



Circular on

**Group Restructuring  
via Dividend in Specie  
of CEC Africa**



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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

The definitions and interpretations commencing on page 10 of this Circular apply throughout this Circular, including this cover page (unless specifically defined where used or the context indicates a contrary intention).

Shareholders are referred to page 8 of this Circular, which sets out the action required of them with regard to the CEC Plc Extraordinary General Meeting, full details of which are set out in this Circular. If you are in any doubt as to the action you should take, please consult your broker, bank manager, legal adviser, accountant or other professional adviser.

If you have disposed of all your CEC Plc shares, then this Circular, together with the accompanying Form of Proxy, should be forwarded to the Broker, banker or agent through whom you disposed of such shares except that this Circular should not be forwarded or transmitted by you to any person in any territory other than Zambia, unless the Circular can lawfully be distributed to such person or in such territory.

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Copperbelt Energy Corporation PLC  
(Incorporated in the Republic of Zambia)  
(Registration number 39070)  
Share code: CEC ISIN: ZM0000000136  
("CEC Plc" or "the Company")

## PROPOSED RESTRUCTURING OF CEC VIA THE DEMERGER OF CEC AFRICA

("PROPOSED DEMERGER")

### CIRCULAR TO CEC PLC SHAREHOLDERS AND NOTICE OF THE CEC PLC EXTRAORDINARY GENERAL MEETING

relating to:

The distribution by CEC Plc of all its CEC Africa shares to CEC Plc shareholders by way of a dividend in specie, in the ratio of 1 CEC Africa share for every 1 CEC Plc share held at the close of business on the Record Date;

and including:

- a notice convening an extraordinary general meeting of CEC Plc shareholders; and
- a form of proxy.



Transaction Adviser and Sponsor



Transaction Legal Adviser



Independent Reporting Accountant and  
Tax Adviser



Transfer Secretary

This Circular is available in English only. Copies of this Circular may be obtained from the registered office of CEC Plc, the Sponsoring Broker, and the Transfer Secretary, whose addresses are set out in the "Corporate Information and Advisers" section of this Circular and will be available from Friday, 25 November 2016. The Circular will also be available in electronic form from the Company's website ([www.cecinvestor.com](http://www.cecinvestor.com)) from Friday, 25 November 2016.

**Date of issue: Friday, 25 November 2016**

## CERTAIN FORWARD-LOOKING STATEMENTS

This Circular includes certain “forward-looking information”. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation those concerning: CEC Plc’s strategy; financial results, growth prospects and outlook of CEC Plc’s operations, individually or in the aggregate; CEC Plc’s liquidity and financial position; and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect CEC Plc’s current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential”, “will”, “will likely result”, “will continue” or similar words and phrases. Similarly, statements that describe CEC Plc’s objectives, plans or goals are or may be forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause CEC Plc’s actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by these forward-looking statements. Although CEC Plc believes that the expectations reflected in these forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

CEC Plc Shareholders should review carefully all information, including the *pro forma* financial statements and the notes to the *pro forma* financial statements, included in this Circular. The forward-looking statements included in this Circular are made only as of the Last Practicable Date. The delivery of this Circular does not at any time imply that the information contained herein is correct at any time subsequent to the Last Practicable Date or that any other information supplied in connection with this Circular is correct as of any time subsequent to the date indicated in the document containing the same.

CEC Plc undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Circular or to reflect the occurrence of unanticipated events. All forward-looking statements in this Circular and all subsequent written and oral forward-looking statements attributable to CEC or any person acting on its behalf have not been reviewed and reported on by CEC Plc’s auditors in accordance with *ISAE 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a prospectus*.

## CORPORATE INFORMATION AND ADVISERS

### Directors

Hanson Sindowe (Chairman)  
Munakupya Hantuba (Vice Chairman)  
Michael J. Tarney  
Rtd. Brigadier-General Emelda Chola  
Reynolds Bowa  
Abel Mkandawire  
Sixtus Mulenga  
Ronald Tamale  
Joe M. Chisanga  
TaimoorLabib  
Mildred T. Kaunda  
Owen Silavwe (Executive)

### Transaction Adviser and Sponsoring Broker

Stockbrokers Zambia Limited  
2nd Floor Exchange Building  
Central Park, Corner Cairo/ Church Road  
(P O Box 38956, Lusaka, Zambia)

### Independent Reporting Accountant and Tax Adviser

KPMG Zambia Limited  
First Floor Elunda II  
Addis Ababa Roundabout  
Rhodes Park  
(P O Box 31282, Lusaka, Zambia)

### Company Secretary and Registered Office

Julia C Z Chaila  
Stand 3614, 23rd Avenue  
Nkana East  
(P O Box 20819, Kitwe, Zambia)

### Legal Adviser

Corpus Legal Practitioners  
Ground Floor, Elunda Office Park, Elunda II  
Addis Ababa Roundabout  
(PO Box 32115, Lusaka, Zambia)

### Transfer Secretary

Corpserve Transfer Agents Limited  
No. 6 Mwaleshi Road  
Olympia Park  
(P O Box 37522, Lusaka, Zambia)

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## **ACTION REQUIRED BY CEC PLC SHAREHOLDERS**

The Definitions and Interpretations commencing on page 10 of this Circular apply *mutatis mutandis* to this section.

**This Circular is important and requires your immediate attention. Please take careful note of the following provisions regarding the action required by CEC Plc Shareholders.**

- If you are in any doubt as to the action you should take in relation to this Circular, please consult your stockbroker, banker, legal adviser, accountant or other professional adviser immediately. If you have disposed of all your CEC shares, then this Circular, together with the accompanying Form of Proxy should be forwarded to the stockbroker, banker or agent through whom you disposed of such shares except that this Circular should not be forwarded or transmitted by you to any person in any territory other than Zambia, unless the Circular can lawfully be distributed to such person or in such territory.
- This Circular contains information relating to the proposed Demerger by CEC Plc of its entire (100%) shareholding in CEC Africa by way of a dividend in specie to CEC Plc shareholders in the ratio of 1 CEC Africa Share for every CEC Plc Share held by CEC Plc Shareholders at the close of business on the Proposed Demerger Record Date, expected to be Friday, 23 December 2016.
- The implementation of the Proposed Demerger is subject to the CEC Shareholders passing the requisite resolution at the CEC Plc Extraordinary General Meeting to be held at the CBU Multipurpose Hall, Copperbelt University, Jambo Drive in Riverside, Kitwe, at 10:00 hours Zambian time on Friday, 9 December 2016 in terms of the Notice of the CEC Plc Extraordinary General Meeting commencing on page 54 of this Circular for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions necessary to approve and implement the Proposed Demerger.
- Shareholders are entitled to attend, or be represented by proxy, and may vote at the Extraordinary General Meeting. If you are unable to attend the Extraordinary General Meeting, but wish to be represented thereat, you must complete and return the attached Form of Proxy, in accordance with the instructions contained therein.

## SALIENT DATES AND TIMES

The Definitions and Interpretations commencing on page 10 of this Circular apply *mutatis mutandis* to this section.

**2016**

Initial Market Announcement released on SENS	Friday, 11 November
Initial Market Announcement published in Zambian print media	Monday, 14 November
Notice of EGM released on SENS	Thursday, 24 November
Notice of EGM published in Zambian print media	Friday, 25 November
Circular posted to CEC Plc Shareholders	Friday, 25 November
Form of Proxy for EGM to be received by 17:00hrs	Wednesday, 7 December
EGM held at CBU Multipurpose Hall, Copperbelt University, Jambo Drive, Riverside, Kitwe, 10:00	Friday, 9 December
Results of EGM and finalisation information published on SENS	Friday, 9 December
Last day to trade in CEC Plc Shares in order to be eligible for the dividend in specie	Tuesday, 6 December
Record Date in order to receive CEC Africa shares	Friday, 23 December
CEC Africa shares credited to CSD accounts of eligible CEC Plc shareholders	Friday, 30 December

### Notes:

1. No physical share certificates will be issued in respect of CEC Africa shares allotted to CEC Plc shareholders
2. Unless otherwise indicated, all times are Zambian times and are subject to change. Any such change will be published in the Zambian media

## DEFINITIONS AND INTERPRETATIONS

Throughout this Circular and the Annexures hereto, unless the context indicates otherwise, the words in the column on the left below shall have the meaning stated opposite them in the column on the right below, reference to the singular shall include the plural and vice versa, words denoting one gender include the other and words and expressions denoting natural persons include juristic persons and associations of persons:

“Act” or “Securities Act”	the Securities Act Chapter 354 of the Laws of Zambia
“AEDC”	Abuja Electricity Distribution Company Plc (Registration number RC 638681), a company registered in Nigeria
“Aflife”	African Life Financial Services Zambia (Registration number 35932), a company registered in Zambia
“Articles”	the Articles of Association of the Company (CEC Plc)
“the Board” or “the Directors”	the board of directors of CEC Plc as at the date of this Circular and “Director” shall be construed accordingly
“Broker”	any person registered as a broking member (equities) in terms of the Rules of the LuSE made in accordance with the provisions of the Securities Act
“Business Day”	any day of the week, excluding Saturdays, Sundays and all official Zambian public holidays
“CEC Plc” or “the Company”	Copperbelt Energy Corporation Plc (Registration number 39070), a public company incorporated in accordance with the laws of Zambia and listed on the LuSE
“CEC Africa”	CEC Africa Investments Limited (Registration number 114510 C1/GBL), a company registered in Mauritius
“CEC Africa SL”	CEC Africa (SL) Limited (Incorporation number C.F./1055860.4/2014), a company registered in Sierra Leone
“CEC Group” or “the Group”	CEC Plc and its subsidiaries, as defined under the Companies Act Chapter 388 of the Laws of Zambia
“CEC Liquid Telecom”	CEC Liquid Telecommunication Limited (Registration number 92298), a company registered in Zambia
“CEC Plc Shareholders” or “Shareholders”	registered holders of CEC Plc Shares
“CEC Plc Shares” or “Shares”	ordinary shares of CEC Plc with a par value of ZMW0.01 each in the authorised and issued share capital of the Company
“CEC Africa Shares” or “Distribution Shares”	ordinary shares of CEC Africa, which are proposed to be distributed to CEC Plc shareholders proportionate to their shareholding in CEC Plc
“CEC-KHPL”	CEC-Kabompo Hydro Power Limited (Registration number 99488), a company registered in Zambia
“Certificated Shares”	CEC Plc Shares which have not yet been dematerialised in terms of the requirements of CSD, title to which is represented by a share certificate or other documents of title
“the Companies Act”	the Companies Act, Chapter 388 of the Laws of Zambia
“Copperbelt”	the mining area of Zambia, which is centred around the Copperbelt Province of Zambia

“Corporate Governance Code”	the corporate governance code of the LuSE
“CSD” or “LuSE CSD”	the Central Securities Depository maintained by the LuSE
“Dematerialised Shareholders”	CEC Plc Shareholders who hold Dematerialised Shares in CEC Plc
“Dematerialised Shares”	CEC Plc Shares which are held through the CSD and are no longer evidenced by a share certificate or other documents of title
“Documents of Title”	share certificates, certified transfer deeds, balance receipts, or any other documents of title to CEC Plc Shares
“DPS”	dividend per share
“DRC”	Democratic Republic of Congo
“Earnings Per Share” or “EPS”	earnings attributable to each CEC Plc share, calculated by dividing the Company's profit attributable to Shareholders by the weighted average number of issued CEC Plc Shares
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of CEC Plc Shareholders
“FY”	the appropriate financial year-end reporting date for the defined year
“Golden Share”	“Golden Share” or “Special Share” is a share in CEC Plc that may only be issued to, held by and transferred to the Minister responsible for Finance or his successor or a nominee on his behalf or any other Minister or other Person acting on behalf of GRZ, the Special Shareholder
“GRZ”	Government of the Republic of Zambia
“GRZ Nominated Member”	the Board member appointed by GRZ, pursuant to the Golden Share, usually the Permanent Secretary of the Ministry of Energy and Water Development as shall be designated as such by the Minister from time to time
“Hai”	Hai Telecommunications Limited (Registration number 46356), a company incorporated in Zambia
“IFRS”	the International Financial Reporting Standards and Interpretations adopted by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee of the IASB
“Independent Reporting Accountant”	KPMG Chartered Accountants, a partnership registered in Zambia
“Kabompo”	The Kabompo Gorge Hydroelectric Power Project, located in the North-Western Province of Zambia
“KANN”	KANN Utility Company Limited (Registration number RC 920561), a company registered in Nigeria
“Legal Advisers”	the legal advisers to the Company with respect to the Proposed Demerger, being Corpus Legal Practitioners, a law firm registered in Zambia and regulated by the Law Association of Zambia
“Listings Requirements”	the Listings Requirements of the LuSE, as amended from time to time

“LuSE”	the Lusaka Securities Exchange Limited (Registration number 30495), a company incorporated in Zambia and licensed to operate as a stock exchange under the Securities Act, Chapter 354 of the Laws of Zambia
“NAV”	Net asset value
“Net Asset Value Per Share” or “NAV per share”	CEC Plc Shareholders' equity, as determined by deducting liabilities from assets, divided by the weighted average number of CEC Plc Shares in issue
“NSP”	North South Power Company Limited, (Registration number RC 1018318), a company incorporated in Nigeria
“PACRA”	The Patents and Companies Registration Agency of Zambia, established pursuant to section 3 of the Patents and Companies Registration Agency Act No. 15 of 2010 as amended
“PAT”	profit after tax
“PBT”	profit before tax
“Person”	a natural individual or body corporate with legal capacity
“Proposed Demerger”	the separation of CEC Africa from CEC Plc via the distribution of all its 1,625,000,597 CEC Africa shares to CEC Plc shareholders by way of a dividend in specie, in the ratio of 1 CEC Africa Share for every 1 CEC Plc Share held at the close of business on the Record Date
“Qualifying Shareholder”	a registered holder of CEC Plc Shares included on the register of Shareholders of CEC Plc as at the Record Date and eligible to participate in the profits of the CEC Plc pursuant to the Articles and which does not have its registered address in any jurisdiction in which it would be unlawful to participate in the Proposed Demerger
“Ratio of Entitlement”	the number of CEC Africa Shares to which Shareholders are entitled in terms of the Proposed Demerger, being 1 CEC Africa Share for every 1 CEC Plc Share held on the Record Date of the Proposed Demerger
“Record Date”	the last day to trade in CEC Plc Shares in order to be eligible for the dividend in specie
“Register”	means the register of Certificated Shareholders maintained by CEC Plc and the sub-register of Dematerialised Shareholders maintained by the Transfer Secretary
Registrar of Companies	The person occupying the office of the registrar of companies established pursuant to section 14 of the Patents and Companies Registration Agency Act No. 15 of 2011 of the Companies Act and conferred with the authority to exercise the powers of the registrar of companies under the Companies Act and to administer the Companies Act
“Revised Listing Particulars”	means the revised listing particulars of the Company contained in this Circular as set out in this Circular and including all annexures thereto
“SAPP”	the Southern African Power Pool, an arrangement for, <i>inter alia</i> , co-operation in matters of electricity generation and distribution between member states, including Zambia
“the SEC”	the Securities and Exchange Commission Zambia, a statutory body established under the Securities Act

