their stead.

A proxy form is being sent to each shareholder. It is requested that the executed proxy form be lodged at the office of the Registrars, as shown on the proxy form, not less than 24 hours before the time appointed for the Meeting.

Please note that the lodging of a proxy form does not prevent you from attending the meeting and voting in person should you so wish. However, in such instances, your proxy will not be entitled to attend or vote.

Closure of Register of Members

The register of members will be closed on 25 November 2019, for the purpose of attendance at the Court-Ordered meeting.

Dated this 31st day of October 2019

OLANIWUN AJAYI LP,
(Legal Advisers to Obu Cement)
The Adunola
Plot L2, 401 Close
Banana Island
Ikoyi, Lagos

ANY MEMBER ENTITLED TO ATTEND THE MEETING WHO DOES NOT RECEIVE A COPY OF THE SCHEME DOCUMENT WITHIN 14 DAYS OF THIS NOTICE CAN OBTAIN A COPY OF THE SCHEME DOCUMENT FREE OF CHARGE FROM AFRICA PRUDENTIAL PLC, 220B IKORODU ROAD, PALMGROVE, LAGOS.

PROXY FORMS

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Proxy Form for the Proposed Scheme of Arrangement between Cement Company of Northern Nigeria Plc and holders of its ordinary shares of 50 kobo each

RC 3111

I/We,

Shareholder's Name:.....
Address:.....
Account Number:.....
No of shares held:.....

being the registered holder(s) of the ordinary shares of

Cement Company of Northern Nigeria Plc,

hereby appoint

or failing him/her,
as my/our proxy to vote on my/our behalf at the Court-ordered Meeting of the holders of the ordinary shares of the Company to be held at Transcorp Hilton Hotel, 1 Aguiyi Ironsi Street, Maitama, Abuja by 11am on 04 December 2019 or at any adjournment thereof.

Signed this day of.....2019

Shareholder's Signature.....

Proxy's Signature.....

NOTES:

- The Proxy Form should not be completed if the member will be attending the Meeting in person.
- A member (shareholder) who is unable to attend the Court-ordered Meeting is allowed by law to vote by proxy. This Proxy Form has been prepared to enable you to exercise your right to vote if you cannot personally attend.
- A member (shareholder) or his Proxy must detach and produce the Admission Form below to obtain entrance to the Meeting.
- Please sign this Proxy Form and return it to reach the Company's Registrars at the address shown overleaf not later than 11am on 03 December 2019. If executed by a company, the Proxy Form should be sealed with its common seal.
- The lodging of a Proxy Form will not prevent you from attending the Meeting and voting in person should you so wish. However, in such instances, the proxy will not be allowed to vote.
- It is a legal requirement of the law under the Stamp Duties Act; Cap S8, Laws of the Federation of Nigeria, 2004 that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any Meeting of shareholders must be clearly stamped in accordance with the Act.

SPECIAL RESOLUTIONS

- "That:
- "The proposed merger of CCNN with Obu Cement Company Plc by which CCNN shall transfer all of its assets, liabilities, licenses and undertakings, including real property and intellectual property rights without any further act or deed to Obu Cement in consideration for the issuance of 13,143,500,966 (Thirteen Billion, One Hundred and Forty-Three Million, Five Hundred Thousand and Nine Hundred and Sixty Six) Obu Cement shares to CCNN's shareholders upon the terms and subject set out in the Scheme of Arrangement, dated 2nd September 2019, a printed copy of which has been submitted to the meeting and, for the purposes of identification subscribed by the Chairman, and the Board of Directors be and is hereby approved;"
 - "The Directors be and are hereby authorised to consent to any modifications of the Scheme of Arrangement that the Securities and Exchange Commission, Federal Competition and Consumer Protection Commission or the Federal High Court, may think fit to impose and approve;"
 - "The entire share capital of CCNN be and is hereby cancelled;"
 - "The solicitors of CCNN seek an order or orders from the Court vesting all assets, liabilities, licenses, undertakings, including real properties, intellectual property rights and contracts of CCNN in Obu Cement Company Plc without any further act or deed;"
 - "All pending legal proceedings and claims instituted by or against CCNN be continued by or against the Obu Cement Company Plc after the date the Scheme of Arrangement becomes effective under the terms of section 539 of the Companies and Allied Matters Act 1990;"
 - "The Board of Directors of CCNN be and is hereby authorised to take the actions required to bring effect to the Scheme of Arrangement;"
 - "The Nigerian Stock Exchange (The "NSE") and the Central Securities Clearing System Plc (the "CSCS") shall be notified and requested to terminate trading in the shares with effect from the Terminal Date and no trading or transfer of CCNN's shares shall be registered after that date;"
 - "CCNN's shares shall be delisted from The NSE on the Terminal Date and following that date, all the share certificates representing the interests of the shareholders and in the case of dematerialised share certificates, all the shares of CCNN that were lodged with the CSCS shall cease to be valid or to have any value;"
 - "1 (One) Scheme Share shall be issued and allotted and credited as fully paid to the shareholders of CCNN for every 1 (One) ordinary share of 50 kobo held in CCNN as at the Terminal Date;"
 - "CCNN be dissolved without being wound up; and"
 - "Obu Cement Company Plc shall enter the names of the shareholders of CCNN as at the Terminal Date in its register of members. The respective CSCS accounts of the relevant shareholders of CCNN as at the Terminal Date shall be credited with the Scheme Shares due to them."

