

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

The definitions and interpretations commencing on page 7 of this Circular apply throughout this **Circular**, including this cover page (unless specifically defined where used or the context indicates a contrary intention).

Action Required:

- Shareholders are referred to page 4 of this Circular, which sets out the action required of them with regard to the **ZCCM-IH 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 ZCCM-IH 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.



ZCCM-INVESTMENTS HOLDINGS PLC

(Incorporated in the Republic of Zambia, Company Registration Number: 119540000771)

Share Code: ZCCM-IH

ISIN: ZM0000000037

("ZCCM-IH" or "the Company")

CIRCULAR TO SHAREHOLDERS

Relating to, among other things:

- The proposed acquisition of 90% of the issued shares in Mopani Copper Mines Plc ("Mopani") ("the Transaction") by ZCCM-IH, which acquisition constitutes a Category 1 transaction in terms of the LuSE Listings Requirements;

and incorporating:

- A notice convening a general meeting of ZCCM-IH shareholders; and
- A form of proxy.

Lead Advisor



Sponsoring Broker



Independent Reporting Accountant



BDO Zambia

Legal Adviser



Competent Persons



Transfer Secretary



Date of Issue: Tuesday, 9 March 2021

This Circular is available in English only. Copies of this Circular may be obtained from the registered office of ZCCM-IH, 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 Tuesday, 9 March 2021. The Circular will also be available in electronic form from the LuSE's website (www.LuSE.co.zm) and the SBZ's website (www.sbz.com.zm) from 9 March 2021.

1. CONTENTS

	Page
1. CONTENTS	2
2. CORPORATE INFORMATION AND ADVISERS	3
3. ACTION REQUIRED BY ZCCM-IH SHAREHOLDERS	4
4. IMPORTANT INFORMATION	5
5. SALIENT DATES AND TIMES	6
6. DEFINITIONS AND INTERPRETATIONS	7
7. SALIENT FEATURES OF THE TRANSACTION	10
A. CIRCULAR TO SHAREHOLDERS	12
B. GENERAL INFORMATION	26
C. INFORMATION RELATING TO THE DIRECTORS AND SENIOR MANAGEMENT OF ZCCM-IH AND ITS SUBSIDIARIES	28
8. ANNEXURE I: TRANSACTION TERM SHEET	45
9. ANNEXURE II: COMPETENT PERSON'S REPORT – MOPANI COPPER MINES PLC	51
10. ANNEXURE III: INDEPENDENT REPORTING ACCOUNTANTS REPORT	56
11. ANNEXURE IV: EXTRACTS FROM ZCCM-IH'S ARTICLES OF ASSOCIATION	158

2. CORPORATE INFORMATION AND ADVISERS

Company's Registered Address

ZCCM-IH Office Park
Stand No. 16806
Alick Nkhata Road, Mass Media Complex Area
Lusaka
Zambia

Company Secretary

Chabby Chabala
ZCCM-IH Office Park
Stand No. 16806, Alick Nkhata Road, Mass Media Complex Area
Lusaka
Zambia

Lead Adviser

Imara Botswana Limited
Unit 1E, Ground Floor, Peelo Place,
Plot 54366 Western Commercial Road, New CBD,
Gaborone
Botswana

Independent Reporting Accountant

BDO Zambia
The Gallery Office Park
Lagos Road, Rhodes Park
P O Box 35139 Lusaka
Zambia

Sponsoring Broker

Stockbrokers Zambia Limited
32 Luba Road
Longacres
P.O. Box 38956
Lusaka
Zambia

Legal Adviser

Chibesakunda & Co
CCO House, Stand No. 2374
Kelvin Siwale Road
Lusaka
Zambia

Competent Persons

SRK Consulting (UK) Limited
5th Floor Churchill House
Churchill Way
Cardiff
Wales

Transfer Secretary

Corpserve Transfer Agents Limited
6 Mwaleshi Road
Olympia Park
Lusaka
Zambia

Subject of the Category 1 Transaction

Mopani Mines Plc
Nkana Central Offices
Central Street
Nkana West
Kitwe
Zambia

3. ACTION REQUIRED BY ZCCM-IH SHAREHOLDERS

The Definitions and Interpretations commencing on page 7 of this Circular apply throughout this Circular and to this section.

This Circular is important and requires your immediate attention.

COURSES OF ACTION

Please take careful note of the following provisions regarding the action required by Shareholders:

This Circular is important and requires your immediate attention. Please take careful note of the following provisions regarding the action required by ZCCM-IH Investments Holdings PLC ("ZCCM-IH") 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 ZCCM-IH 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.

Contents of Circular

This Circular contains information relating to ZCCM-IH's proposed acquisition of 90% of the issued shares in Mopani Copper Mines Plc from Carlisa Investments Corp ("the Transaction").

The EGM

The ZCCM-IH Extraordinary General Meeting ("EGM") has been convened in terms of the Notice of the EGM on page 160 of this Circular for considering by shareholders, and, if deemed fit, passing, with or without modification, the resolutions necessary to approve and implement the Transaction. The EGM will be held virtually on <https://eagm.creg.co.zw/eagm/login.aspx> on Tuesday 30 March 2021 at 10:00 hours. The voting at the Extraordinary Meeting will be conducted electronically on <https://eagm.creg.co.zw/eagm/login.aspx>.

4. IMPORTANT INFORMATION

The definitions as set out in the “Definitions and Interpretations” section of this Circular apply to this section regarding important information.

No person has been authorised by ZCCM-IH to give any information or to make any representation not contained in or not consistent with this Circular or any other information supplied in connection with the Transaction. If given or made, such information or representation must not be relied upon as having been authorised by ZCCM-IH, the Lead Adviser, the Sponsoring Broker, the Reporting Accountant, the Legal Advisers, the Technical Adviser or the Transfer Secretary. The delivery of this Circular shall not create any implication that there has been no change in the affairs of ZCCM-IH since the date of the publication of this Circular, or that any other financial statement or other information supplied in connection with the Circular is correct at any time subsequent to the date indicated in the document containing the same.

The distribution of this Circular in certain jurisdictions may be restricted by law. Persons into whose possession this Circular comes are required by ZCCM-IH, the Lead Adviser, the Sponsoring Broker, the Reporting Accountant, the Legal Advisers, and the Transfer Secretary to inform themselves about and to observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Market and industry data

Market and other statistical information used throughout this Circular are based on independent industry publications, government publications or other published independent sources. Although ZCCM-IH believes these sources are reliable, the Company has not verified the information independently and cannot guarantee its accuracy and completeness.

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: ZCCM-IH’s strategy; financial results, growth prospects and outlook of ZCCM-IH’s operations, individually or in the aggregate; ZCCM-IH’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 ZCCM-IH’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” or similar words and phrases. Similarly, statements that describe ZCCM-IH’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 ZCCM-IH’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 ZCCM-IH 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.

ZCCM-IH 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 Transaction is correct as of any time subsequent to the date indicated in the document containing the same.

ZCCM-IH 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 ZCCM-IH or any person acting on its behalf have not been reviewed and reported on by ZCCM-IH’s auditors in accordance with ISAE 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a prospectus.

5. SALIENT DATES AND TIMES

Announcement relating to the issue of the Circular released on SENS on	Tuesday: 9 March 2021
Announcement relating to the issue of the Circular published in the press on	Wednesday: 10 March 2021
Circular posted to ZCCM-IH shareholders on or about	Tuesday: 9 March 2021
Last day to lodge forms of proxy for the general meeting with the transfer secretaries, by no later than 10:00. (Forms of proxy not lodged with the Company or transfer secretaries in time may be handed to the chairman of the general meeting immediately before the commencement thereof)	Monday: 29 March 2021
The EGM of ZCCM-IH shareholders	Tuesday 30 March 2021
Results of the EGM released on SENS on	Wednesday 31 March 2021
Results of the EGM published in the press on	Thursday 1 April 2021

Notes:

All times referred to in this Circular are Zambian times.

The above dates and times are subject to amendment. Any material variation of the above dates and/or times will be published in the local press.

QUERIES

If you have any questions on any aspects of this Circular please contact your legal practitioner or other professional advisor, or the Sponsoring Broker, Stockbrokers Zambia respectively at the contact details below:

Stockbrokers Zambia Limited

Tel: +260 211 232 456

Email: advisory@sbz.co.zm

6. DEFINITIONS AND INTERPRETATIONS

<p>The following definitions apply throughout this Circular, unless otherwise stated or the context requires otherwise. In this Circular, unless otherwise indicated, the words or phrases in the left-hand column bear the meaning stipulated in the right-hand column. Words in the singular shall include the plural and vice versa, words importing natural persons shall include juristic persons (whether corporate or unincorporated and vice versa) and words in the masculine shall import both the feminine and neuter.</p>	
“Articles”	the Articles of Association of ZCCM-IH;
“Authorised Share Capital”	ZCCM-IH’s authorised share capital of K2,000,000 divided as follows: 120,000,000 Class “A” Ordinary Shares of K0.01 each; and 80,000,000 Class “B” Ordinary Shares of K0.01 each.
“Business Day”	any day other than a Saturday, Sunday or official public holiday in Zambia;
“Buyer”	ZCCM- Investment Holdings
“Carlisa” or “Seller”	Carlisa Investments Corporation, a company incorporated in the British Virgin Islands whose registered office is at P O Box 3174, Wickham’s Cay II, O’Neal Marketing Associates Building, Road Town, VG1110 British Virgin Islands, with registered number 211422;
“Carlisa Facility”	Various loans advanced by Carlisa to Mopani Mines Plc under an existing loan agreement between Mopani as borrower, Carlisa as lender and ZCCM-IH as guarantor originally dated 31 March 2000, as amended pursuant to the Transaction;
“Carlisa Facility Agreement”	An existing loan agreement between Mopani as borrower, Carlisa as lender dated 31 March 2000;
“Cautionary Announcements”	The announcements published by ZCCM-IH in relation to the Transaction on 4 September 2020, 21 December 2020 and 20 January 2021.
“CCPA”	Competition and Consumer Protection Act No. 24 of 2010
“CCPC”	Competition and Consumer Protection Commission, a statutory body established under the CCPA with a dual mandate to protect the competition process in the Zambian Economy and also to protect consumers.
“Circular” or “Document”	This Circular to ZCCM-IH Shareholders sets out the details of the proposed acquisition of 90% of the issued shares in Mopani Mines Copper Mines Plc by ZCCM-IH;
“Companies Act”	The Companies Act No. 10 of 2017 of the Laws of Zambia;
“Conditions Precedent”	The conditions precedent to the Transaction as set out in this Circular;
“Corpserve” or “Transfer Secretary”	Corpserve Transfer Agents Limited, a private company incorporated under the Companies Act No. 10 of 2017 of the laws of Zambia, and provides share transfer secretarial services to companies quoted and listed on the LuSE
“CPR”	Competent Persons Report set out in this Circular and prepared by SRK;
“CSD” or “LuSE CSD”	The Central Securities Depository maintained by the LuSE;
“Directors”	The executive and non-executive directors of ZCCM-IH;
“Earnings Per Share” or “EPS”	The amount of income earned during a period per share of common stock
“EBITDA”	Earnings Before Interest Tax, Depreciation and Amortization, is a measure of a company's overall financial performance.
“EGM”	The Extraordinary General Meeting of ZCCM-IH shareholders to be held virtually on https://eagm.creg.co.zw/eagm/login.aspx on 30 March 2021
“FQM”	First Quantum Minerals Limited;
“Glencore” or “GIAG”	Glencore International AG, a company incorporated in Switzerland with company number CH-106.909.694 and having its registered office at Baarermattstrasse 3, P.O. Box 1363, 6341 Baar, Switzerland
“GIAG Facility”	Various loans advanced by Glencore to Mopani Mines Plc under an existing loan agreements between Mopani as borrower, GIAG as lender and ZCCM-IH as guarantor originally dated 25 July 2013, as amended pursuant to the Transaction;
“GIAG Facility Agreement”	An existing loan agreements between Mopani as borrower, GIAG as lender dated 25 July 2013
“GRZ”	The Government of the Republic of Zambia;
“Headline Earnings Per Share” or “HEPS”	The amount of income earned during a period per share of common stock, excluding extraordinary items

“Holders of Record Report” or “HOR”	A report issued by the CSD, listing all holders of securities on a specific date;
“IDC”	Industrial Development Corporation Zambia. A company duly registered and incorporated under the Companies Act No. 10 of 2017 of the laws of Zambia under registration number 119056. IDC is wholly owned by the Minister of Finance, on behalf of the Government of the Republic of Zambia (“GRZ”), pursuant to the Minister of Finance (Incorporation) Act Cap 349 of the laws of Zambia. IDC serves as the holding company for GRZ for state-owned companies and investments incorporated under the Companies Act. IDC has 60.3 % direct shareholding and voting rights in ZCCM-IH. GRZ has 17.3 % direct shareholding and voting rights in ZCCM-IH. Thus, the total overall interest of GRZ in ZCCM-IH is 77.6 %
“Lead Adviser”	Imara Botswana Limited;
“Legal Adviser”	Chibesakunda and Company;
“LIBOR”	London Interbank Offer Rate is the global reference rate for unsecured short-term borrowing in the interbank market.
“LoM”	Life of Mine;
“LuSE Listing Requirements”	The Listing Requirements of the LuSE, being the rules regulating equities listed on the LuSE;
“LuSE”	The Lusaka Securities Exchange Plc, a public company incorporated under the laws of Zambia authorized and licensed by the SEC to operate the formal and centralised market for secondary trading of quoted and listed securities;
“Management”	The members of the management of ZCCM-IH;
“Mopani”	Mopani Copper Mines Plc, a company duly registered and incorporated under the Companies Act No. 10 of 2017 of the laws of Zambia under registration No. 120000044139;
“Net Asset Value Per Share” or “NAV”	Value of an entity’s total assets minus total liabilities per share;
“Offtake Agreement”	The agreement between Mopani and Glencore in relation to the offtake of copper products on completion of the Transaction;
“PTT”	Property Transfer Tax;
“Remaining Debt”	The remaining debt in Mopani of US\$1,500,000,000 on completion of the Transaction as set out in the GIAG Consolidated Loan Agreement and Carlisa Consolidated Loan Agreement;
“Reporting Accountant”	BDO Zambia
“Sale and Purchase Agreement” or “SPA”	The Agreement signed between ZCCM-IH and Carlisa for the acquisition of the 90% stake not currently held by ZCCM-IH in Mopani;
“SEC”	The Securities and Exchange Commission of Zambia, a corporate body created under the Securities Act, and responsible for the regulation of the Zambian securities market and licencing of capital market operators;
“Securities Act” or “the Act”	The Securities Act No. 41 of 2016 of the laws of Zambia;
“SENS”	The Stock Exchange News Service of the LuSE;
“Shareholder”	A holder of ZCCM-IH Ordinary Shares registered in the ZCCM-IH share register;
“Shares”	ZCCM-IH issued share capital, comprising 6,210,000 ordinary shares with a par value of \$1;
“SOFR”	The Secured Overnight Financing Rate is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities.
“Sponsoring Broker”	Stockbrokers Zambia Limited
“SRK”	SRK Consulting UK Limited, the technical advisors to the Transaction;
“Stockbrokers Zambia Limited” or “SBZ”	a company incorporated under the laws of Zambia, providing corporate finance advisory services and regulated and licenced by the SEC as a dealer and a member of the LuSE;
“Transaction”	The proposed acquisition by ZCCM Investment Holdings of 90% of the issued shares in Mopani Mines Copper Mines Plc currently not owned by ZCCM-IH;
“Transaction Agreements”	The agreements relating to the Transaction, including: <ul style="list-style-type: none"> - Sale and Purchase Agreement; - an uncommitted term facility agreement between Mopani as borrower, GIAG as lender and the Company as guarantor originally dated 25 July 2013, as amended pursuant to the Transaction; - an uncommitted term facility agreement between Mopani as borrower, Carlisa as lender and the Company as guarantor originally dated 31 March 2000, as amended pursuant to Transaction;

	<ul style="list-style-type: none"> - an assignment, capitalisation, amendment and restatement agreement between GIAG as original lender, Glencore Finance (Bermuda) Ltd (“GFB”) as assignor, the Company as guarantor and Mopani as borrower, appending the GIAG Facility Agreement; - an amendment and restatement agreement between Carlisa as original lender, GIAG, First Quantum Minerals Ltd, the Company as guarantor and Mopani as borrower, appending the Carlisa Facility Agreement; - an amendment and restatement of deed of priority between GIAG, Carlisa , GFB and Mopani; - a Zambia law governed security agreement between Mopani and GIAG granting a first ranking fixed and floating charge over all of the assets and undertaking of Mopani; - the Share Pledge Agreement between GIAG, Mopani and the Company as chargor, granted in favour of GIAG by the Company granting security over all the issued share capital of Mopani and securing existing debt owed to GIAG; - the Glencore Offtake Agreements between Mopani, the Carlisa and the GIAG for the supply of 100% of the Copper produced by Mopani; and - a transitional services agreement between GIAG, Mopani and the Company relating to the provision of certain services by GIAG in respect of the operations of Mopani
“US \$” or “US\$”	United States of America Dollar;
“ZCCM-IH” or “the Company” or “the Purchaser”	ZCCM Investments Holdings Plc, a company duly registered and incorporated in terms of the laws of the Republic of Zambia.
“ZMW” or “K” or “Kwacha”	Zambian Kwacha, the legal currency of the Republic of Zambia.
“ZRA”	Zambia Revenue Authority means the Authority established under the Zambia Revenue Authority Act Chapter 321 of the Laws of Zambia.

7. SALIENT FEATURES OF THE TRANSACTION

This summary section highlights certain information contained in this Circular, which should be read in its entirety for a full appreciation of the subject matter contained herein. If you are in any doubt as to its meaning, or what action to take, please consult, a licensed broker, investment adviser, accountant, lawyer or other professional adviser immediately.

This section does not purport to be complete and is taken from, and is qualified by, the remainder of this Circular. Terms not otherwise defined in this section have the same meaning as used in the “Definitions and Interpretations” section of this Circular.

Principal Purpose of the Transaction

As an investment holding company with a focus on the mining and energy industries, ZCCM-IH has historically held minority equity shareholding stakes in some of the largest mines in Zambia. Whilst the underlying value of these investments is significant, the Company has not generated sufficient return from these investments. As a minority shareholder in these assets, ZCCM-IH has had little to no influence over the operations of its investee companies and has not been able to derive any meaningful value from these investments.

Following a strategic review of investments in 2018, ZCCM-IH developed a 2018-2023 Strategic Plan to ensure ZCCM-IH achieves its full potential in returning value to its shareholders both from the existing portfolio and new investments. This Strategic Plan was refined in 2020 (“the **2020-2026 Strategic Plan**”) with a clear intent to refocus on investments in mining to create a world-class investment holding company. One of the key focus areas of the Strategic Plan is to increase equity shareholding in mining firms where the Company already has minority stakes and drive the development and growth of the mining sector in Zambia.

During the course of 2020, Carlisa (the combined shareholder of 90 % equity shareholding in Mopani) expressed its intention to place Mopani on care and maintenance. This development presented a significant opportunity for ZCCM-IH to take control of Mopani, one of the oldest and largest copper and cobalt mines in Zambia.

Accordingly, ZCCM-IH has now reached an agreement with Glencore, representing Carlisa, for the acquisition of the 90% of the issued shares not currently held by ZCCM-IH in Mopani. The proposed acquisition is a strategic move as the Company looks to unlock and maximise shareholder value for the benefit of all stakeholders.

On 15 January 2021, the Board of Directors of ZCCM-IH gave its approval for the Company to proceed with the Transaction

Salient Features of the Transaction Term Sheet and the Sale and Purchase Agreement

Terms of the Transaction

Consideration Details

ZCCM-IH has reached an agreement with Glencore, representing Carlisa, for the acquisition of all of Carlisa’s shareholding in Mopani for US\$1. (one United States Dollar only)

Other Terms of the Acquisition

Mopani has historically been funded by shareholder loans from Carlisa and other members of the Glencore group. As at 31 December 2020, the total shareholder loan was US\$4.3 billion. Pursuant to this Transaction, there has been an agreement regarding the Debt Amendment (as defined in this circular) such that the Remaining Debt in Mopani will total US\$1.5 billion. Carlisa and Glencore have agreed to reduce the outstanding debt on the condition of certain repayment terms (described in more detail in this Circular).

After completion of the sale, Glencore will retain offtake rights in respect of a portion of Mopani’s copper production until the Remaining Debt has been repaid in full.

Details of the Debt Amendment and Offtake Agreement are set out in this Circular.

Seller Details

Carlisa Investments Corporation is a company incorporated in the British Virgin Islands and jointly owned by Glencore Plc (81%) and First Quantum Minerals Ltd (19%). Founded in the 1970s as a trading company, Glencore is one of the world’s largest globally diversified natural resource companies.

Effective Date

In accordance with the terms and conditions of the SPA, completion of the Proposed Transaction will occur on or before 31 March 2021 or such other Completion Date as may be mutually agreed in writing by the parties.

The Transaction is subject to, inter alia, the fulfilment or waiver of the following outstanding conditions precedent:

1. SEC and LuSE approval of the Proposed Transaction;
2. The Minister of Mines and Mineral Development granting approval of the transfer of control of Mopani;
3. The CCPC's approval; and
4. ZCCM-IH Shareholders' approval.

Share capital structure of ZCCM-IH will remain unchanged before and after the Transaction

Share Capital Before and After the Transaction:

Current number of authorized Ordinary Shares	200,000,000
Current number of issued Ordinary Shares of ZMW 0.01	160,800,286

A. CIRCULAR TO SHAREHOLDERS



ZCCM-INVESTMENTS HOLDINGS PLC

(Incorporated in the Republic of Zambia, Company Registration Number: 119540000771)

Share Code: ZCCM-IH

ISIN: ZM0000000037

("ZCCM-IH" or "the Company")

Registered Address: Stand No. 16806, Alick Nkhata Road, Mass Media Complex Area, Lusaka, Zambia.

Directors:

Mr Eric S. Silwamba (Chairman),
Mr Mabvuto T. Chipata (Chief Executive Officer),
Mr Fredson K. Yamba,
Mr Mateyo C. Kaluba,
Mr Philippe G Taussac,
Mr Barnaby B. Mulenga,
Mr Yollard Kachinda.

CIRCULAR TO SHAREHOLDERS

1.0 INTRODUCTION AND PURPOSE OF THE CIRCULAR

Shareholders are referred to the Cautionary Announcements published by the Company on 4 September 2020, 21 December 2020 and 20 January 2021. The Cautionary Announcements advised shareholders and the general market that the Company was in discussions with Glencore regarding the future of Mopani. On Wednesday, 20 January 2021 shareholders were also advised that ZCCM-IH has reached an agreement with Glencore, representing Carlisa, for the acquisition of the 90% equity stake not currently held by ZCCM-IH in Mopani, subject to receipt of certain regulatory approvals and the approval of the shareholders of ZCCM-IH.

1.1 Compliance of the proposed Transaction with the LuSE Listing Rules

As per the LuSE Listing Requirements, the proposed Transaction between ZCCM-IH and Carlisa is a Category 1 transaction and is thus subject to approval by ZCCM-IH shareholders. Additionally, there is a requirement for a statement giving the directors' opinion on the Transaction.

Accordingly:-

- A statement by the Board of Directors of ZCCM-IH recommending the proposed Transaction and confirming whether the proposed Transaction is fair insofar as the shareholders of ZCCM-IH are concerned is provided in paragraph 21 of this Circular.
- Furthermore, the ZCCM-IH Board obtained a CPR on Mopani prepared in accordance with Section 12 of the LuSE Listing Rules. The CPR sets out the information which is currently available on Mopani and includes information on mining licences, geology, Mineral Resources, mining engineering/design, mineral processing, tailings and waste rock management, water management, infrastructure and environmental and social management. The CPR also presents the budgeted production, revenue, and estimated capital and operating costs, and also a cash flow forecast, for 2021 and the risks and opportunities associated with the development of the underlying assets in general. The CPR also discusses three major mine development projects which underpin the long-term future of

Mopani's operations. A summary of the Mineral Resources Statement is included in Annexure II of the Circular while the full report is available for inspection at ZCCM-IH's registered offices and available on the website at www.zccm-ih.com.zm. Given that the major development projects required to be developed to under-pin the long term future of the operations were put on hold in Q1 2020 and that no Life of Mine Plan is currently in place, neither Mopani nor SRK is able to report Mineral Reserves at the present time and so several of the specific reporting requirements set out in Section 12 for mining projects are not applicable at this time. These requirements are listed in Annexure II. ZCCM-IH has however undertaken to prepare and publish an updated CPR within six months of the publication of this circular which will present a Life of Mine Plan and Mineral Reserves based on this as appropriate.

- The ZCCM-IH Board engaged BDO Zambia as an independent Reporting Accountant to review the historical financial information of ZCCM-IH, pro forma financial information and profit forecast of ZCCM-IH and Mopani. However, due to the unavailability of audited financial statements for the financial years ended December 2019 and 2020, the Reporting Accountant only reviewed ZCCM-IH's audited financial statements for the years ended 31 March 2018 and 31 March 2019, and the unaudited nine-month period ended 31 December 2019. Furthermore, the Reporting Accountant is reviewing ZCCM-IH's unaudited financial statements for the year ended December 2020 and a Report on this shall be available for inspection prior to the EGM. The audited financial statements for the years ended December 2019 and 2020 will be published, respectively, by 09 April 2021 and 30 June 2021.

1.2 Purpose of the Circular

The purpose of this Circular is to furnish ZCCM-IH shareholders with information regarding:

- i) The proposed acquisition of Mopani by ZCCM-IH;
- ii) The proposed ordinary resolutions required to be voted on and approved by the shareholders of ZCCM-IH in order to give effect to the Transaction; and
- iii) Convening a general meeting on Tuesday, 30 March 2021 at which ZCCM-IH shareholders will be requested to consider and, if deemed fit and acceptable, to approve the resolutions to give effect to the Transaction.

2.0 RATIONALE FOR THE TRANSACTION

The acquisition of 90% of the issued shares in Mopani will result in ZCCM-IH being the holder 100% of the issued shares in Mopani and represents an opportunity for ZCCM-IH to transform from a pure investment company to owning and operating a major mining asset in Zambia. Mopani's operations include some of the largest and oldest copper mines in the world, with a potential life of mine of over 30 years and well-understood geology. With ZCCM-IH having control of Mopani, there is an opportunity for ZCCM-IH and its shareholders to extract the full value from the valuable underlying assets. This is in line with ZCCM-IH's Strategic Plan to extract better value from its underlying assets and remedy some of the previous challenges associated with the minority shareholdings held by the Company in investee companies.

3.0 OVERVIEW OF ZCCM-IH

ZCCM-IH is an investment holding company with diversified interests in mining, energy, banking, property and other sectors of the Zambian economy. The company has a primary listing of its Class "B" ordinary shares on the LuSE, and secondary listings on the London Stock Exchange and Euronext Access Stock Exchange in Paris.

The Class B shares represent 39.72 % shareholding and voting rights in the Company. The Class A shares represent 60.28 % shareholding and voting rights in the Company and are not listed on any stock exchange.