“SENS”	Securities Exchange News Service of the LuSE
“Shiroro”	Shiroro Generation Company Limited (Registration number RC 1246408), a company registered in Nigeria; and Shiroro hydroelectric power plant, of which NSP is the concessionaire
“Sponsoring Broker”	Stockbrokers Zambia Limited or such other person as the Company may appoint
“Stockbrokers Zambia Limited” or “Stockbrokers Zambia”	Stockbrokers Zambia Limited (Registration number 52224), a company registered in Zambia and a member of the LuSE and licensed by the SEC as a dealer
“Transaction Advisor”	Stockbrokers Zambia Limited or such other person as the Company may appoint
“the Transfer Agent”	Corpserve Transfer Agents Limited (Registration number 74349), a company registered in Zambia
“UBA”	United Bank for Africa Plc (Registration number RC 2457), a company registered in Nigeria
“UK”	United Kingdom
“USD or \$”	United States Dollars
“Xerxes”	Xerxes Global Investments Limited (Registration number RC 647178), a company registered in Nigeria
“Zambia”	the Republic of Zambia
“ZCCM”	Zambia Consolidated Copper Mines Limited
“ZCCM-IH”	ZCCM Investments Holdings Plc (Registration number 771), a company registered in Zambia
“ZECI”	Zambian Energy Corporation (Ireland) Limited (Registration number 414474) a company registered in Ireland
“ZMW”	Zambian Kwacha, the legal tender of Zambia



Copperbelt Energy Corporation PLC  
(Incorporated in the Republic of Zambia)  
(Registration number 39070)  
Share code: CEC ISIN: ZM0000000136  
("CEC Plc" or "the Company")

## DIRECTORS OF CEC PLC

Non-Executive Directors	Executive Directors
Hanson Sindowe	Owen Silavwe
Michael J. Tarney	
Rtd. Brigadier-General Emleda Chola	
Munakupya Hantuba	
Reynolds Bowa	
Abel Mkandawire	
Joe M. Chisanga	
Sixtus Mulenga	
Ronald Tamale	
Taimoor Labib	
Mildred T. Kaunda	

## CIRCULAR TO CEC PLC SHAREHOLDERS

### 1. INTRODUCTION

Shareholders are referred to the announcement released on Friday, 11 November 2016 regarding the Proposed Demerger of CEC Africa from the CEC Group via a dividend in specie from CEC Plc to CEC Plc Shareholders. Following the Proposed Demerger, shareholders will hold one ordinary share in CEC Plc and one ordinary share in CEC Africa. CEC Africa will not immediately be listed on the LuSE or other securities exchange, but the shares will be quoted on the LuSE with a view to pursue a listing in the future.

Following the Proposed Demerger, CEC Plc's business will focus on its positive growth trajectory achieved through focused investments and growth opportunities, with a concentration on Zambia and Southern Africa. The strategy for the business will be centred on growth that is integrated in the core business. On a regional basis and as a regional/international power trader, the business will look to nurturing the opportunity to grow its participation in power trading and play a role in unlocking regional transmission infrastructure to facilitate power transmission and supplies in a rational approach; taking into account the appropriate risk allocation. The current power shortages in-country and in the region have triggered initiatives for the Company to play a significant role in the power sector across the value chain, all aimed at providing reliable quality services to customers. The strategic focus is around having a rational and robust methodology of allocating capital to new projects with the aim of creating shareholder value.

Following the Proposed Demerger, the concentration for the CEC Africa business will be the stabilizing of the operating assets, which will be achieved through continued operational improvements, and engaging in and contributing to the Nigerian power sector on regulatory and general industry issues. The business will also ensure that it has an optimal financing structure, with the right gearing and tenor, matching the operating cash flows. This should be achieved by ensuring that appropriate loan tenors are achieved, which should overall result in an increase in weighted average loan life.

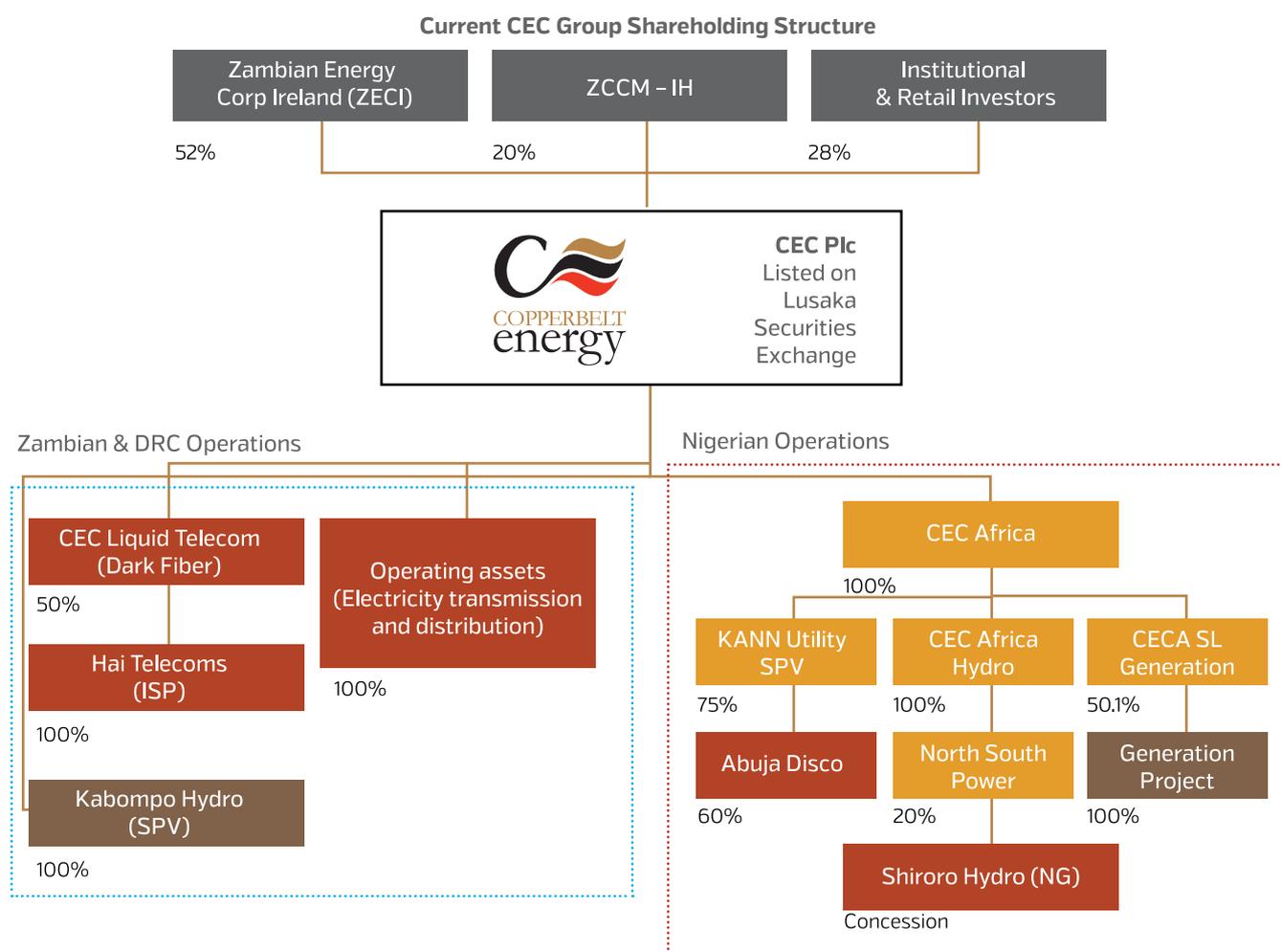
The purpose of this Circular is to provide CEC Plc Shareholders with the pertinent information regarding the Proposed Demerger and to convene a general meeting of CEC Plc Shareholders in terms of the notice of general meeting forming part of this Circular, at which meeting the resolutions required to approve and implement the Proposed Demerger will be considered, and if deemed fit, approved in compliance with the Listings Requirements.

## 2. EFFECTS OF THE PROPOSED DEMERGER

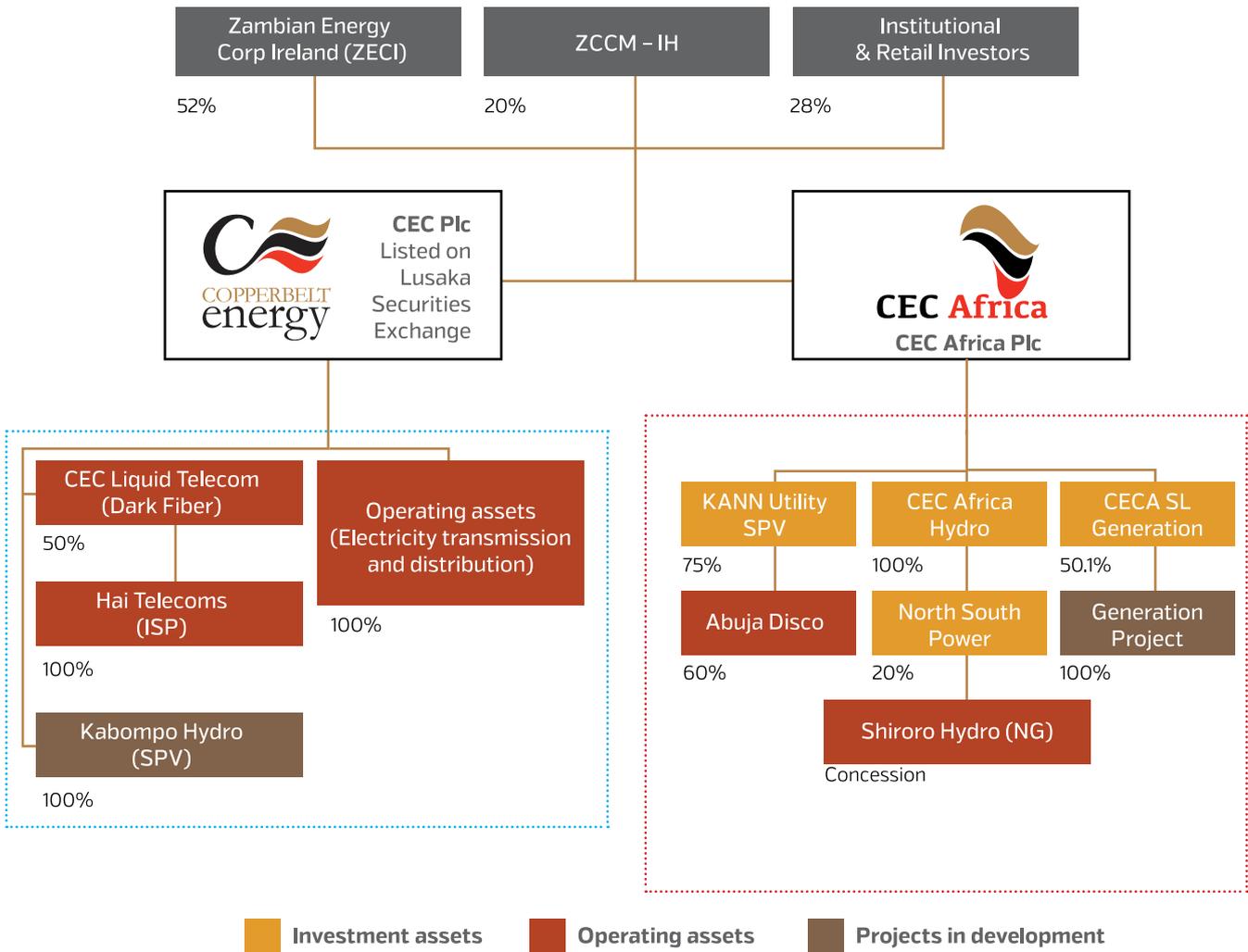
CEC Africa is 100% directly owned by CEC Plc. The Proposed Demerger will result in the transfer of CEC Africa Shares from CEC Plc to Qualifying Shareholders of CEC Plc. Qualifying Shareholders will receive 1 CEC Africa Share for every 1 CEC Plc Share held on the Record Date.

The Proposed Demerger would:

- not affect the beneficial shareholding of the CEC Group;
- result in the de-consolidation of CEC Africa’s financial statements from the CEC Group, and the reporting of CEC Plc financial performance excluding CEC Africa;
- move ownership of CEC Africa from CEC Plc to CEC Plc Shareholders in proportion to their shareholding in CEC Plc on the Proposed Demerger Record Date;
- not result in a change in the economic ownership;
- entail Qualifying Shareholders receiving 1 CEC Africa Share for every 1 CEC Plc Share held;
- result in CEC Africa no longer being a wholly owned subsidiary of CEC Plc;
- result in CEC Africa being registered as a foreign company under the Companies Act; and
- subject to the registration of CEC Africa shares with the Securities and Exchange Commission (“SEC”), result in the quotation of CEC Africa on the LuSE.



**Shareholding Structure after the Proposed Demerger**



**3. THE PROPOSED DEMERGER OF CEC AFRICA VIA A DISTRIBUTION TO CEC PLC SHAREHOLDERS**

**Brief History and Growth Story of CEC Plc**

CEC Plc was founded in 1953 as the Rhodesia Congo Border Power Corporation, evolving over the years under different ownership and names; notably as the Power Division of state mining conglomerate ZCCM, and as CEC after the privatization of ZCCM Power Division in 1997.

The majority shareholders who acquired the business at privatization later exited, selling the majority stake to ZECI in 2006. ZECI focused the business strategy on achieving higher growth and positioned the business to take a more active role in the infrastructure / power sector in Zambia and wider Africa. In 2008, ZECI spearheaded a listing on the LuSE, resulting in a sale down of 25% of its equity as the free float.

Post-listing, CEC Plc commercialised its optic fibre network, and triggered the formation of both Hai and CEC Liquid Telecom in 2009 and 2011 respectively. CEC invested a total of USD17m, which was funded through a combination of cash, asset sale and a 15 year Indefeasible Rights of Use (IRU). The telecoms business, on a consolidated basis, is profitable with a positive outlook as more content and awareness for internet use improves in Zambia.

The focus for CEC Plc, post listing, was to play a significant role in the power sector across the value chain and to be regionally diversified. Hence, in 2013, CEC Plc established CEC Africa as an investment platform through which it could channel its investments in the power sector across Sub-Saharan Africa. CEC Africa was capitalized with USD100 million by CEC Plc, being seed capital for its operations, and received a further injection of nearly USD50 million through shareholder loans and

recharged costs. The strategy for CEC Africa was for it to be an investment platform through which investors could access power infrastructure assets, well diversified by region and technology. CEC Africa made investments in the following principal operating assets:

- Effective 45% equity investment in AEDC Plc, an operating entity in Nigeria [over USD100 million has so far been invested]
- Effective 20% equity interest in NSP, a company with a concession to operate the 600MW Shiroro Hydro Power Station in Niger State, Nigeria. [Equivalent of USD24m in subscription and internal costs]. This asset was acquired as an operating entity

In addition to the operating assets listed above, CEC Africa pursued projects in which USD10 million was invested in development costs, including:

- Rights to subscribe for 30% equity interest in the 700MW Kudu gas plant in Namibia
- Rights to subscribe for 50.1% equity interest in a 128MW Heavy Fuel Oil plant in Sierra Leone

The above funding was used to acquire rights for subscription as well as to progress the development of the above listed projects. The strategy, going forward, has been reviewed with respect to these projects and the board is considering to divest from these projects to allow CEC Africa focus on performance improvement and stabilization of the Nigerian assets.

