



NIGERIA'S PRESIDENTIAL JETS SEIZED OVER 74.5 MILLION DOLLARS SUB-NATIONAL DEBT

A French Court in Paris granted an order for the seizure of three presidential jets linked to the Federal Government of Nigeria. The court's decision comes as part of a lawsuit filed by Zhongshan, a Chinese company, to ensure the payment of a \$74.5 million compensation award. According to Premium Times, an online newspaper, the court granted the order in a ruling

onZ the lawsuit. The seized presidential jets include a Dassault Falcon 7X at Le Bourget airport in Paris, a Boeing 737, and a newly acquired Airbus 330 at Basel-Mulhouse airport in Switzerland. The court's ruling bars the Federal Government of Nigeria from moving and selling the jets until one of its sub national, Ogun State pays Zhongshan the awarded \$74.5 million compensation. This



confiscation of plane is follows the recent seizure of Nigerian-owned buildings in Liverpool, England, by a UK court regarding the same dispute with Zhongshan. The properties against which Zhongshan secured charging orders are located at 15 Aigburth Hall Road, Liverpool and Beech Lodge, 49 Calderstones Road, Liverpool, estimated by the company to be worth between £1.3 and £1.7 million. Recall that the Chinese firm had approached the court seeking an order compelling Nigeria to pay a \$70 million investment treaty award. The trouble began in 2010 when Zhongshan, through Zhuhai Zhongfu Industrial Group Co. Ltd (Zhuhai), its Chinese parent company, acquired rights to develop a free trade zone in Ogun state. A year later, Zhongshan set up Zhongfu International Investment (NIG) FZE (Zhongfu), a Nigerian entity, to manage the project under the permission of the Ogun state government. However, in July 2016, the company accused the state government of abruptly moving to terminate its appointment while attempting to install a new manager for the free trade zone.

Subsequently, Zhongfu initiated investment treaty arbitration against Nigeria under the bilateral investment treaty between the People's Republic of China and Nigeria (the China-Nigeria BIT). The arbitrators ruled that Nigeria was in breach of its obligations under the China-Nigeria BIT and awarded Zhongshan compensation of around \$70 million. In January 2022, the Chinese company initiated a case to seek enforcement of the arbitration award. Nigeria pleaded state immunity but was turned away by Sara Cockerill, a high court judge, who said the country abused the time frame for appealing arbitral awards. In a swift reaction the Federal Government through its Presidential spokes person, Bayo Onanuga disclosed that Nigeria's Attorney-General and Minister of Justice, is working with

Ogun government to quash the case. According to him "The Presidency is aware of the various failed attempts by a Chinese company, Zhongshan Fucheng Industrial Investment Co. Limited, to take over offshore assets of the Federal Government of Nigeria through subterfuge.

"The Federal Government is not under any contractual obligation with the company. The case in which Zhongshan is trying to use every unorthodox means to strip our offshore assets is between the company and the Ogun State Government. "The Federal Government is fully aware of efforts being made by the Ogun State Government to reach an amicable resolution on the matter. "It must be said without any equivocation that Zhongshan has no solid ground to demand restitution from the Ogun State Government based on the facts regarding the 2007 contract between the company and the State Government to manage a free-trade zone. "When the contract with Ogun State was revoked in 2015, the company had only erected a perimeter fence on the land earmarked for a free trade zone. While the Attorney-General of the Federation and Minister of Justice is working with the Ogun State Government on an amicable resolution, Zhongshan obtained two orders from the Judicial Court of Paris dated March 7, 2024, and August 12, 2024, without any notice being duly served on the Federal Government of Nigeria and Ogun State Government. "This arm-twisting tactic by the Chinese company is the latest in a long list of failed moves to attach Nigerian government-owned assets in foreign jurisdictions. "The material facts in the transaction between the Ogun State Government and Zhongshan point to another P&ID case in which unscrupulous and questionable individuals falsely present themselves as investors with the sole objective of undercutting and scamming Governments in Africa. "Undoubtedly, Zhongshan withheld vital information and misled the

"The trending international news on the seizure of three jets belonging to Nigeria's presidential fleet is yet another of many embarrassing things exposing our failed leadership and our attitude to the rule of law, even in a democracy. It has also thrown multiple dimensions to our leadership failure and our sensitivity to the plight of the growing poor class in our midst. The fact that the federal government went ahead, despite the cacophonous cry against the purchase of a presidential jet at this time, when the people are going through a horrifying economic hardship, shows the insensitivity of this administration. And added to it is the embarrassing aspect of our country's presidential jets being held for breaches arising for yet another dimension of inadequate leadership."