The GRZ directly holds Class "B" shares representing 17.25% shareholding in the Company, and indirectly holds all the Class "A" shares through the IDC an investments company wholly owned by the Zambian Government while the remaining 22.47% Class "B" shares are held by various institutions and individuals as minority shareholders. The geographical spread of the minority shareholders, who number around 4,300, covers over 29 countries in Europe, Africa, the Caribbean, Australia, Asia and the USA.

The IDC was established by GRZ in 2014 to spearhead the development of Zambia's domestic industrial capacity, and in so doing, play a major role in creating jobs. IDC expects to be instrumental in the establishment, growth and expansion of industries across manufacturing, mining, infrastructure, agriculture, livestock and forestry value chains, tourism and financial services.

4.0 BACKGROUND INFORMATION ABOUT THE SELLER

Carlisa Investments Corporation is a company incorporated in the British Virgin Islands and jointly owned by Glencore Plc (81%) and First Quantum Minerals Limited (19%). Founded in the 1970s as a trading company, Glencore is one of the world's largest globally diversified natural resource companies.

5.0 OVERVIEW OF MOPANI

5.1 Background

Mopani was incorporated on 10th February 2000 and continues to validly exist in accordance with the Companies Act, No. 10 of 2017. The Company has its central offices situated along Central Street, Nkana West, in Kitwe, Zambia and operates two major mine sites on the Zambian Copperbelt: namely Nkana in Kitwe and Mufulira. Although Mopani was only incorporated in 2000, its history extends back to 1930s when both Nkana and Mufulira copper mines began operating. These mines are considered some of the oldest and largest copper mines in the world and are recognised as valuable Zambian assets. Nkana Mine comprises four underground mines and several open pits, (although none of the open pits are currently operational) and surface metallurgical units as Concentrators and Refinery operations. Mufulira Mine comprises underground operations as well as Concentrators, a Smelter and an Acid Plant. Mopani currently has over 5,500 direct employees and a further 5,400 external contractors and is an important employer and contributor to the Zambian economy, particularly in the Copperbelt area.

5.2 Recent Operations

Following Glencore's decision to transition the mining and processing operations of Mopani into care and maintenance in April 2020 and the GRZ's insistence of the 90-day notice period, Glencore allowed the Mopani Management to operate on a month-on-month basis while GRZ was studying the Mopani situation. In the period from April 2020, Mopani's mining division operated on a stop-start basis, while the processing division continued operations normally and produced 93,106 tonnes of cathode in 2020 on the strength of own source and third party concentrate stocks that were depleted on 15 January 2021, after which the Smelter was put on a seven-day maintenance shut down. A third party concentrate purchase contract was signed with Lumwana Copper Mines on the strength of a Letter of Credit guaranteed by Glencore. Deliveries to the Mopani Smelter commenced on 20th February 2021 and smelting operations resumed on 27 February 2021.

Management has continued to place the Health and Safety of employees, contractors and the community at the top its objectives and continued monitoring Covid-19 measures in line with the provisions of the Ministry of Health.

5.3 Mopani LoM Plan and Resources

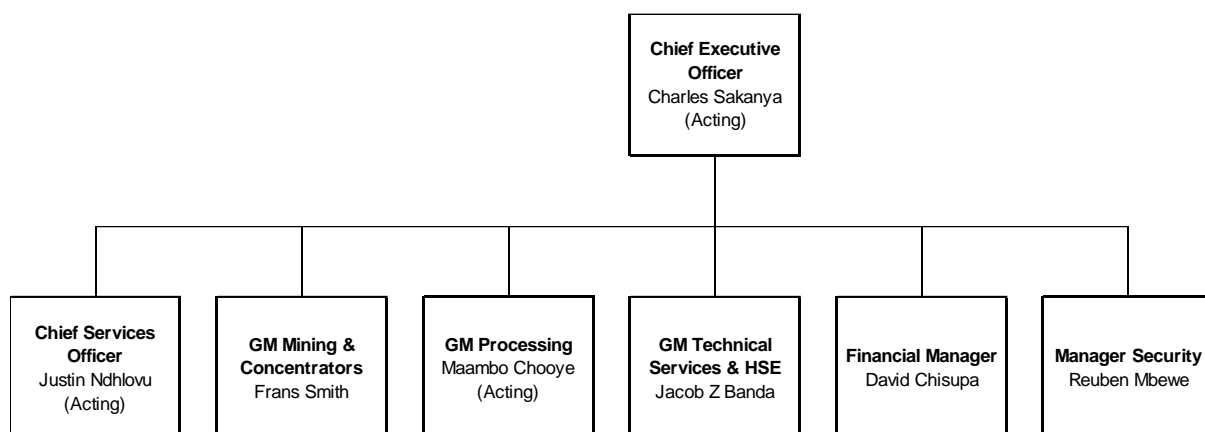
Mopani is working alongside ZCCM-IH and technical advisors to update the LoM plan to more accurately reflect the current operations and expansion plans. It is expected that this will be completed mid 2021, at which stage this will be shared with ZCCM-IH Shareholders. The extracts (Mineral Resource statements) of the CPR are on Annexure II. The CPR (which is available for inspection) sets out information on mining licences, geology, Mineral Resources, mining engineering/design, mineral processing, tailings and waste rock management, water management, infrastructure and environmental and social management. The CPR also presents the budgeted production, revenue, and estimated capital and operating costs, and also a cash flow forecast for 2021 and the risks and opportunities associated with the development of the underlying assets in general. The CPR also discusses three major mine development projects which underpin the long term future of Mopani's operations.

5.4 Mopani Management Team

The current management team at Mopani has been at the company for several years and collectively possess significant experience and skills. The exit of Glencore during 2020 resulted in a number of key managerial positions being vacated by Glencore representatives. Given the depth of the management team at Mopani, these positions were filled internally,

allowing for Zambians to replace the expatriates who had historically held the senior management positions. At this stage, there are no immediate plans to make changes to the current team who have been managing Mopani since April 2020.

The below organogram sets out the key management structure and the management biographies illustrate the skills and experience of the current management team.



Charles Sakanya (Acting CEO)

Mr Sakanya has over 35 years of engineering experience in the mining industry in Zambia, Canada, South Africa, South America, Australia and Khazakstan. Prior to his appointment as Acting CEO of Mopani, he was Chief Engineer and had worked at Mopani for over ten years. In his career, Mr Sakanya has worked at Konkola Copper Mines, Hudson Bay Mining and Smelting Company (Canada), Nkana Mine, Chibuluma Mine and Chambishi Mine. He holds a Bachelor of Engineering with Management (Hons) from the University of Liverpool and a Diploma in Mechanical Engineering and brings a vast knowledge of experience to the management team.

Jacob Banda – Chief Technical Officer

Mr Banda first started working at Mopani more than twenty years ago and has a deep understanding of the geology and operations. He leads the Technical Services Department which provides Planning, Survey, Ventilation, Engineering Rock Mechanics, Geological, Environmental Services and Analytical and Quality Services to the two mine sites at Nkana and Mufulira Mines. In addition to his roles in the Mining Technical Services, other positions at Mopani include Mine Manager at Holder Nkana Mines and Underground Manager. He has over 37 years' experience and in addition to Mopani he has worked at Chibuluma Mine, Albion Nickel Mine and Luanshya Copper Mine. Mr Banda holds a MSc. Engineering Rock Mechanics from University Of London, Imperial College, a Diploma of Imperial College (DIC) in Engineering Rock Mechanics from Imperial College and a BSc. (Hons) 1st Class, Mining Engineering from the University of Newcastle.

Frans Smith – General Manager Mining & Concentrators

Mr Smith joined Mopani in 2018 as Operations Manager for Mufulira and was appointed as General Manager Mining and Concentrator for Mufulira and Nkana Operations in 2019. Prior to joining Mopani, Mr Smith held various positions at Driefontein Gold Mine in South Africa, including Operations Manager, Shaft Manager and Mine Overseer. He has 39 years of experience in South Africa and Zambia.

Maambo Chooye – General Manager Processing

Mr. Chooye is an accomplished Metallurgical Engineer with 16 years of industrial experience in Smelters, Refineries, solvent extraction, leaching and electro winning plants. He is a result-oriented professional with a proven ability in strategic planning, managing of projects, and improving efficiency of operations, team building and detailing project information to determine effective processes for operations. He has held various senior level positions, most recently

as Smelter & Refinery Operations Manager. He holds a Degree in Metallurgical Engineering from the Copperbelt University and also completed overseas training on the ISA cathode technology operations in Australia and Philippines.

Justin Ndhlovu – Acting Chief Services Officer

Mr Ndhlovu has 17 years' experience in Human Capital Management covering all Human Resource verticals in the Zambian mining sector and in Liberia with a proven track record in setting up Human Resources operations, organization restructuring, Union relations and HR Strategy formulation. Prior to joining Mopani, he held senior Human Resources positions at Metorex's Chibuluma Mines, Vedanta's Konkola Copper Mines and Wester Cluster Limited. He holds a BSc Information Systems, Post Grad. Executive HR Management and is a member of the Zambia Institute of Human Resource Management.

David Chisupa – Financial Manager

Mr Chisupa has 20 years' experience in Assurance, Financial Management, Business Strategy, Corporate Governance and Risk Management. He has worked in key industries including Mining & Metals, INGO, Banking and External Audit Practices. Prior to joining Mopani to take on the role of Controller of Business Planning and Financial Analytics, he held senior management roles in Zambia, Botswana, Nigeria and South Africa in multinational entities such as PwC, KPMG, Standard Chartered Bank and ActionAid International. He is a fellow of the Association of Chartered Certified Accountants of the United Kingdom and the Zambia Institute of Chartered Accountants and holds a Bachelor's Degree in Accounting and Finance from the Copperbelt University.

6.0 KEY MOPANI INFORMATION

6.1 Details of Material Loans

Following the completion of the Transaction, the Remaining Debt in Mopani will comprise the US\$1.5 billion loan from Glencore and Carlisa. The details of the Remaining Debt and the repayment of this are included in this Circular. Details of Mopani's historical material borrowings, leases, loans receivable and material inter-company finance are detailed in the audited financial statements. Mopani's audited financial statements for the years ended 31 December 2017, 2018 and 2019 are available for inspection at the offices of ZCCM-IH, Mopani and Stockbrokers Zambia the addresses of which are set out in the "Corporate Information and Advisers" section on page 3 of this Circular.

6.2 Estimated Transaction Expenses Being Incurred by Mopani

The costs of the Transaction will be borne by ZCCM-IH as set out in paragraph 4 of Section B.

6.3 Litigation Statement

Mopani has the following pending matters that would be considered material legal and/or arbitration proceedings:

(i) Francis Ng'andwe and 179 others vs. Mopani Copper Mines Plc – 2014/HK/217

In this case, residents of Chachacha area claim that their housing units have over the years developed cracks and are falling apart as a result of Mopani's blasting activities being carried out at Mindola Sub vertical Shaft in Kitwe. They claim compensation in excess of K6, 000,000.00. Trial in this matter will commence on 17th May, 2021.

(ii) Mupata Farming (Z) Limited vs. Mopani Copper Mines Plc – 2020/HK/114

In this case, Mupata Farming Zambia Limited claims that a huge portion of Mopani land in Mufulira belongs to them including an area where Tailing Dam 11 popularly known as TD11 is located. They also claim that Mopani has been discharging poisonous substances into the stream passing through the disputed piece of land thereby making the water unfit for human consumption, livestock development and survival of the fish on which the local people there depend. Trial in this matter has not yet commenced but it is expected that the matter will be set down for trial in the 3rd quarter of 2021.

(iii) Group Five Zambia Limited vs. Mopani Copper Mines Plc

In this case, Group Five Zambia Limited has filed a notification with the International Chamber of Commerce International Court of Arbitration relating to a dispute they have with Mopani regarding alleged non-payment of contractual amounts for works executed on the newly constructed Concentrator at Nkana Mines Site. The claim is for amounts well over USD\$6,000,000.00. Mopani is defending these claims.

6.4 Historical Financial Information

Mopani's audited financial statements for the years ended 31 December 2017, 2018 and 2019 are available for inspection at the offices of ZCCM-IH, Mopani and Stockbrokers Zambia, the addresses of which are set out in the "Corporate Information and Advisers" section on page 3 of this Circular.

6.5 Material Changes Statement

The Directors and Mopani management report that, to their knowledge, there have been no material changes in the financial or trading position of the Company since 31 December 2019, the date of the last published audited financial statements of the Company.

6.6 Mopani Prospects and Forecasts

The Mopani management team has achieved positive financial performance from April 2020 and have not required any external funding for the operations. This was achieved through strong cost control and containment and this drive is expected to continue in the future. The forecast financial performance for Mopani for the year ending 31 December 2021 is set out in paragraph 11 below. The Mopani management team will be working with ZCCM-IH to develop the Life of Mine Plan and the medium-term Business Plan aligned to the Life of Mine Plan.

6.7 Material Contracts Statement

Since the last reporting date, being the Annual Report for the financial year ended 31 December 2019, save for the Transaction Agreements, no material contracts have been entered into by Mopani other than in the normal course of business.

7 RELATIONSHIP BETWEEN ZCCM-IH AND MOPANI

ZCCM-IH currently has a minority stake of 10% of issued shares in Mopani which it has held since Mopani was incorporated in 2000 following the privatization of Zambia Consolidated Copper Mines Limited ("ZCCM"). Mopani is a combination of assets previously held under the Mufulira Division of ZCCM and some assets that were under the Nkana Division of ZCCM.

ZCCM-IH is the successor company to ZCCM following the privatization of ZCCM in 2000 and unbundling of its operating assets to create several successor companies that include Mopani, Konkola Copper Mines PLC, Chambeshi Copper Mines Plc, Chibuluma Copper Mines PLC, amongst others

8 KEY DETAILS OF THE TRANSACTION AGREEMENTS

8.1 Consideration Details

The consideration for the purchase of the Shares under the SPA shall be \$1, payable in cash. The Seller will be responsible for the payment of PTT in relation to the Transaction, up to an agreed cap based on the nominal value of the Mopani shares.

8.2 Conditions Precedent of the SPA

The Transaction is subject to the following Conditions Precedent:

- Approvals by the board of directors of Carlisa;

- Approval by CCPC of the Transaction, of the granting of a negative clearance under section 28 of the Zambian Competition Act, as appropriate;
- Approval of the transfer of control of Mopani being granted by the Minister of Mines;
- All approvals from the LuSE and SEC;
- Approval by the board of directors of ZCCM-IH; and
- ZCCM-IH Shareholder approval for the Transaction at the EGM.

8.3 Effective date of the SPA

In accordance with the terms and conditions of the SPA, completion of the Proposed Transaction will occur on or before 31 March 2021 or such other Completion Date as may be mutually agreed in writing by the parties.

8.4 Transitional Services Agreement

The Transition Services Agreement records the terms upon which Glencore will provide or cause to be provided (through one of its Affiliates or a subcontractor) to Mopani certain services on a transitional basis.

The services to be provided are described in the Transition Services Agreement and are categorized as “Transitional Services” (which include IT Migration, Commercial and Marketing Support and Logistics and Sales Support).

The Transitional Services will be provided for a period of 12 months.

8.5 ZCCM-IH’s Post-Closing Undertakings

ZCCM-IH irrevocably undertakes to the Seller from closing to procure that Mopani:

- complies with its contractual and other legal obligations in respect of employees whether employed by Mopani as at, or prior to, the Closing Date;
- complies with its commitments and legal obligations in respect of disbursements of any historical retirement benefits that are held on trust at the Closing Date for employees that transferred to Mopani at the end of the Purchaser’s prior majority ownership of Mopani (irrespective as to whether such persons remain employed by Mopani as at the Closing Date or not); and
- complies with its commitments and legal obligations in respect of any retirement benefits of employees whether employed by Mopani as at, or prior to, the Closing Date.

8.6 Debt Amendment

On completion of the Transaction, the Remaining Debt in Mopani from the GIAG Facility and Carlisa Facility will be US\$1.5 billion, with the excess being waived as part of this Transaction.

Interest under the Remaining Debt will be capitalised for the first three years after completion, and thereafter will be payable quarterly at LIBOR + 3% (subject to a switch to an equivalent interest rate based on SOFR). The principal outstanding under the Remaining Debt will be repayable under a dual mechanism whereby:

- 3% of gross revenue of the Mopani group from 2021-2023 (inclusive), and 10-17.5% of gross revenue of the Mopani group thereafter; and
- 33.3% of EBITDA less taxes (limited to taxes in line with previous year’s), changes in working capital, capital expenditure, royalty payments to GRZ and interest and principal (calculated under the first mechanism) payments in respect of the Remaining Debt, is at the end of each quarter required to be paid. Repayment of principal (together with accrued interest) may additionally be required in the event of an occurrence of certain other early prepayment events. These include certain change of control events in respect of Mopani, proceeds from capital raising or disposals and sales of product other than those pursuant to the Offtake Agreements, amongst others.

If ZCCM-IH ceases to control Mopani or the GRZ ceases to control ZCCM-IH, the Lenders may, at any time thereafter cancel the facilities and declare all loans, together with accrued interest, immediately due and payable. Control is specified as GRZ

maintaining 50% shareholding in ZCCM-IH and ZCCM-IH maintaining 75% shareholding in Mopani, with control of operations and appointment of directors.

ZCCM-IH shall guarantee the obligations of Mopani under the GIAG Facility and the Carlisa Facility.

After completion of the Transaction, Glencore will retain offtake rights in respect of a portion of Mopani's copper production until the Remaining Debt has been repaid in full.

8.7 Offtake and Marketing Agreements

On completion, Mopani and Glencore International AG will enter into Offtake Agreements relating to the supply by Mopani to a member of the Seller's Group of up to 100 per cent. of Mopani's production of copper cathode and copper anode slimes materials for the duration of the Loan Facilities (priced based on London Metal Exchange/London Bullion Market Association market pricing for the relevant metals).

The Offtake Agreements will allow, subject to certain restrictions, for up to 20 per cent. of Mopani's production of copper cathode to be allocated for sale by Mopani to domestic Zambian value-adding consumers. This percentage may be increased from time to time to reflect increases in domestic demand, by agreement of the parties.

8.8 Arrangements in respect of Saleable Products

During such time as the Remaining Debt remain outstanding, ZCCM-IH shall procure through its ownership of Mopani that Mopani complies with the terms of the Glencore Offtake Agreements.

In the event that ZCCM-IH, any member of ZCCM-IH's Group and/or Mopani intends to sell any saleable product (including without limitation, any by-products) owned by either of them and produced at the plants operated or owned by Mopani from time to time other than: (i) saleable product already subject to the Glencore Offtake Agreements; or (ii) any copper cathodes to a third party as permitted under the terms of the Glencore Offtake Agreements (the "Other Saleable Product"), whether on tender, offer, sale or bid process, ZCCM-IH shall and/or where applicable shall procure, through its ownership of Mopani, that:

- the Seller is first given ten Business Days' advance notice of the intended tender, offer, sale or bid process (the "Sale Process"), which notice shall contain an invitation for the Seller (or its nominated member of the Seller's Group) to participate in the Sale Process; and
- the Seller or its nominated member is given at least the same bidding information and details regarding the Other Saleable Products and the Sale Process as are provided to the other participants in such Sale Process.

9 ZCCM-IH FUTURE PROSPECTS

The Board is confident about the prospects of ZCCM-IH. As set out in its 2020- 2026 Strategic Plan, ZCCM-IH is focused on making further investments in the mining industry in Zambia which will have long-term benefits for the Company and its Shareholders. The Company has implemented and will continue to implement various strategic initiatives to sustain growth and will continue to focus on efficiency to deliver superior and sustainable economic returns to shareholders in the short, medium and long term. Forecasts for the year ending 31 December 2021 are set out in paragraph 11 below.

10 EFFECTS OF THE TRANSACTION

As highlighted above, the Board considers that the proposed Transaction falls within the ZCCM-IH's new strategic pillars in the new strategic plan for 2020 to 2026 that aims at increasing the Company's stakes in exiting mining firms, and that the proposed acquisition of Mopani will sustain the Company growth and unlock value for its shareholders.

11 FINANCIAL EFFECTS OF THE TRANSACTION

The table below sets out the proforma financial effects of the Transaction based on the unaudited financial statements of ZCCM-IH for the financial year ending 31 December 2019.

The unaudited proforma financial effects set out below have been prepared to assist ZCCM-IH Shareholders to assess the impact of the Transaction on the EPS, HEPS, and NAV per share of the Company. These proforma financial effects are presented for illustrative purposes only, and because of their nature, may not fairly present the Company's financial position, changes in equity, results of operations or cash flows nor the effects and impact of the Transaction going forward.

The unaudited proforma financial effects have been prepared in accordance with the LuSE Listings Rules and the Guide on Proforma Financial Information issued by the Zambia Institute of Chartered Accountants and that are consistent with those applied in the published unaudited financial statements of ZCCM-IH for the financial year ended 31 December 2019. These unaudited proforma financial effects are the responsibility of the Board. The Report of the Reporting Accountant's on the compilation of the proforma financial information is set out in Annexure III of this Circular.

The unaudited pro forma financial effects set out below should be read in conjunction with the audited financial position as at 31 December 2019 and the statement of comprehensive income for the year ended 31 December 2019 that are set out in Annexure III of this Circular.

The pro-forma financial effects of the Proposed Acquisition on ZCCM-IH are expected to be as follows:

As at 31 December 2019	Before Transaction	Pro Forma Adjustments	Post Transaction	Percentage change (%)
Earnings Per Share (EPS) (ZMW)	7.37	208.85	216.22	2832
Headline Earnings Per Share (HEPS) (ZMW)	7.27	-52.88	-45.61	-727
Net Asset Value (NAV) per share	78.54	40.00	118.54	51
Ordinary Shares in issue	160,800,286	-	160,800,286	0
Shares in issue	160,800,286	-	160,800,286	0
Weighted average number of Ordinary Shares in issue	160,800,286	-	160,800,286	0

Note; Adjusted ZCCM-IH for revaluation of Property, Plant and Equipment, and adjusted Mopani revaluation of Glencore Loan

One-year ProForma Income Statement and Statement of Comprehensive Income for the year ended 31 December 2019

Year ended 31 December 2019	Before Transaction ZMW	Post Transaction ZMW	% Change
Revenue	80,762	4,852,105	5,908
Cost of sales	46,068	8,723,530	18,836
Net investment income	61,437	61,437	0
Operating loss	(684,090)	34,867,554	-5,197
Net finance income	45,496	(1,948,808)	-4,383
Profit/(loss) before tax	(19,262)	33,538,078	-174,215
Income tax (expense)/credit	(18,543)	(25,540)	38
Profit - continuing operations	(37,805)	33,512,538	-88,746
Loss - discontinued operations	(73,979)	(73,979)	0
Profit for the year	(111,784)	33,438,559	-30,014
Other comprehensive income net of tax	1,297,528	1,329,611	2
Total comprehensive income	1,185,744	34,768,170	2,832

ProForma Statement of Financial Position as at 31 December 2019

As at 31 December 2019	Before Transaction ZMW	Post Transaction ZMW	% Change
Total assets	15,247,783	47,360,773	211
Total equity	12,629,831	19,061,067	51
Borrowings	-	20,928,750	100
Total liabilities	2,617,952	28,299,706	981
Total equity and liabilities	15,247,783	47,360,773	211

12 EXCHANGE CONTROLS

There are no exchange controls in Zambia at the time of publication of this Circular.

13 CAPITAL STRUCTURE

Summary of alterations to the share capital and issued shares in the past three years

The authorised share capital of the Company has not changed over the past three years.

The authorised and issued share capital of ZCCM-IH, before and after, the Transaction is set out below:

BEFORE THE IMPLEMENTATION OF THE TRANSACTION		ZMW
Authorised Share Capital (All Classes)		
200,000,000 Shares of ZMW 0.01 each		2,000,000
Issued share capital		
160,800,286 Ordinary Shares of ZMW 0.01 each		1,608,003
AFTER THE TRANSACTION		ZMW
Authorised Share Capital (All Classes)		
200,000,000 Shares of ZMW 0.01 each		2,000,000
Issued share capital		
160,800,286 Ordinary Shares of ZMW 0.01 each		1,608,003

14 WORKING CAPITAL STATEMENT

The directors have considered the position of ZCCM-IH prior to and following the implementation of the Transaction and are of the view that:

- The Company 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;
- The consolidated assets of the Company, 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 the Company will be adequate for ordinary business purposes for a period of 12 months after the date of approval of the Circular;
- The working capital available to ZCCM-IH and Mopani 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.

15 MATERIAL LOANS

Details of ZCCM-IH's material borrowings, leases, loans receivable and material inter-company finance are detailed in the report of the Independent Reporting Accountant on the historical financial information of ZCCM-IH Annexure III of the Circular.

16 CONTROLLING AND MAJOR SHAREHOLDERS

ZCCM-IH has over 4,200 shareholders. As at 28 February 2021, the major shareholders of the Company were as follows:

Shareholder	Class	Number of Shares	Holding (%)
Industrial Development Corporation Ltd	A	96,926,669	60.28%
Minister of Finance on behalf of GRZ	B	27,593,883	17.16%
National Pension Scheme Authority	B	24,120,043	15.00%
Euroclear France*	B	10,602,333	6.59%
KCM Pension Trust Scheme	B	231,647	0.14%
Total Holding of Top 5 Shareholders		159,474,575	99.17%

**Note: most of the minority shareholders are represented under Euroclear France as "Nominee"*

17 RESOLUTIONS FOR APPROVAL AT THE EGM

At the EGM to be held on 30 March 2021 (notice for the meeting is contained on page 160 of this Circular), Shareholders are required to vote on the Resolutions to approve the acquisition of 90% of Mopani.

18 DIRECTORS' INTEREST IN ZCCM-IH

As at 28 February 2021, the interests of Directors in ZCCM-IH's shares, as recorded in the register and on the LuSE, were as follows:

Details	Number of Ordinary Shares	[Direct/Indirect] Holding %
Taussac Philippe Georges	169,940	0.11
Mabvuto Chipata	1,900	0.00

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

19 DIRECTORS' INTERESTS IN THE TRANSACTION

Neither the Directors of ZCCM-IH nor any person acting in concert with the Directors has control or is interested, beneficially or otherwise, in the Transaction.

20 DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors, whose names are set out on page 25 of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular in relation to ZCCM-IH and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement in this Circular false or misleading, that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law, the Listings Requirements and the Companies Act.

21 DIRECTORS' OPINIONS, FAIRNESS STATEMENT AND RECOMMENDATIONS

The ZCCM-IH Directors consider the terms of the Transaction to be fair and reasonable based on their independent review of (i) the CPR produced by SRK and (ii) the Reporting Accountant report produced by BDO. This is in addition to the commercial assessments by the ZCCM-IH Directors. Although the CPR excludes certain information at this stage (as set out in Annexure II), the Directors recommendation is based on the information which is available and which, in the view of the Directors, is adequate information on the underlying asset to form this opinion. The Board believes the Transaction to be in line with the Strategic Plan of ZCCM-IH and in the best interests of the Company and the Shareholders as a whole and accordingly recommends unanimously that Shareholders vote in favour of the Resolutions at the EGM.