#### **Impairment of the CEC Africa Investment by CEC Plc of USD99,999,999:**

The valuation of CEC Africa has been negatively impacted by the following factors:

- **Low power generation in Nigeria compared to the MYTO forecast:** The Multi Year Tariff Order (MYTO), which underpins the regulatory framework for the power sector, including tariff setting, incorporated a forecast generation demand profile which was the basis for the approved ten year tariff profile. Unfortunately, due to unavailability of gas, the power generation has been negatively impacted. This has resulted in low sales for the distribution companies; making them unable to meet the pre-set revenue targets. It is uncertain when the situation would be restored, despite efforts by the stakeholders to address the issue.
- **Liquidity challenges (insufficient cashflow to cover players across the value chain):** The energy sector as a whole does not have sufficient liquidity to cover the players across the value chain. This, as would be expected, has negatively impacted on operations. The challenge of low liquidity is triggered by the sub-optimal tariffs, and the delayed and non-payment for power consumed by some customer categories, including Government Ministries, Departments and Agencies. The liquidity challenges have negatively impacted on the ability of power players to fully cover their operating costs and facilitate new investment in the sector for operational improvements. Suffice to indicate that discussions around the second power sector bond are underway, it is, however, too early to confirm the timeline.
- **Depreciation of the Naira:** The acquisition of the 60% equity interest in AEDC Plc was partly funded by a USD122 million acquisition facility from UBA. The regulatory regime provides for an embedded foreign exchange hedge. This means that the regulatory rules provide for semi-annual reviews of end user tariffs to cover, among other parameters, foreign exchange movements effect. Unfortunately, the recent depreciation of the Naira has, in effect, increased the Naira gearing of the business; impacting on its equity valuation. Efforts aimed at restructuring the acquisition facility, to result in a Naira facility with extended tenor, are underway.
- **Regulatory regime:** The regulatory regime, as it currently exists, has not been operationalised in full. This, unfortunately, implies that the envisaged risk allocation of the businesses is not yet operational. The main reasons include, customer affordability. This has brought into question the credibility or robustness of enforcement of the regulatory rules, and has negatively impacted on the valuation of the business. The industry, as a whole, is in discussions with key stakeholders with a view to address the sector challenges.

These and other general matters have impacted on the fair value of the CEC Plc investment in CEC Africa. In accordance with IFRS 9, the board of CEC Plc, in compliance with this standard has considered an impairment based on professional advice applying the IFRS principles of determining fair value. The board has, therefore, determined an impairment of USD99,999,999.00 This, effectively, retains the value of CEC Africa at USD1. The board has further determined that the likelihood of deriving economic benefit from the CEC Africa receivable in accordance with the accounting policies and

accounting standards is low. Based on these considerations, a provision for doubtful debt is being made in the books of the Company.

**THE BOARD IS OF THE VIEW THAT THE MATTERS RAISED ABOVE MAY BE ADDRESSED EVEN THOUGH THE TIMELINE FOR RESOLUTION REMAINS UNCERTAIN. IN RECOGNITION OF THIS, THE BOARD IS PROPOSING A DISTRIBUTION OF CEC AFRICA TO CEC PLC SHAREHOLDERS AS A DIVIDEND IN SPECIE, WHICH WILL ALLOW FOR THE SEPARATION OF THE TWO ENTITIES BUT PROVIDES THE SHAREHOLDERS WITH A RIGHT TO RECOVER ANY POTENTIAL UPSIDE IN THE FUTURE.**

#### **4. THE PROPOSED DEMERGER OF CEC AFRICA VIA A DISTRIBUTION TO CEC PLC SHAREHOLDERS**

CEC Plc intends to implement the Proposed Demerger by way of a dividend distribution of its 1,625,000,597 CEC Africa Shares to CEC Plc Shareholders. CEC Plc Shareholders' entitlement to the dividend in specie will be on the basis that each shareholder will receive 1 (one) CEC Africa share for every 1 (one) CEC Plc Share held on the Proposed Demerger Record Date.

CEC Africa has applied for the registration of its share capital with the SEC, and has secured the requisite shareholder resolutions from CEC Plc authorising the application. Therefore, subject to but not conditional on CEC Plc Shareholder approval of the Proposed Demerger, CEC Africa shares will be duly registered with the SEC under the provisions of the Securities Act, and CEC Africa shares will be quoted and tradable on the LuSE. As a pre-condition to the registration with the SEC, CEC Africa will register with the Registrar of Companies as a foreign company pursuant to the Companies Act.

Further information on CEC Africa is set out on page 25 of this Circular.

#### **5. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED DEMERGER**

The unaudited *pro forma* financial effects set out below have been prepared to assist CEC Plc Shareholders to assess the impact of the Proposed Demerger on the Earnings Per Share and Net Asset Value Per Share of CEC Plc. Due to the nature of these *pro forma* financial effects, they are presented for illustrative purposes only and because of their nature, may not fairly present CEC Plc's financial position, changes in equity, results of operations or cash flows.

The unaudited *pro forma* financial effects have been prepared in accordance with the LuSE Listings Requirements and the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the International Auditing and Assurance Standards Board. These unaudited *pro forma* financial statements are the responsibility of the Directors. The material assumptions on which the *pro forma* financial effects are based are set out in the notes following the table. The unaudited *pro forma* financial effects set out below should be read in conjunction with the audited financial statements for the year ended 31 December 2015, available on the Company's website.

##### ***Pro forma* financial effects as at 31 December 2015**

	Currency	Before	<i>Pro forma</i> adjustments	After	Percentage Change (%)
EPS	USD	(0.08)	+0.15	0.07	+190%
NAV per share	USD	0.18	+0.05	0.23	+30%
Ordinary Shares in issue		1,625,000,597	0	1,625,000,597	0%
Weighted average Ordinary Shares in issue		1,625,000,597	0	1,625,000,597	0%

*Published December 2015*

## 6. SHARE CAPITAL INFORMATION

CEC Plc's authorised share capital of 2,000,000,000 comprises ordinary shares with a par value of ZMW0.01 per share and special share capital of ZMW1.40, comprising 1 special share of ZMW 1.40 per share.

### Authorised and Issued Share Capital

There will be no change in the authorised and issued share capital of CEC Plc as a result of the Proposed Demerger. The authorised and issued share capital of CEC Plc before and after the Proposed Demerger is set out below:

	Before the Proposed Demerger		After the Proposed Demerger	
	Ordinary Shares	Special Share	Ordinary Shares	Special Share
<b>Authorised share capital</b>				
<b>Number of Shares</b>	2,000,000,000	1	2,000,000,000	1
<b>Nominal value of each share (ZMW)</b>	ZMW0.01	ZMW1.40	ZMW0.01	ZMW1.40
<b>Share capital (Kwacha)</b>	ZMW20,000,000	ZMW1.40	ZMW20,000,000	ZMW1.40
<b>Issued share capital</b>				
<b>Number of Shares</b>	1,625,000,597	1	1,625,000,597	1
<b>Share capital (Kwacha)</b>	ZMW16,250,005.97	ZMW1.40	ZMW16,250,005.97	ZMW1.40

## 7. WORKING CAPITAL STATEMENT BY THE DIRECTORS OF CEC PLC

The Directors have considered the position of CEC Plc and the CEC Group prior to and following the implementation of the Proposed Demerger and are of the view that:

- There is no change in the businesses' working capital requirements pre- and post-implementation of the Proposed Demerger;
- CEC Plc will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of approval of this Circular;
- CEC Africa, subject to facility restructuring discussions mentioned above, will be able in the ordinary course of business to pay its debts for a period of 12 months after the approval of this Circular;
- The consolidated assets of CEC Plc and the CEC Group, fairly-valued, will be in excess of the consolidated liabilities for a period of 12 months after the date of approval of this Circular;
- The share capital and reserves of CEC Plc and the CEC Group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of the Circular; and
- The working capital available to CEC Plc and the CEC Group is sufficient for the Group's present requirements, for at least the next 12 months from the date of issue of the Circular. The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future subject to facility restructuring discussions.

## 8. MAJOR SHAREHOLDERS OF CEC PLC

As at the Last Practicable Date, Shareholders (other than Directors) who are beneficially interested, directly and indirectly, in 5% or more of the Company's ordinary Shares are set out below:

Shareholder	Number of Shares held	% holding
ZECI	845,000,000	52.0%
ZCCM-IH	325,000,000	20.0%
Aflife	107,052,794	6.59%
<b>Subtotal</b>	<b>1,277,052,794</b>	<b>78.59%</b>
Other Shareholders	347,947,803	21.41%
<b>Total shares in issue</b>	<b>1,650,000,597</b>	<b>100%</b>

## 9. DIRECTORS' INTERESTS IN CEC PLC

As at 30 September 2016, the interests of Directors in CEC, as recorded in the register and on the LuSE, were as follows:

	30 September 2016	31 December 2015	31 December 2014
<b>Total ordinary issued Shares of the Company</b>	1,625,000,597	1,625,000,597	1,625,000,597
<b>Direct shareholding</b>			
Hanson Sindowe	1,774,567	1,774,567	1,774,567
Michael J. Tarney	2,354,148	2,354,148	2,354,148
Reynolds Bowa	-	184,864	510,050
Owen Silavwe	650,000	650,000	650,000
Munakupya Hantuba	343,615	343,615	343,615
	<b>5,122,330</b>	<b>5,307,194</b>	<b>5,632,380</b>
<b>Indirect shareholding</b>			
Hanson Sindowe*	300,092,866	300,092,866	300,092,866
Michael J. Tarney*	166,596,215	166,596,215	166,596,215
Abel Mkandawire*	153,246,550	153,246,550	153,246,550
	<b>619,935,631</b>	<b>619,935,631</b>	<b>619,935,631</b>
<b>Total (Direct and Indirect shareholding)</b>	<b>625,057,961</b>	<b>625,242,825</b>	<b>625,568,011</b>

\* **Note:** Director's shareholding is through a beneficial interest in ZECI, which directly holds CEC Plc shares representing a 52% shareholding.

### Changes in Directors' Interests before and after the Proposed Demerger

There will be no changes in Directors' interest as a result of the Proposed Demerger.

## 10. BOARD RECOMMENDATION AND DIRECTORS' INTENTIONS

The Board has considered the Proposed Demerger and recommends that CEC Plc Shareholders vote in favour of the Resolutions as the Directors intend to do so in respect of their own beneficial holdings, being in aggregate 625,057,961 shares, which represent 38% of all CEC Plc Shares in issue as at the date of this Circular.

## 11. MATERIAL CHANGES

The Directors report that, to their knowledge, there have been no material changes in the financial or trading position of CEC Plc since 31 December 2015, the date of the last audited financial statements as set out in Annexure 2 of this Circular.

No material property has been disposed of in the last five years as at the date of this Circular.

## 12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names appear on page 22 of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no material facts, the omission of which would make any statement in this Circular false or misleading and that they have made all reasonable inquiries to ascertain such facts and that this Circular contains all information required by law and by the Listings Requirements.

The Directors confirm that the particulars in this Circular include all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Company.

### **13. CONSENTS**

Each of the advisers, whose names appear in the “Corporate Information and Advisers” section of this Circular have consented and have not, prior to the Last Practicable Date, withdrawn their written consent to the inclusion of their names and, where applicable, reports in the form and context in which they appear in this Circular.

For the purpose of complying with the Listings Requirements, KPMG has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion herein, of and all references to:

- i. its name;
- ii. its independent reporting accountant’s report dated 24 November 2016 on the Pro Forma Financial Effects of the Proposed Demerger; and
- iii. its independent reporting accountant’s report on the CEC Africa Financial Statements.

### **14. LITIGATION STATEMENT**

As at the Last Practicable Date, the Directors are not aware of any legal or arbitration proceedings that have been instituted and that may have or have had, in the last 12 months, a material effect on the Company’s financial position nor are they aware of any such proceedings that are pending or threatened other than an action that is pending before the High Court of Zambia, for judicial review following a 2014 directive by the Energy Regulation Board (ERB) to increase electricity tariffs to the mines. CEC was joined to the proceedings as an interested party as it is a supplier of electricity to some of the affected mines. By this action, the Chamber of Mines of Zambia wishes to have the ERB directive reversed.

### **15. GOVERNING LAW**

The Proposed Demerger will be governed by Zambian law and Mauritian law.

### **16. ESTIMATED EXPENSES IN RELATION TO THE TRANSACTION**

The total estimated costs of the Proposed Demerger, including advisory fees, regulatory costs, filing costs, advertising and printing costs is estimated at ZMW3 million.

### **17. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the registered offices of CEC Plc in Kitwe and Lusaka, and at the offices of Stockbrokers Zambia Limited during normal business hours (excluding Saturdays, Sundays and public holidays) from the date of issue of this Circular up to and including Friday, 23 December 2016:

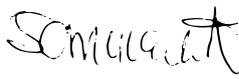
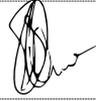
- iv. the Articles of Association of CEC Plc and each of its operating subsidiaries;

- v. the Constitution of CEC Africa and each of its operating subsidiaries;
- vi. the audited annual financial statements of CEC Plc for the three financial years ended 31 December 2015;
- vii. the audited annual financial statements of CEC Africa for the three financial years ended 31 December 2013 to 31 December 2015;
- viii. the pro forma financial statements of CEC Plc for the six months to 31 December 2016;
- ix. written consents of the Transaction Advisor & Sponsoring Broker, Legal Advisers, Reporting Accountant & Tax Adviser and Transfer Secretary to the inclusion of their names in this Circular in the context and form in which they appear; and
- x. a signed copy of this Circular.

23 November 2016

Signed at Lusaka

SIGNED BY THE DIRECTORS on the 23<sup>rd</sup> day of November 2016

Name	Signature
Hanson Sindowe	
Michael J. Tarney	
Rtd. Brigadier-General Emelda Chola	
Reynolds Bowa	
Munakupya Hantuba	
Abel Mkandawire	
Sixtus Mulenga	
Ronald Tamale	
Joe M. Chisanga	
Taimoor Labib	
Mildred T. Kaunda	
Owen Silavwe	

## INFORMATION ON CEC PLC

### 1. GENERAL

CEC Plc is an independent power transmission and distribution company with core operations in Zambia and an expanding footprint in the rest of Africa. The Company operates and maintains power transmission, distribution and generation assets. CEC Plc owns and operates approximately 1,000km of 220kV and 66kV transmission lines, 540km of optical ground wire, 42 major substations and 80MW of embedded gas turbine generation. The Company accounts for approximately 50% of Zambia's electrical power consumption. CEC Plc is a key supplier to Zambia's Copperbelt Province through long term power supply agreements with mining companies. In this regard, the Company's services include generation backup services. CEC Plc owns and operates 80MW of generation capacity to provide emergency power to customers.