Judicial Court in Paris into attaching the Nigerian government's presidential jets, which are on routine maintenance in France. The use and nature of the Presidential jets as assets of a Sovereign entity whose assets are protected by diplomatic immunity forbid any foreign Court from issuing an order against them. "We are convinced the Chinese company misled the Judicial Court of Paris regarding the use and nature of the assets it seeks to attach and did not fully disclose to the court as required by law. "This same Chinese company had tried to enforce its questionable judgment in the UK and USA but failed. "We want to assure Nigerians that the Federal Government is working with the Ogun State Government to discharge this frivolous order in Paris immediately."

However, Zhongshan, the Chinese company whose contract to manage an export processing zone in Ogun State was revoked in 2016, has expressed its readiness to settle its longstanding dispute with the Nigerian government. In a statement released, Zhongshan reiterated its commitment to resolving the matter amicably, stating, "Zhongshan has always sought to assert its rights under international law and is confident in its case. The independent arbitral panel unanimously ruled in our favor, and courts in multiple countries have upheld the compensation awarded by the panel. The French court made its decision fully aware of the facts." The company highlighted the significance of the Ogun Free Trade Zone as an important international investment, noting that it had been featured by the Economist Intelligence Unit. "Zhongshan has long been ready to engage in serious negotiations with the Nigerian federal government to settle this case and is still awaiting a clear indication that the government is equally willing," the statement added. This statement follows reports that a French court authorized the seizure of three



“I have been loud in my demands over time that the government at all levels should be accountable to the people, meaning that they must be very transparent in all their dealings. Until a court in France prohibited Nigeria from moving or selling these three jets, Nigerians had no iota of information about both buying and selling. It has been done in secrecy. Federal Government property, which belongs to the people, is being managed as a personal family asset. Paying as much as \$100m dollars for a presidential jet for a country that is the poverty capital of the world and has more out-of-school children with over 40 per cent food inflation” was the height of insensitivity to the people's feelings.”

presidential jets linked to the Nigerian government. The court order, which prohibits the movement, sale, or purchase of the jets until Zhongshan receives a \$74.5 million award, has been enforced by bailiffs.

Background of the Dispute

The conflict between the Ogun State government and Zhongshan dates back to 2010 when Zhuhai Zhongfu Industrial Group Co Ltd, Zhongshan's parent company, and the Ogun Guangdong Free Trade Zone (OGFTZ) entered into an agreement to establish Fucheng Industrial Park within the zone. The agreement granted Zhuhan the right to develop and manage the park. In 2011, the Nigeria Export Processing Zones Authority registered Zhongfu International Investment (NIG) FZE, a subsidiary of Zhongshan, as a free trade zone enterprise within the OGFTZ. Zhongfu was later appointed as the interim manager of the zone by the Ogun State government. However, in July 2016, Zhongfu alleged that the Ogun State government moved to terminate its appointment and replace it with another manager. This led Zhongfu to initiate investment treaty arbitration against Nigeria, citing the bilateral investment treaty between China and Nigeria. On March 26, 2021, an arbitral tribunal awarded Zhongshan \$55.7 million, with an additional \$9.4 million in interest and £2.86 million in costs, to be paid by Nigeria. Despite repeated pleas from the federal government for an amicable resolution, the Ogun State government and Zhongshan have yet to reach a settlement. The Chinese company, Zhongshan Fucheng Industrial Investment Co. Limited, was seeking to enforce a Final Award granted in its favour on March 26, 2021 against one of Nigeria's sub-nationals, Ogun State. The matter started in 2007 following a contract between the Ogun State government and Zhongshan Fucheng to manage a free-trade zone. The parties later entered into a dispute in 2015, while arbitration began the following year. After the conclusion of arbitration hearing in 2019, the arbitral panel awarded over \$60 million against the Federal Government of

Nigeria, a co-defendant, even when all Zhongshan had done was build a perimeter fence around the free-trade zone. Based on legal advice, the Ogun State government resolved to resist the enforcement of the award. The resistance was successful in eight different jurisdictions, while there were pending appeals against recognition orders issued in both the US and UK.

In addition, the Ogun State government engaged Zhongshan in settlement discussions on reasonable terms, with the last meeting, which took place in London in September 2023, having in attendance the governor, Dapo Abiodun, Attorney General of the Federation (AGF) and Minister of Justice, Lateef Fagbemi, and several officials of the state government. Initially, Zhongshan indicated readiness to consider Ogun State's offer, but shifted ground





by the second day, when it insisted on the government paying the full arbitration debt. This led to a breakdown of the mediation, with parties agreeing to meet again in the first quarter of this year. Since then, the Chinese company had been, allegedly, evasive, but embarked on a series of enforcement proceedings, which the legal team appointed by the federal and Ogun State governments successfully opposed. Thus, since the news of the seizure of the presidential aircraft, various agencies and the Ogun State government had been shedding light on the issue.