22 DIRECTORS' REMUNERATION, SERVICE CONTRACTS AND EMOLUMENTS

- No Director has a service contract with ZCCM-IH.
- The total aggregate remuneration and benefits paid to directors of ZCCM-IH in the financial year ended 31 December 2019 was ZMW 6,717,000.
- No management, consulting, technical or other fees, directly or indirectly, including payments to management companies have been paid to any Directors of ZCCM-IH. There are no commissions, gains or profit-sharing arrangements payable to any of the Directors.
- The remuneration of Directors, in their capacity as the Board, will in no way be affected as a result of the Transaction.
- The Transaction does not result in any changes to the remuneration payable to directors in the form of:
 1. fees for services as a Director;
 2. management, consulting, technical or other fees paid for such services rendered, directly or indirectly, including payments to management companies, a part of which is then paid to a Director of the company;
 3. basic salaries;
 4. bonuses and performance-related payments;
 5. sums paid by way of expense allowance;
 6. any other material benefits received;
 7. contributions paid under any pension scheme;
 8. any commission, gain or profit-sharing arrangements;
 9. any shares issued and allotted in terms of a share purchase/option scheme for employees.
- The Company has not entered into any contracts relating to the directors' and managerial remuneration, secretarial and technical fees and restraint payments.

23 MATERIAL CHANGES

The Directors report that, to their knowledge, there have been no material changes in the financial or trading position of the Company since 31 December 2019, the date of the last published audited interim financial statements of the Company and set out in the Independent Reporting Accountants' Report on the Historical Financial Information of the Company as set out in Annexure III.

24 MATERIAL CONTRACTS

Since the last reporting date, being the Annual Report for the financial year ended 31 December 2019, save for the Transaction Documents, no material contracts have been entered into by ZCCM-IH other than in the normal course of business.

25 DIRECTORS DECLARATION

None of the directors mentioned above has:

- ever been convicted of an offence resulting from dishonesty, fraud or embezzlement;
- ever been declared bankrupt or have been sequestered in any jurisdiction;
- at any time been a party to a scheme or an arrangement or made any other form of compromise with their creditors;
- ever been found guilty in disciplinary proceedings by an employer or regulatory body, due to dishonest activities;
- ever been involved in any receivership, compulsory liquidations or creditors' voluntary liquidations;
- ever received public criticisms from statutory or regulatory authorities, including professional bodies, and have ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- ever been barred from entry into a profession or occupation; and
- ever been convicted in any jurisdiction for any criminal offence.

SIGNED BY THE DIRECTORS AT LUSAKA ON 9 MARCH 2021

Eric S Silwamba



NAME

SIGNATURE

Mabvuto Chipata



NAME

SIGNATURE

Mateyo C Kaluba



NAME

SIGNATURE

Yollard Kachinda



NAME

SIGNATURE

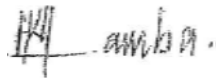
Philippe G Taussac



NAME

SIGNATURE

Fredson K Yamba



NAME

SIGNATURE

Barnaby B Mulenga



NAME

SIGNATURE

B. GENERAL INFORMATION

1. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection during normal business hours between 9 March 2021 and 30 March 2021 from the registered office of the Company, the offices of the Transfer Secretary and the offices of the Sponsoring Broker, the addresses of which are set out in the “Corporate Information and Advisers” section on page 3 of this Circular. Shareholders unable to access the physical copies of the documents may contact the Company on corporate@zccm-ih.com.zm.

- The Articles of Association of the Company, the certificate of incorporation and the certificate of share capital;
- The audited annual reports of ZCCM-IH for the financial years ended March 2019, 2018, unaudited annual report for the financial year ended December 2019 and ZCCM unaudited financial statements for the year ended 31 December 2020;
- The audited annual reports of Mopani for the last 3 years ended 31 December 2019, 2018 and 2017;
- The signed copy of the Report of the Independent Reporting Accountant;
- Sale and Purchase Agreement;
- Transaction Term Sheet;
- Transitional Services Agreement;
- Offtake and Marketing Agreement (cathodes);
- Offtake and Marketing Agreement (Slimes);
- GIAG Consolidated Loan Agreement;
- Carlisa Consolidated Loan Agreement;
- GIAG Amendment and Restatement;
- Carlisa Amendment and Restatement
- Deed of Termination and Waiver;
- Deed of Priority;
- Share Charge Agreement;
- All Assets Charge Agreement;
- Competent Person’s Report – Mopani Copper Mines Plc; and
- The written consents of the Independent Reporting Accountant, Lead Advisor, Transfer Secretary, Competent Person, Sponsoring Broker and Legal Adviser to the Transaction named in this Circular to act in those capacities, none of which consents having been withdrawn prior to registration.

2. EXPERT’S CONSENTS

Lead Advisor (“Imara Corporate Finance”), The Sponsoring Broker (“SBZ”), Independent Reporting Accountant (“BDO Zambia”), the Technical Adviser (“SRK”) and the Legal Adviser (“Chibesakunda & Co”) have consented in writing to act in the capacities stated and to their names being stated and, where applicable, their reports being included in this Circular.

3. CORPORATE GOVERNANCE

ZCCM-IH continues to operate by enforcing good corporate governance practices and observing the separation of powers between the Directors and Management on one hand and the Chairman of the Board and the Chief Executive Officer on the other. Six (6) of the Seven (7) Directors on the Board as listed in this document are Non-Executive Directors. Company activities are further streamlined by the full utilisation of the existing Audit, Remuneration and Investments Committees.

4. PRELIMINARY EXPENSES

The total estimated costs of the Transaction, including advisory fees, regulatory costs, filing costs, advertising and printing costs are estimated at US\$2 million.

5. LITIGATION

ZCCM-IH's material legal and/or arbitration proceedings as at 28 February 2021 are listed below;

5.1 ZCCM Investments Holdings Plc v Maamba Collieries [Litigation]

5.2 ZCCM-IH v FQM & Others [Litigation]

5.3 ZCCM Investments Holdings PLC vs Konkola Copper Mines PLC [Arbitration]

5.4 Vedanta Resources PLC vs ZCCM Investments Holdings PLC [Arbitration]

5.5 Kansanshi Holding PLC vs ZCCM Investments Holdings PLC [Arbitration]

C. INFORMATION RELATING TO THE DIRECTORS AND SENIOR MANAGEMENT OF ZCCM-IH AND ITS SUBSIDIARIES

1. DIRECTORS OF ZCCM-IH

1.1 The full names, qualifications, nationalities, addresses and occupations of the directors of ZCCM-IH are set out below.

Name	Qualifications and Summary Profile
Mr Eric S Silwamba, SC (Zambian) (Non-Executive)	<p>Mr Silwamba is the Principal Partner at Messrs Dentons Eric Silwamba, Jalasi and Linyama Legal Practitioners. He holds a Bachelor of Laws Degree with Merit (LL.B) from the University of Zambia. Mr Silwamba is an Advocate of the High Court of Zambia enjoying the rank and dignity of State Counsel. He has over 30 years' extensive experience in both private and public practice.</p> <p>Mr Silwamba was elected Member of Parliament for Ndola Central Parliamentary Constituency in October 1991 and was re-elected in 1996 and 2001. He served in very senior positions in government including as former Deputy Minister of Information and Broadcasting Services, Deputy Minister (Special Duties) Office of the President, Minister of Presidential Affairs and Minister of Justice and Government Chief Whip.</p> <p>Mr. Silwamba has had the opportunity of handling some of the most complex and high-profile litigation in Zambia that relates to mining, commercial law, tax, administrative, criminal and constitutional law. He is also a member of the Chartered Institute of Arbitrators of the United Kingdom and a qualified legal draftsman.</p>
Mr Mabvuto Chipata (Zambian) (Executive)	<p>Mr. Chipata joined the Company in July 2012. He has worked as Finance Director for Zambia Postal Services Corporation; Managing Director for Intermarket Securities Zambia Limited; and Chief Operating Officer, Chief Financial Officer and Head of Treasury for Intermarket Banking Corporation Zambia Limited. He has also served as Finance Manager for Professional Insurance Corporation Zambia Limited and Chief Accountant for National Milling Company. He has over 15 years of senior management experience in Accounting, Finance and Investment management in a cross-section of industries.</p> <p>Mr. Chipata holds a Bachelor of Accountancy Degree and is a Chartered Certified Accountant (FCCA). He is also a trained Stockbroker and a Fellow of the Zambia Institute of Chartered Accountants.</p>
Mr Fredson K Yamba (Zambian) (Non-Executive) - Vice Chairperson of the Board	<p>Mr Yamba is currently serving as Secretary to the Treasury in the Ministry of Finance. Mr Yamba's career spans over thirty years mainly in the Civil Service. Prior to his appointment as Secretary to the Treasury, Mr Yamba was Director at the National Institute of Public Administration (NIPA) under the Research, Consultancy and Development Division.</p> <p>Mr Yamba has worked at the Ministry of Finance in various portfolios including Chief Budget Analyst and Acting Director. He also served as Director in the Ministry of Commerce, Trade and Industry in the Planning and Information Department. He has, in the past, provided consultancy services for different Ministries including Education, Judiciary and Finance.</p> <p>Mr Yamba has vast experience at serving as Non-Executive Director on various Boards and currently serves as Director on Mofed (Chairperson), Bank of Zambia, Zambia Revenue Authority and the Millennium Challenge Corporation (Chairperson).</p>

	Mr Yamba holds an MSc in Development Finance and a Bachelor's Degree in Economics and Public Administration. He has also received various training and certification in Budgeting in the Public Sector, Investment Appraisal and Management and Macroeconomic Policy Management from the Harvard University, USA.
Mr Barnaby B Mulenga (Zambian) (Non-Executive)	<p>Mr. Mulenga is the Permanent Secretary in the Ministry of Mines and Minerals Development. He has worked in the civil service since 2000 and has held various positions including Lands and Deeds Officer/Registrar of Lands and Deeds and Head – Estates and Valuation in the Ministry of Lands before being appointed Commissioner of Lands in the same ministry. He has served as Permanent Secretary in the Ministry of Lands, Natural Resources and Environmental Protection and Ministry of Labour and Social Security.</p> <p>Mr. Mulenga holds a Masters in Environmental Science and Law (MESL) from the University of Sydney, Bachelor of Laws (LLB) from the University of Zambia and is an Advocate of the High Court of Zambia. He also holds a Bachelor of Science in Land Economy from the Copperbelt University.</p>
Mr Mateyo C Kaluba (Zambian) (Non-Executive)	<p>Mr Kaluba is currently the Chief Executive Officer of the Industrial Development Corporation Limited (IDC) of Zambia. Mr Kaluba has experience in industrial development policy and planning, economic policy and planning; strategic planning; policy research; and monitoring and evaluation. He has served in senior positions in the Public Service including, Director Planning and Information in the Ministry of Commerce, Trade and Industry; Interim Director, Business Regulatory Review Agency; Advisor to the Chief Executive Officer on Policy & Strategy – IDC and Special Assistant to the Minister of Commerce, Trade and Industry.</p> <p>He has served as a Board Member on various public and private institutions. Mr Kaluba holds a Master's Degree in Public Administration, a Master's Degree in Business Administration and a Bachelor's Degree in Business Administration.</p>
Mr Yollard Kachinda (Zambian) (Non-Executive)	<p>Mr. Yollard Kachinda was appointed to the ZCCM-IH Board in January 2017. Mr. Kachinda brings with him a wealth of progressive experience spanning over 26 years. He is the Director-General of NAPSA. Mr. Kachinda started his career as a Statistician at the Central Statistical Office before joining the Zambia National Provident Fund (ZNPF) where he held various senior positions including that of Assistant Research and Development Manager. He played a pivotal role in providing technical advice on the transformation of ZNPF to NAPSA. Mr. Kachinda has worked for NAPSA since its inception where he has held senior positions including, Manager Actuarial and Research and Director Contributions and Benefits.</p> <p>Mr. Kachinda is a member of the Interim Board of the Pensions and Insurance Authority (PIA) and Chairman of the Board of Trustees of the Lusaka Trust Hospital Staff Pension Scheme. He holds a Bachelor of Science Degree (Education) majoring in Mathematics and Statistics from the University of Zambia and a Master of Science Degree in Social Protection Financing from the Maastricht University of the Netherlands.</p>
Mr Philippe G Taussac (French) (Non-Executive)	Mr Philippe G Taussac was appointed as a Non-Executive Director to the ZCCM-IH Board on 21 March 2014. He represents the minority shareholders on the ZCCM-IH Board. He has been a ZCCM-IH Shareholder since early 2000. Mr Taussac brings to the Board many years of Business Management experience. He is currently Chief Executive

	<p>Officer for ABC Informatique an IT Services Company based in France where he has worked from 1985. He also worked as Managing Director for ALTISOFT, a software engineering company for 10 years from 1994 to 2004 and was a Managing Director for three (3) real Estate Companies for 25 years.</p> <p>He holds a Mechanical-Electrical Engineering Degree. He is a Fellow of the “Grande Ecole d’Ingénieurs” Ecole Spéciale des Travaux Publics de Paris.</p>
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1.2 Directors declarations

None of the directors mentioned above has:

- ever been convicted of an offence resulting from dishonesty, fraud or embezzlement;
- ever been declared bankrupt or sequestrated in any jurisdiction;
- at any time been a party to a scheme or of arrangement or made any other form of compromise with their creditors;
- ever been found guilty in disciplinary proceedings by an employer or regulatory body, due to dishonest activities;
- ever been involved in any receiverships, compulsory liquidations or creditors voluntary liquidations;
- ever received public criticisms from statutory or regulatory authorities, including professional bodies, and have ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- ever been barred from entry into a profession or occupation; or
- ever been convicted in any jurisdiction of any criminal offence.

2 ZCCM-IH SENIOR MANAGEMENT

2.1 Brief profiles of the members of the ZCCM-IH management committee are set out in the table below.

Name, Nationality and position	Qualifications and summary profile
Mr Mabvuto Chipata (Zambian) (Chief Executive Officer)	See above CV
Mr Brian Musonda (Zambian) (Chief Investments Officer)	<p>Mr. Musonda has over seventeen years (17) years of working experience in both the private and public sector, with particular proficiency in investments analysis, treasury management and Finance.</p> <p>He is a Fellow of the Association of Chartered Certified Accountants (ACCA) and Zambia Institute of Chartered Accountants (ZICA) and holds an MBA in Finance and Accounting.</p> <p>Prior to joining ZCCM-IH on 5th October 2020, Brian served as Head Treasury and Investments for National Pension Scheme Authority (NAPSA) (from 2016), the largest Pension Scheme in Zambia both by membership and asset base, where he structured a number of unique transactions across all sectors. Before joining NAPSA, Brian worked for the Workers</p>

	Compensation Fund Control Board for over eight (8) years in the Investments Directorate as (served in various roles including that of a Senior Investments Analyst and Revenue and Investments Accountant).
Ms Yadika Mkandawire (Zambian) (General Counsel)	<p>Ms. Mkandawire is a General Counsel of ZCCM-IH. She joined the Company in November 2011. She has worked as a State Advocate in the Attorney Generals Chambers and Senior Legal Officer at the Zambia Development Agency. An Advocate of the High Court and Supreme Court for Zambia, she has practiced law for thirteen (13) years, culminating in specialisation in corporate law.</p> <p>Ms. Mkandawire holds a Master's degree (LLM) in Commercial and Corporate Law from the University of London, a Bachelor's degree in Law (LLB) from the University of Zambia, Post-Graduate Certificate, Legal Practitioners' Qualifying Examinations (LPQE) from Zambia Institute of Advanced Legal Education (ZIALE), and a Certificate in Legislative Drafting from the University of London.</p>
Ms Chilandu Sakala (Zambian) (Chief Financial Officer)	Mrs. Sakala is a Fellow Chartered and Certified Accountant ("FCCA") and Fellow of the Zambia Institute of Chartered Accountants. She has over 16 years of work experience. Before joining ZCCM-IH in September 2018, Mrs. Sakala was Audit Senior Manager at KPMG, an international audit firm where she led teams on various assignments and projects since September 2003. She has vast experience in Accounting, Finance and Auditing. Her clients included organisations in a number of sectors including financial services, telecommunications, mining, energy and not-for-profit entities.
Mr Chabby Chabala (Zambian) (Company Secretary)	<p>Mr. Chabala joined the Company in June 2006 as Corporate Services Officer, and was in April 2010 appointed the Company Secretary. He has expertise in corporate services, company secretarial and administrative support. He has worked in various other portfolios such as VAT Inspector, audit support and supplier monitoring of Zambia Revenue Authority prior to joining ZCCM Investments Holdings.</p> <p>Mr Chabala holds a Bachelor of Business Administration from the Copperbelt University and has been a member of the Institute of Chartered Secretaries and Administrators (ICSA) since 2004.</p>
Mr Tisa Chama (Zambian) (Chief Technical Officer)	<p>Mr. Chama is a Mining Engineer with over 25 years of working experience in the mining industry, having worked in various technical and operational roles. He has worked at operating mines in Zambia, Namibia, East Africa, and West Africa. He has worked for ZCCM, KCM, Rio Tinto, AGA, and Barrick as Planning Manager.</p> <p>Prior to joining ZCCM-IH in November 2020, Mr. Chama worked as Senior Principal Mining Engineer at AGA, Africa Region based at the corporate office in Johannesburg, South Africa. Mr. Chama has worked as a consultant on various projects from concept to feasibility levels of study covering various commodities. He has delivered on projects including Greenfield and Brownfield projects. He has a background of working in developing countries, having worked in different African countries providing project management and lead mining technical roles. His experience covers a range of commodities including copper, cobalt, uranium, and gold.</p> <p>Eng. Chama is a Registered Engineer with the Engineering Institution of Zambia (EIZ) and is a member of the Southern African Institute of Mining and Metallurgy (SAIMM). He holds a Bachelor of Mineral Sciences in Mining Engineering from the University of Zambia and an MBA from the Free State University (SA.)</p>

<p>Mr Ansley Syanziba (Zambian) (Acting Chief Risk and Internal Audit Officer)</p>	<p>Mr. Syanziba joined ZCCM-IH in 2012 and is currently serving as an Internal Auditor. He was appointed as acting Chief Risk and Internal Audit Officer with effect from 3rd June 2019. He has over Thirteen (13) years of internal and external audit experience. Prior to joining ZCCM-IH, he was a Manager at Moores Rowland where he audited and managed numerous audit assignments in different sectors that include tourism, transport, manufacturing, real estate, consultancy and construction, among others.</p> <p>Mr. Syanziba holds a Master's degree in Business Administration specialised in Finance from Heriot-Watt University and a Bachelor of Science Degree in Applied Accounting (Honours) from Oxford Brookes University. He is a Fellow of both the Association of Chartered Certified Accountants (FCCA) and Zambia Institute of Chartered Accountants (FZICA). Mr. Syanziba is also a qualified Internal Audit practitioner who is a member of the Institute of Internal Auditors. He possesses the prestigious and professional designation of Certified Internal Auditor (CIA) and a Certification in Risk Management Assurance (CRMA) from the Institute of Internal Auditors.</p>
<p>Mrs Loisa Mbatha-Kakoma (Zambian) (Public Relations Manager)</p>	<p>Mrs. Mbatha-Kakoma is a communication and media professional with over twelve (12) years of experience in her field. She has a strong educational and academic background in journalism and communications, having graduated with a Bachelor's degree in Mass Communication from the University of Zambia in 2007. She later got the prestigious Beit Trust Scholarship to study for her Master's degree in Journalism and Media Studies at Rhodes University in South Africa in 2010.</p> <p>Mrs. Mbatha-Kakoma has a wealth of experience working in Zambia's mainstream broadcast media, having worked as an anchor, Television Producer and as Assistant Executive Producer at the national public broadcaster, the Zambia National Broadcasting Corporation (ZNBC) for seven years. She also worked as a Communications Specialist at the Indaba Agricultural Policy Research Institute (IAPRI) in 2015, before joining ZCCM-IH as a Public Relations Manager in 2016</p>
<p>Mr Patson Banda (Zambian) (Human Resources Manager)</p>	<p>Mr. Banda joined ZCCM-IH in March 2014. He started his career with the then Government Consultancy Service in 1992 as a consultant before joining the Zambia Institute of Human Resources Management (ZAMIM) as consultant in May 1993. He has a wealth of experience in staff training and development. While at ZAMIM, he acted as a resource person on various short term training programmes in addition to undertaking consultancy assignments.</p> <p>In June 2001, he joined the National Pension Scheme Authority (NAPSA) as Training Officer before rising to the position of Training and Development Manager in 2003. During his tenure at NAPSA, he was in charge of employee training and development. Specifically, he identified employee training needs, formulated a Training Plan, implemented and evaluated training programmes. In 2005, Mr. Banda joined Bank of Zambia as Manager – Training & Development where he was in charge of employee training and development. He served as Secretary to the Training Committee of the Bank. In 2011, he was appointed as Manager – Staff Relations at Bank of Zambia until 2013 when they separated.</p> <p>Mr. Banda holds a Bachelor's degree in Public Administration from the University of Zambia and is a Fellow of the Zambia Institute of Human Resources Management.</p>
<p>Ms Katongo Kabwe (Zambian)</p>	<p>Mrs. Katongo Daka Kabwe joined ZCCM-IH in October 2003. Mrs. Kabwe has over 28 years of experience in procurement and supply chain operations. She served several portfolios in the Supply Department under Zambia Consolidated Copper Mine (ZCCM) Ltd with Power Division,</p>

(Procurement Manager)	<p>and later moved to Luanshya Division as Assistant Head of Supply until privatisation. Mrs Kabwe also served as procurement specialist under the Copperbelt Environment Project (CEP) funded by the World Bank.</p> <p>She holds a Masters Degree in Business Administration from UNIVAF University (South Wales), a BA Degree in Public Administration from the University of Zambia, a Graduate Diploma in Chartered Institute of Purchasing and Supply Management (CIPS), and Certificates in Purchasing and Materials Management. She is also a member of the Zambia Institute of Purchasing and Supply (ZIPS).</p>
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3 DIRECTORS AND SENIOR MANAGEMENT OF ZCCM-IH SUBSIDIARIES

3.1 Limestone Resources Limited

3.1.1 Board of Directors

3.1.2 The full names, qualifications, nationalities, addresses and occupations of the directors of Ndola Lime are set out below:

Name	Qualifications and Summary Profile
Mr. Tapiwa Msusa (Zambian)	Mr. Msusa joined ZCCM-IH in 2016 as a Portfolio Analyst. He has over 7 years' experience in research, portfolio advisory, and corporate finance in Zambia. He holds a Bachelor of Commerce degree in Risk Management from the University of South Africa and has passed Chartered Financial Analyst (CFA®) Level One with the CFA Institute. Prior to joining ZCCM-IH, Mr. Msusa was a Financial Analyst with Stockbrokers Zambia Limited after having spent two years lecturing in finance and mathematics-related courses at BA ISAGO University in Botswana.
Ms. Chilandu Sakala (Zambian)	See above CV

3.1.3 Senior Management

3.1.4 Brief profiles of the Ndola Lime senior management team are set out in the table below.

Name	Qualifications and Summary Profile
Mr Stephen Bwalya (Zambian) Finance Manager	Mr. Stephen Bwalya has over 15 years' experience as an Accountant (10 years ACCA post qualifying experience.).He worked as a Company Accountant at Mitchell Cotts. Zambia from 2011 to 2013. He then worked as a Financial Accountant from 2013 to 2015. From 2015 to 2016 he was a Management Account. Then from 2016 to present he has been the Chief Financial Officer/Finance Manager at Ndola Lime Company Ltd. as well as the Acting Chief Executive Officer.
Mr. Felix Zimba (Zambian) Company Secretary	Mr. Felix Zimba is the Company secretary/Contract Administrator at Ndola Lime Company Ltd. He is an expert in all aspects of contracts management. He currently holds a Bachelor's Degree in Business Administration and Management, as well as a Master's Degree in Business Administration, Logistics, Materials and Supply Chain Management.
Mr. Gilbert Sikazwe (Zambian)	Mr. Gilbert Sikazwe is the Head of Processing as well as a Process Engineer/Quality Assurance Officer. He holds a Bachelor of Engineering (BEng.) Degree in Chemical Engineering.

Acting Production Manager	
Mr. Jennings Musama (Zambian) (Acting Commercial Manager)	Mr. Jennings Musama is the Senior Engineer of Hardware/Networks at Ndola Lime Company Ltd. He currently holds a Bachelor of Science (BSc.) Degree in Networked Systems and Management.

3.2 Misenge Environmental and Technical Services Limited (“Misenge”)

3.2.1 Board of Directors

3.2.2 The full names, qualifications, nationalities, addresses and occupations of the directors of Misenge are set out below:

Name	Qualifications and Summary Profile
Mr. Paul Kaluba (Zambian) (Non-Executive Director) (Chairman)	<p>Mr. Paul Kaluba is an accomplished, high energy Senior Business and Marketing Executive with 27 years’ leadership experience in the FMCG sector.</p> <p>Mr. Kaluba possess a strong African experience having worked for the Coca Cola Company for 17 years in senior challenging roles spearheading various products, sales and routes to marketing strategies in Swaziland and Lesotho as Operating Marketing Manager, South Africa as Senior Operations Marketing Manager and Zambia, Botswana and Namibia as Country Manager.</p> <p>Mr. Kaluba sits on various boards as Chairman of large financial services Companies and has a strong track record in corporate governance with an established track record in spearheading various initiatives that grow sales, enhance profitability, market share, quality and business sustainability.</p> <p>He holds a Master’s Degree in Business Leadership from UNISA.</p>
Ms. Jennifer Mukuka Njelesani (Zambian) (Non-Executive Director)	<p>Ms. Jennifer M. Njelesani is a Finance Professional with over 30 years’ experience in multisector. She has 22 years of managerial experience and 12 years’ experience at a strategic level. Ms. Njelesani is an experienced turnaround strategist particularly in the Public Sector sphere. She is a strategic leader with advanced technical skills who has led diverse teams to performance excellence achievements.</p> <p>Ms. Njelesani serves as the Director Special Duties (Finance and Economic Development) at Cabinet Office of the Government of Zambia. She previously worked as Senior Manager (Interim Chief Financial Officer) at the office of the Auditor General of South Africa (AGSA)</p> <p>Ms. Njelesani has served on a number of Boards and specialises in adding value in the areas of Finance, Audit and Risk.</p> <p>Ms. Njelesani has an MBA from the University of Roehampton (United Kingdom) and is a Fellow of the Association of Chartered Certified Accountants.</p>
Mrs. Yendeka Banda (Zambian) (Non-Executive Director)	Mrs. Yendeka Chinyama Banda is the Finance Manager at ZCCM Investments Holdings Plc. She joined ZCCM Investments Holdings Plc. (ZCCM-IH) as an Accounts Assistant in September 2002.