CEC Plc's power wheeling activities span the Copperbelt Province of Zambia. The Company has over 60 years of experience in supplying power to the mines and is a member of the SAPP.

In recent years, the Company has expanded its business to include investments in telecommunications through 50% joint ventures in CEC Liquid Telecom and Hai (formerly Realtime). CEC Africa was incorporated to undertake international investments in the power sector in Sub-Saharan Africa as its core business. CEC Plc has been listed on the Lusaka Securities Exchange since January 2008.

### 2. SUBSIDIARIES

#### 2.1 CEC Liquid Telecom (Joint Venture between CEC Plc and Liquid Telecommunications Holdings Limited)

CEC Liquid Telecom is a 50:50 joint venture partnership between CEC Plc and Liquid Telecommunications Holdings Limited. CEC Liquid Telecom provides wholesale telecommunications services in Zambia. Headquartered in Lusaka, CEC Liquid Telecom owns and operates a national long haul broadband fibre based backbone from Chirundu to Kasumbalesa as well as a new long haul broadband fibre from Lusaka to Livingstone and Livingstone to Sesheke. CEC Liquid Telecom also has fibre rings in most major towns and provincial capitals in Zambia. The company provides competitive high quality products and services through the wholesale of national and international fibre bandwidth. CEC Liquid Telecom has become the preferred wholesale broadband connectivity company in Zambia. In 2016, CEC Liquid Telecom acquired a license which allows it to provide services to the retail market and the focus in the near term is to roll out products that will facilitate the provision of reliable connectivity to the retail market while retaining its core provision of services to the wholesale market.

#### 2.2 Hai Telecommunications Limited

Hai Telecommunications is a 100% subsidiary of CEC Liquid Telecom, focused on providing internet service to a niche market of corporate and retail customers. Its core business is to provide high speed internet services, private leased circuits using optic fibre technology and internet over radio technology. The focus of this business is to drive internet content delivery which drives internet usage and to increase internet penetration in the country.

### 3. PROSPECTS

CEC Plc seeks to continue its positive growth trajectory through focused investments and growth opportunities, with a focus on Zambia and Southern Africa. The Company is well placed to benefit from the growth in the Zambian mining sector with the current mining expansion projects, which will require power supplies. The strategy for the business will be focused on growth that is integrated in the core business. On a regional basis and as a regional /international power trader, the business will focus on nurturing the opportunity to grow its participation in power trading and play a role in unlocking regional transmission infrastructure to facilitate power transmission and supplies in a rational approach; taking into account right risk allocation. The current power shortages in-country and in the region have triggered initiatives for the business to play a significant role in the power sector across the value chain, all aimed at providing reliable quality services to customers. The strategic

focus is around having a rational and robust methodology of allocating capital to new projects with the aim of creating shareholder value. As part of its growth strategy, CEC Plc seeks to be a strategic partner in private power projects or public-private partnership power projects within the region and is focused on opportunities that create value for the Company and its investors.

The Company has built a robust pipeline of power projects across Africa, including its flagship 40MW Kabompo Gorge Hydro Project in Zambia's North-Western Province. Key to unlocking this project is the requirement for a long-term power purchase agreement, which the Company is currently focused on addressing. Other prospects in Zambia include possible hydro generation projects on the Luapula River. CEC Plc has acquired critical skills with respect to developing infrastructure in Zambia and the region.

With respect to value realisation or aligning the book value, or discounted cash flow valuation to the market capitalisation, the board has considered this as a priority transaction as it will unlock financing options, particularly equity financing. Management and the Board are of the view that the market capitalisation is not representative of the business valuation based on fundamentals. The initial assessment seems to demonstrate that the following could be the reasons for the market to penalise the business in terms of valuation. These include: Nigerian power sector issues and liquidity limitation of the stock. The Board, therefore, has appointed advisors who are exploring options by which value realisation could be achieved. This is a priority transaction for the Company and as soon as a decision is made, an announcement will be made to the market.

#### 4. CEC PLC ENTITY SIX YEAR SUMMARY FINANCIAL INFORMATION (EXTRACT FROM AUDITED FINANCIAL STATEMENTS)

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Non-current assets	241 269	239 777	244 031	305 273	380 613	550 282
Current assets	36 316	68 218	64 063	110 414	161 615	171 372
<b>TOTAL ASSETS</b>	<b>277 585</b>	<b>307 995</b>	<b>308 095</b>	<b>415 687</b>	<b>542 228</b>	<b>721 654</b>
Total Equity	160 992	169 315	172 806	183 804	279 478	381 486
Non-current liabilities	73 127	72 934	71 374	78 935	150 424	232 190
Current liabilities	43 466	65 746	63 915	152 948	112 326	107 978
<b>TOTAL LIABILITIES</b>	<b>116 593</b>	<b>138 680</b>	<b>135 289</b>	<b>231 883</b>	<b>262 750</b>	<b>340 168</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>277 585</b>	<b>307 995</b>	<b>308 095</b>	<b>415 687</b>	<b>542 228</b>	<b>721 654</b>
Revenue	167 294	197 539	259 172	267 066	291 948	291 054
Gross profit	45 856	52 801	71 158	75 452	88 697	86 479
EBITDA	30 293	48 877	43 851	47 282	60 604	79 950
Net profit	12 720	20 613	21 239	24 010	33 605	39 525

CEC Plc financial performance has over the five years improved as assessed against various benchmarks. Performance improvement is mainly on account of new business lines, specifically the introduction of power trading which is focused on regional power trading and supplying power to mining companies in the DRC. The other contributor is the increase in traffic flows of wholesale capacity bandwidth driven by the growth of our telecoms business units. The business has, on average, posted a return of 5.5% with a Net Debt to EBITDA of 0.9x.

## INFORMATION ON CEC AFRICA

### 1. INTRODUCTION

CEC Africa was established by CEC Plc in February 2013 to develop, finance and operate power infrastructure projects across Sub-Saharan Africa. CEC Africa covers the full value chain of the power sector – generation (both hydro and thermal), distribution, transmission, and renewable energy. The company invests in projects at various stages of development, ranging from greenfield generation projects to operating assets.

In August 2013, CEC Africa acquired two operating power assets in Nigeria as part of the first phase of the Nigerian power sector privatization. The company is also involved with two projects in Namibia and Sierra Leone. The medium to long term strategy around these projects is under review.

CEC Plc and ZECI have capitalized CEC Africa with a total USD172.9 million through a combination of equity and debt. The company used the funds to acquire equity interests in its two operating assets; namely, AEDC Plc and Shiroro, finance development costs at Kudu and CEC Africa SL power projects, and to provide the company with working capital support.

CEC Africa's strategy is to provide its investors with a well-diversified investment portfolio of operating power infrastructure projects across Sub-Saharan Africa (SSA). The company targets a minimum equity return of 20% on its power projects, which could be boosted through provision of technical support services, engineering services as well as operations and maintenance.

In the short to medium term, CEC Africa is focussing on the turn-around of its operating assets in the uncertain Nigerian market. The challenges for the two assets, whilst interlinked, are also quite different. The distribution company, AEDC's main focus is the reduction of aggregate technical, commercial and collection losses. For the generation company, the main challenge is navigating the industry liquidity challenges and ensuring that the commercial structure of the concession does not erode long term returns. For both businesses, the sliding value of the local currency presents challenges. This has necessitated looking at innovative financing structures to fund capital expenditure and also to manage the exchange risk on foreign currency denominated loan facilities. CEC Africa is supporting the management teams in resolving these financing issues. Whilst navigating all this, it is the intention of CEC Africa to ensure that both businesses modernise their management practices, Health, Safety, Environment and Social standards, maintenance practices and general application of technology across their respective value chains.



In executing this strategy, CEC Africa is using a combination of internal and external resources. To keep costs low and increase flexibility during this lean period, CEC Africa will maintain minimal staff. It will, however, carry out its mandate through the judicious use of consultants where deemed necessary to provide for peak activities. The existing intercompany agreement between CEC Africa and CEC Plc will also be used to provide support services, especially in the areas of operations and maintenance support, and regulatory/financial reporting. The commercial arrangements contained in that agreement already provide for an arm's length relationship between the two entities.

### 2. CEC AFRICA BUSINESS OFFERINGS

CEC Africa develops, finances and operates power projects across SSA, with a business offering in investment and development, operations and management, and specialist services.

## 2.1. OPERATING POWER AND INFRASTRUCTURE ASSETS

In August 2013, CEC Africa completed the acquisition of two power assets in Nigeria – AEDC and Shiroro, and CEC Africa is currently implementing a turnaround strategy for these two assets.

### 2.1.1. AEDC Plc

AEDC is a power distribution company with a franchise for distributing electricity in four states comprising the Federal Capital Territory of Abuja (FCT), Niger, Kogi and Nasarawa. The AEDC distribution zone covers 133,014km<sup>2</sup> with a population of over 10.5 million people in 2.3 million households dominated by the FCT. It has over 800,000 customers on record and the numbers are expected to increase with an on-going customer enumeration exercise.

AEDC is majority owned by KANN Utility, a joint venture between CEC Africa (75% ownership) and Xerxes Limited (25% ownership). In August 2013, KANN Utility paid a total consideration of USD164 million for a 60% equity interest in AEDC.

### 2.1.2. Shiroro

The Shiroro hydroelectric power station was commissioned in 1990. It is located in the Niger State in North-West Nigeria. The plant is situated 500 metres downstream from the confluence of the Kaduna and Dinya Rivers, and is within the AEDC franchise distribution zone. It has an installed capacity of 600MW, consisting of 4 x 150MW generating units at a head level of 97 metres. The plant's water reservoir is capable of storing approximately 7 billion m<sup>3</sup> which allows for a 42% utilisation factor. The plant is Nigeria's newest hydroelectric power plant and is in good working order.

Shiroro is currently operated by NSP, a limited liability company registered by a consortium of Nigerian and international investors, who include CEC Africa. NSP is the sole shareholder of the asset. CEC Africa invested approximately USD23 million for a 20% equity interest in NSP and leads the asset's operations and maintenance efforts.

Over the next 7 years, NSP expects to spend about USD30 million to maintain the plant and increase its generating capacity.

## 2.2 PROJECTS IN DEVELOPMENT - CEC AFRICA SIERRA LEONE

CEC Africa, is through its project SPV, CEC Africa SL, developing a greenfield power generation project in Sierra Leone. The project is expected to be one of the largest private sector investments in Sierra Leone to date. It consists of the building and operation of a 128MW HFO power plant, over a concession period of 22 years. The project will be built over 3 phases with the first 50MW anticipated to come online in early 2018. The second phase of 39MW will come online 18 months after phase 1, whilst the final phase of 39MW will come online 18 months after phase 2.

CEC Africa as part of its strategy is exploring options of divesting its equity in whole when the project reaches financial close.

CEC Africa SL which is, through a Mauritian holding company, owned 50.1% by CEC Africa and 49.9% by TCQ Power Limited (an engineering and contracting firm incorporated in the United Arab Emirates), signed the project PPA with the Government of Sierra Leone on 14 May 2014. The PPA was then ratified by the Parliament of Sierra Leone on 29 May 2014. Financial close is expected to occur before the first quarter of 2017.

## FINANCIAL SUMMARY (EXTRACT FROM AUDITED FINANCIAL STATEMENTS)

	December 2015		December 2014		December 2013	
	CEC Africa Group	CEC Africa Company	CEC Africa Group	CEC Africa Company	CEC Africa Group	CEC Africa Company
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Revenue	324 437	3 804	289 043	3 015	46 971	5 348
Gross (loss)/ profit	44 632	3 804	(1 541)	3 015	(8 059)	5 348
EBITDA	(127 768)	(4 389)	(117 440)	(2 891)	124 821	2 235
Net profit/ (loss)	269 525	(945)	(200 191)	(994)	121 292	8 299
Total assets	590 579	162 131	646 801	163 501	635 479	112 064
Total liabilities	553 436	55 771	507 838	156 195	292 573	103 764
Total equity	37 143	106 360	138 963	7 306	342 906	8 300

The table above provides a summary of CEC Africa's historical financial information.

CEC Africa's December 2015 revenue of USD324.437 million largely reflects revenues of AEDC for the full year ended December 2015. Cost of sales of USD279.805 million represents the cost of power from the Market Operator and direct expenses attributed to the purchase of power by AEDC.

AEDC's 2013 to 2015 financial performance was lower than expected, largely as a result of industry issues experienced post-privatisation. KANN's acquisition of AEDC was based off MYTO assumptions that were significantly inaccurate as presented during the privatisation process. These inaccuracies were also evident across the power sector as operators took over various assets and discovered adverse operating conditions that were brought to the attention of Nigerian Electricity Regulatory Commission, which subsequently accepted the inaccuracies and allowed for a period to review assumptions and rectify operator issues. Key issues include: lower than expected energy supplied/available capacity; higher Aggregate Technical, Commercial & Collection (ATC&C) losses than provided for during the bid process; uneven customer numbers; and uneconomical tariff levels.

As a result, the majority of the successor companies, including AEDC, suffered revenue shortfalls in the immediate years after privatisation and continue to experience operating losses to date.

In order to ensure the future sustainability of the Nigerian power sector and its participants (including AEDC) significant government intervention will be required to provide:

- Consistent implementation of cost-reflective tariffs, as envisioned in the MYTO;
- Compensation to sector participants for the non-cost reflective tariff era and the resulting liquidity shortfall.

The government is proactively embarking on measures to address these issues.

AEDC management is taking measures to address the technical losses through prudent network configuration. Commercial losses are being addressed through review and revamp of the billing and vending system; improvement of collections through the establishment of a robust revenue management system; and convenient payment platforms are being established in line with the revamped billing and vending platforms being put in place.

With the above changes already in place, AEDC has seen a steady decline in ATC&C losses and is confident of increasing operational effectiveness going forward:

- Combined losses at take over date were just over 60%; these have been reduced to approximately 45%
- Collection losses improved from 43% to 38% over the period

Technical and Commercial losses have also reduced to approximately 17% from 30%.

## ANNEXURE 1: TABLE OF ENTITLEMENT

The number of CEC Africa Distribution Shares to which qualifying Shareholders will be entitled is set out below, based on the assumption that CEC Plc Shareholders will be entitled to 1 CEC Africa Share for every 1 CEC Plc Share held.