FOR	AGAINST
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Please indicate how you wish your vote to be cast on the sub-joined resolution set out above by placing an "x" in the appropriate box. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

IF YOU ARE UNABLE TO ATTEND, PLEASE:

- Write the name of your proxy (if any) where marked*
- Ensure that the form is signed by you and your proxy
- Return the Proxy Form to reach the address shown overleaf not less than 24 hours before the time for holding the Meeting.

Before posting the above form, please tear off this section and retain it to facilitate your admission to the meeting. Please admit the shareholder named on this admission form or his/her duly appointed proxy to the Court-Ordered Meeting to be held as follows:

DATE:.....
TIME:.....
VENUE:.....

Shareholder's Name.....
Address.....
No of shares held.....
Signature.....
PROXY **SHAREHOLDER**

THIS ADMISSION FORM IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRAR

Africa Prudential Plc
220B Ikorodu Road
Palmgrove
Lagos



OBU CEMENT

RC 1193879

Proxy Form for the Proposed Scheme of Arrangement between Obu Cement Company Plc and holders of its ordinary shares of 50 kobo each

I/We,

Shareholder's Name:.....
Address:.....
Account Number:.....
No of shares held:.....

being the registered holder(s) of the ordinary shares of

Obu Cement Company Plc,

hereby appoint

or failing him/her,
as my/our proxy to vote on my/our behalf at the Court-ordered Meeting of the holders of the ordinary shares of the Company to be held at Transcorp Hilton Hotel, 1 Aguiyi Ironsi Street, Maitama, Abuja by 12:15pm on 04 December 2019 or at any adjournment thereof.

Signed this day of.....2019

Shareholder's Signature.....

Proxy's Signature.....

NOTES:

1. The Proxy Form should not be completed if the member will be attending the Meeting in person.
2. A member (shareholder) who is unable to attend the Court-ordered Meeting is allowed by law to vote by proxy. This Proxy Form has been prepared to enable you to exercise your right to vote if you cannot personally attend.
3. A member (shareholder) or his Proxy must detach and produce the Admission Form below to obtain entrance to the Meeting.
4. Please sign this Proxy Form and return it to reach the Company's Registrars at the address shown overleaf not later than 12:15pm on 03 December 2019. If executed by a company, the Proxy Form should be sealed with its common seal.
5. The lodging of a Proxy Form will not prevent you from attending the Meeting and voting in person should you so wish. However, in such instances, the proxy will not be allowed to vote.
6. It is a legal requirement of the law under the Stamp Duties Act; Cap S8, Laws of the Federation of Nigeria, 2004 that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any Meeting of shareholders must be clearly stamped in accordance with the Act.

SPECIAL RESOLUTIONS

"That:

1. That Obu Cement's Articles of Association be and is hereby amended by the insertion of a new regulation 4 (details of which are specified hereunder) as follows:

"PAYMENT FOR SHARES

- 4 Subject to the provisions of the Act, the company may accept such consideration, whether cash or other valuable consideration, or partly cash and partly valuable consideration other than cash in exchange for the issuance of its shares"
2. That Obu Cement's Articles be and is hereby renumbered in the manner appearing in the amended document.
3. That the Scheme of Arrangement dated the 2nd September 2019 be and is hereby approved and that the Directors be and are hereby authorised to implement the Scheme subject to any modification of the Scheme of Arrangement that the Federal High Court shall deem fit to impose or approve.
4. That Obu Cement be and is hereby authorised to assume all of Cement Company of Northern Nigeria Plc's (CCNN) assets, liabilities and undertakings upon the terms and subject to the conditions set out in the Scheme of Arrangement, without any further act or deed.
5. That in consideration for the transfer by CCNN of all its assets, liabilities, licenses and undertakings, including real property and intellectual property rights without any further act or deed to Obu Cement, the Scheme Shares shall be issued and allotted to the Scheme Shareholders and credited as fully paid.
6. The Reconstructed Obu Cement Shares be issued and allotted and credited as fully paid up to the Qualifying Shareholders of Obu Cement.
7. That the Board of Directors of Obu Cement be and is hereby authorised to take all actions that are necessary to give effect to all actions in respect of the foregoing.

FOR

AGAINST

Please indicate how you wish your vote to be cast on the sub-joined resolution set out above by placing an "x" in the appropriate box. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

IF YOU ARE UNABLE TO ATTEND, PLEASE:

- (a) Write the name of your proxy (if any) where marked*
- (b) Ensure that the form is signed by you and your proxy
- (c) Return the Proxy Form to reach the address shown overleaf not less than 24 hours before the time for holding the Meeting.

Before posting the above form, please tear off this section and retain it to facilitate your admission to the meeting.

Please admit the shareholder named on this admission form or his/her duly appointed proxy to the Court-Ordered Meeting to be held as follows:

DATE:

TIME:

VENUE:

Shareholder's Name.....
Address.....
No of shares held.....
Signature.....
PROXY **SHAREHOLDER**

THIS ADMISSION FORM IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRAR

**Please affix
postage
stamp**

Africa Prudential Plc
220B Ikorodu Road
Palmgrove
Lagos