Special Adviser to the President on Communication and Publicity, Office of the Attorney General of the Federation (AGF) and Minister of Justice, Mr. Kamarudeen Ogundele, said the steps to stay the enforcement order were being spearheaded by the AGF and the Office of the National Security Adviser (ONSA). Ogundele said, in a statement, that the federal government became aware of the interim attachment of three presidential aircraft undergoing routine maintenance in France on August 14. He explained that the said temporary attachment was made pursuant to ex parte orders issued by the Judicial Court of Paris dated March 7, 2024 and August 12, 2024 at the instance of Zhongshan. The statement said, "It is to be noted that the arbitral award arose from an arbitration proceeding, which commenced in 2018 as fallout of a contractual dispute between the Chinese company and Ogun State Government over the operation and management of Ogun Guangdong Free Trade Zone. "We wish to clarify that, though, the dispute originated from engagements of Ogun State Government, the consequential enforcement actions are being directed against the federal government and its assets in line with extant principles of international law, which hold that the actions of a sub national or local entity are attributable to the state or country itself. "The offices of the National Security Adviser and the Attorney-General of the Federation have already set in motion both legal and

diplomatic steps to ensure the discharge of the inappropriate orders against the aircraft, which are covered by sovereign immunity. "While, further actions are being put in place to resolve the entire dispute through available legal means, the firm position of the federal government remains that the aircraft in question are sovereign assets used solely for sovereign purposes and are, therefore, immune from attachment, as Zhongshan has sought to do."

Similarly, Special Adviser to the President on Information and Strategy, Bayo Onanuga, accused the Chinese company of employing subterfuge to acquire the offshore assets of the federal government. In a statement, Onanuga asserted that the presidency was aware of the various failed schemes by the Chinese firm. He insisted the federal government was not under any contractual obligation with the company. Onanuga also lauded steps by the Ogun State government to amicably resolve the matter. He said Zhongshan had no ground to demand restitution from Ogun State Government based on the facts regarding the 2007 contract between the company and the state government. Onanuga stated, "When the contract with Ogun State was revoked in 2015, the company had only erected a perimeter fence on the land earmarked for a free trade zone. "While the Attorney-General of the Federation and Minister of Justice is working with the Ogun State government on an amicable resolution, Zhongshan obtained two orders from the Judicial Court of Paris dated March 7, 2024, and August 12, 2024, without any notice being duly served on the Federal Government of Nigeria and Ogun State Government. "This arm-twisting tactic by the Chinese company is the latest in a long list of failed moves to attach Nigerian government-owned assets in foreign jurisdictions." He stated that facts in the transaction between Ogun State Government and Zhongshan implied another P&ID case by unscrupulous and questionable individuals, who paraded themselves as investors, with the sole objective of undercutting and scamming governments in Africa. Onanuga berated Zhongshan for withholding vital information and misleading the Judicial Court in Paris into attaching the Nigerian government's presidential jets, which were on routine maintenance in France. He argued that the use and nature of the presidential jets as assets of a sovereign entity, whose assets were protected by diplomatic immunity, forbade any foreign court from issuing an order against them. Onanuga explained, "We are convinced the Chinese company misled the Judicial Court of Paris regarding the use and nature of the assets it seeks to attach and did not fully disclose to the court as required by law. This same Chinese company had tried to enforce its questionable judgement in the UK and USA but failed. "Like the P&ID case, foreign companies are trying to defraud Nigeria with the collaboration of some bureaucrats. Zhongshan appeared to have sold the judgement they got to a venture capitalist seeking to make money by embarrassing the federal government and President Bola Tinubu."

Onanuga assured that the federal government was working in tandem with Ogun State Government to discharge the

order in Paris. He also expressed the government's readiness to always work to protect its national assets from predators masquerading as investors. Meanwhile the Ogun State Government faulted the judicial process that led to the provisional attachment of three Nigerian government aircraft in France by the Judicial Court of Paris on March 7 and August 2. In a statement by Special Adviser to the Governor on Media and Strategy, Hon. Kayode Akinmade, Ogun State Government described the latest development as part of the new antics by the Chinese company to appropriate Nigerian assets in foreign jurisdictions following failure of past efforts. The statement described the whole legal process as a charade with fraudulent intentions. It added that the company deliberately concealed the litigation from the Nigerian government and Ogun State, as well as their legal counsels, before hurriedly securing orders of seizure. The statement said the company must have misled the Judicial Court of Paris as to the use and nature of the assets it sought to attach and not made full disclosure to the court as required by law. The statement added that Ogun State, together with the federal government, had already taken action to ensure that those provisional attachments were lifted, even as it accused the Chinese company of renegeing on the earlier discussion for an amicable resolution of the case. It also likened the case to that of P&ID. The statement said, "On 14 August 2024, the attention of the Ogun State Government was drawn to the provisional attachment of three Nigerian government-owned aircraft in France by the Chinese company, Zhongshan Fucheng Industrial Investment Co. Ltd. (Zhongshan). "Ogun State also learned of two orders of the Judicial Court of Paris dated 7 March 2024 and 12 August 2024 respectively, both obtained by Zhongshan without notice being duly given to the Federal Government of Nigeria, Ogun State or their legal counsel. "This is the latest in a series of ill-advised attempts by Zhongshan to attach Nigerian-owned assets in foreign jurisdictions, none of which have to date led to the recovery of any sums from Nigeria. "Each of the three aircraft is used solely for sovereign purposes and as such are immune from attachment under international and French laws. "In obtaining the provisional attachments, Zhongshan deliberately withheld information from the Federal Government of Nigeria, Ogun State and their legal counsel. "Just like the P&ID case, this is another unfortunate case of unscrupulous individuals masquerading as foreign investors with the sole aim of defrauding Ogun State and Nigeria. "It should be recalled that the underlying contract between Ogun State and Zhongshan was executed in 2007, 12 years before the present administration, for the management of a free-trade zone. The parties entered into a dispute in 2015 with arbitration commencing in 2016. "By 2019, when the current state administration took office, the hearing at the arbitration had been all but concluded. The arbitral panel awarded over 60 million USD against the Federal Government of Nigeria (FGN), which was a co-defendant, when all Zhongshan had done was to build a perimeter fence around the free-trade zone. Needless to say this was a