<b>Number of CEC Plc Shares held</b>	<b>CEC Africa Shares entitlement</b>	<b>Number of CEC Plc Shares held</b>	<b>CEC Africa Shares entitlement</b>	<b>Number of CEC Plc Shares held</b>	<b>CEC Africa Shares entitlement</b>
1	1	41	41	81	81
2	2	42	42	82	82
3	3	43	43	83	83
4	4	44	44	84	84
5	5	45	45	85	85
6	6	46	46	86	86
7	7	47	47	87	87
8	8	48	48	88	88
9	9	49	49	89	89
10	10	50	50	90	90
11	11	51	51	91	91
12	12	52	52	92	92
13	13	53	53	93	93
14	14	54	54	94	94
15	15	55	55	95	95
16	16	56	56	96	96
17	17	57	57	97	97
18	18	58	58	98	98
19	19	59	59	99	99
20	20	60	60	100	100
21	21	61	61		
22	22	62	62		
23	23	63	63		
24	24	64	64		
25	25	65	65		
26	26	66	66		
27	27	67	67		
28	28	68	68		
29	29	69	69		
30	30	70	70		
31	31	71	71		
32	32	72	72		
33	33	73	73		
34	34	74	74		
35	35	75	75		
36	36	76	76		
37	37	77	77		
38	38	78	78		
39	39	79	79		
40	40	80	80		



## ANNEXURE 2: INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE PRO FORMA FINANCIAL INFORMATION

The Directors  
Copperbelt Energy Corporation Plc  
First Floor Abacus Square  
Stand Number 2374/B  
Thabo Mbeki Road  
Lusaka

### Report on the pro forma financial information

We have completed our assurance engagement to report on the compilation of pro forma financial information of Copperbelt Energy Corporation Plc ("CEC Plc" or "the Company"). The pro forma financial information consists of the pro forma statement of financial position as at 31 December 2015, the pro forma income statement for the period ended 31 December 2015 and related notes as set out on pages 31–34 of the Circular issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are specified in Lusaka Securities Exchange (LuSE) listings requirements.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the transaction set out in Note 1 on the Company's financial position as at 31 December 2015 and its financial performance for the period ended 31 December 2015 as if the transaction had taken place at 31 December 2015. As part of this process, information about the Company's financial position and its financial performance has been extracted by the Directors from the Company's financial statements for the period ended 31 December 2015, on which an audit report has been published.

### Directors' responsibility for the pro forma financial information

The Directors of CEC Plc are solely responsible for the compilation, contents and presentation of the pro forma financial information contained in the Circular and for the financial information from which it has been prepared.

Their responsibility includes determining that the pro forma financial information contained in the Circular has been properly compiled on the basis stated, the basis is consistent with the accounting policies of CEC Plc and the pro forma adjustments are appropriate for the purposes of the pro forma financial information as disclosed in terms of the LuSE listings requirements.

### Reporting Accountant's Responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the Directors on the basis of the LuSE listings requirements.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma financial information on the basis of the LuSE listings requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.



The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of Copperbelt Energy Corporation Plc as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2015 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to that criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the Company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Limited assurance opinion**

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the LuSE listings requirements.

KPMG

**KPMG Chartered Accountants**

**24 November 2016**

**Cheelo Hamuwele**  
Audit Principal

## CEC Plc Pro forma statement of financial position

<i>In thousands of US Dollars</i>	Consolidated CEC Plc Audited as at 31 December 2015	Consolidated CEC Africa Audited as at 31 December 2015	CEC Plc Pro Forma as at 31 December 2015
<b>Non-current assets</b>			
Property, plant and equipment	823 332	422 818	400 434
Development costs	40 819	-	31 098
Intangible assets	186	186	-
Investments in subsidiaries	-	-	1
Investments in associate	16 042	18 768	-
Investments in joint ventures	16 865	-	15 794
Trade and other Receivables	-	189	-
<b>Total non-current assets</b>	<b>897 244</b>	<b>441 961</b>	<b>447 327</b>
<b>Current assets</b>			
Inventories	6 093	3,748	2 346
Trade and other receivables	210 557	124 116	86 991
Amounts due from related parties	1 844	-	1 844
Cash and cash equivalents	60 933	20 754	40 191
<b>Total current assets</b>	<b>279 427</b>	<b>148 618</b>	<b>131 372</b>
<b>Total assets</b>	<b>1 176 671</b>	<b>590 579</b>	<b>578 699</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	2 849	100 000	2 849
Share premium	60 078	-	60 078
Revaluation reserve	147 582	44 333	151 200
Foreign revaluation reserve	10 219	(23 897)	-
Retained earnings	16 618	(136 605)	24 404
Attributable to owners	237 346	(16169)	238 531
Non-controlling interest	55 628	53,312	-
<b>Total equity</b>	<b>292 974</b>	<b>37 143</b>	<b>238 531</b>
<b>Non-current liabilities</b>			
Interest-bearing loans	221 612	80 028	87 575
Non-current trade and other payables	54 142	3 313	49 617
Deferred employee benefits	3 860	4 231	3 860
Deferred income	18 767	-	12 180
Deferred tax liability	126 078	-	78 958
	<b>424 459</b>	<b>87 572</b>	<b>232 190</b>
<b>Current liabilities</b>			
Current portion of interest-bearing loans	14 020	-	14 020
Trade and other payables	431 119	460 588	88 471
Amounts due to related party	3 118	-	16
Tax payable	10 981	5 276	5 471
	<b>459 238</b>	<b>465 864</b>	<b>107 978</b>
<b>Total liabilities</b>	<b>883 697</b>	<b>553 436</b>	<b>340 168</b>
<b>Total equity and liabilities</b>	<b>1 176 671</b>	<b>590 579</b>	<b>578 699</b>

**CEC Plc Pro forma statement of profit or loss and other comprehensive income**

	CEC Plc Consolidated Audited 31 December 2015	CEC Africa Consolidated Audited 31 December 2015	CEC Plc Consolidated Pro Forma 31 December 2015
<i>In thousands of US Dollars</i>			
Revenue	<b>616 736</b>	324 437	<b>291 054</b>
Cost of sales	<b>(459 422)</b>	(279 805)	<b>(204 575)</b>
<b>Gross profit</b>	<b>157 314</b>	44 632	<b>86 479</b>
Other operating income	<b>34 469</b>	2 699	<b>31 795</b>
Share of profit from Joint Ventures	<b>626</b>	-	<b>626</b>
Share of loss from Associate	<b>(2 660)</b>	(2 710)	-
Operating expenses	<b>(340 909)</b>	(260 766)	<b>(192 878)</b>
<b>Results from operating activities</b>	<b>(151 160)</b>	(216 145)	<b>(73 978)</b>
Finance income	<b>1 534</b>	2 007	<b>36</b>
Finance expense	<b>(47 575)</b>	(54 079)	<b>(7 312)</b>
Net finance cost	<b>(46 041)</b>	(52 072)	<b>(7 276)</b>
<b>Loss before tax</b>	<b>(197 201)</b>	(268 217)	<b>(81 254)</b>
Income tax expense	<b>(23 151)</b>	(1 308)	<b>(21 550)</b>
<b>Loss for the year</b>	<b>(220 352)</b>	(269 525)	<b>(102 804)</b>
<b>Other Comprehensive Income:</b>			
Gross gains on cash flow hedges			
Revaluation surplus	<b>195 251</b>	78 685	<b>116 572</b>
Foreign currency translation difference	<b>(41 136)</b>	(10 979)	-
Defined benefits plan actuarial gains	<b>1 096</b>	-	<b>1 096</b>
Income tax relating to other comprehensive income	<b>(64 788)</b>	-	<b>(41 184)</b>
<b>Total comprehensive income for the year</b>	<b>(129 929)</b>	(201 819)	<b>(26 320)</b>

**CEC Plc Pro forma statement of financial position for CEC Plc entity results for three years from 2013 to 2015**

<i>In thousands of US Dollars</i>	31 December 2013	31 December 2014	31 December 2015
<b>Non-current assets</b>			
Property, plant and equipment	234 398	231 289	400 434
Development costs	12 852	27 744	31 098
Investments in subsidiaries	1	1	1
Investments in joint ventures	15 294	15 294	15 794
Loans to Subsidiary	-	-	-
<b>Total non-current assets</b>	<b>262 545</b>	<b>274 328</b>	<b>447 327</b>
<b>Current assets</b>			
Inventories	3 972	2 869	2 346
Loan to subsidiary	-	-	-
Trade and other receivables	34 479	78 431	86 991
Amounts due from related parties	8 740	8 989	1 844
Cash and cash equivalents	10 863	43 326	40 191
<b>Total current assets</b>	<b>58 054</b>	<b>133 615</b>	<b>131 372</b>
<b>Total assets</b>	<b>320 599</b>	<b>407 943</b>	<b>578 699</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1 817	2 849	2 849
Share premium	40	60 078	60 078
Revaluation reserve	94 214	91 349	151 200
Retained earnings	(7 355)	(9 083)	24 404
Attributable to owners	88 716	145 193	238 531
Non-controlling interest	-	-	-
<b>Total equity</b>	<b>88 716</b>	<b>145 193</b>	<b>238 531</b>
<b>Non-current liabilities</b>			
Interest-bearing loans	10 000	86 589	87 575
Non-current trade and other payables	17 266	16 106	49 617
Deferred employee benefits	7 842	6 333	3 860
Deferred income	8 777	7 833	12 180
Deferred tax liability	35 050	33 563	78 958
	78 935	150 424	232 190
<b>Current liabilities</b>			
Current portion of interest-bearing loans	93 259	13 151	14 020
Trade and other payables	42 635	77 593	88 471
Amounts due to related party	-	25	16
Bank overdrafts	11 654	10 143	-
Tax payable	5 400	11 414	5 471
	152 948	112 326	107 978
<b>Total liabilities</b>	<b>231 883</b>	<b>262 750</b>	<b>340 168</b>
<b>Total equity and liabilities</b>	<b>320 599</b>	<b>407 943</b>	<b>578 699</b>

*The financial statements above show the impact of the demerger going back three years to 31 December 2013 and these have been included for illustration purposes*

**CEC Plc Pro forma statement of profit or loss and other comprehensive income for three years from 2013 to 2015**

<i>In thousands of US Dollars</i>	2013	2014	2015
Revenue	267 066	291 948	291 054
Cost of sales	(191 614)	(203 251)	(204 575)
<b>Gross profit</b>	<b>75 452</b>	<b>88 697</b>	<b>86 479</b>
Share of profit from joint venture	(328)	186	626
Other operating income	11 564	12 852	31 795
Operating expenses	(144 793)	(185 699)	(192 878)
<b>Results from operating activities</b>	<b>(58 105)</b>	<b>(83 964)</b>	<b>(73 978)</b>
Finance income	4 212	9 819	36
Finance expense	(4 506)	(11 829)	(7 312)
Net finance cost	(294)	(2 010)	(7 276)
<b>Loss before tax</b>	<b>(58 399)</b>	<b>(85 974)</b>	<b>(81 254)</b>
Income tax expense	(13 008)	(14 520)	(21 550)
<b>Loss for the year</b>	<b>(71 407)</b>	<b>(100 494)</b>	<b>(102 804)</b>
<b>Other comprehensive income:</b>			
Revaluation surplus	-	-	116 572
Amortisation of revaluation surplus	2 865	2 865	-
Defined benefits plan actuarial (losses) / gains	(740)	1 537	1 096
Income tax relating to other comprehensive income	-	(538)	(41 184)
<b>Total comprehensive income for the year</b>	<b>(69 282)</b>	<b>(96 630)</b>	<b>(26 320)</b>

*The financial statements above show the impact of the demerger going back three years to 31 December 2013 and these have been included for illustration purposes.*

**Note**

- 1 The Pro forma statement of financial position and statement of profit or loss and other comprehensive income illustrate the effect of the demerger (de-consolidation) of CEC Africa Investments Limited.



KPMG Chartered Accountants  
First Floor, Elunda Two  
Addis Ababa Roundabout  
Rhodes Park, Lusaka  
PO Box 31282  
Lusaka, Zambia

Telephone +260 211 372 900  
Website www.kpmg.com

### **ANNEXURE 3: INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE THREE YEAR HISTORICAL FINANCIAL INFORMATION OF CEC AFRICA INVESTMENTS LIMITED**

The Directors  
Copperbelt Energy Corporation Plc  
First Floor Abacus Square  
Stand Number 2374/B  
Thabo Mbeki Road  
Lusaka

#### **Report on the historical financial information**

On the basis of information provided by the Directors, we have compiled the financial statements of CEC Africa Investments Limited, which comprise the statement of financial position as at 31 December 2013, 2014 and 2015, and the statements of profit or loss and other comprehensive income for the years then ended.

We performed this compilation engagement in accordance with the International Standards on Related Services 4410 applicable to compilation engagements.

The Directors are responsible for these financial statements. We have not audited or reviewed these financial statements and accordingly express no assurance thereon. These financial statements are prepared on the basis described in note 1.

KPMG

**KPMG Chartered Accountants**

**24 November 2016**

**Cheelo Hamuwele**  
*Audit Principal*

**CEC Africa Investments Limited historical statement of financial position for three years from 31 December 2013 to 31 December 2015**

<i>In thousands of US Dollars</i>	31 December 2015	31 December 2014	31 December 2013
<b>Non-current assets</b>			
Property, plant and equipment	422 818	472 629	546 152
Intangible assets	186	113	164
Investments in Associate	18 768	21 344	24 179
Trade and other receivables	189	-	-
<b>Total non-current assets</b>	<b>441 961</b>	<b>494 086</b>	<b>570 495</b>
<b>Current assets</b>			
Inventories	3 748	3 022	2 671
Trade and other receivables	124 116	90 576	29 551
Cash and cash equivalents	20 754	59 117	32 762
<b>Total current assets</b>	<b>148 618</b>	<b>152 715</b>	<b>64 984</b>
<b>Total assets</b>	<b>590 579</b>	<b>646 801</b>	<b>635 479</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	100 000	1	1
Translation reserve	(23 897)	(15 695)	(1 257)
Revaluation reserve	44 333	8 925	-
Retained earnings	(136 605)	(2 417)	101 553
Attributable to owners	(16 169)	(9 186)	100 297
Non-controlling interest	53 312	148 149	242 609
<b>Total equity</b>	<b>37 143</b>	<b>138 963</b>	<b>342 906</b>
<b>Non-current liabilities</b>			
Interest-bearing loans	80 028	115 986	115 986
Non-current trade and other payables	3 313	11 886	4 169
Deferred employee benefits	4 231	4 650	-
	<b>87 572</b>	<b>132 522</b>	<b>120 155</b>
<b>Current liabilities</b>			
Current portion of interest-bearing loans	99 680	146 685	97 389
Trade and other payables	360 908	224 187	72 169
Tax payable	5 276	4 444	2 860
	<b>465 864</b>	<b>375 316</b>	<b>172 418</b>
<b>Total liabilities</b>	<b>553 436</b>	<b>507 838</b>	<b>292 573</b>
<b>Total equity and liabilities</b>	<b>590 579</b>	<b>646 801</b>	<b>635 479</b>

**CEC Africa Limited historical statement of profit or loss and other comprehensive income for three years from 31 December 2013 to 31 December 2015**

<i>In thousands of US Dollars</i>	2015	2014	2013
Revenue	324 437	289 043	46 971
Cost of sales	<u>(279 805)</u>	<u>(290 584)</u>	<u>(55 030)</u>
<b>Gross profit</b>	44 632	(1 541)	(8 059)
Other operating income	2 699	1 809	1 863
Gain on bargain purchase	-	-	172 274
Operating expenses	<u>(260 766)</u>	<u>(148 838)</u>	<u>(35 992)</u>
<b>Results from operating activities</b>	(213 435)	(148 570)	130 086
Finance income	2 007	1 500	-
Finance expense	<u>(54 079)</u>	<u>(49 763)</u>	<u>(7 624)</u>
Net finance cost	<u>(52 072)</u>	<u>(48 263)</u>	<u>(7 624)</u>
Share of (loss) / profit of investment in associate, net of tax	(2 710)	(1 011)	1 711
<b>(Loss) / profit before tax</b>	(268 217)	(197 844)	124 173
Income tax expense	<u>(1 308)</u>	<u>(2 347)</u>	<u>(2 881)</u>
<b>(Loss) / profit for the year</b>	<u>(269 525)</u>	<u>(200 191)</u>	<u>121 292</u>
<b>Other comprehensive income:</b>			
Revaluation surplus	78 685	11 900	-
Equity accounted investee share of OCI	134	(1 824)	-
Foreign currency translation differences	<u>(11 113)</u>	<u>(13 828)</u>	<u>(2 754)</u>
<b>Total comprehensive income for the year</b>	<u>(201 819)</u>	<u>(203 943)</u>	<u>118 538</u>

*Note*

1. These are summary financial statements and therefore do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements is not a substitute for reading the audited financial statements of CEC Africa Investments Limited.