	<p>She holds a bachelor's degree in Accounting and is a member of the Chartered Institute of Management Accountants and a member and registered Accountant of the Zambia Institute of Chartered Accountants (ZICA).</p> <p>Mrs. Banda is currently pursuing an MBA with University of Greenwich.</p> <p>Mrs. Banda is also a Director on the Board of Kabundi Resources Ltd which is a wholly owned subsidiary of ZCCM-IH.</p>
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3.2.3 Senior Management

3.2.4 Brief profiles of the Misenge senior management team are set out in the table below.

Name	Qualifications and Summary Profile
Mr. William Musonda (Zambian) (Acting Chief Executive Officer)	<p>Mr. William Musonda has been the Acting Chief Executive Officer of Misenge Environmental and Technical Services Limited seconded from ZCCM Investments Holdings Plc with effect from 1st September 2019.</p> <p>He is the substantive Resident Engineer of ZCCM Investments Holdings Plc responsible for overseeing all engineering projects in the company.</p> <p>William is a professionally qualified and experienced Civil Engineer. His experience has mainly been in the field of hydraulics, dams, earthworks, construction, roads and storm water drainages.</p> <p>He started his career in 1995 with ZCCM Limited as a Senior Assistant Engineer at Technical Services in Kalulushi. He later joined the World Food Program as District Engineer responsible for Chingola and Luanshya projects from 1998 to 2000. He had a short stint with Knight Piesold Consulting Engineers in 2003 before joining the World Bank funded Copperbelt Environmental Project as a Civil/Geotechnical Engineer from 2003 to 2012 under the auspices of the Ministry of Finance and National Planning. The unit was taken over by ZCCM-IH in 2012 where he was appointed to the position of Resident Engineer.</p> <p>Mr. Musonda is also a Director on the Board of Rembrandt Properties Limited.</p> <p>He holds a B.Eng degree in Civil Engineering from the University of Zambia and an MSc degree in Civil Engineering (specialising in Water Resources Engineering) from Katholieke University of Leuven and Vrije University of Brussels in Belgium. His other qualifications include a Certificate in Environmental Management from Eastern and Southern African Management Institute in Namibia and has skills in project planning, design, construction supervision and project management. He is a Member of the Engineering Institution of Zambia.</p>
Ms. Sandi Namwinga (Zambian) (Company Secretary/Legal Counsel)	<p>Ms. Sandi Namwinga is the Company Secretary/Legal Counsel of METS. She joined METS in February 2013 as the Company Secretary/Legal Counsel.</p> <p>She holds a bachelor's degree in Law and is a member of the Law Association of Zambia. Prior to joining METS, Ms. Namwinga worked as a Legal Officer at ZCCM-IH which she joined in 2002. Ms. Namwinga has held the positions of Assistant Advocate and Legal Aid Counsel at Chali, Chama & Company and the Legal Aid Department in the Ministry of Legal Affairs (now renamed as the Ministry of Justice) respectively.</p> <p>Ms. Namwinga has experience in the areas of civil litigation, commercial transactions and company secretarial work.</p>

Mr. Nolias Kachasa (Zambian) (Projects Engineer)	<p>Eng. Nolias Kachasa serves as Projects Engineer of METS. He joined the company on 1st October 2014, as a Projects Engineer the position he is holding until now. He started his career as an Engineering Assistant with the Ministry of Works and Supply in 1994 and left the government on voluntary separation in 1999. He later joined Zulu Burrow Consulting Engineers as a Water Engineer where he worked until 2005 when he joined ZCCM-IH as a Geotechnical and Civil Engineer under Copperbelt Environment Project (CEP). He served the project till 2012 when he rejoined Zulu Development Consults again as Senior Water Engineer. Eng. Kachasa has over the years worked as design and project Engineer for the; Chirundu water supply for the government in Chirundu, Kalumbila town water supply and sewerage for Kalumbila sentinel mine in Kalumbila, Kabitaka water supply and sewerage for Kansanshi Mine in Solwezi, Lusaka South Multi facility Economic Zone water supply and sewerage for the government (Ministry of Finance) in Lusaka and the construction of the electronic weigh bridge in Mumbwa under Road Development Agency (RDA) among other civil engineering projects.</p> <p>He has a BSc in Civil Engineering from Copperbelt University, a Higher Diploma in Water Engineering from the same university. A Post graduate certificate in Environmental Management from FIDA Swaziland. A diploma in Water Engineering from Natural Resources Development College (NRDC) in Lusaka. He is a registered Engineer with Engineering Institution of Zambia (EIZ) and the Engineering Registration.</p>
Mr. Cyril Lukeke (Zambian) (Environmental Specialist)	<p>Mr. Cyril Lukeke is currently the Acting Analytical Services Specialist of Misenge Environmental and Technical Services Limited (METS). He joined METS at its inception in February 2013 as an Environmental Specialist and later appointed as the Environmental and Radiation Specialist of METS. In 2020, Mr. Lukeke was appointed Analytical Services Specialist (Acting) of METS.</p> <p>Mr. Lukeke started his career as a Chemist at Zambia Consolidated Copper Mines Limited (ZCCM Ltd), Chibuluma Division in 1980 rising to the position of Sectional Chemist in charge of Analytical Services at Chambishi Mine under Nkana Division and later as Sectional Chemist at Nkana Mine, Nkana Division. In 1995, Mr. Lukeke was appointed Assistant Superintendent, Group Environmental Services Officer Waste Management at ZCCM Ltd Technical Directorate, Kalulushi. In 2000, Mr. Lukeke was appointed Environmental Services Officer at ZCCM Investments Holdings Plc (ZCCM-IH) after privatization of ZCCM Ltd and was Project Manager during implementation of the World Bank Copperbelt Environment Project (CEP) from 2004 to 2011. During 2016 to 2020 Mr. Lukeke provided technical Environmental support during project implementation of World Bank funded Zambia Environmental and Mining Rehabilitation Improvement Programmes.</p> <p>Mr. Lukeke's expertise is in Analytical Chemist, Environmental Management, Radiation Safety and Project Management. Mr. Lukeke holds a Bachelor of Science (Education from University of Zambia) and certification in Environmental Management (Eastern and Southern African Management Institute), BS EN ISO 9000 and BS EN ISO 14000 Internal Auditor Certificate (British Standard Institute).</p>
Mr. Joseph Kabwe (Zambian)	<p>Mr. Joseph Kabwe is currently acting as the Environmental and Radiation Specialist. He holds the substantial position of the Analytical Services Specialist of Misenge Environmental and Technical Services Limited (METS). He joined METS in February</p>

(Acting Environmental and Radiation Specialist)	<p>2013 as Analytical Services and Compliance Specialist. He started his career as a Senior Chemist at Zambia Consolidated Copper Mines Limited (ZCCM Ltd), Luanshya Division in 1985. He was appointed Sectional Chemist in 1990. In 1996, Mr. Kabwe was appointed Group Environmental Services Officer and transferred to ZCCM Ltd Technical Services, Kalulushi. He joined ZCCM Investments Holdings Plc (ZCCM-IH) in 2000 as an Environmental Services Officer. Mr. Kabwe worked as Project Manager in Kabwe under the Copperbelt Environment Project (CEP) from 2004 to 2011.</p> <p>Mr. Kabwe holds a Bachelor of Science Degree in Chemistry – Single Major from the University of Zambia. Mr. Kabwe has over the years trained in Geographical Information Systems for Environmental Impact Assessments (EIA) and Strategic Environmental Assessment (SEA), Environmental Management Systems Internal Auditing, Environmental Management and Environmental and Geographical Information System for Spatial Data Management.</p>
Mr. Ezra K. Chisenga (Zambian) (Company Accountant)	<p>Ezra K. Chisenga is the Company Accountant of METS having joined the company in March 2016. His joining the company in that year was a movement within the group coming from Mawe Exploration and Technical Services Ltd where he held the position of Company Secretary/ Accountant. He has also been on secondment to Ndola Lime Limited as a Company Secretary.</p> <p>His previous engagements were Chief Finance Officer and Company Secretary at TAP (Zambia) Limited as the last position held. He joined TAP as Finance Manager and was later appointed Manager Financial and Market Analyst. Before joining TAP he worked as the Chief Accountant for York Farm Limited. The rest of his time, he was with KPMG and Deloitte and Touch.</p> <p>He holds a Master Degree in Business Administration (MBA) from the Management College of South Africa (MANCOSA) and has been a fellow of both the Association of Chartered and Certified Accountants (FCCA) and the Zambia Institute of Chartered Accountants (FZICA) since 2005 and 2007 respectively.</p>

3.3 Nkandabwe Coal Mine Limited (“Nkandabwe”)

3.3.1 Board of Directors

3.3.2 The full names, qualifications, nationalities, addresses and occupations of the directors of Nkandabwe are set out below:

Name	Qualifications and Summary Profile
Mr. Moses Chilambe (Zambian)	<p>Eng. Moses Chilambe has served as Technical Manager of ZCCM Investments Holdings Plc since March 15, 2016. Prior to that, Moses was the Technical Manager at Mawe Exploration and Technical Services Limited (a subsidiary of ZCCM-IH), from October 2013 following the transformation of the then Technical Department within ZCCM-IH into a subsidiary company. Before then, he had acted as a Technical Manager at ZCCM-IH from August 2012 to September 2013. Eng. Chilambe joined ZCCM-IH as Mining Engineer in 2008. Before joining ZCCM-IH, Mr. Chilambe had worked in the Zambian hard rock mining industry under ZCCM Limited, which he joined in 1983 as Senior Assistant Mining Engineer, and rose through the ranks to the positions of Mine Manager and General Manager/Vice President in charge of Mining Operations at Konkola Copper Mines Plc. (KCM). Mr. Chilambe holds a Bachelor of Mineral Sciences</p>

	Degree in Mining Engineering. He is a fellow of the Southern African Institute of Mining and Metallurgy (FSAIMM); a Member and Registered Engineer of the Engineering Institution of Zambia (EIZ); Member of the Society for Mining Engineers (SME) of 4 AIMME and Member of the World of Mining Technology Society.
Mr. Mwelwa Manda (Zambian)	Mr. Mwelwa Manda serves as Portfolio Manager of ZCCM Investments Holdings Plc. Mr. Manda joined the company in January 2013, as an Executive Assistant to the Executive Chairman, before being appointed as a Business Development Analyst in the Investments Directorate in 2014. He started his career as an Enterprise Account Manager at Zamtel Limited before joining Toyota Zambia Limited as a Project and Operational Process Development Manager. His previous work experience includes working at international firms; Sony Australia (Perth), PKF Accounting and Business Advisory (Edinburgh) and Western QBE (Perth). Mr. Manda has over the years trained in the valuation of mining companies and Corporate Valuation Techniques. He has an MBA from the University of Warwick, UK, a Master's in Business (MSc) – Strategic Project Management from Heriot-Watt University, Edinburgh, UK and a Bachelor of Business – Double Major in International Business and Business Management & Minor in Psychology from Edith Cowan University, Perth, Australia. He is currently a Doctor of Business Administration candidate. His professional qualification includes an APM and Prince II trained and accredited.

3.3.3 Senior Management

3.3.4 Brief profiles of the Nkandabwe senior management team are set out in the table below.

Name	Qualifications and Summary Profile
Mr. Tito Kalembo (Zambian)	Mr. Tito Kalembo is currently the Finance Director at Mushe Milling. Mr. Kalembo Tito holds a Bachelor of Accountancy degree and is a fellow member of the Association of Chartered Certified Accountants (ACCA) and Zambian Institute of Chartered Accountants (ZICA).

3.4 Kariba Minerals Limited ("Kariba")

3.4.1 Board of Directors

3.4.2 The full names, qualifications, nationalities, addresses and occupations of the directors of Kariba are set out below:

Name	Qualifications and Summary Profile
Thomas K Lungu (Zambian) Board Chairman	Mr. Thomas K. Lungu is an entrepreneur with experience in the Computer and Networking technology industry. Thomas K. Lungu was also a Director at Ndola Lime Company representing the shareholders ZCCM-IH from September 2012 until November 2017. He has industrial marketing and business start-up experience and is a business analyst with Turnaround skills.
Kakenenwa Muyangwa (Zambian) (Non-Executive)	Mr Kakenenwa Muyangwa has over thirty years (30) years of working experience in the private sector, with particular expertise in corporate restructuring and turnarounds, investment management, financial management, audit, accounting and business advisory services.

	<p>He is a Fellow of the Association of Chartered Certified Accountants (ACCA) and holds a BEng (Honours) degree in Mining Engineering from Imperial College of Science and Technology, London.</p> <p>Before joining the Board of Kariba Minerals Limited, Kakenenwa was a Board member at CNMC Luanshya Copper Mines PLC and JUMO Zambia Limited in Zambia, and Messina Copper Mines and Matsitama Minerals in Botswana. Prior to that, he provided investment management services in the minerals and energy sector in Southern Africa to an investment advisory firm. He started his career as a mining engineer with ZCCM on the Zambian Copperbelt before joining Price Waterhouse where he served in various roles both in Zambia and England. He subsequently joined Barclays Bank of Zambia as the first Zambian Finance Director. He has also worked for Konkola Copper Mines as Chief Internal Auditor and Marketing Manager. He currently provides corporate recovery and turnaround consulting services to the African Development Bank.</p>
<p>Moses Chilambe (Zambian) Board of director</p>	<p>Eng. Moses Chilambe has served as Technical Manager of ZCCM Investments Holdings Plc since March 15, 2016. Prior to that, Moses was the Technical Manager at Mawe Exploration and Technical Services Limited (a subsidiary of ZCCM-IH), from October 2013 following the transformation of the then Technical Department within ZCCM-IH into a subsidiary company. Before then, he had acted as a Technical Manager at ZCCM-IH from August 2012 to September 2013. Eng. Chilambe joined ZCCM-IH as Mining Engineer in 2008. Before joining ZCCM-IH, Mr. Chilambe had worked in the Zambian hard rock mining industry under ZCCM Limited, which he joined in 1983 as Senior Assistant Mining Engineer, and rose through the ranks to the positions of Mine Manager and General Manager/Vice President in charge of Mining Operations at Konkola Copper Mines Plc. (KCM). Mr. Chilambe holds a Bachelor of Mineral Sciences Degree in Mining Engineering. He is a fellow of the Southern African Institute of Mining and Metallurgy (FSAIMM); a Member and Registered Engineer of the Engineering Institution of Zambia (EIZ); Member of the Society for Mining Engineers (SME) of AIMME and Member of the World of Mining Technology Society.</p>
<p>Joseph Lungu (Zambian) Board Director</p>	<p>Trained as a Mechanical Engineer at the University of Manchester and pursuing an MBA. Currently working at ZCCM Investments Holdings Plc (ZCCM-IH) as Capital & Money Markets Manager responsible for Treasury Functions and managing an Investment Fund. Also is a Director at Kabundi Resources Ltd, a manganese focused wholly-owned subsidiary of ZCCM-IH and Director at Kariba Minerals Ltd. Have worked for News Corporations Plc, Royal Mail Plc, Virgin Media Ltd and SAGE Plc in the UK in various capacities. Main business interests and strengths include Strategy formulation and implementation, Marketing, Investment & Portfolio Management and Securities Trading.</p>

3.4.3 Senior Management

3.4.4 Brief profiles of the Kariba senior management team are set out in the table below.

Name	Qualifications and Summary Profile
Peter Phiri (Zambian) (Acting General Manager)	Mr Peter holds a Bachelor's Degree in Mining Engineering (B.MinSc), and a Masters of Business Administration (MBA). He is also certified in various other Technical, Safety, Engineering and Business courses both locally and abroad. Mr Peter Phiri is a professional mining engineer with local and international experience in mining operations. Prior to joining Kariba Minerals Ltd in 2018, he worked as the Snr. Technical Manager at Solar Explochem (Zambia, DRC, East Africa), Alternate Mine Manager and Technical Services Superintendent for African Minerals Ltd (Sierra Leone -West Africa) and as Mine Planning and Technical Services Manager for Konkola Copper Mines plc (Zambia).
Beauty Mwewa Chibuye (Zambian) Head of Finance & Administration	Strong FCCA finance professional with a Certificate in International Treasury Management from the Association of Corporate Treasurers. Experienced ACCA fellow with over 13 years of work experience in finance management with a demonstrated history of working in the mining & metals, Telecom, manufacturing, FMCG & retail industries. Skilled in Financial Accounting, Budgeting, Treasury management, Cost & Management accounting, MIS and Internal Audit
Osward Mulenga (Zambian) Mine Manager	Mr. Osward Mulenga is a holder of a Bachelor's degree in Mining Engineering (B.Min Sc) from the University Of Zambia and is a registered engineer with the Engineering Institute of Zambia and the Engineering Registration Board. Mr. Osward Mulenga has vast mining experience in large and small scale open-pit mining with proven ability to strategically plan, optimize and monitor mining operations. Mr. Osward Mulenga has worked in various senior positions in mining companies including Konkola Copper Mines (KCM) as Open-pit Manager (Act), Production Manager, Contract Manager Operations and also worked with KAVS Equipment as Site Manager.
Wamusheke Simenda Kasinsa (Zambian) Head of Human Resources	Wamusheke holds a Master of Business Administration and Bachelor of Human Resources. She has over ten (10) years of work experience in providing Recruitment and Selection, Performance Management, Organizational Development, Training and Development, Policy and Procedures Development, Employee Welfare and Human Resource planning and Payroll Administration.

3.5 Investrust Bank Plc ("Investrust")

3.5.1 Board of Directors

3.5.2 The full names, qualifications, nationalities, addresses and occupations of the directors of Investrust are set out below:

Name	Qualifications and Summary Profile
Peter H. Banda (Mr) (Zambian) (Non-Executive Chairman)	Mr Banda is an Economist and Banking professional with over thirty (30) years of experience. He holds a Bachelor of Arts in Economics from the University of Zambia ("UNZA") and a master's degree in Economics from New Mexico State University in the United States of America.

Siakamwi Chikuba (Mr) (Zambian) (Non-Executive)	Mr Siakamwi Chikuba is a Legal Practitioner and holder of a Bachelor of Laws Degree (LLB) from the University of Zambia. He has more than ten (10) years' experience working as a Lawyer. He is the Managing Partner of Paul Norah Advocates, which is a Law Firm and a member of 152 local accounting and law firms in 160 Cities in 63 Countries across the Europe, Africa, Asia Pacific, and America regions. Notably, he has been involved in setting up the Country's second stock exchange, the Pan African Exchange, which trades in Government Bonds and Commodities. He has also been involved in founding and setting up of Africa's first modular workshop under CLA Commercial Vehicles Limited, a dealership that runs the MAN and VW Brands for Trucks and Buses in the Republic of Zambia. He has substantial experience in Commercial Law Advisory, property related work, securities, managing Receiverships and Liquidation, and has been regularly involved in national and international commercial activity ranging from Mergers and Acquisitions to dispute resolution. He also has vast experience in running various businesses.
Hapenga M. Kabeta (Dr) (Zambian) (Non-Executive)	Dr Kabeta has over thirty-Six years of experience in management, academia, and Corporate Leadership. A Corporate Governance practitioner, he has over twenty-five (25) years' experience providing business advisory services to large and small businesses in both private and public sectors. Dr Kabeta served as Secretary and Chief Executive Officer for the Zambia Institute of Chartered Accountants; Director-General of the Zambia Wildlife Authority; as Director - Consumer Welfare, at the Zambia Competition Commission and Senior academic at Copperbelt University. He holds both a Bachelor, (UNZA) Master (CBS) and Doctorate (Binary) degree in Business Administration, as well as a Post-graduate in Marketing from the Chartered Institute of Marketing (UK). He recently held board membership at Kansanshi Mine Plc; Tobacco Board of Zambia
Sophie M. Mutemba (Ms) (Zambian) (Non-Executive)	Ms Mutemba has over thirty-three (33) years' experience in Human Resources Management in the mining sector and has served on several Boards in the sector for the last six (6) years with her most recent being at ZCCM-Investment Holdings where she chaired the Remuneration Committee of the board. She is also a former Board member of Mulonga Water and Sanitation. Ms Mutemba is a holder of a Bachelor of Arts Degree in Public Administration from the University of Zambia and a Certificate in Executive Management from Ashridge in the United Kingdom.
Situmbeko C. Mubano (Mr) (Zambian) (Non-Executive)	Mr. Situmbeko C. Mubano is an Economist and Investment Management professional with over eighteen years' experience. He started his career in 2001 at the Lusaka Securities Exchange and later joined Intermarket Securities as an Investments Analyst. In May 2007, he joined ZCCM Investments Holdings Plc (ZCCM-IH Plc) as an Investments Financial Analyst and is currently a Portfolio Manager at ZCCM-IH Plc. He has experience in treasury management, investment appraisal and due diligence and investments portfolio management comprising mining and energy assets. He holds a Bachelor of Arts Degree (Economics/Statistics) from the University of Zambia, a Bachelor of Laws Degree from the Zambian Open University, and an MSc Economics & Finance candidate at the ZCAS University. He also holds an ACI – Dealing Certificate from the ACI Financial Markets Association.

Deophine M. Luswilil (Mrs) (Zambian) (Non-Executive)	Mrs Deophine Mulenga Luswili holds a bachelor's degree in Accounting and Finance (B. Acc.) and is a fellow of the Chartered Institute of Management Accountants (FCMA) and the Zambia Institute of Chartered Accountants (FZICA). As well as being a member of the Zambia Institute of Directors (IODZ), Mrs Luswili is a Chartered Global Management Accountant (CGMA) with over twenty years of experience in Accounting, Budget Planning and Control, Treasury, Risk management, Electricity Energy Accounting, Project Financing, Policy formulation and Tax advisory.
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3.5.3 Senior Management

3.5.4 Brief profiles of the Investrust senior management team are set out in the table below.

Name	Qualifications and Summary Profile
Mr Simangolwa Shakalima (Zambian) (Managing Director)	Mr Shakalima has over eighteen (18) years' experience in banking with functional expertise in Retail Banking. He started his Banking career at Finance Bank Zambia in 1999 before joining Barclays Bank Zambia in 2001 where he served in various portfolios which include being the Head of Retail Expansion, Head of Affluent Segment and Chief of Staff & Head of Strategy for Southern Africa covering Zambia, Zimbabwe and Botswana. In 2009, he was appointed Retail Director for Barclays Bank Zambia and served for five (5) years before going on to Ghana to serve as Consumer Banking Director for Barclays Bank Ghana in 2014. In 2016, he joined First National Bank Zambia as Head of Retail before being appointed as the Managing Director for Investrust Bank Plc. He holds a Bachelor of Arts degree in Economics from the University of Zambia and an Executive MBA from ESAMI/Maastricht.
Mrs Matongo G. Syamujaye (Zambian) (Acting Chief Financial Officer)	Mrs. Syamujaye is a Fellow member of the Zambia Institute of Chartered Accountants and a Fellow of the UK's Association of Chartered Certified Accountants with 16 years' experience in the Financial Services in Senior Management positions.
Mr Brian Msidi (Zambian) (Company Secretary)	Mr Msidi has over nine (9) years' experience as a lawyer in Commercial and Corporate Law. He holds an LLB from the University of Zambia, a Practising Certificate as an Advocate of the High Court of Zambia. He is currently pursuing a Master of Law in Commercial and Corporate Law.

3.6 Mushe Milling Limited ("Mushe")

3.6.1 Board of Directors

3.6.2 The full names, qualifications, nationalities, addresses and occupations of the directors of Mushe are set out below:

Name	Qualifications and Summary Profile
Ms. Yadika Mkandawire (Zambian)	See above CV
Mr. Tapiwa Msusa (Zambian)	See above CV
Ms. Chilandu Sakala (Zambian)	See above CV

3.6.3 Senior Management

3.6.4 Brief profiles of the Mushe senior management team are set out in the table below.

Name	Qualifications and Summary Profile
Mr. Tito Kalembo (Zambian) (Finance Director)	Mr. Tito Kalembo is currently the Finance Director at Mushe Milling. Mr. Kalembo Tito holds a Bachelor of Accountancy degree and is a fellow member of the Association of Chartered Certified Accountants (ACCA) and Zambian Institute of Chartered Accountants (ZICA).

3.7 Zambia Gold Company Limited (“Zambia Gold”)

3.7.1 Board of Directors

3.7.2 The full names, qualifications, nationalities, addresses and occupations of the directors of Zambia Gold are set out below:

Name	Qualifications and Summary Profile
Mr. Tapiwa Msusa (Zambian)	See above CV
Ms. Yadika Mkandawire (Zambian)	See above CV

3.7.3 Senior Management

3.7.4 Brief profiles of the Zambia Gold senior management team are set out in the table below.

Name	Qualifications and Summary Profile
Mr. Charles Mjumphi (Zambian) (Acting Chief Executive Officer)	Mr. Charles Mjumphi is a Business Development and Corporate Governance Professional with over 18 years’ experience. He has been instrumental in the development of agribusinesses specialised in out-grower schemes and market development. He has worked in different project management roles and trainer of trainers in Zambia, Malawi and Zimbabwe. He has over 12 years’ experience in Business Development and micro-financing having worked and spearheaded the establishment of the Business Unit of the Cooperative League of the USA (CLUSA) the international arm of the National Cooperative Business Association, which provides technical assistance in the development of cooperatives internationally. He has worked as General Manager as well as Business Development Manager responsible for Eastern, Southern and Central Provinces of Zambia. While at CLUSA he was responsible for regional and international marketing of agricultural produce. Mr. Mjumphi also worked for Concern Worldwide Zambia as Business Advisor before assuming the position of Program Manager in charge of livelihoods enterprise development. While working for Concern Worldwide, he was instrumental in the development and management of project funding proposals mainly from Irish AID, Comic Relief, USAID and Department for International Development (Development wing of the British Government). Prior to his appointment as Project Manager for Zambia Gold Company Limited, Mr. Mjumphi was the Corporate Services Manager at ZCCM Investments Holdings Plc in the office of the Company Secretary responsible for Board Committee business and elements of company administration. Mr. Mjumphi holds a Master of Business Administration Degree (MBA- Edinburgh Business School- UK) and is a Chartered Governance Professional (Chartered Secretary) and a member of the Institute of Chartered Secretaries and Administrators (ICSA-UK), he holds a Post Graduate Diploma

	in Financial Management from the Association of Certified Chartered Accountants (ACCA), Diploma in Business Administration and Marketing from the Cambridge International College of the UK. Mr. Mjumphi is the current Chairperson of the Institute of Chartered Secretaries and Administrators of Zambia.
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3.8 Kabundi Resources Limited (“Kabundi”)

3.8.1 Board of Directors

3.8.2 The full names, qualifications, nationalities, addresses and occupations of the directors of Kabundi are set out below:

Name	Qualifications and Summary Profile
Moses Chilambe (Zambian) Chairman	See above CV
Joseph Lungu (Zambian) Non-Executive Director	See above CV
Mrs. Yendeka Banda (Zambian) Non-Executive Director	See above CV

3.8.3 Senior Management

3.8.4 Brief profiles of the Kabundi senior management team are set out in the table below.

Name	Qualifications and Summary Profile
Mr. Paul Mukuka (Zambian) Project Manager	<p>Mr Paul Mukuka holds a Master’s Degree in Mining Engineering from Imperial College, University of London and a Post Graduate Diploma in Masters of Business Administration from the Copperbelt University.</p> <p>Mr Paul Mukuka is a professional mining engineer with the Engineering Institute of Zambia (EIZ) and Engineering Registration Board (ERB).</p> <p>Professional experience include:</p> <ul style="list-style-type: none"> • Project Manager— Kabundi Resources Limited (a subsidiary of ZCCM Investments Holdings Plc). June 2019 – To date • Senior Mining Engineer— ZCCM Investments Holdings Plc, Zambia. July 2014 – June 2019 • Senior Production Engineer— Acacia Mining, Buzwagi Gold Mine, Tanzania. August 2011 – July 2013 • Senior Drill & Blast Engineer— Barrick Gold Corporation, Lumwana Copper Mine, Zambia. July 2010 – August 2011 • Senior Mining Engineer— First Quantum Minerals, Kansanshi Copper/Gold Mine, Zambia. June 2004 – September 2008 • Planning Engineer – Drill & Blast — Konkola Copper Mines, Nchanga Open Pits, Zambia. May 2003– June 2004 • Management Trainee — Konkola Copper Mines, Zambia. November 2001– May 2003

8. ANNEXURE I: TRANSACTION TERM SHEET

The key terms from the Transaction Term Sheet (which was signed on 18th November 2020) are set out below. The full Transaction Term Sheet is available as a Document Available for Inspection.