bad/unfair decision. "The present state administration could not in all good conscience allow such an unconscionable and baseless decision, which would dissipate the commonwealth of the good people of Ogun State, to stand. "Accordingly, and based on erudite legal advice, this administration resolved to resist the enforcement of the award. The resistance was successful in eight different jurisdictions. "Currently, there are pending appeals against recognition orders issued in both the US and UK."

Labour Party (LP) presidential candidate in the 2023 general election, Peter Obi, described as international embarrassment the seizure of three presidential jets in France. Reacting to the incident, Obi frowned on the secrecy involved in the buying and selling of presidential jets, a property of the Nigerian people. Writing on his X handle Obi said, "The trending international news on the seizure of three jets belonging to Nigeria's presidential fleet is yet another of many embarrassing things exposing our failed leadership and our attitude to the rule of law, even in a democracy. "It has also thrown multiple dimensions to our leadership failure and our sensitivity to the plight of the growing poor class in our midst. "The fact that the federal government went ahead, despite the cacophonous cry against the purchase of a presidential jet at this time, when the people are going through a horrifying economic hardship, shows the insensitivity of this administration. "And added to it is the embarrassing aspect of our country's presidential jets being held for breaches arising for yet another dimension of inadequate leadership. "I have been loud in my demands over time that the government at all levels should be accountable to the people, meaning that they must be very transparent in all their dealings. "Until a court in France prohibited Nigeria from moving or selling these three jets, Nigerians

had no iota of information about both buying and selling. It has been done in secrecy. Federal Government property, which belongs to the people, is being managed as a personal family asset." Obi added that "paying as much as \$100m dollars for a presidential jet for a country that is the poverty capital of the world and has more out-of-school children with over 40 per cent food inflation" was the height of insensitivity to the people's feelings. He stated, "This incident has also opened up an aspect of indiscipline that is copiously embedded in our country, which is the abuse and disrespect for the rule of law. Here are questions begging for answers: "To what extent did the Ogun State government follow its agreement with the Chinese firm?" "After the UK court ruling that prohibited some Nigeria buildings in Liverpool, what did both Ogun State and Federal Government do before the French court?" "I would like to, therefore, challenge the federal government to come clean and transparent on this matter and tell Nigerians how we got to this international mess."

In a new development the Chinese company behind the seizure of three Nigerian government presidential jets, Zhongshan, has said it is open to discussions and committed to settling the face-off between it and the Nigerian government. Zhongshan, the Chinese company whose export processing zone management contract was revoked by the Ogun State Government in 2016, had sought the intervention of the French court in his contractual dispute with the state government. Following this move, the court ordered the seizure of the Federal Government's jets, having been a respondent in the matter.

It will be recalled that on June 29, 2010, Zhuhai Zhongfu Industrial Group Co Ltd, the parent company of Zhongshan, and the Ogun Guangdong Free Trade Zone entered into an agreement on the establishment of Fucheng Industrial Park within the zone. This agreement gave Zhuhai the right to develop and run Fucheng Park within the zone. The Nigeria Export Processing Zones Authority registered Zhongfu International Investment Nig, a subsidiary of Zhongshan, as a free trade zone enterprise within the OGFZ in 2011. The state government later appointed Zhongfu as the interim manager/administrator of the zone. However, in July 2016, Zhongfu alleged that the government had moved to terminate its appointment and appoint another manager for the free trade zone. This

caused the Chinese company to commence investment treaty arbitration against Nigeria, citing the bilateral investment treaty between the People's Republic of China and Nigeria. In the course of the legal battle, an arbitral tribunal awarded Zhongshan about \$74.5m in compensation, but the Ogun State Government, which has an axe to grind with Zhongshan, did not honour the award.