**ANNEXURE 4: TAXATION CONSIDERATIONS RELATING TO THE PROPOSED DEMERGER**

Proposed Activity	Zambian Tax Considerations
Impairment of CEC Africa, the investment	The impairment of the CEC Africa assets by CEC Plc will not be tax deductible under corporate income tax.
Impairment of loan in CEC Africa issued by CEC Plc	In the CEC Plc corporate tax computation, the loan impairment would only be allowable for tax purposes if, to the satisfaction of the Zambia Revenue Authority, it is irrecoverable.
Dividend distribution to CEC Plc shareholders	The dividend distribution by CEC Plc will be subject to 15% withholding tax on the gross value of the distribution.
Transfer of CEC Africa shares from CEC Plc to CEC Plc shareholders	There will be no property transfer tax on the transfer of the shares from CEC Plc to the shareholders of CEC Plc. Property transfer tax is only applicable where shares being transferred are in a Zambian incorporated company. CEC Africa is incorporated in Mauritius.
Registration of CEC Africa with the SEC and quotation on the LuSE	No adverse tax implications.
Trading of quoted CEC Africa shares on the LuSE	Will not be subject to Property Transfer Tax.
Critical assumption	The tax implications comments have been provided on the critical assumption that CEC Africa is tax domiciled in Mauritius. If the transfer of shares is made after CEC Africa is incorporated in Zambia, the tax implication would change.

## ANNEXURE 5: DIRECTORS AND SENIOR MANAGEMENT OF CEC PLC

The full names and profiles of the Directors of CEC Plc are listed below. The business/physical address of the Directors is Copperbelt Energy Corporation Plc, Plot 3614, 23rd Avenue, Nkana East, Kitwe. The postal address is P O Box 20819, Kitwe, Zambia.

Non-Executive Directors	
<p><b>Name:</b> Hanson Sindowe (Non-Executive Chairman)</p> <p><b>Nationality:</b> Zambian</p> <p><b>Qualifications:</b> Bachelor's Degree, Electrical Engineering (University of Zambia), Senior Management Certificates (Penn State University; Ashridge College of Management)</p>	<p><b>Experience</b></p> <p>Hanson is the co-founder and Managing Director of the Zambian Energy Corporation (ZamEn). He has over 30 years' experience in the mining industry and has been a Director at the Company since 2006. He has a wide range of experience at senior management level, having previously been General Manager of Zambia Consolidated Copper Mines Limited (ZCCM) Power Division and Managing Director of Zambia Railways. He serves as Chairperson of the Nominations Committee and as a director on the boards of various entities including:</p> <ul style="list-style-type: none"> <li>• Batoka Energy Holding Limited</li> <li>• Zambian Energy Corporation (Ireland) Limited</li> <li>• Zambian Energy Corporation Limited</li> <li>• CEC Liquid Telecommunication Limited</li> <li>• CEC-Kabompo Hydro Power Limited</li> </ul>
<p><b>Name:</b> Reynolds Bowa</p> <p><b>Nationality:</b> Zambian</p> <p><b>Qualifications:</b> Bachelor of Science, Engineering (UNZA)</p>	<p><b>Experience</b></p> <p>Reynolds is an engineer and has been chief executive officer for Petrotech Oil Corporation for the last ten years. Prior to that he worked for Caltex Oil (Zambia) Limited, Zambia Airways Corporation, and Zambia Consolidated Copper Mines (ZCCM) at Konkola Division. He has extensive experience in technical management and serves in a technical advisory role on several statutory boards. Reynolds is a fellow of the Engineering Institution of Zambia and a member of the institute of Directors of Zambia. He was appointed to the CEC Plc board on 1<sup>st</sup> September, 2012. He chairs the Investment Committee, and is a member of Executive Committee and the Risk Committee of the CEC Plc board and also serves as a director on the boards of:</p> <ul style="list-style-type: none"> <li>• CEC Africa Investments Limited</li> <li>• Petrotech Oil Corporation Ltd</li> <li>• Petrotech Systems Ltd</li> </ul> <p>Reynolds is also a member of:</p> <ul style="list-style-type: none"> <li>• Engineering Registration Board Technical committee</li> <li>• Petroleum Technical Committee of the Government of Zambia.</li> </ul>

<p><b>Name:</b> Abel Mkandawire  <b>Nationality:</b> Zambian  <b>Qualifications:</b> Bachelor's degree, Engineering (University of Zambia)</p>	<p><b>Experience</b>  Abel has been a Non-Executive Director at CEC Plc since 2006. He serves as a Director at Behrens Limited. He has worked at Behrens Limited, where he has served as Chairman, since 1980. Prior to joining Behrens Limited, he worked at ZESCO from 1972 and held different roles within the company including that of General Manager. Abel is a Fellow of the Institution of Electrical Engineers (UK).</p> <p>He serves as Chairperson of the Remuneration and Employee Development Committee and sits (or has sat) on the boards of the following entities:</p> <ul style="list-style-type: none"> <li>• Networked Computer Resources</li> <li>• National HIV/AIDS/STI/TB</li> <li>• Standard Chartered Bank Zambia Plc</li> <li>• Zambia Centre for Accountancy Studies</li> <li>• Zambia Association of Chambers of Commerce and Industry</li> <li>• Madison Life Insurance Company</li> <li>• Batoka Energy Holdings Limited</li> </ul>
<p><b>Name:</b> Munakupya Hantuba (Vice Chairman)  <b>Nationality:</b> Zambian  <b>Qualifications:</b> Bachelor's degree, Economics, MBA (Finance)</p>	<p><b>Experience</b>  Munakupya has served as a Non-Executive Director since 2008 and is currently Vice Chairman of CEC Plc. He is a director and Chief Executive Officer of African Life Financial Services since April 2010. Munakupya set up the Financial Services Division of Anglo American Corporation (CA) Limited which managed the Saturnia Regna Pension Trust Fund in 1992. The fund currently covers over 100 schemes and has over USD450 million assets under its management. He has worked at Anglo American Corporation and Meridien Bank, among others.</p> <p>He currently chairs the Lafarge Cement Zambia Plc board, is the Vice Chairman for the Chimsoro Group and is a director of the Zambia Association of Chambers of Commerce and Industry. Munakupya serves on other corporate boards including:</p> <ul style="list-style-type: none"> <li>• Real Estate Investments Zambia Limited</li> <li>• Southern Sun Ridgeway Limited</li> <li>• NWK Zambia Limited</li> <li>• Aflife Properties</li> <li>• Kaleya Smallholders Limited</li> <li>• Denison Mines Zambia Limited</li> <li>• Anglo Exploration Limited</li> </ul> <p>He has considerable experience in the financial sector. He is also a member of a number of professional societies and other interest groups.</p>

<p><b>Name:</b> Michael J. Tarney</p> <p><b>Nationality:</b> British</p> <p><b>Qualifications:</b> Chartered Accounting and Engineering (Cambridge University)</p>	<p><b>Experience</b></p> <p>Michael has been a director at CEC Plc since 2006. Previously employed as Audit Manager by PricewaterhouseCoopers, Michael has also worked for Marconi Corporation Plc and as Financial Controller-International Operations for National Grid Plc. During his time as Managing Director Corporate Development at CEC Plc, Michael was responsible for implementing CEC Plc’s growth strategy as well as identifying potential growth areas in the energy sector in Zambia and abroad. Michael sits or has sat on the following boards:</p> <ul style="list-style-type: none"> <li>• Batoka Energy Holding Limited</li> <li>• Zambian Energy Corporation (Ireland) Limited</li> <li>• Zambian Energy Corporation Limited</li> <li>• Madison Asset Management Company Limited</li> <li>• CEC-Kabompo Hydro Power Limited</li> </ul>
<p><b>Name:</b> Dr Sixtus Mulenga</p> <p><b>Nationality:</b> Zambian</p> <p><b>Qualifications:</b> PhD in Geology, Masters of Science in Geology and DIC in Engineering Geology from University of London, Imperial College of Science Technology and Medicine, Royal School of Mines; and a BSc (Hons) Geology CNAAB from the Polytechnic of North London (now University of North London)</p>	<p><b>Experience</b></p> <p>Dr. Mulenga is a Mining Geologist with over 35 years’ mining industry experience both in Zambia and in the global mining industry, who has held senior corporate executive management positions over the last 20 years. He formerly served as Vice President in charge of Mineral Resources, Safety, Occupational Health, Environment and Quality Assurance at Konkola Copper Mines Plc and was General Manager – Corporate for Albidon Zambia Ltd – the first nickel mine in Zambia. Other past roles include Group Consulting Hydro-Geologist at Zambia Consolidated Copper Mines Ltd and Chief Geologist of Konkola and Nchanga Mines respectively. He is a member of several professional institutions and has been a key member of major mining developments in Zambia.</p> <p>He is a founding Member of the Zambia Extractive Industry Transparency Initiative (EITI) Council and a member of the Mining Advisory Committee (MAC) of the Ministry of Mines, Energy and Water Development.</p> <p>He serves as Chairperson of the Safety Health and Environmental (SHE) Committee and also serves on the local boards of several international companies including Murray and Roberts Cementation Zambia Ltd, Mopani Copper Mines Plc (representing ZCCM-IH), Aggreko, Kagem Emerald Mining Ltd (representing the Government of Zambia) and AEL Zambia Plc.</p>

<p><b>Name:</b> Joe M. Chisanga  <b>Nationality:</b> Zambian  <b>Qualifications:</b> Chartered Accountant</p>	<p><b>Experience</b></p> <p>A chartered management accountant with over 40 years of experience, Joe has vast exposure locally and regionally; having served different companies in various capacities as, among others, Financial Controller, Company Secretary, Internal Auditor and Management Accountant.</p> <p>He is past president of the Zambia Institute of Chartered Accountants (ZICA) and the Chartered Institute of Management Accountants (CIMA) Zambia Branch. He has held various board directorships and chaired boards of a number of companies in Zambia. As a member of the board of the Zambia Revenue Authority from 1993 to 1999, Joe was an instrumental member of the team that restructured Customs and Excise and Value Added Tax (VAT), creating the VAT Division structure.</p> <p>He is a Fellow of the Chartered Institute of Management Accounts, the Chartered Global Management Accounts and the Zambia Institute of Chartered Accountants. He is also a Fellow of the Institute of Directors of Zambia and a member of the Institute of Directors of Southern Africa. He holds membership to several other professional institutions and has several professional qualifications.</p> <p>Joe is founder, Chairman and Managing Consultant of Fidelity Consultancy Services Limited; founder and Managing Partner of JM Chisanga &amp; Company; and Chairman and Managing Director of Pakabuta Investments Limited. He was appointed to the board of directors of CEC Plc in July, 2014 and currently sits on the Audit Committee as Chairperson.</p>
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<p><b>Name:</b> Ronald Tamale  <b>Nationality:</b> American  <b>Qualifications:</b> MBA (Stanford Graduate School of Business), Bachelor's Degree in Economics (Pomona College)</p>	<p><b>Experience</b></p> <p>Ronald was a founding member of Standard Chartered's Africa Private Equity (SCPE Africa) division in 2008. SCPE Africa provides equity funding for expansions, acquisitions, leveraged buyouts and management buyouts and considers equity investments from USD30 million to USD150 million in a single transaction. SCPE Africa has invested over USD800 million in businesses in the telecommunications, banking, oil &amp; gas, agriculture, retail, manufacturing, energy and consumer goods sectors across the bank's geographic footprint in Africa. Prior to joining SCPE Africa in 2008, Ronald spent 6 years at Goldman Sachs in the U.S. before relocating to Africa from his role as a Senior Associate within the U.S. investment giant's investment banking division. Ronald holds an MBA degree from the Stanford Graduate School of Business and a Bachelor of Arts degree in Economics from Pomona College.</p> <p>He serves as Chairperson of the Risk Committee.</p>
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<p><b>Name:</b> Rtd. Brigadier-General Emelda Chola</p> <p><b>Nationality:</b> Zambian</p>	<p><b>Experience</b></p> <p>Emelda was appointed as director on the CEC Plc Board in February 2016 by the Special Shareholder, GRZ. She has over 40 years' experience in the Public Service and prior to her appointment as Permanent Secretary in the Ministry of Energy and Water Development, she served in the Ministries of Defence and Home Affairs in the same capacity. She also sits on the boards of:</p> <ul style="list-style-type: none"> <li>• ZESCO Limited</li> <li>• Indeni Oil Refinery</li> <li>• Zambezi River Authority</li> <li>• TAZAMA</li> <li>• Zambia Information and Communications Technology Agency</li> <li>• Rural Electrification Authority</li> </ul>
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<p><b>Name:</b> Mildred Kaunda</p> <p><b>Nationality:</b> Zambian</p> <p><b>Qualifications:</b> Bachelor of Arts (Cum Laude), MBA (Melbourne Business School, University of Melbourne, Australia)</p>	<p><b>Experience</b></p> <p>Mildred is the founder and principal consultant of communications firm Cutting Edge PR. She focuses on the ongoing sustainability of the agency, creates strategic communication frameworks for client's campaigns and oversees all client service. She is a results oriented senior executive with over 24 years' experience in media relations, positioning strategies, branding and integrated marketing communications plans and financial services. Mildred has worked in various international financial institutions including: Investec, Standard Corporate and Merchant Bank, East and African Development Bank. Meridien Bank and Deloitte, in Kenya, South Africa and Zambia.</p> <p>She is a Chartered Public Relations Practitioner (CPRP) of the Public Relations Institute of Southern Africa (PRISA), a senior member (MIPRA) of the International Public Relations Association (IPRA) as well as a member of the Zambia Public Relations Association and the Public Relations Society of America. Mildred was elected in January 2010 as the IPRA Council Member and National Chair for Zambia for a two-year term. She was a member of the interim founding committee that launched the Zambia Public Relations Association (ZAPRA) in May 2010 and was elected a committee member of the same in December 2010 for a two-year term. She is a board member of the American Chamber of Commerce in Zambia and is a Representative Director for ZCCM-IH Plc.</p>
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<p><b>Name:</b> Taimoor Labib</p> <p><b>Nationality:</b> American</p> <p><b>Qualifications:</b> Bachelor of Science degree Degree</p>	<p><b>Experience</b></p> <p>Taimoor joined Standard Chartered Private Equity in March 2010 and is currently Managing Director, Head of Africa and Middle East Private Equity, investing and overseeing an approximately USD1.5 billion direct investment portfolio in leading companies across Africa and the Middle East. He actively manages and sits on the boards of most of these companies headquartered in Botswana, Jordan, Kenya, Nigeria, Saudi Arabia, South Africa, UAE, UK and Zambia.</p> <p>Previously, he was also Head of Global Private Equity Portfolio Management (2013 – 2016), overseeing the global emerging market portfolio with investments in Asia, Africa and the Middle East.</p> <p>Taimoor has 20 years of direct private equity and investment banking investment with leading international and regional institutions, including deep relationships with family groups, regulators, sovereign wealth funds and limited private partners. Taimoor began his career with Bear Stearns in New York, and the Carlyle Group in Washington D.C., and holds a Bachelor of Science degree from Carnegie Mellon University.</p>
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### Executive Director