1 Sale - Share Purchase Agreement

Key Term	
1 Parties	<ul style="list-style-type: none"> • Carlisa Investments Corp. ("Carlisa") as seller. • ZCCM Investments Holdings PLC ("ZCCM-IH") as purchaser.
2 Shares to be sold	<ul style="list-style-type: none"> • 6,210,000 ordinary shares with a par value of \$1 each in the capital of Mopani Copper Mines PLC ("Mopani"), comprising all of the shares in Mopani held by Carlisa.
3 Cash Consideration	<ul style="list-style-type: none"> • \$1, payable in cash.
4 Conditionality	<ul style="list-style-type: none"> • Completion of the Sale will be conditional upon: <ol style="list-style-type: none"> a) receipt of clearance under the Zambian Competition and Consumer Protection Act. b) receipt of approval of the transfer of control in Mopani by the Minister of Mines c) approval by ZCCM-IH Shareholders and Board d) approval of Lusaka Securities Exchange and Securities and Exchange Commission e) any additional approvals required to satisfy any regulatory conditions to which Carlisa's shareholders are subject f) approval by the board of Carlisa • ZCCM-IH will be responsible for satisfaction of these conditions, save for (f) and (g) for which Carlisa shall be responsible. • Completion of the Sale shall occur on the 10th business day following satisfaction or waiver of all conditions. • Where the conditions are not satisfied by 31 January 2021, Carlisa may extend or terminate the SPA.
5 Amendments to Facilities Agreements and Share Pledge	<ul style="list-style-type: none"> • The existing terms of the loans extended by Carlisa, Glencore Finance (Bermuda) Limited ("GFB") and Glencore International AG ("GIAG") shall be amended prior to completion. • A Zambia law governed share pledge agreement shall be granted by ZCCM-IH in favour of Glencore International AG over the existing and to-be-acquired shares held by ZCCM-IH in Mopani prior to completion. • Further details of the amendments to the facilities agreements and the share pledge are referred to in section 2, paragraph 16 of this Term Sheet.
6 Offtake Agreements and Last Look Right	<ul style="list-style-type: none"> • On completion, Mopani and Glencore International AG will enter into offtake agreements relating to the supply by Mopani to a member of the Seller's Group of 100 per cent. of Mopani's production of copper materials for the duration of the Loan Facilities (including, but not limited to copper

	<p>cathodes, copper slimes and any copper products, priced based on industry standards for the same product) (the “Glencore Offtake Agreements”). Whilst key terms of these will be agreed separately and will be market related, it should be noted that during such time as any of the Facility Amounts remain outstanding there will be a prohibition on disposals of assets of or shares in Mopani without ensuring the continued operation of the Glencore Offtake Agreements.</p> <ul style="list-style-type: none"> • For the avoidance of doubt, the Glencore Offtake Agreements shall be such that any change of the Lenders other than to a GIAG affiliate nullifies the Offtake Agreements. • The Glencore Offtake Agreements will allow for up to 20 per cent. of Mopani’s production of copper materials to be allocated for sale by Mopani to domestic Zambian value adding consumers, and may be amended from time to time to meet increases in domestic demand by agreement of the parties.
7 Shareholder Agreement (SHA) Termination and Waiver	<ul style="list-style-type: none"> • On completion, Carlisa, ZCCM-IH and Mopani shall enter into a deed of termination and waiver, terminating the shareholders’ agreement relating to Mopani and mutually waiving any claims thereunder.
8 Pre-Completion Conduct	<ul style="list-style-type: none"> • In the period between signing of the SPA and completion of the share transfer, Carlisa will be required to use commercially reasonable endeavours to procure that Mopani carries on its business in the ordinary course as carried on prior to the date of execution of the SPA (except as otherwise agreed in writing with ZCCM-IH). • Carlisa’s obligations are to be subject to customary carveouts. • Neither Carlisa nor Mopani will be required under the SPA to incur any expansion capex, and incurring any expansion capex will require the consent of ZCCM-IH. Carlisa will not require ZCCM-IH consent for Mopani to incur sustaining capex or any operating expenditure however will require consent prior to entering into any new contract with terms extending beyond the completion date and of a value >USD100,000.
9 Warranties	<ul style="list-style-type: none"> • The SPA will contain warranties given by Carlisa, relating only to: (i) its legal and beneficial ownership of the Mopani shares; (ii) its right to exercise all voting, economic and other rights over the Mopani shares; (iii) its and Mopani’s valid existence and incorporation under British Virgin Islands (BVI) law and Zambian law respectively; and (iv) its power and authority to enter into and perform the SPA. • Carlisa will not be giving any business warranties. • ZCCM-IH will give limited warranties including around due incorporation, authority to enter into transaction documents and no insolvency.
10 Limitation of Liability	<ul style="list-style-type: none"> • Carlisa’s liability for all claims under the SPA and related transfer documents shall not exceed the Cash Consideration, subject to due diligence. • The SPA will contain customary further limitation of the Seller’s liability (e.g. Carlisa will not be liable for claims to the extent they arise as a result of

	<p>change in law and ZCCM-IH must give notice of any claim to Carlisa within 6 months after completion).</p> <ul style="list-style-type: none"> For the avoidance of doubt and subject to confirmatory due diligence, Carlisa and/or Glencore will not be liable for claims in respect of the operations of Mopani pre- or post-closing and ZCCM-IH will indemnify Carlisa and/or Glencore for any losses, costs, damages, etc. it sustains in respect of claims brought against it in respect of the operations of Mopani.
11 Tax	<ul style="list-style-type: none"> Carlisa will make the payment of any Property Transfer Tax payable on the Sale in accordance with the Property Transfer Tax Act, Chapter 340 of the Laws of Zambia. ZCCM-IH shall bear the cost of all notarial fees and all registration, duties or their equivalents (including on the transfer of the mining licence, if applicable). The SPA will not contain a tax indemnity given by Carlisa or Glencore in respect of pre-closing tax matters. The SPA will require execution of a tax indemnity in favour of Carlisa and the Glencore lending entities in respect of any taxation incurred in respect of the transaction (whether on the equity or debt element).
12 Restrictive Covenants	<ul style="list-style-type: none"> Subject to items and limitations to be further defined in a Transitional Services Agreement (TSA), ZCCM-IH and Mopani will not be permitted to use any Glencore trademark or employ Glencore's health and safety systems (including SafeWork) post-closing.
13 Purchaser Undertaking	<ul style="list-style-type: none"> ZCCM-IH will be required to provide certain undertakings to Seller to be agreed in the long form documentation in respect of the business of Mopani and subject to due diligence findings, including, without limitation, the acknowledgement of existing employee contractual conditions. The SPA will also contain comprehensive Anti-Bribery and Corruption (ABC) representations, warranties and undertakings given by ZCCM-IH.
14 Governing Law and Dispute Resolution	<ul style="list-style-type: none"> The SPA will be governed by English law. Disputes arising out of or connected with the SPA to be resolved by arbitration, pursuant to the London Court of International Arbitration rules. The SPA will contain a waiver of sovereign immunity by ZCCM-IH.

2 Debt Amendment

The existing Glencore and Carlisa Facilities will be amended on the terms below.

Key Term	
1 Parties	<ul style="list-style-type: none"> Mopani as Borrower ZCCM-IH as Guarantor Glencore International AG as Lender in respect of the GIAG Facility Carlisa as Lender in respect of the Carlisa Facility

2 GIAG Facility	GIAG and GFB have advanced various loans to the Borrower under the existing loan agreements. All loans advanced under the existing loan agreements will be consolidated into one loan which shall be deemed to have been advanced by GIAG to the Borrower on the amended terms set out in this term sheet.
3 Carlisa Facility	Carlisa has also advanced various loans to the Borrower under the original Carlisa facility agreement. The original Carlisa facility agreement will also be amended to reflect the terms set out in this term sheet.
4 Facility Amounts	<p>The Facility Amounts shall be in an amount equal to the aggregate of principal of US\$1.5 billion, made up as follows.</p> <p>The GIAG Facility shall be in an amount equal to the aggregate of principal of \$1,469,933,195.00 and the then current interest owed by the Borrower under the existing loan agreements.</p> <p>The Carlisa Facility shall be in an amount equal to the aggregate of principal of \$30,066,805.00 and the then current interest owed by the Borrower under the original Carlisa facility agreement.</p> <p>For the avoidance of doubt, these facilities are fully drawn and no further amounts can be drawn thereunder.</p>
5 Interest Period	Accrued every 3 months
6 Payment of Interest	Interest to be capitalised for the first 3 years and thereafter to be paid every 3 months.
7 Termination Date	2035 or an extension by mutual agreement
8 Representations, Undertakings and Events of Default	Customary for cross-border financings of this type, including, without limitation, restrictions (in respect of the Borrower only) on debt, security, disposals, mergers, acquisitions, change of business, loans, guarantees, and distributions.
9 Voluntary Prepayment	The Borrower may, if it has given the Lender not less than three Business Days' (or such other shorter period as the Lender may agree) prior written notice, prepay (in whole or in part) any loan under any Facility without premium or penalty.
Mandatory Prepayment	
10 Illegality	If, at any time, it is unlawful in any applicable jurisdiction for the lender to perform any of its obligations or to fund, issue or maintain its participation in any loan, the lender may demand early repayment of the loans.
11 CFADS (Cash Flow available for Debt Service)	<ul style="list-style-type: none"> On the last Business Day of the calendar month immediately following the last month of each quarter (a "Payment Date"), the loans shall be prepaid in an amount equal to 33.3 per cent of the CFADS for that quarter. CFADS shall be tested on the last day of each Quarter and shall be an amount equal to the aggregate earnings before interest, tax, depreciation and amortisation (EBITDA) less tax, working capital, capex and royalties for that Quarter.
12 Loan Service Payment (LSP)	<ul style="list-style-type: none"> Subject to the terms that apply during the Repayment Reduction Period, the LSP for each quarter will be equal to 10 per cent. of the gross revenue of the

		Borrower Group for that quarter (as specified in the accounts for each month during such quarter).																				
13	Loan Reduction (LSRP)	Service Period																				
		<ul style="list-style-type: none">For a period of three (3) years following completion of the Sale (“Repayment Reduction Period”), the Lender shall provide the Borrower a LSP repayment reduction whereby the LSP for each quarter will be equal to 3 per cent. of the gross revenue of the Borrower Group for that quarter.																				
14	Loan Accelerated (LSAP)	Service Payment																				
		<ul style="list-style-type: none">Following the end of the Repayment Reduction Period, the LSAP for each quarter will be equal to the relevant percentage set out in the below sliding scale (subject to a Cu price trigger of >\$7,000/tonne and a cap of 7.5 per cent.) of the gross revenue of the Borrower Group for that quarter (as specified in the accounts for each month during such quarter). <table><tr><th>Cu price (US\$/tonne)*</th><th>%</th></tr><tr><td>≤ 7,000</td><td>0%</td></tr><tr><td>> 7,000</td><td>1.0%</td></tr><tr><td>> 7,250</td><td>2.0%</td></tr><tr><td>> 7,500</td><td>3.0%</td></tr><tr><td>> 7,750</td><td>4.0%</td></tr><tr><td>> 8,000</td><td>5.0%</td></tr><tr><td>> 8,250</td><td>6.0%</td></tr><tr><td>> 8,500</td><td>7.0%</td></tr><tr><td>> 8,625</td><td>7.5%</td></tr></table> <p>* meaning the average LME Cu Cash Settlement Price for the relevant quarter</p>	Cu price (US\$/tonne)*	%	≤ 7,000	0%	> 7,000	1.0%	> 7,250	2.0%	> 7,500	3.0%	> 7,750	4.0%	> 8,000	5.0%	> 8,250	6.0%	> 8,500	7.0%	> 8,625	7.5%
Cu price (US\$/tonne)*	%																					
≤ 7,000	0%																					
> 7,000	1.0%																					
> 7,250	2.0%																					
> 7,500	3.0%																					
> 7,750	4.0%																					
> 8,000	5.0%																					
> 8,250	6.0%																					
> 8,500	7.0%																					
> 8,625	7.5%																					
15	Insurance Claim, Disposal Proceeds and Capital Proceeds	Proceeds, Proceeds, Raising																				
		<ul style="list-style-type: none">Each of the Borrower and the Guarantor shall procure that, subject to exceptions to be agreed an amount equal to any proceeds raised from any capital raising, disposal (including for the avoidance of doubt any asset sale by the Borrower or any sale of shares in the Borrower by the Guarantor), insurance or other claim (including in respect of any VAT or other disputes) is applied (promptly upon receipt of such amount) in prepayment of the loans under each Facility.The Lender will have an express audit right (via appointment of a Big 4 Audit Firm) to verify compliance with these provisions, at the Lender’s cost.																				
Security, Guarantee, Conditions Precedent and Deed of Priority																						
16	Security Documents	<p>The GIAG Facility shall benefit from the following security:</p> <p>(a) a Zambia law security agreement between the Borrower and GIAG granting a first ranking fixed and floating charge over all of the assets and undertaking of the Borrower; and</p> <p>(b) a Zambia law governed share pledge agreement between ZCCM-IH, the Borrower and GIAG relating to all shares in the Borrower owned by ZCCM-IH.</p> <p>The Carlisa Facility shall benefit from the following (existing) security: the Zambia law security agreement between the Borrower and Carlisa dated 7</p>																				

	September 2000 granting a third ranking fixed and floating charge over all of the assets and undertaking of the Borrower.
17 Guarantee	ZCCM-IH shall guarantee the obligations of the Borrower under the GIAG Facility and the Carlisa Facility.
18 Deed of Priority	Each of the GIAG Facility and the Carlisa Facility shall be subject to the provisions of the deed of priority between GIAG, Carlisa, the Guarantor and the Borrower. The Deed of Priority shall provide, inter alia, that any payments (including following any enforcement of any security) by the Borrower under the GIAG Facility and the Carlisa Facility shall be made pro-rata across both facilities.
19 Conditions Precedent	Customary for cross-border financings of this type, including, without limitation, constitutional documents and corporate approvals for each of the Borrower and Guarantor.
Transfers	
20 Transfer by Lenders	A lender may assign any of its rights or transfer by novation any of its rights and obligations under the GIAG Facility, the Carlisa Facility, the Deed of Priority or the Security Documents to any person without consent of the Borrower or the Guarantor, subject to section 1, paragraph 6 of this Term Sheet. The assignee will acknowledge the continuing rights and obligations of the Borrower and the Guarantor in such agreements.
Miscellaneous	
21 Miscellaneous	The agreements will contain provisions relating to, among other things, default interest, breakage costs, tax gross up and indemnities, increased costs and set-off. The agreements will also contain comprehensive ABC representations, warranties and undertakings.
22	
23 Governing Law	English
24 Jurisdiction	London Court of International Arbitration (three arbitrators, with a seat in London with English as language of arbitration).

9. ANNEXURE II: COMPETENT PERSON'S REPORT – MOPANI COPPER MINES PLC

Below are extracts (Mineral Resource Statements) from the Competent Person's Report. The full report is available for inspection at the offices of ZCCM-IH, Stockbrokers Zambia and Mopani whose addresses are set out in the "Corporate Information and Advisers" section of this Circular. Given that the major development projects required to be developed to under-pin the long term future of the operations were put on hold in Q1 2020 and that no Life of Mine Plan is currently in place, neither Mopani nor SRK is able to report Mineral Reserves at the present time and so several of the specific reporting requirements set out in Section 12 for mining projects are not applicable at this time. These requirements are listed below. ZCCM-IH has however undertaken to prepare and publish an updated CPR within six months of the publication of this Circular which will present a Life of Mine Plan and Mineral Reserves based on this as appropriate.

Table 1: Nkana: SRK Audited Mineral Resource Statement as at 1 January 2021

Area	Measured Mineral Resources				Indicated Mineral Resources				Inferred Mineral Resources				Total Mineral Resources			
	Tonnage (Mt)	TCu (%)	ASCu (%)	TCu (%)	Tonnage (Mt)	TCu (%)	ASCu (%)	TCu (%)	Tonnage (Mt)	TCu (%)	ASCu (%)	TCu (%)	Tonnage (Mt)	TCu (%)	ASCu (%)	TCu (%)
SOB Shaft	15.90	1.71		0.09	5.46	1.61		0.09	4.67	1.5		0.1	26.03	1.66		0.09
Synclitorium	87.31	2.13		0.09	16.62	2.01		0.05	17.61	1.9		0.0	121.54	2.08		0.08
Central Shaft	28.20	1.95		0.13	9.72	1.82		0.15	6.31	2.0		0.2	44.23	1.92		0.14
Mindola Subvertical	21.02	2.17		0.12	13.67	2.07		0.16	12.60	2.0		0.2	47.29	2.10		0.14
Mindola North	1.88	1.83		0.14	3.45	2.88		0.16	0.62	1.6		0.1	5.95	2.41		0.14
Sub Total Sulphides	154.31	2.06		0.10	48.92	2.01		0.11	41.81	1.9		0.1	245.04	2.02		0.10
Area J	4.24	2.58	1.38	0.15	0.45	2.22	1.85	0.79	0.14	2.0	0.9	0.2	4.83	2.53	1.41	0.21
Area K and Nose	2.61	1.85	1.17	0.08	1.24	1.90	2.10	0.08	0.65	2.1	1.0	0.1	4.50	1.90	1.41	0.08
West Limb	0.31	1.47	0.42	0.04	0.14	1.51	0.43	0.04	0.22	1.5	0.4	0.0	0.67	1.48	0.41	0.04
Sub Total Oxide Caps	7.16	2.27	1.26	0.12	1.83	1.95	1.91	0.25	1.01	2.0	0.9	0.1	10.00	2.18	1.34	0.14
Total	161.47	2.06	0.06	0.10	50.75	2.00	0.07	0.12	42.83	1.9	0.0	0.1	255.05	2.03	0.05	0.11

Table 2: SRK Audited Mufulira Mineral Resource Statement as at 1 January 2021

Project Area		Measured Mineral Resources			Indicated Mineral Resources			Inferred Mineral Resources			Total Mineral Resources		
		Tonnage (Mt)	TCu (%)	AsCu (%)	Tonnage (Mt)	TCu (%)	AsCu (%)	Tonnage (Mt)	TCu (%)	AsCu (%)	Tonnage (Mt)	TCu (%)	AsCu (%)
Main Mining Areas													
Mufulira Central	A	0.23	3.21		0.24	2.01		0.14	1.3		0.61	2.29	
	B	6.27	3.02		4.48	3.07		2.68	1.8		13.43	2.80	
	C	20.43	2.41		9.76	2.56		7.12	2.9		37.31	2.54	
14 Shaft	B	1.13	1.81		0.41	1.53		0.34	1.5		1.88	1.69	
	C	2.15	0.90		0.75	0.63		0.63	0.8		3.53	0.82	
Subtotal		30.21	2.41		15.64	2.58		10.91	2.4		56.76	2.47	
Historical Blocks													
Remnant 47	C46_51	0.32	2.56								0.32	2.56	
Remnant 50_51	C46_51	0.17	3.00								0.17	3.00	
Safety Pillar	B	0.16	3.85		0.03	3.90		0.03	4.3		0.22	3.91	
	C	0.21	2.04		0.04	2.49		0.03	2.3		0.28	2.14	
C 480_660		0.19	2.27		0.21	1.87		0.23	2.3		0.63	2.14	
Subtotal		1.05	2.67		0.28	2.18		0.29	2.5		1.62	2.55	
UG Oxides													
Mufulira East	B	0.59	1.88	1.00	0.01	0.71	0.62	0.00	0.8	0.6	0.60	1.86	0.99
	C	0.88	2.43	1.62	0.03	1.86	1.08	0.02	1.7	1.1	0.93	2.40	1.59
Mufulira West	D	7.31	0.99	0.59	1.93	0.89	0.55	1.30	0.8	0.5	10.54	0.95	0.57
Subtotal		8.78	1.19	0.72	1.97	0.90	0.56	1.32	0.8	0.5	12.07	1.11	0.67
Surface Oxides													
Luansobe		3.03	1.81	0.50	1.85	1.80	0.48	1.29	1.8	0.4	6.17	1.80	0.47
Subtotal		3.03	1.81	0.50	1.85	1.80	0.48	1.29	1.8	0.4	6.17	1.80	0.47
Total Oxides and Sulphides		43.07	2.13	0.18	19.74	2.33	0.10	13.81	2.2	0.1	76.62	2.20	0.14

Table 3: Outstanding information

Listing Rule	Detail of Listing Rule	Reason for Exclusion / Reference in Mopani CPR
12.10 (b)	<i>with respect to the issuer's Mineral Resources and Reserves, a statement providing:</i>	
12.10 (b) (iv)	the anticipated mining tonnages, grades or volumes;	Not applicable other than for one year plan (2021) in Section 13 – No Ore Reserve reported
12.10 (b) (v)	the planned processing tonnages, grades or volumes, together with the other principal assumptions relating to any forecast revenues and operating costs; and	Not applicable other than for one year plan (2021) in Section 13 – No Ore Reserve reported
12.10 (b) (vi)	<i>the estimation and reporting of Mineral Resources detailing the following, where applicable:</i>	
12.10 (g)	a statement of any legal proceedings that may have an influence on the rights to explore for minerals, or an appropriate negative statement;	Not applicable. Valid mining licence in place as per Section 4
12.14 (a) (ii)	with respect to Mineral Resource estimates for conversion to Mineral Reserves: the description of the Mineral Resource estimate used as a basis for the conversion to a Mineral Reserve. Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Mineral Reserves. Confidence in the estimate for an Inferred Mineral Resource is usually not sufficient to allow the appropriate application of technical and economic parameters or to enable an evaluation of economic viability, i.e. inclusion in a mining valuation model. Caution should be exercised if this category is considered in economic studies and, if included, full disclosure and the effect on the results of the economic studies must be stated. A comparison between the two scenarios, the one with inclusion and the one without inclusion, must be fully explained in such a way as not to mislead the investors;	Not applicable. No Ore Reserves reported
12.14 (a) (iii)	with respect to cut-off grades or parameters: the basis of the cut-off grades or quality parameters applied, including the basis, if appropriate, of equivalent metal formulae. The cut-off grade parameter may be economic value per block rather than grade;	Not applicable. No Ore Reserves reported
12.14 (a) (iv)	with respect to mining factors or assumptions: the method and assumptions used to convert the Mineral Resources to Mineral Reserves (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). The choice of, the nature and the appropriateness of the selected mining methods and other mining parameters including associated design issues such as pre-strip, access. The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes), grade control and pre-production drilling. The major assumptions made and Mineral Resource model used for pit optimisation (if appropriate). The mining dilution factors, mining recovery factors, and minimum mining widths used and the infrastructure requirements of the selected mining methods. Historic reliability of the performance parameters. Diagrams should clearly indicate the spatial relationship of the mining infrastructure, Mineral Reserves and Mineral Resources together with planned mining production capacities. The date on which mining commenced or is expected to commence;	Not applicable. No Ore Reserves reported but detailed comments are given on all these technical issues in Sections 7.2.2, 7.2.3, 7.2.4, 7.2.5, 7.3.2, 7.3.3, 7.3.4 and 7.3.5
12.14 (a) (vii)	with respect to metallurgical factors or assumptions: the metallurgical process proposed and the appropriateness of that process to the style of mineralisation. Whether the metallurgical process is well-tested technology or novel in nature. The nature, amount and representativeness of metallurgical test work undertaken and the metallurgical recovery factors used. Any assumptions or allowances made for deleterious elements. The existence of any bulk sample or pilot scale test work and the degree to which such samples or pilot test work is representative of the ore body as a whole and/or the full-scale metallurgical process as envisaged for mining. The tonnages and grades reported for Mineral Reserves must state clearly whether these are in respect of material to the plant or after recovery;	No Ore Reserve reported but Section 8 gives a detailed description of metallurgical processes and assumptions.

