



Lagos, Nigeria, Thursday, July 10, 2025

REPORT ON THE FINDINGS AND DIRECTIVES OF THE SECURITIES AND EXCHANGE COMMISSION ON IKEJA HOTEL PLC AND ITS INVESTEE COMPANIES

We wish to notify the General Public that the Securities and Exchange Commission has released its findings and directives on the forensic investigation.

Background

Following highly publicized shareholder disputes involving the two Ibru families (Mr Goodie Ibru and the Estate of late Alex Ibru), the Securities and Exchange Commission ("SEC" or the "Commission") intervened leading to the execution of a Settlement Agreement in 2017. SEC further appointed the firm of Akintola Williams Deloitte (Deloitte) to conduct a forensic investigation into the Company's affairs at the Company's cost. The firm was formally commissioned in January 2018 and submitted its report to the Securities and Exchange Commission. The Board subsequently received a letter from the SEC on the result of the concluded forensic audit of Deloitte. The report raised several allegations to which the Board was required to respond. The Board engaged Grant Thornton, a firm of external auditors to examine the forensic audit report and appendixes to it and present their findings to the Board. After considering Grant Thornton's report, the Board formally responded to the allegations raised. The Board also met with representatives of the SEC to provide clarifications on queries raised on the forensic audit report.

The Company has since awaited SEC's findings and directive on the forensic audit. On June 27, 2025, the Commission, in a letter addressed to the Board Chairman, gave its findings and directives. Please see below relevant highlights of the directives.

DIRECTIVES

Forensic Audit Report:

Having considered the recommendations contained in the forensic audit report, analysed the input received from stakeholders on the report and independent findings, the Commission has directed as follows:

1. *"That the Goodie Ibru/AVI having agreed to relinquish his interest should forthwith transfer to IHPLC, the monetary value of all the shares of 13 other quoted companies (Texaco, Total, UBA, Mobil Plc, Nigerian Breweries, Nestle Plc, Julius Berger, Cadbury, Lever Brothers, Guinness Plc, First Bank, BOC Gases and GTB) he purchased with the*



proceeds of the unauthorized sale of the one million (1,000,000) units of Union Bank Plc shares in 2001, which belonged to IHPLC, along with all the dividends and bonuses that have accrued thereto.

- 2. The monetary value to be returned to IHPLC should be determined by the market prices on the various dates the identified shares were sold.*
- 3. That the misstatement of the indebtedness of IHPLC due to Associated Ventures International Limited (AVIL) in the sum of ₦1,226,753,000.00, in the Financial statement of IHPLC should immediately be restated by the current Interim Board of IHPLC to reflect the sum of ₦167,389,125.61, being the sum supported by documentation.*
- 4. That with respect to the indebtedness of IHPLC to Minabo Limited in the sum of ₦1,617,411,000.00 that arose from the sale of 3.753 acres of land to IHPLC by Minabo Limited, the said amount should remain recognized in favour of Minabo Limited in the Financial Report of IHPLC. The Deed of Lease having been confirmed, at the Lagos Land Registry, to be registered in favour of Minabo Limited on 28th October, 1980.*
- 5. That with regards to the 260, 125,062 units of Tourist Company of Nigeria (TCN) shares which belong to IHPLC, but was transferred to AVIL and Minabo Limited respectively in repayment of loans in the total sum of ₦985,873,955.00, the Goodie Ibru/AVI should retain for himself, the entire 260,125,062 units of TCN shares transferred by IHPLC as repayment for loan amounting to ₦985,873,955.00 as approved by the board of IHPLC. In consequence of this, the contention on the TCN shares has been conclusively addressed, given that the Alex Ibru/RFC/OMA group have offered and paid consideration for the said shares, the receipt which Goodie Ibru/AVI acknowledges.*
- 6. That pursuant to the earlier Settlement Agreement dated February 17, 2017, a befitting exit package for the Goodie Ibru/AVI as former Chairman of IHPLC, should be negotiated by the Interim Board of IHPLC.*
- 7. That the Goodie Ibru/AVI should pay IHPLC and its investee companies (Tourist Company of Nigeria and Capital Hotels) the rental income for the period of occupancy as shall be determined by the companies and to be discounted at 40%.*
- 8. That the Alex Ibru/RFC/OMA group and StanbicBTC Bank Plc should forthwith cease to occupy the rentable spaces in Federal Palace Hotel without payment of rents and should each pay outstanding rental charges of USD641,487.50 (Six Hundred and Forty-One Thousand, Four Hundred and Eighty-Seven Dollars, Fifty Cents), (calculated from October 2008 to December 2017) and any subsequent period of occupation without payment to Federal Palace Hotel (FPH), to be discounted at 40%.*
- 9. That the Alex Ibru/RFC/OMA group should forthwith cease to occupy the rentable spaces in Federal Palace Hotel Penthouse without payment of rent and should pay outstanding rental charges of USD453,597.02 to TCN, to be discounted at 40%."*



Pursuant to the above directives in respect of the forensic audit report, the Commission further directed concerning IHPLC, thus:

- a. *"The ₦12 billion shareholder loans in IHPLC's books should be discounted by 40% for each shareholder, and the company should pay forthwith the amounts due after effecting the discount to each shareholder. This would effectively restructure the balance sheet by eliminating the shareholder loan in the statement of financial position [**NOTE:** this is subject to any directive on the forensic audit report that affects the base sum of ₦12 billion found due to each shareholder]."*
- b. *All shareholders holding 10% or more of the shares of IHPLC must sign a shareholder agreement (SHA) in the form/structure approved by the SEC.*
- c. *A new board to be constituted for IHPLC would consist of one-third of its membership as Independent Non-Executive Directors (INEDs) and the Chairman of the Board should be an INED.*
- d. *The maximum number of family members on the Board shall be 2 (two), one from the Alex Ibru Group and one from the Goodie Ibru Group."*

Pursuant to the above directives in respect of the forensic audit report, the Commission further directed concerning TCN, thus:

- a. *"The Alex Ibru/RFC/OMA Group must purchase the IHPLC shareholder loan of N36 billion within 6 months from the date of issuance of these directives. This group is also required to buy out IHPLC's 12% shareholding interest at the same price as the AVI buyout within the same period. The buyout and purchase of the IHPLC loan must occur simultaneously.*
- b. *Upon conclusion of the purchase of the loan and shares, the SEC-appointed directors on the board of TCN would be withdrawn. TCN may also convert to a private company after the completion of the transactions stipulated in item 1 of this sub-heading and sequel to obtaining the approval of its minority shareholders for the conversion.*
- c. *For the avoidance of doubt, the Commission's regulatory intervention in TCN would continue until full compliance with the directive in Item 1 of this sub-heading. This connotes that the SEC-appointed directors cannot be removed from the Board through a voting process conducted at general meetings of TCN or by any other means, while the regulatory intervention subsists.*
- d. *In the buyout of IHPLC loans in TCN, the Commission hereby directs a setoff from the amount payable out of the shareholder loan due to the Alex Ibru/OMA Group from*



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...Service par Excellence

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IHPLC is hereby approved. Furthermore, there should be a 40% discount on the loan amount payable to IHPLC by Alex Ibru/OMA Group in the TCN loan buyout transaction."

The Commission has expressed confidence that the implementation of these directives would bring closure to the longstanding disputes as well as ensure the long-term sustainability of the Company.

FOR: IKEJA HOTEL PLC

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FOR: OOT NOMINEES LTD

COMPANY SECRETARY