<p><b>Name:</b> Silavwe Owen (Managing Director)</p> <p><b>Nationality:</b> Zambian</p> <p><b>Qualifications:</b> Bachelor's Degree, Electrical Engineering, Master of Science, Electrical Power Engineering (Chalmers University), MBA (IMD)</p>	<p><b>Experience</b></p> <p>Owen has been Managing Director of CEC Plc since August 2014, when he also took up the appointment to the board, having served the Company as Managing Director – Operations since the earlier part of 2013. Prior to his current role, he served as the Chief Operating Officer for the Company from March 2012. Owen has previously held the position of Commercial Director responsible for business development and other commercial aspects of the Company's operations division. Having served in various positions within CEC Plc, Owen rose through the ranks to his current position. He has made significant contribution to the business transformation of CEC Plc. Owen holds a Bachelor of Electrical Engineering degree from the University of Zambia, an MSc in Power Engineering from Chalmers University in Sweden and an MBA from IMD in Switzerland.</p>
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### Senior Management

<p><b>Name:</b> Mutale Mukuka (Chief Financial Officer)</p> <p><b>Nationality:</b> Zambian</p> <p><b>Qualifications:</b> Chartered Management Accountant, MBA (IE Business School), Fellow of the Zambia Institute of Chartered Accountants</p>	<p><b>Experience</b></p> <p>Mutale was appointed Chief Financial Officer in August, 2014. Prior to this, he served as CFO for subsidiary CEC Africa Investments Limited, and also as Regional Head – West Africa based in Abuja, Nigeria. He has led and been involved in over 10 transactions (both debt and capital markets) across Sub-Saharan Africa in the last 6 years. He has previously held senior positions in the CEC Group including as Director, Corporate Finance, Manager Corporate Finance and Business Planning Head.</p> <p>In his present role, he is responsible for driving financial strategy, investment monitoring, M&amp;A, financial operations, control, tax planning and structuring. He is a board member of most subsidiaries in the Group as well as a representative of the listed entities on the Lusaka Securities Exchange Limited. Mutale is a United Kingdom Chartered Management Accountant, Fellow of the Zambia Institute of Chartered Accountants and holder of an MBA from IE Business School, Spain.</p>
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<p><b>Name:</b> Christopher Nthala (Chief Operating Officer)</p> <p><b>Nationality:</b> Zambian</p> <p><b>Qualifications:</b> Bachelor's degree in Engineering (Electrical), Diploma in Distribution Engineering (British Electricity International, UK), Advanced Management of Power Systems (SwedPower/Vattenfall, Sweden)</p>	<p><b>Experience</b></p> <p>Christopher was appointed Chief Operating Officer for CEC Plc in 2013, heading the Operations Directorate and responsible for the management of all operations aspects of the power system (system operations, system maintenance, emergency power, system safety). He has over 20 years' experience in the Zambian electricity supply industry, holding various portfolios up to Director for Generation and Transmission at ZESCO. He has also served as Manager for the power distribution network at Kansanshi Mine in Zambia, a subsidiary of First Quantum Minerals. Furthermore, he has been involved with SAPP activities for many years, rising to Chairman of the Management Committee.</p>
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<p><b>Name:</b> Julia Chaila (Chief Legal Counsel)</p> <p><b>Nationality:</b> Zambian</p> <p><b>Qualifications:</b> Bachelor of Laws Degree (University of Zambia), Advocate of the High Court and Supreme Court for Zambia, Chartered Arbitrator (United Kingdom)</p>	<p><b>Experience</b></p> <p>Julia is the Management head of the In-house Legal Department, which she established in 1997. She is also Company Secretary for CEC Plc. Julia has over 25 years' experience in Corporate and Commercial law, and has in particular specialised in energy, construction and mining law. Julia has previously held several senior positions in both the private and public sector, including as Management Head of the ZCCM Legal Department on the Copperbelt. Julia is an active member of the Law Association of Zambia and currently sits on the Legal Practitioners Committee and the Electoral Board. She is Director on the Boards of:</p> <ul style="list-style-type: none"> <li>• Company Clinic</li> <li>• CEC-Kabompo Hydro Power Ltd</li> <li>• Zambia Forest and Forestry Industries Company Ltd</li> <li>• Nkana Water and Sewerage Company</li> <li>• CHEP</li> </ul>
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<p><b>Name:</b> Aaron Botha (Chief Projects Officer)</p> <p><b>Nationality:</b> Zambian</p> <p><b>Qualifications:</b> Chartered Engineer, Bachelor of Engineering degree – Electrical (UNZA), BTEC Diploma in Industrial Measurements and Control (Bolton Institute of Technology), MBA (Edith Cowan University).</p>	<p><b>Experience</b></p> <p>Aaron is responsible for managing capital projects for the Company and also provides technical liaison for CEC Africa projects support. Prior to taking up this role, he directed the technical and commercial aspects of projects in the Company, including the Kabompo Hydroelectric project; covering project feasibility and engineering design studies, contract arrangements, aspects of project financing and other commercial arrangements. He has previously worked as CEC Plc's Technical Director and Projects Director, responsible for the management of all technical aspects with regard to Protection, Metering, Telecommunications, System Performance, Asset Management and Emergency Power generating systems to ensure reliable and continuous power supply to the Company's customers. He has also managed the implementation of the Company's short term and long term capital projects. He has over 20 years of practical experience at senior management level, having been responsible for various engineering and operational requirements of the high voltage and distribution system of the power networks in ZCCM and now CEC Plc.</p>
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<p><b>Name:</b> Titus Mwandemena (Chief Commercial Officer)</p> <p><b>Nationality:</b> Zambian</p> <p><b>Qualifications:</b> Bachelor of Engineering Degree (UNZA) and MBA (Copperbelt University)</p>	<p><b>Experience</b></p> <p>Titus leads the Account Management, Business Development and Power Trading Departments. He has extensive experience in the Zambian Electricity Supply Industry of which the first eleven years involved operation and maintenance of high voltage transmission lines and substations, project management and investment planning for transmission systems. Later experience included overseeing important initiatives; including international competitive bidding, project management and business development, and the creation of the power sourcing and trading department in CEC Plc, bringing together skills and capabilities from within the organisation and the SADC region.</p>
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<p><b>Name:</b> John Simachembele (Director Human Resources)</p> <p><b>Nationality:</b> Zambian</p> <p><b>Qualifications:</b> MBA (Strathclyde University), MSc in Human Resources Management (Heriot-Watt University) and is a Fellow of the Zambia Institute of Human Resources Management</p>	<p><b>Experience</b></p> <p>John is a strong HR generalist with over 25 years quality Human Resources management and consultancy experience, and accomplishment across a number of top-tier national and multinational companies. John has a track record of adding value to organisations through the development of a strategy-led people agenda and enabling systems, policies and initiatives and through the development of leadership, talent and culture required for organisational effectiveness and performance.</p> <p>As a consultant, he has executed several high-profile assignments both in Zambia and the sub-region, and provided leadership as team lead for a number of them. Prior to joining CEC Plc as Director HR in May 2015, John held the position of Senior Human Resources Manager at MTN Zambia Limited. Amongst the positions he has previously held are Human Resources Consultancy Services Manager with PricewaterhouseCoopers, Human Resources Manager with Stanbic Bank, Policy &amp; Process Analyst with Barclays Bank and Industrial Engineer with ZCCM.</p>
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## ANNEXURE 6: DIRECTORS AND SENIOR MANAGEMENT OF CEC AFRICA

The full names and profiles of the Directors of CEC Africa are shown below. The business/physical address and postal address of the Directors is 4th Floor Ebene Skies, Rue de l'Institut, Ebene, Mauritius.

Director	Brief profile
<b>Non-Executive Directors</b>	
<p><b>Name:</b> Siyanga Malumo  <b>Nationality:</b> Zambian  <b>Qualifications:</b> Bachelor of Arts [Business, Economics, Laws] (University of Zambia); MBA (McGill University); Diploma in French (University of Madagascar); Diploma in Portuguese (Escola Cambridge,Lisbon)</p>	<p><b>Experience</b>  Siyanga Malumo is currently the Chairman of CEC Africa. Siyanga is an acknowledged power and infrastructure expert in Africa. He has over thirty years' experience in investment banking; and as Chief Executive Officer of Meridien BIAO Bank, he created a network of banks in West Africa. Siyanga also held senior positions in the African Development Bank and the International Commercial Bank. He is a founding member and Director of ZECI, CEC Plc's majority shareholder.</p>
<p><b>Name:</b> Bishwarnath Bob Bachun  <b>Nationality:</b> Mauritian  <b>Qualifications:</b> Fellow of the Chartered Association of Certified Accountants, UK</p>	<p><b>Experience</b>  Bishwarnath has over 25 years' experience in banking, auditing and management of companies including administration and setting up of funds. He is currently an executive director of Mauritius International Trust Company. Previously he was the Managing Director of Halifax Management Limited. Bishwarnath is a Fellow of the Chartered Association of Certified Accountants, UK.</p>
<p><b>Name:</b> Amal Autar  <b>Nationality:</b> Mauritian  <b>Qualifications:</b> Bachelor's Degree (University of Witswatersrand, South Africa); Associate of the Institute of Chartered Secretaries and Administrators</p>	<p><b>Experience</b>  Amal is an executive director of Mauritius International Trust Company, a position he has held since 2007. His career in trust and corporate service work spans more than 15 years in the global business sector; where he has built extensive experience in the structuring and administration of global business companies, trusts and funds. Amal is an associate member of the Society of Trust and Estate Practitioners.</p>
<p><b>Name:</b> Reynolds Bowa  (Refer to Annexure 5 for profile)</p>	

Director	Brief profile
<b>Senior Management</b>	
<p><b>Name:</b> Emmanuel Sampa Katepa (Chief Executive Officer)  <b>Nationality:</b> Zambian  <b>Qualifications:</b> MBA (Copperbelt University), MEng, Maintenance Management (Hochschule Augsburg), BEng (with Honours), Mechanical Engineering (University of Birmingham)</p>	<p><b>Experience</b>  Emmanuel Katepa is the CEO of CEC Africa with a mandate to provide services to CEC Africa group companies in the areas of technical due diligence, technology selection, project development and post-acquisition business plan integration, monitoring and evaluation. Emmanuel headed the technical team in the USD164m equity acquisition of AEDC and the USD25m equity acquisition in NSP.</p> <p>Emmanuel is also technical lead in the development of a USD200m, 128MW heavy fuel oil fuelled power plant in Freetown, Sierra Leone. He has extensive West Africa power market experience, including previous assignments in the Gambia and Liberia.</p> <p>Prior to this role, Emmanuel headed CEC Renewables in Zambia, the dedicated renewable energy unit of CEC Plc, where he developed pilot and small scale renewable energy projects including solar power, a 1 million litre per annum capacity biodiesel plant and a 2MW biomass gasification based power plant. He spent the early part of his career in operations and maintenance roles, including heading the mechanical maintenance unit of the 220kV and 66kV CEC Plc transmission network. He established the Asset Strategy Department at CEC Plc in 2001. He was, for two years, engaged in a Change Management role as part of the Reengineering Team at CEC Plc following its privatisation.</p> <p>Emmanuel is a board member of AEDC, NSP and CEC Africa SL. He is a fellow at the Engineering Institution of Zambia and a member of the Nigerian Society of Engineers.</p>
<p><b>Name:</b> Conrad Marais (General Counsel)  <b>Nationality:</b> South African  <b>Qualifications:</b> BA/LLB (hons), Law, Politics, French, Psychology (The University of Western Australia)</p>	<p><b>Experience</b>  Conrad joined CEC Africa in 2014, having advised CEC Plc and its stakeholders for over 7 years on a number of underlying projects, corporate and financing transactions. He has over 10 years of experience in emerging markets power and infrastructure, particularly in SSA where he has worked on the development and financing of a number of significant power projects in Africa. He is described as a "standout individual" by Chambers Global for his projects and energy work in Africa. Prior to joining CEC Africa, Conrad was a partner in the London office of niche African focused firm Trinity International LLP and subsequently in Perth where he set up the firm's office to service the growing number of mining companies targeting Africa from Asia.</p>