Listing Rule	Detail of Listing Rule	Reason for Exclusion / Reference in Mopani CPR
12.14 (a) (viii)	with respect to cost, revenue and funding: the derivation of, or assumptions made, regarding projected capital and operating costs. The assumptions made regarding revenue including head grade, metal or commodity prices, exchange rates, transportation and treatment charges, penalties, etc. The allowances made for royalties payable, both governmental and private. Basic cash flow inputs and funding requirements must be disclosed. These include forecasts of inflation, currency types, product sales prices, escalations, discount rates and any other economic parameters that would otherwise influence the cash flow;	Not applicable. No LoM Plan is presented as no Ore Reserve is reported but the a one year plan for 2021 is presented in Section 13.
12.14 (a) (xi)	with respect to market assessments: the demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. A customer and competitor analysis along with the identification of likely market windows for the product. Price and volume forecasts and the basis for these forecasts;	Not applicable as no LoM Plan presented.
12.14 (a) (xii)	with respect to other modifying factors: the effect, if any, of natural risk, infrastructure, environmental, legal, marketing, social or governmental factors on the likely viability of a project and/or on the estimation and classification of the Mineral Reserves. The status of titles and approvals critical to the viability of the project, such as mining leases, discharge permits, government and statutory approvals;	Not applicable as no LoM Plan presented but risks factors are presented in Section 15.
12.14 (a) (xiii)	with respect to comparative values: the Competent Person should not indicate any project values without reference to other transactions or operations' of a similar nature. Similarly, no values should be presented without reference to appropriate market-related discount rates. At all times, the reports of value should not present an unrealistic expectation as to the operations profit potential;	Not applicable
12.14 (a) (xiv)	with respect to classification: the basis for the classification of the Mineral Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person's view of the deposit. The proportion of Proved and Probable Mineral Reserves, that have been derived from Measured and Indicated Mineral Resources (if any);	Not applicable. No Ore Reserves reported.
12.14 (a) (xv)	with respect to audits or reviews: the results of any audits or reviews of Mineral Reserve estimates;	Not applicable. No Ore Reserves reported.
12.14 (b)	Notwithstanding disclosures made in terms of paragraph 12.14(a), the Competent Person's Report must include annualised forecast free cash flow mining valuation numbers and all key criteria and assumptions made in arriving at such valuation, which shall include in tabular form, without limiting the generality thereof, that portion of the life of the mine, stated in years, as determined by the Competent Person for valuation purposes (for which there are reasonable prospects that the Mineral Reserves and Mineral Resources can sustain the relevant life of mine cash flows), and for each such life-of-mine year, the following:	Not applicable as no Ore Reserve or LoM Plan reported but plan for one year (2021) presented in Section 13.
12.14 (b) (i)	expected run-of-mine tonnage (to be defined) and grade to be mined;	Not applicable as no Ore Reserve or LoM Plan reported
12.14 (b) (ii)	a reconciliation of the grade and tonnage (to be defined) of the Mineral Reserves (fully diluted to plant) back to in situ Mineral Reserves;	Not applicable as no Ore Reserve or LoM Plan reported
12.14 (b) (iii)	recovery of factors showing final grade recoveries reconciled back to Mineral Reserves delivered to plant;	Not applicable as no Ore Reserve or LoM Plan reported
12.14 (b) (iv)	revenue receivable per final defined product unit sold and in total (for the year);	Not applicable as no Ore Reserve or LoM Plan reported
12.14 (b) (v)	mining, beneficiating, smelting, refining, marketing, environmental and any other cost categories per defined unit (eg run of mine tonne, reef tonne, recovered unit) and in total (for the year);	Not applicable as no Ore Reserve or LoM Plan reported
12.14 (b) (vi)	capital expenditure, differentiating between initial, new and ongoing capital expenditure;	Not applicable as no Ore Reserve or LoM Plan reported
12.14 (b) (vii)	expected salvage value of assets less liabilities including environmental liabilities at the end of the cash flow valuation;	Not applicable as no Ore Reserve or LoM Plan reported

Listing Rule	Detail of Listing Rule	Reason for Exclusion / Reference in Mopani CPR
12.14 (b) (viii)	taxation, royalties and other similar charges (providing pertinent descriptive details where relevant);	Not applicable as no Ore Reserve or LoM Plan reported
12.14 (b) (ix)	unredeemed capital expenditure balances, capital gains tax profits and losses and balances carried forward and assessed losses;	Not applicable as no Ore Reserve or LoM Plan reported
12.14 (b) (x)	expected interest and finance costs;	Not applicable as no Ore Reserve or LoM Plan reported
12.14 (b) (xi)	changes in working capital and consequent cash flow implications;	Not applicable as no Ore Reserve or LoM Plan reported
12.14 (b) (xii)	an estimate of all funding requirements and funding movements, differentiating between debt, equity and internal resources;	Not applicable as no Ore Reserve or LoM Plan reported
12.14 (b) (xiii)	repayment of long-term loans and debt;	Not applicable as no Ore Reserve or LoM Plan reported
12.14 (b) (xiv)	final net free cash (for each year);	Not applicable as no Ore Reserve or LoM Plan reported
12.14 (b) (xv)	range of real or nominal discount rates used to discount the free cash flow per annum and consequent net present values;	Not applicable as no Ore Reserve or LoM Plan reported
12.14 (b) (xvi)	the net present value per share or unit used for final valuation purposes;	Not applicable as no Ore Reserve or LoM Plan reported
12.14 (b) (xvii)	economic assumptions such as exchange rates, interest rates, inflation rates, escalation and de-escalation rates and any other relevant factors; and	Not applicable as no Ore Reserve or LoM Plan reported
12.14 (b) (xviii)	the specific terms of any forward sale or hedging contracts entered into.	Not applicable as no Ore Reserve or LoM Plan reported

10. ANNEXURE III: INDEPENDENT REPORTING ACCOUNTANTS REPORT



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Lagos Road
Rhodes Park
Lusaka, Zambia

8th March 2021

The Directors
ZCCM Investments Holdings Plc
ZCCM-IH Office Park | Stand No. 16806
Alick Nkhata Road, Mass Media Complex Area
P.O. Box 30048 | Lusaka | Zambia

Dear Sirs,

INDEPENDENT REPORTING ACCOUNTANTS REPORT ON THE THREE YEAR CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF ZCCM INVESTMENTS HOLDINGS PLC

We have reviewed the audited and unaudited consolidated financial statements of ZCCM Investments Holdings Plc ("the Company") which comprise the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the two (2) years ended 31 March 2018 and 31 March 2019 and the nine month period ended 31 December 2019 and a summary of significant accounting policies set out on pages 65 to 83 and related notes as set out on pages 84 to 129 of the Circular issued by the Company.

ZCCM Investment Holdings Plc with effect from 1 April 2019, changed its financial year end from 31 March to 31 December in order to comply with the provisions of section 71 of the Public Finance Management Act and to align with the financial year end of its majority shareholder, the Industrial Development Corporation (IDC). Accordingly, the financial statements for the period ended 31 December 2019 are for the nine (9) month period from 1 April 2019 to 31 December 2019, and as a result, the comparative figures stated in the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cashflow and other related notes are not comparable.

The financial periods ended 31 December 2019 and 31 December 2020 have not been audited. As a result, the report on historical financial information does not include the financial statements for the period ended 31 December 2020. For the period ended 31 December 2019, we have relied on representations from management that they do not anticipate any material changes to the figures disclosed in this report. We have performed procedures to confirm that the reported figures are supported by underlying records of the company. We understand from management that the audit is substantially complete. However, we have not had access to the audit working papers file.

The Lusaka Securities Exchange Listings Committee placed a condition subsequent obligation on the 31 December 2019 and 31 December 2020 financial statements of ZCCM Investments Holdings Plc to be audited and published by 09 April 2021 and 30 June 2021 respectively. Furthermore, the Reporting Accountant is to prepare a review report for the period ended 31 December 2020 to be made available for inspection prior to the Extra-ordinary General Meeting.

Grant Thornton were auditors of the Company for the years ended 31 March 2018 and 31 March 2019 and further issued unmodified audit reports on the respective financial years audited from which the historical financial information presented herein is extracted. We also extracted financial information from the unaudited nine-month period ended 31 December 2019.

BDO Zambia Limited | Registration number: 120140119302 | Directors: DGA Ironside • WP Saunders • DC Nonde • GT Nhekede • KJ Mabika

BDO Zambia Limited, a Zambian Company, is affiliated to BDO Zambia Audit Services which is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



Directors' responsibility for the historical financial information

The Directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB and the requirements of the Companies Act, 2017 of Zambia and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Independent reporting accountant's responsibility

Our responsibility is to express an opinion on the consolidated historical financial information based on our review. The purpose of the consolidated historical financial information included in the Circular is solely for ZCCM Investments Holdings Plc's proposed acquisition of Mopani Copper Mines Plc ("the Transaction").

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any financial information used in extracting the historical financial information used in this Circular.

Opinion

In our opinion, the information set out on pages 58 to 129 below gives, for the purposes of the Transaction, a true and fair view of the consolidated financial position of ZCCM Investments Holdings Plc as at 31 March 2018, 31 March 2019 and 31 December 2019, and of its financial performance and cash flows for the periods then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2017 of Zambia

Consent

We have given and not withdrawn our consent to the inclusion of this report in the Circular in the form and context in which it appears.

A stylized signature of the BDO firm, written in a dark, cursive script.

BDO Zambia Limited

A handwritten signature in dark ink, appearing to read 'D G A Ironside'.

D G A Ironside
Director
AUD/F000094

ZCCM INVESTMENT HOLDINGS PLC
HISTORICAL FINANCIAL INFORMATION
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

ZMW'000	Note(s)	Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
Revenue	7	62,432	155,611	60,982
Cost of sales		(53,015)	(76,515)	(78,469)
Gross profit / (loss)		9,417	79,096	(17,487)
Other income	8	83,525	90,563	380,868
Reversal of environmental provision	9	55,541	(1,876)	26,402
Administration expenses	10	(351,927)	(782,195)	(343,233)
Operating profit / (loss)		(203,444)	(614,412)	46,550
Finance income	12	218,712	449,742	210,990
Finance costs	12	(31,579)	(409,785)	(343,475)
Net finance income	12	187,133	39,957	(132,485)
Share of profit of equity accounted-investees, net of tax	21	420,348	973,213	689,207
Profit before tax		404,037	398,758	603,272
Income tax	13	(22,871)	49,105	241,287
Profit from continued operations		381,166	447,863	844,559
(Loss) from discontinued operations	19	(73,979)	-	(1,610)
Profit for the year		307,187	447,863	842,949
Other comprehensive income				
Items that will never be reclassified to profit or loss				
Revaluation on property, plant and equipment		26,255	10,566	-
Deferred tax on revaluation reserve	32	(9,112)	(3,873)	1,944
Actuarial gain on defined benefit pensions plan	32	(715)	(226)	1,959
Deferred tax on defined benefits actuarial loss	32	250	79	(686)
		16,678	6,546	3,217
Items that are or may be reclassified to profit or loss				
Foreign currency translation differences - equity - accounted investees	21	1,276,863	2,003,999	36,725
Equity-accounted investees - share of other comprehensive income	21	3,987	5	43,542
		1,280,850	2,004,004	80,267
Other comprehensive income, net of tax		1,297,528	2,010,550	83,484
Total comprehensive income for the year		1,604,715	2,458,413	926,433
Earnings per share				
Basic earnings per share (ZMW)	14	1.91	2.79	5.24
Diluted earnings per share (ZMW)	14	1.91	2.79	5.24

ZCCM INVESTMENT HOLDINGS PLC
HISTORICAL FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ZMW'000	Note(s)	Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
Assets				
Property , plant and equipment	16	240,701	187,268	143,164
Intangible assets	17	648	8,532	367
Investment property	18	167,970	251,230	64,473
Investment in associates	21	11,855,067	10,276,405	7,355,864
Financial assets at fair value through profit or loss	22	-	584	336,082
Trade and other receivables	24	385,465	562,502	372,601
Term deposits	25	-	14,089	-
Deferred tax assets	32	564,304	601,589	497,609
Goodwill	20	119,818	-	-
Non-current assets		13,333,973	11,902,199	8,770,160
Property, plant and equipment	16	58,424	-	-
Inventories	23	52,057	104,681	37,026
Trade and other receivables	24	344,220	590,734	650,279
Assets held for sale	19	1,127,333	-	535,384
Term deposit	25	274,960	740,349	-
Cash and cash equivalents	26	56,816	74,480	339,386
Current assets		1,913,810	1,510,244	1,562,075
Total assets		15,247,783	13,412,443	10,332,235
EQUITY AND LIABILITIES				
Equity				
Share capital	29(i)	1,608	1,608	1,608
Preference share capital	29(iii)	-	20	-
Share premium	29(iv)	2,188,991	2,188,991	2,089,343
Other reserves	30	8,370,716	7,079,010	5,070,352
Retained earnings		2,168,164	1,855,155	1,779,043
Equity attributable to shareholders		12,729,479	11,124,784	8,940,346
Liabilities				
Trade and other payables	27	14,591	211,791	-
Borrowings	31	-	-	80,267
Deferred tax liability	32	238,185	245,455	256,072
Retirement benefits	33	7,971	5,513	4,340
Provisions for environmental rehabilitation	34	57,361	145,460	118,081
Non-current liabilities		318,108	608,219	458,760
ZCCM INVESTMENT HOLDINGS PLC				
HISTORICAL FINANCIAL INFORMATION				

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ZMW'000	Note(s)	Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
Bank overdraft	26	2,641	-	-
Borrowings	31	-	104,357	53,436
Trade and other payables	27	724,321	1,241,712	488,989
Liabilities associated with assets classified as held for sale	19	1,091,622	-	-
Provisions	28	83,118	127,590	139,785
Current tax liabilities	13	209,904	177,114	222,837
Retirement benefits	33	26,698	28,667	28,082
Provisions for environmental rehabilitation	34	61,892	-	-
Current liabilities		2,200,196	1,679,440	933,129
Total liabilities		2,518,304	2,287,659	1,391,889
Total equity and liabilities		15,247,783	13,412,443	10,332,235

ZCCM INVESTMENT HOLDINGS PLC

HISTORICAL FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ZMW'000	Share capital	Share premium	Preference shares	Revaluation reserve	Translation reserve	Non-controlling interest	Retained earnings	Total
At 1 April 2017	1,608	2,089,343	-	245,769	4,786,640	-	890,553	8,013,913
Profit for the year	-	-	-	-	-	-	842,949	842,949
Other comprehensive income								
Deferred tax on revaluation reserve	-	-	-	1,944	-	-	-	1,944
Currency translation - equity accounted investees	-	-	-	-	36,725	-	-	36,725
Amortisation of revaluation reserve	-	-	-	(726)	-	-	726	-
Actuarial loss on defined benefit	-	-	-	-	-	-	1,959	1,959
Deferred tax on defined benefit actuarial gains	-	-	-	-	-	-	(686)	(686)
Share of associates other comprehensive income	-	-	-	-	-	-	43,542	43,542
At 31 March 2018	1,608	2,089,343	-	246,987	4,823,365	-	1,779,043	8,940,346
IFRS expected credit loss adjustments	-	-	-	-	-	-	(168,505)	(168,505)
Restated 31 March 2018	1,608	2,089,343	-	246,987	4,823,365	-	1,610,538	8,771,841
Profit for the year	-	-	-	-	-	(28,184)	476,047	447,863
Other comprehensive income								
Revaluation surplus on property and equipment	-	-	-	10,566	-	-	-	10,566
Deferred tax on revaluation reserve	-	-	-	(3,873)	-	-	-	(3,873)
On acquisition of subsidiary	-	99,648	20	-	-	28,023	-	127,691
Currency translation - equity accounted investees	-	-	-	-	2,003,999	-	-	2,003,999
Amortisation of revaluation reserve	-	-	-	(2,034)	-	161	1,873	-
Actuarial loss on defined benefit	-	-	-	-	-	-	(226)	(226)
Deferred tax on defined benefit actuarial gains	-	-	-	-	-	-	5	5
Share of associates other comprehensive income	-	-	-	-	-	-	79	79
Total comprehensive income	-	99,648	20	4,659	2,003,999	-	477,778	2,586,104
Transactions with owners of the Company - Contributions								
Dividends	-	-	-	-	-	-	(233,161)	(233,161)
At 31 March 2019	1,608	2,188,991	20	251,646	6,827,364	-	1,855,155	11,124,784

ZCCM INVESTMENT HOLDINGS PLC
HISTORICAL FINANCIAL INFORMATION
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ZMW'000	Share capital	Share premium	Preference shares	Revaluation reserve	Translation reserve	Non-controlling interest	Retained earnings	Total
Profit for the year	-	-	-	-	-	-	307,187	307,187
Other comprehensive income								
Revaluation surplus on property, plant and equipment	-	-	-	26,034	-	-	221	26,255
Deferred tax on revaluation reserve	-	-	-	(9,112)	-	-	-	(9,112)
On acquisition of subsidiary	-	-	-	-	-	-	-	-
Currency translation - equity accounted investees	-	-	-	-	1,276,863	-	-	1,276,863
Amortisation of revaluation reserve	-	-	-	(2,079)	-	-	2,079	-
Actuarial loss on defined benefit	-	-	-	-	-	-	(715)	(715)
Deferred tax on defined benefit actuarial gains	-	-	-	-	-	-	250	250
Share of associates other comprehensive income	-	-	-	-	-	-	3,987	3,987
Classified to liabilities associated with assets held for sale	-	-	(20)	-	-	-	-	(20)
Total comprehensive income	-	-	(20)	14,843	1,276,863	-	313,009	1,604,695
At 31 December 2019	1,608	2,188,991	-	266,489	8,104,227	-	2,168,164	12,729,479

ZCCM INVESTMENT HOLDINGS PLC
HISTORICAL FINANCIAL INFORMATION
CONSOLIDATED STATEMENT OF CASH FLOWS

ZMW'000	Note(s)	Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
Cash flows from operating activities				
Profit for the year		307,187	447,863	842,949
Adjustments for:				
Depreciation	16	24,414	25,313	13,095
Amortisation	17	3,081	2,498	191
(Loss) / profit on disposal of property, plant and equipment	10	440	(759)	(92)
Loss from discontinued operations		-	-	1,610
Impairment of assets of property, plant and equipment		1,111	-	-
Interest income from related parties and term deposits	12	(70,594)	(77,234)	(50,693)
Interest expense	12	305	4,581	13,936
Interest expense on borrowings	31	-	34,861	(4,273)
Reversal of borrowings		(53,637)	-	-
Impairment of goodwill		-	143,117	-
Change in fair value on financial assets at fair value through profit or loss	22	-	336,082	153,160
Impairment of investments	20	-	-	42,082
Fair value change on investment property	18	(9,151)	(11,807)	(3,316)
Defined benefits expense	33	3,557	3,322	5,858
Share loss of equity - accounted investees, net of tax	21	(420,348)	(973,213)	(689,207)
Tax expense	13	22,869	(49,105)	(241,287)
		(190,766)	(114,481)	84,013
<u>Changes in:</u>				
Inventories		7,211	(19,272)	7,098
Trade and other receivables		104,736	228,098	(104,134)
Trade and other payables and provisions		311,002	(104,831)	110,425
Provision for environmental rehabilitation		(27,965)	27,379	(27,529)
Cash generated from operating activities		204,218	16,893	69,873
Interest paid	12	(305)	(4,581)	(13,936)
Tax paid	13	(9,115)	(16,241)	(18,570)
Benefits paid	33	(4,409)	(1,790)	(21,044)
Dividends paid		-	(233,161)	-
Net cash from operating activities		190,389	(238,880)	16,323

ZCCM INVESTMENT HOLDINGS PLC
HISTORICAL FINANCIAL INFORMATION
CONSOLIDATED STATEMENT OF CASH FLOWS

ZMW'000	Note(s)	Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
Cash flows from investing activities				
Interest received	12	70,594	77,234	50,693
Dividend received	21	122,536	133,323	199,841
Acquisition of property and equipment	16	(156,441)	(16,197)	(14,076)
Acquisition of intangible assets	17	(427)	(1,635)	(293)
Proceeds on disposal of property, plant and equipment		285	1,019	265
Acquisition of investment property	18	(33)	(79,630)	-
Acquisition of investment in associates	21	-	(121,123)	-
Acquisition of subsidiary		(32,814)	60,414	-
Cash from acquisition of subsidiary		571	-	-
Acquisition of held for sale assets	20	(43,896)	-	-
Cash included in assets held for sale	20	(111,688)	-	-
Proceeds from term deposits	25	754,438	739,214	497,172
Investments in term deposits	25	(677,117)	(754,438)	(535,384)
Net cash used in investing activities		(73,992)	38,181	198,218
Cash flows from financing activities				
Proceeds from borrowings		-	1,086	-
Repayment of borrowings	31	(136,702)	(65,293)	(54,086)
Net cash used in financing activities		(136,702)	(64,207)	(54,086)
Net increase / (decrease) in cash and cash equivalents		(20,305)	(264,906)	160,455
Cash and cash equivalents at 1 April		74,480	339,386	178,931
Cash and cash equivalents at 31 December/March	26	54,175	74,480	339,386
Per BS		54,175	74,480	339,386
Diff		-	-	-

ZCCM INVESTMENT HOLDINGS PLC

ACCOUNTING POLICIES

1. REPORTING ENTITY

ZCCM Investments Holdings Plc (the “Company” or “ZCCM - IH”) is domiciled in Zambia. The Company’s registered office is at Stand No. 16806, Alick Nkhata Road, Mass Media Complex Area, P.O Box 30048, Lusaka. These consolidated financial statements comprise the Company, its subsidiaries and investments in associates (together referred to as the ‘Group’). The principal activity of the Company is to manage the Zambian Government’s stake in the mining sector, as the Zambian Government through the Industrial Development Corporation (IDC), is the principal shareholder of the entity.

The Company’s shares are listed on the Lusaka Securities Exchange (LuSE), the London Stock Exchange and Euronext Access Stock Exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act and the Securities Act of Zambia.

Details of the Group’s significant accounting policies, including changes during the year, are included in note 6.

3. FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated and separate financial statements are presented in Zambian Kwacha, which is the Company’s functional currency. All amounts presented in Kwacha have been rounded to the nearest thousand, unless otherwise indicated.

Several of the Company’s equity investments prepare financial statements in US Dollars which is their functional currency, due to the nature of the industry in which they operate. This has resulted in a foreign currency translation reserve at the consolidated level.

4. USE OF ESTIMATES AND JUDGEMENTS

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group’s and Company’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated and separate financial statements are included in:

- Note 16 - impairment of property, plant and equipment; deductible temporary differences and whether tax losses carried forward can be utilised;
- Note 20, 21 and 22 - Valuation of investment in subsidiaries and associates and financial assets at fair value through profit or loss;
- Note 34 - provision for environmental rehabilitation;
- Note 6(a) ii equity-accounted investees: whether the Group has significant influence over an investee; and
- Note 6(a) iv - consolidation: whether the Group has de facto control over an investee.

ZCCM INVESTMENT HOLDINGS PLC

ACCOUNTING POLICIES

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended 31 December 2019 is included in the following notes:

- Notes 20 - acquisition of subsidiary: fair value of the consideration transferred and fair value of the assets acquired and liabilities assumed, measured on a provisional basis.;
- Notes 20, 21 and 22 - measurement of fair value of investee companies; key assumptions about discounted cash flow assumptions;
- Notes 32 - recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized;
- Note 33- measurement of defined benefit obligations: key actuarial assumptions;
- Note 34 and 36 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 38 - measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate; and
- Note 6(i) - impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. Significant valuation issues are reported to the Group Audit Committee. This includes the Group finance department that has overall responsibilities for overseeing all significant fair value measurement including level 3 fair values and reports directly to the Chief Financial Officer (CFO).

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information arises such as broker quotes or pricing services, used to measure fair values, then the finance team assesses the evidence obtained from third parties to support the conclusion that such valuations meet the requirement of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuations are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

ZCCM INVESTMENT HOLDINGS PLC

ACCOUNTING POLICIES

- Note 38 - financial instruments;
- Note 18 - Investment property;
- Note 20 - Investment in subsidiaries; and
- Note 21 - Investment in associates.

(c) New Standards and amendments that are effective at 1 January 2019 and are applicable to the group IFRS 16 'Leases'

IFRS 16 supersedes IAS 17 accounting for Leases. Leases will be recorded in the statement of financial position in the form of the right-of-use asset and the lease liability.

The Group has applied the available transition relief under the modified retrospective approach as follows:

- Applied the short-term leases exemptions to leases with a lease term that is less than 12 months and leases of small value;
- Applied the use of hindsight in determining such as the lease term if the contract contains options to extend or terminate the lease.

An impact assessment of adopting IFRS 16 in applying the transitional reliefs under IFRS 16 and the full impact on the 2019 statement of financial position was conducted and the assessment indicate that:

- The Company is a lessor in most of its leasing arrangements mainly involving the leasing of property. Lessor accounting remains largely unchanged from IAS 17 and accounting for rentals will continue as currently done;
- After applying the transition relief option which permits an explicit recognition and measurement exemption for leases of small value or those for which the term ends within 12 months or fewer of the date of initial application and account for those leases as short-term leases the Company has assessed that there are currently no leases for which a right-of-use asset would be required to be recognised on the statement of financial position.

5. PRINCIPAL ACCOUNTING POLICIES

IFRS 16 'Leases'

Based on the assessment, IFRS 16 has no impact on the financial position for the nine months period ended 31 December 2019.

Other standards and amendments that are effective for the first time in 2019 and could be applicable to the Group are:

- IFRS 9 Prepayment Features with Negative Compensation (Amendments to IFRS 9);
- IAS 28 long-term interest in Associates and Joint Ventures (Amendments to IAS 28);
- Annual Improvements to IFRS 2015-2017 Cycle; and
- Plant Amendment, Curtailment or Settlement (Amendments to IAS 19).

These amendments do not have a significant impact on these financial statements and therefore the disclosures have not been made.

(a) Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Group.

Standards and amendments that are not yet effective and have not been adopted early by the Bank include:

ZCCM INVESTMENT HOLDINGS PLC

ACCOUNTING POLICIES

- Definition of a Business (Amendments to IFRS 3);
- Definition of Material (Amendments to IAS 1 and IAS 8);
- Conceptual framework for Financing Reporting.

IAS 23 Amendment - Borrowing Costs

The amendments provide guidance on general borrowing costs. The standard states that if any specific borrowing remains outstanding after the qualifying asset is ready for use, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The amendments had no impact as the Group finances its operations from internally generated funds.

Amendment to IFRS 3 Business Combinations

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations in order to help entities determine whether an acquired set of activities and assets is a business or not. An entity shall apply the amendments to business combinations and asset acquisitions that occur on or after the beginning of the first annual reporting period beginning on or after 1 January, 2020.

Amendments to IAS 1 and IAS 8

The IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Changes and Estimates. The amendment was to align the definition of 'material' across the standards. The new definition of material is contained in IAS 1. The amendments are effective for annual periods beginning on or after 1 January 2020.

Amendments to the Conceptual Framework for Financial Reporting

The Conceptual Framework is not a standard itself but provides as general guidance on IFRS. Main improvements in the revised Conceptual Framework include the introduction of concepts for measurement, presentation, disclosures and guidance for derecognition of assets and liabilities. These amendments are effective for annual periods beginning on or after January 1 2020.

These amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore the disclosures have not been made.

6. SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all policies to all periods presented in these financial statements.

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow:

ZCCM INVESTMENT HOLDINGS PLC

ACCOUNTING POLICIES

- (a) Basis of consolidation
- (b) Foreign currency
- (c) Discontinued operation
- (d) Financial instruments
- (e) Property, plant and equipment
- (f) Investment property
- (g) Intangible assets
- (h) Inventory
- (i) Impairment
- (j) Employee benefits
- (k) Provisions
- (l) Revenue
- (m) Finance income and costs
- (n) Income tax
- (o) Earnings per share
- (p) Segment reporting
- (q) Leases
- (r) Share capital

Basis of measurement

The consolidated and separate financial statements have been prepared on the historical cost basis except for the following items which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Financial assets at fair value through profit or loss	Fair value
Investments in associates (Company)	Fair value
Retirement benefits	Present value of the defined obligation revaluation
Investment property	Fair value
Investment in subsidiary	Fair value

Basis of consolidation

(a) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if they are related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

ZCCM INVESTMENT HOLDINGS PLC

ACCOUNTING POLICIES

(i) Business combinations

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases.

In the separate financial statements, investments in subsidiaries are classified as available for sale financial assets.

(iii) Non-controlling interests (NCI)

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non-controlling interests (NCI) and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Interest in equity accounted investees

The Group interest in equity accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control over the financial and operating policies.

In the separate financial statements investments in associates is subsequently measured at fair value. These are classified as fair value through other comprehensive income.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

ZCCM INVESTMENT HOLDINGS PLC

ACCOUNTING POLICIES

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, fair value changes recognised in respect of its investment in subsidiaries and associates, and any unrealised income and expenses arising from intra group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- An investment in equity securities designated as at FVOCI (2018: available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss)).

Foreign currency differences which arise on the translation of investee companies (which have a different functional currency) are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

(c) Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

ZCCM INVESTMENT HOLDINGS PLC

ACCOUNTING POLICIES

(d) Financial instruments

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the corporation does not have any financial assets categorised as FVOCI.