Zhongshan's statement reads, "Zhongshan has only ever sought to assert its rights under international law and is confident in its case. The independent arbitral panel was found unanimously in its favour, and courts in multiple countries have upheld the view that the panel's compensation should be enforced. The French court was fully aware of the facts when it reached its decision. "Far from being just a fence, the Ogun Free Trade Zone was featured as a significant international investment by the Economist Intelligence Unit. "Zhongshan has for a long

time been ready to enter serious negotiations with the Federal Government of Nigeria to settle this case and still awaits an indication that the government is equally willing."

The management of a Chinese firm, Zhongshan Fucheng Industrial Investment Company Limited, has said its top officials were unlawfully detained and brutalised by the police during its contractual disagreement with the Ogun State Government. The firm said the maltreatment compelled it to seek the seizure of Nigerian assets overseas. Two out of the three seized jets – a Dassault Falcon 7X and a Boeing 737 – are part of Nigeria's presidential air

fleet recently put up for sale, and the third is an Airbus 330 purchased by Nigeria but not yet delivered. The planes, which were undergoing routine maintenance, were seized following ex parte orders issued by the judicial court of Paris on March 7 and August 12, 2024. The seizure came after litigations were initiated by the Chinese company against the Federal Government of Nigeria and the Ogun State Government due to the termination of a contractual agreement. An arbitral tribunal subsequently awarded Zhongshan about \$74.5m in compensation, but the state government did not honour the ruling. The company then sought the intervention of the French court, which ordered the seizure of the Federal Government's jets, including a Dassault Falcon 7X at Le Bourget Airport in Paris, a Boeing 737, and an Airbus 330 at Basel-Mulhouse Airport in Switzerland.



The Nigerian government reportedly paid over \$100m for the Airbus. It was gathered that Zhongshan might have rejected all settlement discussions on reasonable terms proposed by the Ogun State Government due to the alleged assault on its officials. Zhongshan, in its statement of claim to the French court, said members of its management team in Nigeria were physically harmed after being threatened. It alleged that the Ogun State Government used the police to assault, threaten, and unlawfully detain its workers after the government revoked its export processing zone management contract. The company claimed that its personnel, including the Chief Financial Officer of Zhongfu Nigeria Ltd. (a subsidiary of Zhongshan), Mr Wenxiao Zhao, suffered verbal and physical assault by the police, acting on orders from the state government. In its statement of claim through its solicitors, Withers LLP and Radix Legal & Consulting Limited, Zhongshan claimed it lost \$1.078bn following the termination of the contract.

The company stated, "The draconian actions of the Nigerian authorities included the Secretary to the Ogun State Government (Taiwo Adeoluwa) directly threatening Zhongfu Nigeria's Chief Executive Officer, Dr Jianxin Han, to leave peacefully when there is an opportunity to do so, and avoid forceful removal, complications, and possible prosecution. "As if this treatment were not appalling enough, the Nigerian authorities followed through on their threats of physical harm to the claimant's management team in Nigeria. The police arrested the Chief Financial Officer of Zhongfu Nigeria, Mr Wenxiao Zhao, detained him without basis or explanation in terrible conditions, and physically beat him on two occasions before releasing him—without any charge—after a week in two jails." Recounting his ordeal in police custody, Zhao said, "One police officer in uniform came over to me and slapped me twice on the face.

Then the police officers who brought me there took me to a room where they asked me to sign a piece of paper. "They did not say or explain what this paper was or what it said. I refused to sign the piece of paper. The police officers then took my flip-flops and placed me in a courtyard with a number of cells surrounding it. It was dark and cold, and I was standing at the gate to one of the cells. "Another prisoner came out of that cell and asked why I was taken. I did not speak. There were also some other people who had been brought to the courtyard, and the prisoner told us to stand side by side and asked whether we had money and

why we were there. If someone had no money, he would slap them. "Then the prisoner took me aside and asked me to speak. He said that if I did not speak, he would beat me with a club. Later, a second prisoner took me aside and told me not to be afraid. However, the first prisoner came back and threatened me with a club. "As a gesture of goodwill, Zhongshan has lifted the seizure of that aircraft immediately. A Chinese firm has released a government-owned jet seized on its behalf by a French court as a "gesture of goodwill" to allow for talks. Zhongshan Fucheng Industrial Investment Co. Ltd. said in a statement that it had lifted the seizure of the Nigerian presidential Airbus A330 to show it has "consistently sought to act reasonably and fairly in the course of a legal dispute" that was not of its making.