Director	Brief profile
<p><b>Name:</b> Ije Ikoku (Chief Financial Officer)</p> <p><b>Nationality:</b> Nigerian</p> <p><b>Qualifications:</b> BSc Mechanical Engineering (Stanford University), MBA in Finance &amp; Entrepreneurial Management (Wharton School of Business, University of Pennsylvania)</p>	<p><b>Experience</b></p> <p>Ije Ikoku brings over 17 years of experience in the fields of Private Equity/Finance and Engineering. She joined CEC Africa as CFO in 2015. Prior to this, she was a Senior Investment Officer at the International Finance Corporation (IFC) and was responsible for all facets of deal sourcing, structuring, negotiating, and financing of transactions. At IFC, she worked in Washington DC and Lagos, Nigeria covering infrastructure investments in Africa and Latin America, and successfully structured project finance and private equity deals in infrastructure in excess of USD2.5 billion.</p> <p>Prior to joining IFC, she was the finance director at Geometric Power and previously spent her professional career (primarily in finance) supporting entrepreneurial ventures in the US, Ghana, Nigeria Namibia, and South Africa, and has worked at Charles Schwab and Emerging Capital Partners, among others.</p>
<p><b>Name:</b> Silvester Hibajene (Director Projects)</p> <p><b>Nationality:</b> Zambian</p> <p><b>Qualifications:</b> Degree in Mechanical Engineering Engineer (University of Zambia), Master's in Energy Studies (Sussex University)</p>	<p><b>Experience</b></p> <p>With more than 30 years in the energy sector, Silvester has developed strong public and private sector leadership in power sector restructuring, legal and regulatory reforms, energy pricing and tariff setting, and project selection and development.</p> <p>Silvester is the Director of Business Development, Southern Africa; responsible for identifying, selecting and developing projects. His contribution to CEC Africa includes the development of a tool for screening and selecting project opportunities, negotiating implementation agreements with Governments and negotiating joint development agreements, power purchase and export agreements. Silvester was one of the founding staff of the Department of Energy for which he worked for 10 years prior to rising to the position of Deputy Permanent Secretary (Technical) in the Ministry of Energy and Water Development, a position which he held for 6 years. Thereafter, he joined the Energy Regulation Board where he worked for 10 years, initially as Technical Director and then as Executive Director for 6 years. Silvester joined CEC Plc in 2009 as Director for Strategy and Regulation and is part of the founding staff of CEC Africa.</p>
<p><b>Name:</b> Clara Mvula (Head Corporate Services)</p> <p><b>Nationality:</b> Zambian</p> <p><b>Qualifications:</b> BSc Land Economy (Copperbelt University), MBA (University of Westminster)</p>	<p><b>Experience</b></p> <p>With over 15 years of corporate experience and the last 10 years focused on company secretarial, administration and business development, Clara has strong skills in corporate administration.</p> <p>She is involved in the implementation of the business development strategy for CEC Africa and has been instrumental in coordinating the finance raising processes (both equity and debt) and management of company information. Clara is a seasoned company secretary and is responsible for managing shareholders, directors, management and the statutory secretaries in various jurisdictions within CEC Africa. She has been key in developing governance structures in the group and in monitoring compliance. Her previous experience includes running a regeneration company in London as Practice Manager where she was responsible for all aspects of the business including achievement of Investors in People accreditation. She has also worked as a Legal Assistant and property valuer.</p>

## ANNEXURE 7: DIRECTORS AND SENIOR MANAGEMENT OF CEC LIQUID TELECOM

### CEC Liquid Telecom

The full names and profiles of the Directors of CEC Liquid Telecom are below. The business/physical address of the Directors is the registered office, 3rd Floor Elunda II, Corner Los Angeles / Addis Ababa Roads Long Acres, Lusaka. The postal address is Private Bag E10, Postnet 313, Arcades, Lusaka.

Director	Brief profile
<b>Non-Executive Directors</b>	
<b>Name:</b> Hanson Sindowe (Refer to Annexure 5 for profile)	
<b>Name:</b> Mutale Mukuka (Refer to Annexure 5 for profile)	
<b>Name:</b> Nicholas Trevor Rudnick <b>Nationality:</b> German <b>Qualifications:</b> BA (Law), LLB (Cape) and LLM (Telecommunications)	<b>Experience</b> Nicholas is founder, CEO & Director of the Liquid Telecommunications Group, one of the largest and fastest growing Satellite and Fibre optic providers on the African continent, with operations and infrastructure in 12 countries. Nic is a well-recognized entrepreneur and legal expert within the industry.
<b>Name:</b> Wellington Makamure <b>Nationality:</b> Zimbabwean <b>Qualifications:</b> Degree in Physics, MBA	<b>Experience</b> Wellington is currently Managing Director of Liquid Telecommunications Zimbabwe. He has over 23 years' experience in the telecommunications and electronics industry with 18 of those years at very senior management levels.
<b>Name:</b> Garth Douglas Schooling <b>Nationality:</b> South African <b>Qualifications:</b> Master's Diploma in Technology, a Diploma in Data-metrics and a Project Management Diploma	<b>Experience</b> Garth has 40 years' experience in the Telecommunications industry, covering all aspects of the industry, and including telecommunications and management consulting. The initial 33 of those years were with Telkom SA, of which 14 were in Senior Management. Currently, he heads the Executive Business Strategy unit in Liquid Telecom, South Africa.
<b>Name:</b> Samuel Kyakilika <b>Nationality:</b> Zambian <b>Qualifications:</b> Bachelor's Degree in Electronics and Telecommunications Engineering and a Master's Degree - Advanced Control	<b>Experience</b> Samuel is the Chief Information Officer at Abuja Electricity Distribution Company Plc in Nigeria. He has vast experience in Information and Communication Technologies (designing, planning, deployment and operation of highly available processes and data communication systems for business strategy).
<b>Executive Director</b>	
<b>Name:</b> Andrew Kapula (Chief Executive) <b>Nationality:</b> Zambian <b>Qualifications:</b> Bachelor Degree in Electronics and Telecommunications Engineering and a Master's degree in Computing Systems Design	<b>Experience</b> Andrew is the current Managing Director of CEC Liquid Telecommunication Limited. Prior to being appointed as Managing Director of CEC Liquid Telecom, Andrew served as a Director on the CEC Liquid Telecom Board and was the Senior Manager-Telecoms & Information Technology at CEC Plc. Andrew has vast experience in Information and Communication Technologies and has held different positions since joining the CEC Plc and its predecessor, Zambia Consolidated Copper Mines Ltd, in 1995.

Director	Brief profile
<b>Senior management</b>	
<p><b>Name:</b> Mwendamo Isaac Mazaba (Chief Financial Officer)</p> <p><b>Nationality:</b> Zambian</p> <p><b>Qualifications:</b> Chartered Accountant (Zambia, UK, and South Africa), Master's Degree in Financial Management., Bachelor of Science, Mathematics with Computer Science, MBA</p>	<p><b>Experience</b></p> <p>Mwendamo is responsible for all financial aspects of the operations of CEC Liquid Telecom. Mwendamo is a Chartered Accountant with over 18 years' experience in banking, financial management and reporting, accounting, auditing, tax, and advisory. Other senior positions he has held include Senior Audit Manager at KPMG South Africa, Senior Manager Budgeting and Reporting at Stanbic Bank Zambia, Head of Business Performance Management at Stanbic Bank Zambia, and Financial Controller at Stanbic Bank Zambia. Mwendamo was appointed Chief Financial Officer of CEC Liquid Telecom on 16 July 2015.</p>
<p><b>Name:</b> Marjorie Nalubamba (Chief Officer - Marketing &amp; Sales)</p> <p><b>Nationality:</b> Zambian</p> <p><b>Qualifications:</b> Chartered Marketer, Bachelor of Science, Mathematics with Computer Science, MBA</p>	<p><b>Experience</b></p> <p>Marjorie is responsible for identifying new markets, being involved in new product development and handling of public relations activities. Marjorie has over 20 years' experience in ICT sales, with the last 15 years in the telecommunications industry.</p>
<p><b>Name:</b> Edgar R Mvula (Chief Human Resources &amp; Administration Officer)</p> <p><b>Nationality:</b> Zambia</p> <p><b>Qualifications:</b> Commerce Degree (in Human Resource Management) with a major in Business Management, Diploma in Education and a Diploma in Training Management</p>	<p><b>Experience</b></p> <p>Edgar is responsible for directing and managing the human capital aspects of CEC Liquid Telecom including industrial relations, manpower services and training. Edgar has been a Human Resources practitioner for over 20 years and was Employee Relations Manager with CEC Plc from 2004. His experience as a Human Resources practitioner has been in all the areas of the Human Resources function; including activities relating to labour relations, manpower planning, pay accounting and conditions of service.</p>
<p><b>Name:</b> Mwizukanji Sikanyika (Chief Technical Officer)</p> <p><b>Nationality:</b> Zambian</p> <p><b>Qualifications:</b> Bachelor of Science degree in Computer Science, Bachelor of Philosophy in Information and Knowledge Management, Cisco Certified Network Professional, Microsoft Certified Professional</p>	<p><b>Experience</b></p> <p>Mwizu is responsible for all technical and network operations of CEC Liquid Telecom. He is a registered engineer with more than 10 years' experience in the IT and Telecoms industry. Mwizu was appointed as Chief Technical Officer on 1 December 2014.</p>

Director	Brief profile
<p><b>Name:</b> Mevis Kasongo Chisanga (Company Secretary)</p> <p><b>Nationality:</b> Zambian</p> <p><b>Qualifications:</b> Bachelor of Laws Degree and Advanced Diploma in Procurement for Large Projects - Public and Private Partnerships</p>	<p><b>Experience</b></p> <p>Mevis is the CEC Senior Legal Counsel – Corporate Development for CEC Plc. She has 22 years of post-graduate experience in Corporate and Commercial law, Corporate Advisory Services, Litigation, Conveyance and Company Secretarial. Mevis also has specialisation in energy and construction law, family law and occupational pension schemes. She has previously held senior positions in NGOs and the private sector. Mevis is an active member of the Law Association of Zambia and currently sits on the Women's Rights Committee. She is a Trustee on the CEC Pension Trust Scheme and is a Company Secretary on other Boards.</p>





Copperbelt Energy Corporation PLC  
(Incorporated in the Republic of Zambia)  
(Registration number 39070)  
Share code: CEC ISIN: ZM0000000136  
("CEC Plc" or "the Company")

## DIRECTORS OF CEC PLC

Non-Executive Directors	Executive Directors
Hanson Sindowe	Owen Silavwe
Michael J. Tarney	
Rtd. Brigadier-General Emleda Chola	
Munakupya Hantuba	
Reynolds Bowa	
Abel Mkandawire	
Joe M. Chisanga	
Sixtus Mulenga	
Ronald Tamale	
Taimoor Labib	
Mildred T. Kaunda	

## NOTICE OF EXTRAORDINARY GENERAL MEETING OF CEC PLC SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting ("EGM") of the of Copperbelt Energy Corporation Plc ("the Company") will be held at the CBU Multipurpose Hall, Copperbelt University, Jambo Drive, Riverside, Kitwe on Friday, 9<sup>th</sup> December 2016 commencing at 10:00 hours to transact the following business:

### 1. CALL TO ORDER

Call to order, tabling of proxies and confirmation of quorum.

### 2. ORDINARY RESOLUTIONS

To consider, and if thought fit, pass the following resolutions as ordinary resolutions:

#### 2.1 RESOLUTION 1 – PAYMENT OF A DIVIDEND IN SPECIE

To approve the distribution of a dividend in specie to the shareholders of the Company as recommended by the Board of Directors in the ratio of one CEC Africa Investments Limited ("CEC Africa") share for each share held in the Company pursuant to a resolution of the Board of Directors of the Company of a demerger of CEC Africa from the CEC Group.

#### 2.2 RESOLUTION 2 – AUTHORITY TO DIRECTORS

To authorise the Directors of the Company or any other officer of the Company, subject to the passing of Resolution 1, to be generally and unconditionally empowered to sign all such documents and to cause to be done all such things so as to give effect to the implementation of the transaction referred to in Resolution 1 and, pursuant thereto, to ratify all acts done so far as they relate to actions taken in relation to Resolution 1 prior to the date of resolution.

## 2.3 RESOLUTION 3 – GENERAL

To approve all acts done by any Director, the Company Secretary or any approved officer of the Company in connection with the transactions contemplated herein so far as they relate to the Proposed Demerger through a dividend in specie prior to the date of Resolution 1 be approved.

### By order of the Board

**Julia C Z Chaila (Mrs)**

**Company Secretary**

## NOTES TO THE NOTICE AND AGENDA FOR THE EGM

### Information Regarding the Agenda and Proposed Resolutions

At a board meeting held on Friday, 28 October 2016, the Board of Directors of the Company resolved to restructure CEC Plc by means of a demerger of its wholly owned subsidiary CEC Africa from the CEC Group (the “Proposed Demerger”). The Proposed Demerger will be implemented by way of a distribution by CEC Plc of all CEC Africa shares held by it to the CEC Plc shareholders by way of a dividend in specie, in the ratio of one CEC Africa share for every CEC Plc share held at the close of business on the Proposed Demerger Record Date.

Members are advised that there will be a presentation to the shareholders by CEC Plc Management and Stockbrokers Zambia Limited at the commencement of the EGM, to provide details on the Agenda items.

### Voting Procedures and Proceedings at EGM

1. A Member is entitled to attend and vote at the EGM and to appoint a proxy by form of proxy or, if a Corporate member, appoint a representative to attend and vote in your place. Such proxy or representative need not be a Member of the Company. The instrument appointing a proxy and, if applicable, the authority or instrument under which it is signed, must be deposited at the office of the Company Secretary at Headquarters, 23<sup>rd</sup> Avenue, Nkana East, Kitwe or faxed to fax number 00 260 (0) 212 244212 or 244040 or alternatively deposited at 1<sup>st</sup> Floor, Abacus Square, Thabo Mbeki Road, Lusaka not less than 48 hours before the time appointed for holding the meeting.
2. In accordance with Article 12.1 (2) of the Articles of Association of the Company, two Members holding between them a majority in nominal value of the issued ordinary shares of the Company present in person or by proxy will be deemed to form a quorum.
3. Voting will take place on a poll pursuant to Clauses 12.3 and 13.1 of the Articles of Association of the Company on all Resolutions.
4. Ordinary Resolutions are passed if more than half of votes are cast in favour of the resolution.

### Other Details

1. As indicated in the Notice, the EGM will be held at the CBU Multipurpose Hall, Copperbelt University, Jambo Drive, Riverside, Kitwe on Friday, 9th December, 2016. If you wish to attend the EGM in person, you are recommended to arrive at least 20 minutes before the time appointed for holding of the EGM to allow time for registration.
2. Members are advised that the Company has a website and that posted on the website are copies of the referred Notice and Agenda, the Explanatory Memorandum for the EGM, and the appropriate Forms of Proxy. The web address is: [www.cecinvestor.com](http://www.cecinvestor.com).

**COPPERBELT ENERGY CORPORATION PLC**

**EXTRAORDINARY GENERAL MEETING**

**FORM OF PROXY**

I/We ..... of ..... being a Member/Members of the above named Company, hereby appoint ..... of ..... or, in his/her absence ..... of ..... as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held on Friday, 9th December 2016 and at any adjournment thereof

			<b>FOR</b>	<b>AGAINST</b>
Resolution	1	Payment of Dividend in specie	—	—
Resolution	2	Authority to Directors	—	—

Unless otherwise advised, the proxy will vote as he/she thinks fit.

Signed: .....

Date: .....

**COPPERBELT ENERGY CORPORATION PLC**

**EXTRAORDINARY GENERAL MEETING**

**FORM OF PROXY**

**(Corporate Representative)**

We ..... (name of Corporate Body) of .....  
 being a Member of Copperbelt Energy Corporation Plc, hereby appoint .....  
 of ..... to act as our representative and proxy to vote on behalf of  
 ..... (name of Corporate Body) at the Extraordinary General  
 Meeting of the Company to be held on Friday, 9<sup>th</sup> December 2016 and at any adjournment thereof

			<b>FOR</b>	<b>AGAINST</b>
Resolution	1	Payment of Dividend in Specie	—	—
Resolution	2	Authority to Directors	—	—

Signed: .....  
 (Authorised Signatory)

Date: .....