- The classification is determined by both:
- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows;
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

The category also contains an equity investment. The Company accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in subsidiaries and listed equity securities at fair value through other comprehensive income (FVOCI). The equity investment in subsidiaries was measured at cost less any impairment charges in the comparative period under IAS 39, as it was determined that its fair value could not be estimated reliably. In the current financial year, the fair value was determined in line with the requirements of IFRS 9, which does not allow for measurement at cost.

ZCCM INVESTMENT HOLDINGS PLC

ACCOUNTING POLICIES

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets at fair value through other comprehensive income (FVOCI). The Group accounts for financial assets as FVOCI if the assets meet the following conditions:

they are held under a business model whose objective it is “hold to collect” the associated cash flows and sell; the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

All AFS financial assets except for the investment in subsidiaries were measured at fair value. Gains and losses were recognised in other comprehensive income and reported within the AFS reserve within equity, except for interest and dividend income, impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset was disposed of or was determined to be impaired, the cumulative gain or loss recognised in other comprehensive income was reclassified from the equity reserve to profit or loss. Interest calculated using the effective interest method and dividends were recognised in profit or loss within finance income

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses - the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortized cost and FVOCI, trade receivables, contract assets recognized and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead, the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

ZCCM INVESTMENT HOLDINGS PLC

ACCOUNTING POLICIES

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Refer to Note 34.2 for a detailed analysis of how the impairment requirements of IFRS9 are applied.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Group's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(e) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

Capital work in progress relates to items of property, plant and equipment that are under construction and are yet to be commissioned for use. Work in progress is measured at the costs incurred in relation to the construction up to the reporting date. Capital work in progress is not depreciated.

ZCCM INVESTMENT HOLDINGS PLC

ACCOUNTING POLICIES

The Group's policy is to revalue regularly to ensure that the carrying amount does not differ materially from the fair value. The revaluation differences are recognised in other comprehensive income and accumulated in equity "revaluation reserve" unless the revaluation difference represents the reversal of a revaluation decrease previously recognised as an expense, in which case the revaluation difference is recognised in profit or loss. A decrease arising as a result of a revaluation is recognised as an expense to the extent that it exceeds any amount previously credited to the revaluation surplus relating to the same asset. The revaluation surplus included in equity is transferred directly to retained earnings when the asset is used by the Group. The amount of the surplus transferred is the difference between depreciation charge based on the revalued carrying amount of the assets and the depreciation charge based on the original cost.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative years are as follows:

- | | |
|----------------------------------|----------|
| • Property | 20 years |
| • Vehicles | 4 years |
| • Plant, equipment and furniture | 5 years |
| • Vertical kiln | 15 years |
| • Rotary kiln | 12 years |

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other Comprehensive Income (OCI) and presented in the revaluation reserve. Any loss is recognised in profit or loss.

ZCCM INVESTMENT HOLDINGS PLC
ACCOUNTING POLICIES

(f) Investment property

Investment property is property held to earn rental income or capital appreciation or for both, but not for sale in the ordinary course of business, use for the production or supply of goods or services or for administrative purposes. Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in the profit or loss.

Any gain or loss on the disposal of investment property (calculated as the difference between the net proceeds and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount that is included in the revaluation reserve is transferred to retained earnings.

(g) Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss.

The estimated useful lives of the Group's computer software is three to five years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Derecognition

Intangible assets are derecognised when an asset is sold, exchanged or abandoned and therefore, removed from the statement of financial position.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

(i) Impairment

(i) Non-derivative financial assets

Policy applicable from 1 April 2018

ZCCM INVESTMENT HOLDINGS PLC

ACCOUNTING POLICIES

Financial instruments and contract assets

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

ZCCM INVESTMENT HOLDINGS PLC

ACCOUNTING POLICIES

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Policy applicable before 1 April 2018

Non-derivative financial assets

Financial assets not classified as at FVTPL were assessed at each reporting date to determine whether there was objective evidence of impairment.

Objective evidence that financial assets were impaired included:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer would enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security because of financial difficulties; or
- observable data indicating that there was a measurable decrease in the expected cash flows from a group of financial assets.

For an investment in an equity instrument, objective evidence of impairment included a significant or prolonged decline in its fair value below its cost. The Group considered a decline of 20% to be significant and a period of nine months to be prolonged.

Financial assets measured at amortised cost

The Group considered evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

ZCCM INVESTMENT HOLDINGS PLC

ACCOUNTING POLICIES

An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Group considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets were recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified was the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increased and the increase was related objectively to an event occurring after the impairment loss was recognised, then the impairment loss was reversed through profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale were not reversed through profit or loss.

(ii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Employee benefits

(i) Short-term employee benefits

Short term-employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

ZCCM INVESTMENT HOLDINGS PLC

ACCOUNTING POLICIES

(ii) Defined contribution plans

Obligations for contribution to defined contribution plans are expensed in the profit or loss as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available. The Group and all its employees also contribute to the National Pension Scheme Authority, which is a defined contribution scheme. Amounts recognised as an expense during the year were ZMW2.4 million (2018: ZMW 3.4 million)

(iii) Defined benefit plans

The Group provides for retirement benefits (i.e., a defined benefit plan) for all permanent employees in accordance with established pension scheme rules as well as the provisions of Statutory Instrument No. 119 of the Laws of Zambia. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The cost of providing the defined benefit plan is determined annually using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period.

The discount rate is required to be determined with reference to the corporate bond yield. However, due to the non-availability of an active developed market for corporate bonds the discount rate applicable is the yield at the reporting date on the Government of the Republic of Zambia's bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The defined benefit obligation recognised by the Group, in respect of its defined benefit pension plan, is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and discounting that benefit to determine its present value, then deducting the fair value of any plan assets. When the calculations above result in a benefit to the Group, the recognised asset is limited to the net total of any cumulative unrecognised actuarial losses and past service costs and the present value of any economic benefits available in the form of any refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Group if it is realisable during the life of the plan or on settlement of the plan liabilities.

Actuarial gains and losses arising from changes in actuarial assumptions are charged or credited to other comprehensive income when they arise. These gains or losses are recognised in full in the year they occur. Past service costs are recognised immediately in the profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

(iv) Other entitlements

Some employees are on fixed term contracts and are entitled to gratuity. These are recognised when they accrue to employees. An estimate is made for the liability for such entitlements as a result of services rendered by employees up to the reporting date.

The estimated monetary liability for employees accrued annual leave entitlement at the reporting date is recognised as an expense accrual.

ZCCM INVESTMENT HOLDINGS PLC

ACCOUNTING POLICIES

(k) Provisions

Provisions are determined by discounting the expected future cash flows at a pre - tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Environmental rehabilitation and restoration

In accordance with applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognised when the land is contaminated.

(l) Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement in the goods, and the amount of revenue can be measured reliably. Revenue is recognised as follows:

- Dividends are recognised as revenue in the period in which the right to receive payment is established, which in the case of quoted securities is usually the ex-dividend date.
- Lime sales are recognised in the period in which the Group has delivered products to the customer, the customer has full discretion over the channel and price to sell the products, and there are no unfulfilled obligations that could affect the customers' acceptance of the products. Delivery does not occur until the products have been accepted by the customers.
- Revenue from rendering of services is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed with reference to surveys of work performed. The Group is involved in provision of environmental consultancy services, analytical services, surveying services and radiation safety. When services under a single arrangement are rendered in different reporting periods, the consideration is allocated on a relative fair value basis between the services.

(m) Finance income and finance costs

The Group's finance income and finance costs include:

- Interest income;
- Interest expense;
- Gain or loss on financial assets at fair value through profit or loss;
- The foreign currency gain or loss on financial assets and financial liabilities;
- Unwinding income or expense on price participation fees;
- Unwinding expense on environmental provision; and
- Borrowing costs.

Interest income or expense is recognised using the effective interest method. All borrowing costs are recognised in the profit or loss using the effective interest method.

Borrowing costs attributable to fixed assets during construction are capitalised.

ZCCM INVESTMENT HOLDINGS PLC
ACCOUNTING POLICIES

(n) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; `
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when probability of future taxable profit improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

ZCCM INVESTMENT HOLDINGS PLC

ACCOUNTING POLICIES

(iii) Tax exposures

In determining the amount of current and deferred tax, the Group considers the impact of tax exposures, including whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities would impact tax expense in the period in which such a determination is made.

(o) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options.

(p) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer to make decisions about resources to be allocated to the segment and to assess its performance.

(q) Leases

(i) Leased assets

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases are classified as operating leases and are not recognised in the Group's statements of financial position.

(ii) Lease payments

Payment made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(r) Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

7. REVENUE

	Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
Sales	59,593	74,280	60,103
Interest income	-	78,941	-
Services	2,839	2,390	879
	<u>62,432</u>	<u>155,611</u>	<u>60,982</u>

8. OTHER INCOME

Management fee income	-	565	1,580
Fees and commissions	-	36,135	-
Profit on forex trading	-	7,695	-
Fair value adjustments - investment property (note 19)	10,331	11,807	3,316
Rental income	7,088	4,880	3,959
Gain on disposal of property, plant and equipment	-	759	92
KCM price participation receivable	-	-	360,332
Reversal on impairment of receivables (note 38 iii)	11,425	24,412	10,732
Reversal of borrowings	53,639	-	-
Sundry income (i)	1,042	4,310	857
	<u>83,525</u>	<u>90,563</u>	<u>380,868</u>

(i) Sundry income

Sundry income mainly includes income such as core shed viewing / sampling, sale of scrap and refund of mining licence.

9. ENVIRONMENTAL EXPENSES

Environmental expenses represent expenditures incurred in respect of meeting environmental remedial obligations which arose from the operations of the old ZCCM Limited, before being taken over by the Company, and those of ZCCM-IH's subsidiary, Ndola Lime Company Limited.

Reversal / (charge) for the year	55,541	(1,633)	26,967
Environmental consultancy expenses	-	(243)	(565)
	<u>55,541</u>	<u>(1,876)</u>	<u>26,402</u>

10. ADMINISTRATION EXPENSES

Depreciation and amortization	8,570	22,605	8,925
Auditors' remuneration	2,383	2,111	1,322
Personnel expenses	108,791	160,050	93,680
Impairment of receivables	129,541	204,806	-
Impairment of investment in associates	-	-	42,082
Goodwill impairment	-	143,117	-
Penalties and interest on statutory obligations	83,115	100,967	-
Other administration expenses	19,087	148,539	197,224
Loss on disposal of property, plant and equipment	440	-	-
	<u>351,927</u>	<u>782,195</u>	<u>343,233</u>

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
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*Staff costs and depreciation recognised as cost of sales amounted to ZMW 24 million (March 2019: ZMW 14 million, March 2018: ZMW 31 million) and ZMW 3 million (March 2019: ZMW 5 million, March 2018 ZMW 4 million) respectively.

(i) Other administration expenses

Other administrative expenses mainly include investment expenses ZMW 7.01 million (March 2019: ZMW 7.03 million, exploration expenses ZMW 7.2 million (March 2019: ZMW 5.5 million), mineral royalty tax ZMW 2.8 million (March 2019: ZMW 3.7 million).

11. PERSONNEL EXPENSES

Salaries and wages	105,657	156,719	89,225
Retirement benefit costs:			
Defined benefit scheme	1,743	947	1,890
Mukuba Pension Scheme	526	808	791
African Life Financial Services	-	173	244
National Social Security Funds	865	1,403	1,530
	<u>108,791</u>	<u>160,050</u>	<u>93,680</u>

12. FINANCE INCOME AND FINANCE COSTS

Fair value adjustment financial asset at fair value through profit or loss	-	(336,082)	(282,278)
Exchange differences*	(1,967)	(68,082)	(46,389)
Interest expense	(305)	(4,581)	(13,936)
Unwinding of discount on site restoration	(29,307)	(1,040)	(872)
Finance costs	<u>(31,579)</u>	<u>(409,785)</u>	<u>(343,475)</u>

Fair value adjustment financial asset at fair value through profit or loss	-	-	129,118
Interest income from price participation	283	10,864	15,150
Interest income from related parties	22,230	38,525	16,125
Exchange differences	147,835	361,644	16,029
Interest income from term deposits	48,364	38,709	34,568
Finance income	<u>218,712</u>	<u>449,742</u>	<u>210,990</u>
Net finance income recognized in profit or loss	<u>187,133</u>	<u>39,957.0</u>	<u>(132,485)</u>

* Exchange difference mainly arises from the revaluation of foreign currency denominated financial instruments such as loans and term deposits.

13. INCOME TAX EXPENSE

Amounts recognized in profit or loss current tax expense			
Current year	(897)	(15,365)	(8,973)
Deferred tax charge	(21,974)	64,470	250,260
Income tax expense	<u>(22,871)</u>	<u>49,105</u>	<u>241,287</u>

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

	Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:			
Profit / (loss) before income tax	404,037	398,758	603,272
Less: share of profit from equity accounted associates	(420,348)	(973,213)	(689,207)
	<u>(16,311)</u>	<u>(574,455)</u>	<u>(85,935)</u>
Tax calculated at rates applicable to profits @ 35%			
Tax effect of:	(5,709)	(201,059)	-
Non-deductible expenses	73,827	39,357	(67,751)
Income taxed at a lower rate*	(44,701)	(34,650)	(63,285)
Under / (over) recognition in prior years	(546)	(21,693)	(110,251)
Recognized deferred tax losses	-	168,940	-
	<u>22,871</u>	<u>(49,105)</u>	<u>(241,287)</u>

*Income taxes at lower rate relates to rental income and dividends taxed at 15% and 0% respectively.

Tax movement in the statement of financial position

Opening balance	177,114	222,837	232,434
Acquisition of subsidiary	(209)	(44,847)	-
Charge for the year	897	15,365	8,973
Tax paid	(9,115)	(16,241)	(18,570)
Classified to assets held for sale	41,217	-	-
Closing balance	<u>209,904</u>	<u>177,114</u>	<u>222,837</u>

14. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share has been calculated based on profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

(i) Profit (Loss) attributable to ordinary shareholders (basic)

Profit attributable to owners of the Company	<u>307,187</u>	<u>447,863</u>	<u>842,949</u>
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(ii) Weighted average number of shares (basic)

Opening balance	<u>160,800</u>	<u>160,800</u>	<u>160,800</u>
Closing balance	<u>160,800</u>	<u>160,800</u>	<u>160,800</u>

The weighted average number of shares is determined by taking the number if additional shares issued and by multiplying by the number if days the new shares were in issue over the reporting period.

(b) Diluted earnings per share

There were no potentially dilutive shares outstanding at 31 December 2019 (March 2019: nil, March 2018: nil). Diluted earnings per share are therefore the same as basic earnings per share.

15. DIVIDENDS PER SHARE

No dividend was declared during the year ended 31 December 2019 (March 2019: ZMW 53 million, March 2018: ZMW nil).

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

16. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amount

Details	Land and Buildings	Plant and equipment	Vertical and rotary	Motor Vehicles	Work in progress	Total
Cost or Valuation						
At 1 April 2017	79,236	319,521	186,303	65,514	556,208	1,206,782
Additions	30	2,831	-	9,673	1,542	14,076
Disposal	-	-	-	(1,595)	-	(1,595)
At 31 March 2018	79,266	322,352	186,303	73,592	557,750	1,219,263
Acquisition of subsidiary	50,856	57,451	-	8,433	3,881	120,621
Additions	2,505	3,802	-	7,553	2,337	16,197
Transfers	673	-	-	-	(673)	-
Disposal	(668)	(24)	-	(792)	-	(1,484)
Revaluation	7,120	-	-	-	-	7,120
At 31 March 2019	139,752	383,581	186,303	88,786	563,295	1,361,717
Acquisition of subsidiary	533	15,212	-	2,902	-	18,647
Additions	27,259	3,838	-	9,249	116,095	156,441
Transfers	429	(814)	1,226	-	(841)	-
Transfer to Intangible assets	-	-	-	-	(5,209)	(5,209)
Disposal	(295)	-	-	(6,722)	-	(7,017)
Revaluation	16,706	848	-	(200)	-	17,354
Classified to assets held for sale	(77,106)	(62,594)	-	(4,842)	(1,886)	(146,428)
At 31 December 2019	107,278	340,071	187,529	89,173	671,454	1,395,505

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Accumulated depreciation and impairment losses

At 31 March 2017	2,649	283,942	181,115	58,029	536,205	1,061,940
Charge for the year	2,846	6,409	346	3,494	-	13,095
Disposal	-	-	-	(1,422)	-	(1,422)
Discontinued operation	-	1,291	-	1,195	-	2,486
At 31 March 2018	5,495	291,642	181,461	61,296	536,205	1,076,099
Acquisition of subsidiary	22,883	47,679	-	7,145	-	77,707
Charge for the year	6,522	11,311	1,572	5,908	-	25,313
Eliminated on revaluation	(3,446)	-	-	-	-	(3,446)
Disposals	(417)	(15)	-	(792)	-	(1,224)
At 31 March 2019	31,037	350,617	183,033	73,557	536,205	1,174,449
Acquisition of subsidiary	213	6,119	-	2,367	-	8,699
Charge for the year	12,211	5,276	259	6,668	-	24,414
Eliminated on revaluation	(218)	(6,292)	-	(2,392)	-	(8,902)
Disposal	-	-	-	(6,292)	-	(6,292)
Classified to assets held for sale	(36,985)	(54,396)	-	(4,618)	-	(95,999)
Impairment	-	-	-	-	11	11
At 31 December 2019	6,258	301,324	183,292	69,290	536,216	1,096,380
Carrying amounts						
Non-current	83,079	23,046	-	18,276	116,300	240,701
Current	17,941	15,701	4,237	1,607	18,938	58,424
At 31 December 2019	101,020	38,747	4,237	19,883	135,238	299,125
At 31 March 2019	108,715	32,964	3,270	15,229	27,090	187,268
At 31 March 2018	73,771	30,710	4,842	12,296	21,545	143,164

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS

Buildings of the subsidiary, Ndola Lime Company Limited, were last revalued as at 31 March 2016, by Sherwood Greens Consultants, an independent registered valuations surveyor on the basis of an open market value. The valuation was in line with the Company's accounting policy to recognise its leasehold land and buildings at fair value. The carrying values of the properties were adjusted to their revalued amounts and the resultant surplus net of deferred income tax was credited to the revaluation surplus in shareholders' equity. The carrying values of property, plant and equipment approximates to their fair values. Revaluations are done with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value.

The register showing details of property, as required by section 193 of the Zambia Companies Act, is available for inspection during business hours at the registered office if the Company.

Leased plant and equipment

The Group leases motor vehicles under a number of finance leases. At 31 December 2019, the net carrying amount of the leased assets was nil (March 2019: nil, March 2018: nil).

Borrowing costs

There were no borrowing costs included in property, plant and equipment during the period (March 2019: nil, March 2018: nil) in respect of the construction works.

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
-----------------------------	---------------------------	---------------------------

17. INTANGIBLE ASSETS (COMPUTER SOFTWARE)

Reconciliation of carrying amount

Cost	Amount ZMW'000
At 1 April 2017	2,175
Additions	293
At 31 March 2018	2,468
Acquisition of subsidiary	25,614
Additions	1,635
At 31 March 2019	29,717
Transfer from fixed assets	5,209
Additions	427
Transfer from work in progress	-
Impairment	(1,100)
Classified to assets held for sale	(31,041)
At 31 December 2019	3,212

Amortization

At 1 April 2017	1,779
Amortization	191
Discontinued operations	131
At 31 March 2018	2,101
Acquisition of subsidiary	16,586
Amortization	2,498
At 31 March 2019	21,185
Amortization	3,081
Classified to assets held for sale	(21,702)
At 31 December 2019	2,564

Carrying amount

At 31 December 2019	648
At 31 March 2019	8,532
At 31 March 2018	367

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

	Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
18. INVESTMENT PROPERTY			
(a) Reconciliation of carrying amounts			
At the start of the year	251,230	64,473	61,157
Acquisition of subsidiary	-	95,320	-
Additions	33	79,630	-
Change in fair value	9,151	11,807	3,316
Classified to assets held for sale	(92,444)	-	-
Closing balance	167,970	251,230	64,473

Leases as lessor

The Group leases out its investment properties. Investment property comprises a number of commercial properties that are leased to third parties. No contingent rents are charged. Changes in fair values are recognised as gains in profit or loss and included in 'other income' or 'other administration expenses'.

(b) Measurement of Fair Value

Amount recognised in profit or loss

Investment property rentals of ZMW 7.09 million (March 2019: ZMW 4.88 million) at Group level have been included in other income (see note 8). Maintenance expenses incurred during the year were ZMW 1.6 million (March 2019: ZMW2.2 million).

Fair value hierarchy

The fair value of investment property for the Company was determined, as at 31 December 2019 by Mak Associates Valuation consultants, who are sufficiently independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for investment property of ZMW 168 million has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used in accounting policies.

Valuation techniques and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

	Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
Valuation technique	Significant unobservable inputs	Inter-relationships between Key unobservable inputs and fair value measurement	
The valuation technique used is the Discounted Cash Flows. This valuation method considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs sum as rent-free periods and other costs not paid by tenants. the expected net cash flows are discounted using risk adjusted rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary) tenant credit quality.	<ul style="list-style-type: none"> Expected market rental growth (3-5%. Weighted average 4%) Void periods (average 6 months after the end of each lease) Occupancy rate (90-95%. Weighted average 90%) Rent-free periods (1-month period on new leases) Risk-adjusted discount rates (10% - 10.5%. Weighted average 10%) 	<ul style="list-style-type: none"> The estimated fair value would increase or (decrease) if: Expected market rental growth were higher (lower); Void periods were shorter (longer) The occupancy rate was higher (lower); Rent-free periods were shorter (longer); or The risk-adjusted discount rate was lower (higher) 	

19. ASSETS HELD FOR SALE

(a) Description

In April 2019, the Board of ZCCM Investments Holdings granted Management approval to commit to a plan to sell the investments in Investrust Bank Plc and Mushe Milling Company Limited to its holding Company, the Industrial Development Corporation (IDC) through the Group Restructuring and Rationalization initiative. The objective of the Group Restructuring is to rationalize the overall group portfolio that will result in a higher efficiency in managing assets.

The Group Restructuring will involve ZCCM-IH swapping its stake in Investrust Bank Plc and Mushe Milling Limited ("MLL") for IDC's stake in Kagem Mining Limited. This is because IDC have indicated that they have stronger competencies in overseeing banking and milling assets while the mining expertise in investment management lies with ZCCM-IH. Investments in MML was acquired on 30th September 2019 with a view to disposing off jointly with Investrust Bank Plc.

Efforts to sell the disposal group have started and a sale is expected by November 2020.

The fair value and net assets of the investments to be disposed are as follows:

	Group	
	Assets	Liabilities
Investrust Bank Plc	1,083,437	(1,091,622)
Mushe Milling Company Limited	43,896	-
Total	<u>1,127,333</u>	<u>(1,091,622)</u>

(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for nine-month period ended 31 December 2019.

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

	Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
Revenue	95,234	-	-
Other income	31,381	-	-
Cost of sales and expenses	(200,294)	-	-
Profit before income tax	(73,979)	-	-
Income tax expense	-	-	-
Profit for the year	(73,979)	-	-
Net cash outflow from operating activities	(361,112)	-	-
Net cash outflow from investing activities	(1,528)	-	-
Net cash inflow from financing activities	284,898	-	-
Net increase in cash generated by the subsidiary	(77,742)	-	-

(c) Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to Investrust Bank Plc as at 31 December 2019.

Assets classified as held for sale

Property, plant and equipment	50,429	-	-
Intangible assets	9,339	-	-
Investment property	92,444	-	-
Financial assets at fair value through profit or loss	584	-	-
Trade and other receivables	322,773	-	-
Term deposits	402,157	-	-
Inventories	49,897	-	-
Other assets	44,126	-	-
Cash and cash equivalents	111,688	-	-
Total assets of disposal group held for sale	1,083,437	-	-

Liabilities directly associated with assets classified as held for sale

Liabilities directly associated with assets classified as held for sale

Trade and other payables	(1,091,602)	-	-
Preference shares	(20)	-	-
Total liabilities directly associated with assets classified as held for sale	(1,091,622)	-	-
Net assets held for sale	(8,185)		

(d) Held-to-maturity investment securities

Held to maturity investment securities relate to fixed deposits placed in various banks and they mature within one (1) year.

The movement in held to maturity investment securities is as follows:

At 1 April	-	535,384	497,172
Matured during the year	-	(535,384)	(497,172)
Additions	-	-	535,384
At 31 March	-	-	535,384

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited
31 Dec
2019

Audited
31 Mar
2019

Audited
31 Mar
2018

20. INVESTMENT IN SUBSIDIARIES

Set out below is a list of subsidiaries, which are listed and unlisted, of the Company.

December 2019

Company	Country of incorporation	Held % interest	Opening carrying amount	Addition	Change in fair value	Closing carrying amount
Ndola Lime Company Limited	Zambia	100	-	-	-	-
Misenge Environmental and Technical Services	Zambia	100	-	-	-	-
Nkandabwe Coal Mines Limited (ii)	Zambia	100	-	-	-	-
Kariba Minerals Limited (iv)	Zambia	100	-	32,814	-	32,814
Kabundi Resources Limited (v)	Zambia	100	-	4,107	-	4,107
Limestone Resources Limited (vi)	Zambia	100	-	110,396	-	110,396
			-	147,317	-	147,317

March 2019

Company	Country of incorporation	Held % interest	Opening carrying amount	Addition	Change in fair value	Closing carrying amount
Ndola Lime Company Limited	Zambia	100	-	-	-	-
Investrust Bank Plc	Zambia	71.4	-	69,987	-	69,987
Misenge Environmental and Technical Services	Zambia	100	-	-	-	-
Nkandabwe Coal Mines Limited (ii)	Zambia	100	-	-	-	-
			-	69,987	-	69,987

(i) *Investrust Bank Plc*

During the period to December 2019, ZCCM-IH invested ZMW 286 million in Investrust Bank Plc aimed at recapitalising the bank. The amount was invested as equity awaiting allotment of shares as at 31 December 2019. The investment will improve the operation of the bank and strengthen its competitive position.

(ii) *Nkandabwe Coal Mines Limited*

In February 2015, the Government of the Republic of Zambia (GRZ) requested ZCCM-IH to assume the ownership and operation of the Collum Coal Mine in Southern Province of Zambia, through setting up a new legal vehicle to run the mine. This was done by means of handing over the mining license to ZCCM-IH. ZCCM-IH then completed the legal formalities and took ownership of the Coal Mine under the name Nkandabwe Coal Mines Limited.

Nkandabwe Coal Mines Limited was incorporated on 03 May 2015, as a 100% subsidiary. Its principal activity was the production of coal. In March 2015, GRZ withdrew the mining licenses from ZCCM-IH and handed them back to Collum Coal Mine. As at 31 December 2019, the Company was in the process of being wound up.

(iii) *Mushe Milling Company Limited*

On 30th September 2019, ZCCM-IH acquired 100% stake in Mushe Milling Company Limited. Mushe Milling Company is a milling company that manufactures and sales mealie meal throughout the country.