In a new twist, the former Ogun State Governor Ibikunle Amosun has disclosed the reasons behind the termination



of a contractual agreement with Chinese company Zhongshan Fucheng Industrial Investment Company Limited over the management of the Ogun Guangdong Free Trade Zone (OGFTZ). Speaking on the development Amosun said the contractual agreement was terminated through a formal termination notice dated May 27, 2016, after it was discovered that Zhongshan had no management rights over the free-trade zone. Amosun served as Ogun State Governor between 2011 and 2019. He noted that after his administration assumed office in 2011, two Chinese companies, Messrs China Africa Investment FXE and Zhongfu International Investment

FXE, laid claims to management rights over the OGFTZ. The former governor said the business dispute and rivalry between the Chinese firms became fierce, grounded seamless business activities, and threatened public peace and safety within the zone and neighbouring communities. He disclosed that there were claims and counterclaims as to whom between the two companies was the lawful representative of the original joint venture, Guangdong Province, China, and consequentially who had the right to manage the OGFTZ.

Amosun stated: "Zhongfu International Investment FXE, pretending to be a concerned and genuine tenant and Zone stakeholder volunteered very damaging and destructive information about the official representatives of Guangdong Province, the Joint Venturer and lawful Zone

Managers, China Africa Investment FXE and subsequently requested to be appointed as Interim Zone Managers. "Based on the information at the disposal of Government at the time, Zhongfu International Investment FXE was on March 15, 2012, appointed as Interim Zone Manager pending further evaluation. The whole idea was to ensure that someone was in charge and thereby prevent unwholesome and untoward development in the Zone pending the completion of our fact-finding exercise. "It was later discovered that the information and claims volunteered by Zhongfu International Investment FXE against China Africa Investment FXE were tissues of lies. He said "Unknown to Ogun Government at the time, Zhongfu International Investment FXE merely sought to de-market China Africa Investment FXE and to surreptitiously covert the State-owned assets of Guangdong Province in China together with the Zone ownership and management rights of their business rival. "It was further discovered – much later – through the intervention of the Chinese Government via Diplomatic Note 1601, dated 11 March 2016.

"The Government of the Peoples Republic of China, via its Diplomatic Note 1601 dated 11th March 2016 clarified to Ogun State Government that China Africa Investment FXE was the rightful investor. After due consultation with the relevant organs of government, we gave effect to the request of the Chinese government. "We do recall that Zhongfu International Investment FXE approached Nigerian courts in different jurisdictions to ventilate its legal and business rights. They lost all their four cases in court. "We also consulted with and took advice from the State Security Services and the supervising Agency, NEPZA, on the best way to proceed. Accordingly, we served Zhongfu International Investment FXE with a formal Termination Notice dated 27 May 2016."

In a counter reaction a professor of political economy, Prof. Pat Utomi has recounted how his OPIC agreement was allegedly revoked by Ibikunle Amosun, the former governor of Ogun state. The Ogun state property and investment corporation (OPIC) is a statutory corporation that focuses on the development of residential, commercial, and industrial real estate projects in the state and Nigeria at large. Utomi spoke in response to Amosun's claim that Zhongshan Fucheng Industrial Investment Co. Ltd., a Chinese company, presented false information during his tenure as Ogun governor. Recently, a Paris court ordered the seizure of three jets belonging to the Nigerian

government over a dispute involving an arbitration award in favour of the Chinese firm. The court ruled that the firm should use the three jets at the Paris-Le Bourget and Basel-Mulhouse international airports "as security for its claim of EUR 74,459,221". The Ogun government said it was not notified of the order which granted the Chinese firm the right to seize Nigeria's presidential jets. Shortly afterwards, Bayo Onanuga, presidential aide, said the federal government is not under any contractual obligation with Zhongshan. Onanuga accused the Chinese firm of using "unorthodox and subterfuge" means to take away Nigeria's offshore assets. A former Governor of the state Ibikunle Amosun had asked the federal government to refrain from negotiating with Zhongshan. Speaking through a post on his X page, Prof. Utomi said "he was a victim" of Amosun's "violation of contract terms." Utomi said despite meeting with the ex-governor and seeking the help of President Bola Tinubu and Bisi Akande, an ex-interim national chairman of the All Progressives Congress (APC), his issue remained unresolved. "So it was Gov Amosun's violation of contract terms signed by his predecessor that brought the shame of seizure of jets from the Presidential fleet. I hope he is happy at his achievement," Utomi said. "The whole matter is Khama at work. The Chinese were not the only victims. One prominent Ogun indigene allegedly committed suicide with similar Amosun action. I too was a victim. "I had leased OPIC land in Lagos in a BOT agreement under Gov Daniel. Amosun stopped all such on being sworn in. I called him. He said he did not see my name on the list.



