

East African Portland Cement's Update

1. Limestone Waste Removal tender issue
2. Illegal Murram Mining and black cotton soil dump site
3. Search for Strategic Investor

According to the *Daily Nation* magazine dated 4th February 2024, a tender was issued by the East African Portland Cement for the removal of limestone waste from a section of its Mavoko land which has turned out to be a murram mining and dumping site since the eviction of squatters.

Three months after demolitions, unscrupulous individuals are now munching millions from the land in the presence of security forces through:

1. Murram mining and selling at KES 3,000 per lorry (negotiable)
2. Dumping of black cotton soil from nearby construction sites at KES 500 per truck.

In the interview with the NTV, a respondent on the site revealed an express authority to mine murram from the company.

The dumping is said to be taking place at night from the neighboring constructions towns including Kitengela as the mining happens during the day.

The company's management however, distanced from the operations saying, "a tender was issued to an individual to remove heaps of limestone waste."

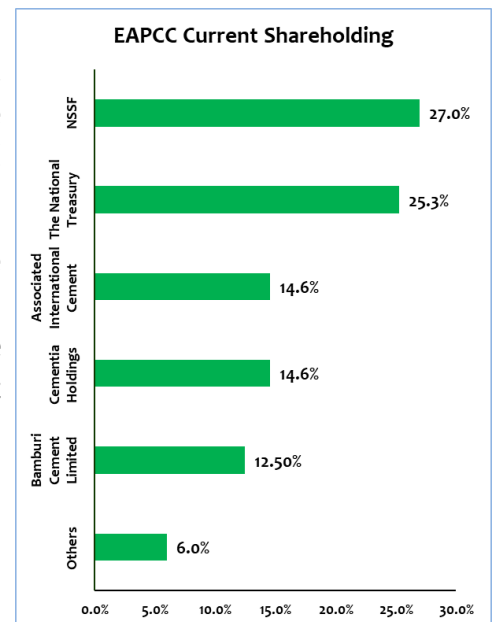
Pamela Muthui, an Investor Relations Manager at East African Portland, confirmed that the involved individual went through a tender process to remove the limestone waste but not to excavate murram. Perusing through the company's website, we couldn't find the tender document on the tender list.

Government Search for a Strategic Investor

In July 2022, the government announced of having obtained a strategic investor expected to acquire up to 30% of EAPC's issued shares from the National treasury, NSSF and Lafarge Ltd (a South African cement and construction company).

According to a report published in the business daily of 14th July 2023, the principal secretary of Investment, Industry and Trade, said of an approval of a KES 15 billion deal with a strategic investor was to ensure that the company turns to profitable. We could not ascertain whether the president consented to the ministry's proposal.

Still in July, the National Assembly Public Investments Committee on Commercial Affairs and Energy directed the EAPCC to institute a financial recovery plan. This saw the company come up with a recovery plan



including return to full scale cement production, sale of a total of 1,907 acres at KES 10 billion.

By late November, the privatization commission approved the privatization of EAPCC citing mobilization of additional investments, promotion of better corporate governance and mobilization of government resources while easing burden of running a non-profitable company.

National Social Security Fund and Government holdings in the company stands at 27.0% and 25.3% respectively according to the privatization commission.

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