"I went to Abeokuta and he called in Yewande Amusan who said mine was a straight forward deal they did not include it. He asked that all be included but mine be quickly sorted. "That began a rigmarole that went on for years. I made another trip to Abeokuta. He drove me back to Lagos at the wheels with my driver trailing along with the escorts and sirens. "He had earlier asked that I make a request for refund of what I paid even though my South African partners and I had invested 200m in addition to the lease amount at the time. "With just two of us in the car he advised I make a claim for 100m and write for additional payments the day after I cash the cheque. It was surreal but if I got nothing more it would be better than being in court until we both retire. I took the case to APC leader BAT and Baba Akande." Utomi added that he also went to Dapo Abiodun, incumbent Ogun governor, to seek intervention but nothing came out of it. "No result. Took it to Dapo Abiodun when he took over. Nothing came of it. If this happened to Frieda I wondered what enemies were

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going through. I lost my weary SA partners who owned a successful regional chain across Southern Africa and Asia. I licked my wounds and Slaved to pay off the loans," Utomi said. "The Chinese had better leverage. They took it and all are shamed. My new book Power Policy Politics and Performance documents a similar case study in Enugu involving SA investors as the gubernatorial batons changed hands. "When shall we learn? Values shape human progress."

In his response to Prof Utomi, the former Ogun state governor, Ibikunle Amosun, has alleged that political economist, Pat Utomi, organised a fake leadership award to extort N200 million from him as a way of getting a refund of the investment he claimed to have lost during his tenure in office. Mr Amosun's accusation was in response to Mr Utomi's "snide remarks" about him where he slammed the former governor for violating the contract signed by his predecessor, Gbenga Daniel, with a Chinese investment group in 2007 out of malice.

Following the comment, Mr Amosun said Mr Utomi was only sulking because he refused to feed his entitlement mentality, stating that the professor's N200 million claim shares similarities with that of the investment group, Zhongfu International Investment FXE. Sharing his side to the story, the senator said upon his assumption into office as governor in 2011, he found out that the state house of assembly had already blacklisted Mr Utomi as a persona non grata and named him an enemy of the state.

"Before I came into office, the Ogun State House of Assembly had passed a persona non grata on Utomi, and put its resolution in the state's black book. So, I was curious when I became governor and called Utomi to ask what the issue was. This was entirely at my discretion and not because he reached out to me. But I reckoned that as one with some degree of name-recognition, that should not be, and I wanted to know what happened," Mr Amosun explained. He said Mr Utomi, "however, told me, amongst other things, that there was an ongoing construction in an Ogun State property that had become controversial. I immediately raised a team for verification and to know what to do." "The team I sent said the land was inappropriate because the said construction was being done in the car park of the Ogun property on Mobolaji Bank Anthony Road in Lagos State. My team then suggested somewhere else. But he didn't want another place because, according to him, the place in question gave more visibility," said Mr Amosun. He explained that, "after our in-house assessment, my team concluded he could not

have spent more than N35m or at most, N50m on the construction as of then. At that point, I decided to visit myself." "In addition, it was discovered that the so-called work done was hurriedly executed in the wake of the realisation that another political party had won the governorship election and would take over the reins of leadership in the state," he added. He stated that the move by Mr Utomi was an attempt to ambush the state government under his watch and presenting his administration with a *Fait Accompli*, which he described as a situation that would have led to controversy about demolition of an on-going project.

Mr Amosun further revealed, "just so that his investment in the state would not go to waste, I committed to making a refund of N100 million as against his claim of N200 million. He pressured me ceaselessly to pay him N200 million, but I did not yield." "As part of his determination to sway me, he deployed his Centre for Value in Leadership,



C V L , t h r o u g h t h e instrumentality of an Award. At first, it all looked curious that I'd just been in office for about two years, and here I was being given an award, so I rejected it. "But he insisted that I honour his CVL SOLUTION CONFERENCE SERIES with my presence, which I did, and I was given a plaque for participating. But I did not change my position on the refund of N100 million as against his N200 million claim," he narrated further. Mr Amosun said Mr Utomi complained to some people few years later with the intent to malign him, stating that, "when I heard, I called to tell him off because his problem was purely one of entitlement mentality," adding that, "He even boasted, asking me: 'Do you

know who I am?' Imagine! But I ignored him because I immediately saw through his true colour. In my book, it's one law for everyone, no matter who you are." The former governor challenged anyone to meet him at the construction site to see the said N200 million investments Mr Utomi claimed to have made there, as he wondered what benefit the project would have been to the state. He said, "Nobody can talk me down in order to look good. I served Ogun State passionately with all my strength and I did with my shoulders high. I stand by every decision I took, whether or not people like Pat Utomi were in agreement with me. "Utomi knows his case did not even have any legs to stand on. He is not different from Zhongfu International Investment FXE. He knows he can not lay claims to any lawful damage done to his investment. All he has tried to do is a 'me too', which is very disgraceful," the senator added.

It is quite interesting that on a daily basis new facts are being opened on this failed transaction and more canker worms are being revealed by all the parties involved. We hope to keep you updated as events unfold

In a new development the Chinese company trying to recover up to \$70 million in arbitration awards from Nigeria has concluded plans to list two residential structures it confiscated from the country for sale on global online marketplace eBay. Zhongshang Fucheng Industrial Investment Ltd took possession of two buildings linked to the Nigerian government in Liverpool, United Kingdom, in June 2024, years after Nigeria failed to settle an arbitration judgment handed down in 2021. The properties, 15, Aigburth Hall Road, Liverpool and Beech Lodge, 49, Calderstones Road, Liverpool, were targeted after a December 2021 British court order gave Zhongshang executives the power to seize Nigerian assets in the UK to retrieve the \$70 million payment, which remained outstanding as of August 20, 2024, with two per cent monthly interest accruals. Zhongshang was awarded \$55,675,000 plus interest of \$9,400,000 and costs of £2,864,445 as of the date of the arbitration verdict on March 26, 2021, court documents said. The case stemmed from a dispute between Zhongshang and Ogun State.

The firm said the state violated a 2001 trade treaty between Nigeria and China when its rights to a free trade zone were rescinded in 2016. The company dragged Nigeria before the arbitration panel in the UK in 2018, alleging that Nigeria allowed its federal organs like the police, immigration and export processing authority to be deployed by Ogun State without due process. Court documents said two Zhongshang executives were expelled from Nigeria between mid and late 2016 after one of them had allegedly been detained and tortured by the police. The case has once again thrown Nigeria into confusion; barely months after the country luckily escaped a similar arbitration decision that awarded over \$11 billion to a consortium called P&ID. The arbitration verdict was thrown out after it was later discovered that P&ID owners were involved in bribery and corruption. However, the Zhongshang case appeared different, with several European courts already granted enforcement orders in the UK, Belgium, France and other countries, where Nigerian-owned jets and other assets are being tracked down. An appellate panel recently declined to grant Nigeria sovereign immunity protection over Zhongshang's recovery efforts in the United States.

A consultant working with Zhongshang said the company has been working to put the two Liverpool houses up for sale, including on eBay, where the source said up to \$2.2 million would be asked for both. "They said the value of both properties should be around \$2.2 million, so they already put together a plan to sell them to willing buyers," the consultant said under anonymity to discuss client deliberations. "Some websites like eBay might bring buyers faster than other methods." Even though the

properties belonged to Nigeria, they were seized because they weren't listed as Nigerian diplomatic or consular assets. The Gazette learnt that those currently occupying the properties had no ties to the Nigerian mission in the UK. It was unclear when Nigeria bought the assets, but a senior judge said its officials had regularly rented out both places to guests. In her June 14, 2024, ruling allowing Zhongshang to seize the buildings from Nigeria, Master Lisa Sullivan of the UK High Court, King's Bench Division, said: "The properties are currently used for the purpose of leases to residential tenants unconnected with Nigeria and its mission. Those are commercial purposes for the purpose of s13(4) of the SIA and therefore the enforcement against the properties is not barred by state immunity." The source said the sale wouldn't be done in secret because the Nigerian people deserved to know how much all recovered assets were being sold until the full amount had been recovered. "Zhongshang promised to be transparent with the sale because of the keen public interest of Nigerians in the matter," the consultant added.

Again the same Chinese company has seized another Nigeria's luxury Jet worth \$57 Million in Canada. The Bombardier 6000 type BD-700-1A10 aircraft, valued at \$57 million, was repossessed by Canadian authorities in Montreal, following a court judgment in favour of Zhongshang. According to sources, the change of custodian paperwork was finalized recently, months after a Canadian court granted orders for Zhongshang to seize the jet. "The court granted orders for Zhongshang to seize the plane earlier this year, but the change of custody from Nigeria to Zhongshang was only recently concluded," a source familiar with the matter said. The company has vowed to continue seizing Nigeria's assets worldwide until the last cent of the arbitration awards has been paid. "Zhongshang will not stop seizing Nigeria's assets worldwide until the last cent of the arbitration awards has been paid," the source added. The luxury jet was originally purchased by fugitive Dan Etete, who netted over \$350 million from the corrupt sale of OPL 245 oil field in 2010. Nigeria seized the aircraft from Etete in 2016 and held it in Dubai before it was flown to Canada in 2020, where Nigeria quickly obtained a court order for seizure and held it at the main airport in Montreal. Zhongshang moved to seize the jet in 2023, as part of its efforts to enforce arbitration awards of over \$70 million against Nigeria. Judge David Collier of the Superior Court of Quebec ruled in favour of Zhongshang, rejecting Nigeria's arguments and sovereign immunity claim as the recent arbitration in the UK has held. However even though the Nigerian Government is yet to make any comment on this recent development, it has been gathered that the Federal Government through the office of the National Security Adviser, the Secretary of Government, the Attorney General of the Federation and the Ministry of Foreign Affairs are making diplomatic moves to solve the issues and recover all the seized National Assets. It is hoped that these efforts will help to resolve this international embarrassment.