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
-----------------------------	---------------------------	---------------------------

(iv) Kariba Minerals Limited

On 30th June 2019, ZCCM-IH acquired additional 50% stake in Kariba Minerals Limited which resulted in ZCCM-IH owing 100% of Kariba minerals effective 30th June 2019.

(v) Kabundi Resources Limited (KRL)

On 8th May 2019, ZCCM-IH incorporated a wholly owned subsidiary Kabundi Resources Limited. KRL is a mining operating company whose main activities include mining of manganese and other non-ferrous metals. During the period under review, ZCCM-IH invested ZMW 4.1 million in KRL as equity towards KRL's commencements of operations, however, KRL was yet to commence its operations as at 31 December 2019.

(vi) Limestone Resources Limited (LRL)

During the period to 31 December 2019, ZCCM-IH incorporated a wholly owned subsidiary Limestone Resources Limited. LRL will take over the assets of Ndola Lime Company Limited and its principal activities will include mining and manufacturing of Limestone products.

(a) Reconciliation of carrying amounts

Balance at the beginning of the year	69,987	69,987	-
Additions	147,317	-	5
Change in fair value	(12,773)	-	-
Balance at the end of the year	(57,214)	-	(5)
	<u>147,317</u>	<u>69,987</u>	<u>-</u>

(b) Measurement of fair value

i) Ndola Lime Company Limited, Nkandabwe Coal Mine Limited Misenge Environmental and Technical Services

No fair value has been determined for these entities. As they are loss-making, fair value has been determined to be nil.

ii) Kariba Minerals Limited, Kabundi Resources Limited and Limestone Resources Limited

Investments in these entities have been measured at fair value as follows;

Company investments in subsidiaries analysis	Fair value		
Kariba Minerals Limited	69,987	-	-
Kabundi Resources Limited	147,317	-	-
Limestone Resources Limited	(12,773)	-	-
Total	<u>204,531</u>	<u>-</u>	<u>-</u>

(c) Acquisition of subsidiary

On the 30th June 2019, the Group increased its stake in Kariba Minerals Limited (Kariba) to 100% from the 50% previously owned to command a controlling interest in the company.

For the nine-month period 31 December 2019 Kariba contributed revenue and profit of ZMW 42 million and ZMW 48.6 million respectively.

Consideration transferred

The summary of the consideration is as detailed below:

<u>Entity</u>	<u>Consideration - ZMW</u>		
Kariba Minerals Limited	32,814	-	-

i) Identifiable assets acquired and liabilities assumed

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
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The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	<i>Note</i>			
Property, plant and equipment	16	9,948	-	-
Deferred tax assets	32	3,730	-	-
Inventories	23	4,484	-	-
Trade and other receivables	24	4,167	-	-
Cash and cash equivalents	26	571	-	-
Loans and borrowings	3	(53,637)	-	-
Trade and other payables	27	(56,287)	-	-
Total identifiable net assets acquired		<u>(87,024)</u>	<u>-</u>	<u>-</u>

Measurement of fair values

The Group considered the net book values of the acquired identifiable assets and liabilities to approximate their fair values.

ii) Goodwill

Goodwill arising from the acquisition has been recognised as follows.

Consideration	32,794	-	-
Fair Value of identifiable net assets	<u>87,024</u>	<u>-</u>	<u>-</u>
Goodwill*	<u>119,818</u>	<u>-</u>	<u>-</u>

*Goodwill for Kariba Minerals relates mainly to the ore reserves and the mining license owned by the company.

21. INVESTMENT IN ASSOCIATES

Reconciliation of carrying amounts

Balance at 1 April	10,276,405	7,355,864	6,828,313
Share of profit of equity accounted associates	420,348	973,213	689,207
Share of OCI	3,987	5	43,542
Dividend received	(122,536)	(133,323)	(199,841)
Additions*	-	146,634	-
Impairment reversal			
Investment in associates	-	-	(42,082)
Reclassification to subsidiary	-	(69,987)	-
Currency translation adjustment	<u>1,276,863</u>	<u>2,003,999</u>	<u>36,725</u>
Balance at 31 March	<u>11,855,067</u>	<u>10,276,405</u>	<u>7,355,864</u>

Investments in associates are measured at fair value in the Company's statement of financial position. In the consolidated financial statements, investments in associates are equity - accounted.

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

			Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
Name	Nature of relationship	Principal place of business	Ownership interest	Fair value of ownership interest	Functional currency
				ZMW' mil	
Konkola Copper Mines Plc	Strategic way of promoting Zambian participation in the mining sector	Zambia	20.60%	Nil	US\$
Kansanshi Mining Plc	Strategic way of promoting Zambian participation in the mining sector	Zambia	20.00%	7,936	US\$
Copperbelt Energy Corporation Plc	Strategic way of promoting Zambian participation in the mining sector	Zambia	24.10%	490	US\$
CEC Africa Investments Limited	Diversification of investments in energy sector	Mauritius	20.00%	62	US\$
CNMC Luanshya	Strategic way of promoting Zambian participation in the mining sector	Zambia	20.00%	Nil	US\$
Maamba Collieries Limited	Strategic way of promoting Zambian participation in the mining sector	Zambia	35.00%	2,239	US\$
Lubambe Copper Mines Limited	Strategic way of promoting Zambian participation in the mining sector	Zambia	20.00%	Nil	US\$
Rembrandt Properties Limited	Diversification of investments in energy sector	Zambia	49.00%	20	US\$

The following are considered when determining the level of control or influence over the investee companies:

- ZCCM-IH's representation on the Board of investee company
- Appointment of key management staff
- Number of voting rights

Currently ZCCM-IH appoints directors in line with its percentage holding in the Board of its associates, and as such its exercise's significant influence over them.

Many of the investee companies have United States Dollars (US\$) as their functional currency, due to the nature of the mining industry, although all investee companies are domiciled in Zambia with the exception of CEC Africa which is domiciled in Mauritius.

22. FINANCIAL ASSETS AT FAIR VALUE THOROUGH PROFIT OR LOSS

(a) Reconciliation of carrying amounts

At 1 April	584	336,082	489,242
Changes in fair value	-	(336,082)	(153,160)
Acquisition of subsidiary	-	584	-
Classified assets held for sale	(584)	-	-
At 31 March	-	584	336,082

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

		Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
Financial assets at fair value through profit or loss include the following:				
Unlisted equities - at fair value - Equity securities in Zambia		-	584	336,082
Chibuluma Mines Plc	b(i)	-	-	16,033
Mopani Copper Mines Plc	b(ii)	-	-	-
Chibuluma Mines Plc	b(ii)	-	-	-
Chambeshi Metals Plc	b(iii)	-	-	-
NFC Africa Mines Plc	b(iv)	-	-	320,049
Prima Reinsurance Zambia Plc	b(v)	-	370	-
Swift International Share Subscription	b(vi)	-	127	-
Zambia Electronic Clearing House Limited	b(vii)	-	87	-
		-	584	336,082

(b) Measurement of fair value

Fair value hierarchy

The fair value for the Company's financial investments at fair value through profit or loss was determined by IMARA Corporate Finance, an external independent valuer, having appropriate recognised professional qualifications and recent experience of the financial investments being valued. The independent valuers provide the fair value of these investments annually.

The fair value measurement for the Company's investment of ZMW 0.584 million (March 2019: ZMW 0.584 million) has been categorised as a level 3 fair value based on the inputs to the valuation technique used.

Level 2 ad 3 fair value

The following table shows a reconciliation from the opening balances to the closing balances for level 2 and 3 fair values.

December 2019	Level 2	Level 3	Total
Balance at 1 April	-	584	584
Acquisition of subsidiary	-	-	-
Net change in fair value **	-	-	-
At 31 March	-	584	584

March 2019	Level 2	Level 3	Total
Balance at 1 April	-	336,082	336,082
Acquisition of subsidiary	-	584	584
Net change in fair value **	-	(336,082)	(336,082)
At 31 March	-	1,752	1,752

March 2018	Level 2	Level 3	Total
Balance at 1 April	-	489,242	489,242
Acquisition of subsidiary	-	-	-
Net change in fair value **	-	(153,160)	(153,160)
At 31 March	-	336,082	336,082

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
-----------------------------	---------------------------	---------------------------

(i) Mopani Copper Mines Plc

The equity value is nil (negative equity value is limited to a zero-value due to the limited liability nature of the investee company) (March 2019: nil, March 2018: nil).

(ii) Chibuluma Mines Plc

The equity value is nil (negative equity value is limited to a zero-value due to the limited liability nature of the investee company) (March 2019: nil, March 2018: nil).

(iii) Chambeshi Metals Plc

The equity value is nil (negative equity value is limited to a zero-value due to the limited liability nature of the investee company) (March 2019: nil, March 2018: nil).

(iv) NEC Africa Mines Plc

The equity value is nil (negative equity value is limited to a zero-value due to the limited liability nature of the investee company) (March 2019: nil, March 2018: nil).

(v) Prima Reinsurance Zambia Plc

Investrust Bank Plc holds 0.43% shares in Prima Reinsurance Zambia Plc. The investment is carried at fair value.

(vi) Swift International Share Subscription

Investrust Bank Plc subscribed to a mandatory offer for purchase of shares from Swift International in 2012. SWIFT relocates its shareholding at least every three years to members in live operations on the basis of the financial contribution from network-based services invoiced in the preceding year (Per Swift By-Laws General Membership Rules, Clause 9.2). The Bank gained entitlement to allocation of Six SWIFT shares in 2012 and therefore become a shareholder after purchasing the allocated shares. There is no quoted price in an active market and fair value cannot be reliably measured therefore, the investment is carried at cost.

(vii) Zambia Electronic Clearing House

Investrust Bank Plc also holds 1.96% shares in Zambia Electronic Clearing House Limited ("ZECHL"). All banks in Zambia which participate in clearing are required to hold shares in ZECHL. The shares have been issued to this value in the name of the Bank. There is no quoted price in an active market and the fair value cannot be reliably measured therefore, the investment is carried at cost.

23. INVENTORIES

Consumable stores	4,049	13,782	15,218
Limstone production stock	38,928	36,415	16,654
Stock piles	1,970	5,154	5,154
Stationary	-	947	-
Gemstones	7,110	48,383	-
Repossessed assets	-	-	-
Total	52,057	104,681	37,026

The cost of inventories recognised as expenses and included in 'cost of sales' amounted to ZMW 24 million (March 2019: ZMW 32 million). There were no inventory write-offs and no inventories placed as security during the period (March 2019: nil).

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
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24. TRADE AND OTHER RECEIVABLES

December 2019

	Gross	Expected credit loss	Net
Current			
Trade receivables	13,059	(3,352)	9,707
Dividend receivable	78,066	(78,066)	-
Other receivables and prepayments*	92,783	(75,055)	17,728
Amounts due for related parties	317,102	(317)	316,785
Price participation receivable	92,634	(92,634)	-
	<u>593,644</u>	<u>(249,424)</u>	<u>344,220</u>
Non-current			
Amounts due from related parties (note 34b(iv))	1,307,152	(921,687)	385,465
	<u>1,307,152</u>	<u>(921,687)</u>	<u>385,465</u>
Total balance	<u>1,900,796</u>	<u>(1,171,111)</u>	<u>729,685</u>

March 2019

	Gross	Expected credit loss	Net
Current			
Trade receivables	13,193	(1,891)	11,302
Dividend receivable	82,603	(78,066)	4,537
Other receivables and prepayments*	206,725	(65,695)	141,030
Loans and advances to customers	208,575	(82,648)	125,927
Amounts due from banks	12,892	-	12,892
Amounts due from related parties	972,609	(719,751)	252,858
Price participation receivable	134,801	(92,613)	42,188
	<u>1,631,398</u>	<u>(1,040,664)</u>	<u>590,734</u>
Non-current			
Other receivables and prepayments*	10,527	-	10,527
Loans and advances to customers	282,564	(142,514)	140,050
Amounts due from related parties (note 35b(iv))	513,622	(101,697)	411,925
	<u>806,713</u>	<u>(244,211)</u>	<u>562,502</u>
Total balance	<u>2,438,111</u>	<u>(1,284,875)</u>	<u>1,153,236</u>

March 2018

	Gross	Impairment	Net
Current			
Trade receivables	11,233	(1,857)	9,376
Dividend receivable	226,116	(78,066)	148,050
Other receivables*	92,296	(61,416)	30,880
Amounts due from related parties	713,912	(713,912)	-
Price participation receivable	471,017	(9,044)	461,973
	<u>1,514,574</u>	<u>(864,295)</u>	<u>650,279</u>

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

	Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
Non-current			
Loans and advances to customers	291,273	-	291,273
Amounts due from related parties (note 35b(iv))	81,328	-	81,328
	372,601	-	372,601
Total balance	1,887,175	(864,295)	1,022,880

Other receivable analysis

December 2019

	Gross	Impairment	Net
Current			
Government receivables	7,223	(7,223)	-
Staff receivables	7,355	(628)	6,727
Management fees receivable	11,169	(11,169)	-
Other sundry debtors	67,036	(56,035)	11,001
	92,783	(75,055)	17,728

March 2019

	Gross	Impairment	Net
Current			
Government receivables	10,364	(7,223)	3,141
Staff receivables	7,543	(104)	7,439
Management fees receivable	11,169	(11,169)	-
Other sundry debtors	188,176	(47,199)	140,977
	217,252	(65,695)	151,557

March 2018

	Gross	Impairment	Net
Current			
Government receivables	10,364	(7,223)	3,141
Staff receivables	6,603	(55)	6,548
Management fees receivable	12,104	(8,713)	3,391
Other sundry debtors	60,698	(45,425)	15,273
	89,769	(61,416)	28,353

* The carrying values approximated their fair values due to the low impact of discounting.

Price participation receivable (Gross amount)

Opening balance	134,801	552,345	575,344
Addition	-	-	360,332
Payment received	(47,488)	(530,089)	(375,839)
Interest on Konkola Copper Mine Plc price participation receivables	5,321	10,864	15,150
Exchange (loss)/ gain	-	101,681	(22,642)
	92,634	134,801	552,345

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
-----------------------------	---------------------------	---------------------------

The price participation debt of ZMW92.6million mostly relates to Konkola Copper Mines Plc outstanding amount of ZMW83.59 Million (March 2019:125.76 million).

Price participation impairment analysis

Opening balance	92,613	9,044	9,044
Addition	21	83,569	-
Impaired balance	92,634	92,613	9,044

25. OTHER RESERVES

Term deposits related to fixed deposits is as follows:

Current

Balance at 1 April	754,438	535,384	497,172
Acquisition of subsidiary	-	203,830	-
Matured during the period	(754,438)	(739,214)	(497,172)
Additions	723,592	740,349	535,384
Classified to assets held for sale	(448,632)	-	-
Balance at 31 Dec	274,960	740,349	535,384

Non-Current

Balance at 1 April	14,089	-	-
Acquisition of subsidiary	-	14,089	-
Matured during the year	(14,089)	-	-
Additions	15,000	-	-
Classified to assets held for sale	(15,000)	-	-
Balance at 31 Dec	-	14,089	-

A lien/charge in the sum of US\$550,00 was created over the term deposit a security for the payment of an overdraft facility and a balance is included in the total of ZMW273,717 thousand.

26. CASH AND CASH EQUIVALENTS

Cash and bank balances	56,632	26,987	339,236
Balances with central Bank of Zambia	-	18,246	-
Cash in hand	184	29,247	150
	56,816	74,480	339,386
Bank overdraft	(2,641)	-	-
Cash and cash equivalents in the statement of financial position	54,175	74,480	339,386
Cash and cash equivalents in the statement of cash flows	54,175	74,480	339,386

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
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27. TRADE AND OTHER PAYABLES

Current

Trade payables	24,995	30,583	29,186
	-	-	-
Deposits from customers	-	561,852	-
Amounts due to banks	-	25,734	-
Statutory liabilities	574,838	485,634	383,714
Other payables and accrued expenses	124,488	137,909	76,089
	<u>724,321</u>	<u>1,241,712</u>	<u>488,989</u>

Non-current

Deposits from customers	-	181,523	-
Other payables and accrued expenses	14,591	30,268	-
	<u>14,591</u>	<u>211,791</u>	<u>-</u>

Total	738,912	1,453,503	488,989
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- (i) The carrying amount of the current payables and accrued expenses approximate their fair values due to the short- term nature and low impact of discounting.
- (ii) Statutory liabilities relate to Pay as You Earn (PAYE), National Pension Scheme Authority (NAPSA), Mineral Royalty Tax and Value Added Tax (VAT).
- (iii) Other payables and accrued expenses analysis*

Staff payables	19,516	18,651	16,902
Dividends received in advance	10,724	10,724	10,724
GRZ payable	-	-	14,023
Treasury security deposits	-	5,186	6,914
Accrued expenses	758	23,300	7,024
Sundry payables	108,081	110,316	20,502
	<u>139,079</u>	<u>168,177</u>	<u>76,089</u>

28. PROVISIONS

Provisions for legal cases	61,549	118,712	122,012
Provisions - other	21,569	8,878	17,773
	<u>83,118</u>	<u>127,590</u>	<u>139,785</u>
Legal provision			
Opening balance	118,712	122,012	127,767
Amounts used during the period	(57,163)	(3,300)	(5,755)
	<u>61,549</u>	<u>118,712</u>	<u>122,012</u>

Legal provision arises mainly from a number of legal cases involving the Group. These cases relate to various legacy matters of the old ZCCM Limited, mostly relating to employee cases.

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
-----------------------------	---------------------------	---------------------------

29. SHARE CAPITAL AND PREMIUM

(i) Ordinary shares

Balance at 31 Dec	Class A shares	969	969	969
	Class B shares	639	639	639
	Total	1,608	1,608	1,608

All ordinary shares rank equally with regards to the Company's residual assets and voting rights. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share. The company has authorised Class A and B shares of 96,976,669 and 63,873,617 respectively of ZMW0.01 each. Both class A and B shareholders have a right to vote, appoint directors, chairperson and receive a dividend.

(ii) Number of shares

In thousands of shares	Class A shares	96,927	96,927	96,927
In issue at 31 December -	Class B shares	63,873	63,873	63,873
Fully paid		160,800	160,800	160,800

			120,000	120,000
Authorised - par value K0.01	Class B shares	80,000	80,000	80,000
		200,000	200,000	200,000

(iii) Preference shares

		-	20,004	-
Number of preference shares		-	20,004	-

At 31 March preference shares of ZMW 1 each

-	20	-
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Preference shares

At 31 March preference shares of ZMW 1 each

-	20	-
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(iv) Share premium

Class A	Ordinary shares	1,259,407	1,259,407	1,259,407
	Preference shares	-	-	-
	Balance at 31 December	1,259,407	1,259,407	1,259,407

	Ordinary shares	829,936	829,936	829,936
Class B	Preference shares	-	-	-
	Balance at 31 December	829,936	829,936	829,936

	Preference shares	99,648	99,648	-
Total	Total	2,188,991	2,188,991	2,089,343

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
-----------------------------	---------------------------	---------------------------

30. OTHER RESERVES

(i) Revaluation reserve

The revaluation reserve arises from the periodic revaluation of property, plant and equipment, and represents the excess of the revalued amount over the carrying value of the property, plant and equipment at the date of revaluation. Deferred tax arising in respect of the revaluation of property plant and equipment has been charged directly against revaluation reserves in accordance with IAS 12: Income Taxes.

(ii) Translation reserve

The translation reserve arises from the translation of the results of the investments in equity accounted investees who's functional and presentation currency is the US Dollar.

(iii) Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value through other comprehensive income financial assets until the assets are derecognised or impaired.

31. BORROWINGS

Non-current liabilities

Bank borrowings	-	-	80,267
	-	-	80,267

Current

Bank borrowings	-	104,357	53,436
	-	104,357	53,436
	-	104,357	133,703

Opening balance	104,357	133,703	192,062
Acquisition of subsidiary	85,982	1,086	-
Repayments	(136,702)	(65,293)	(54,086)
Reversal	(53,637)	-	-
Exchange differences & interest	-	34,861	(4,273)
Closing balance	-	104,357	133,703

32. DEFERRED TAX

Deferred tax assets are recognised for provisions to the extent that the future related tax benefits will be realised. There were no unrecognised deferred tax assets during the period. The deferred tax asset is considered to be recoverable, as it arises largely to the impairment provision on the debts owed to ZCCM-IH, which is expected to reverse in future.

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited	Audited	Audited
31 Dec	31 Mar	31 Mar
2019	2019	2018

Deferred tax was calculated using the enacted income tax rate of 35% (March 2019: 35%, March 2018: 35%).

31 December 2019

Recognized deferred tax assets and liabilities

	Assets	Liabilities	Net
Property, plant and equipment	(8,084)	-	(8,084)
Property plant and equipment- revaluation	-	15,732	15,732
Exchange difference	-	197,168	197,168
Provisions for gratuity and leave pay	(2,447)	-	(2,447)
Other provisions	(15,543)	-	(15,543)
Bad debt provision	(467,609)	-	(467,609)
Legal provision	(21,542)	-	(21,542)
Employee provision	-	14,821	14,821
Change in investment property	-	7,651	7,651
Change on financial assets at fair value through profit or loss		2,813	2,813
Environmental provision	(19,340)	-	(19,340)
On losses from derivatives	(4,919)	-	(4,919)
Tax losses	(24,820)	-	(24,820)
	<u>(564,304)</u>	<u>238,185</u>	<u>(326,119)</u>

31 March 2019

Recognized deferred tax assets and liabilities

	Assets	Liabilities	Net
Property, plant and equipment	(9,477)	-	(9,477)
Property plant and equipment- revaluation	-	8,177	8,177
Exchange difference	-	214,749	214,749
Provisions for gratuity and leave pay	(2,581)	-	(2,581)
Other provisions	(14,244)	-	(14,244)
Bad debt provision	(430,114)	-	(430,114)
Legal provision	(41,549)	-	(41,549)
Employee provision	-	15,681	15,681
Change in investment property	-	4,035	4,035
Change on financial assets at fair value through profit or loss		2,813	2,813
Environmental provision	(39,517)	-	(39,517)
On losses from derivatives	(8,582)	-	(8,582)
Tax losses	(55,525)	-	(55,525)
	<u>(601,589)</u>	<u>245,455</u>	<u>(356,134)</u>

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

31 March 2018

Recognized deferred tax assets and liabilities

	Assets	Liabilities	Net
Property, plant and equipment	(5,380)	-	(5,380)
Property plant and equipment- revaluation	-	2,621	2,621
Exchange difference	-	116,726	116,726
Provisions for gratuity and leave pay	(1,464)	-	(1,464)
Other provisions	(17,676)	-	(17,676)
Bad debt provision	(361,730)	-	(361,730)
Legal provision	(42,704)	-	(42,704)
Employee provision	-	16,091	16,091
Change in investment property	(691)	-	(691)
Change on financial assets at fair value through profit or loss		120,442	120,442
Environmental provision	(30,298)	-	(30,298)
On losses from derivatives	-	192	192
Tax losses	(37,666)	-	(37,666)
	<u>(497,609)</u>	<u>256,072</u>	<u>(241,537)</u>

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

ZMW'000			Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018	
Movement in temporary differences during the year	Balance 1 April 2019	On acquisition of subsidiary	Recognized in profit of loss	Classified to assets held for sale	Recognized OCI	Balance 31 December 2019
Movement in temporary differences during the year						
Property, plant and equipment	(9,477)	-	5,049	(3,656)	-	(8,084)
Property plant and equipment- revaluation	8,177	-	(3,114)	1,557	9,112	15,732
Unrealized exchange gain	217,983	-	(18,084)	-	-	199,899
Provisions for gratuity and leave pay	(2,581)	-	944	(810)	-	(2,447)
Other provisions	(14,244)	-	(1,299)	-	-	(15,543)
Bad debt provision	(430,114)	-	(37,495)	-	-	(467,609)
Legal provision	(41,549)	-	20,007	-	-	(21,542)
Employee provision	15,681	-	(610)	-	(250)	14,821
Change in investment property	4,035	-	3,616	-	-	7,651
through profit or loss	2,813	-	-	-	-	2,813
Environmental provision	(39,517)	-	20,177	-	-	(19,340)
On losses from derivatives	(8,582)	-	3,663	-	-	(4,919)
Unrealized exchange losses	(3,234)	-	503	-	-	(2,731)
Tax losses	(55,525)	(3,730)	30,705	-	-	(24,820)
	(356,134)	(3,730)	27,792	(2,909)	8,862	(326,119)

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

ZMW'000			Unaudited 31 Dec 2019		Audited 31 Mar 2019	Audited 31 Mar 2018
	Balance 1 April 2018	On acquisition of subsidiary	Recognized in profit of loss	Classified to assets held for sale	Recognized OCI	Balance 31 March 2019
Property, plant and equipment	(5,380)	(1,678)	(2,419)	-	-	(9,477)
Property plant and equipment- revaluation	2,621	1,683	-	-	3,873	8,177
Unrealized exchange gain	125,179	-	92,804	-	-	217,983
Provisions for gratuity and leave pay	(1,464)	(1,125)	8	-	-	(2,581)
Other provisions	(17,676)	-	3,432	-	-	(14,244)
Bad debt provision	(361,730)	-	(68,384)	-	-	(430,114)
Legal provision	(42,704)	-	1,155	-	-	(41,549)
Employee provision	16,091	-	(331)	-	(79)	15,681
Change in investment property	(691)	-	4,726	-	-	4,035
through profit or loss	120,442	-	(117,629)	-	-	2,813
Environmental provision	(30,298)	-	(9,219)	-	-	(39,517)
On losses from derivatives	192	-	(8,774)	-	-	(8,582)
Unrealized exchange losses	(8,453)	-	5,219	-	-	(3,234)
Tax losses	(37,666)	(52,801)	34,942	-	-	(55,525)
	(241,537)	(53,921)	(64,470)	-	3,794	(356,134)

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

			Unaudited 31 Dec 2019		Audited 31 Mar 2019	Audited 31 Mar 2018
	Balance 1 April 2017	On acquisition of subsidiary	Recognized in profit of loss	Classified to assets held for sale	Recognized OCI	Balance 31 March 2018
Movement in temporary differences during the year						
Property, plant and equipment	(7,123)	-	1,743	-	-	(5,380)
Property plant and equipment- revaluation	9,241	-	(4,676)	-	(1,944)	2,621
Unrealized exchange gain	244,007	-	(118,828)	-	-	125,179
Provisions for gratuity and leave pay	(2,195)	-	731	-	-	(1,464)
Change in financial assets at fair value through profit or loss	174,048	-	(53,606)	-	-	120,442
Change in investment property	(1,852)	-	1,161	-	-	(691)
Fair value change on investment in subsidiaries	-	-	-	-	-	-
Fair value change on investment in associates	-	-	-	-	-	-
Other provision	(15,554)	-	(2,122)	-	-	(17,676)
Bad debt provision	(303,785)	-	(57,945)	-	-	(361,730)
Legal provision	(44,798)	-	2,094	-	-	(42,704)
Employee provision	9,424	-	5,981	-	686	16,091
Environmental provision	(40,238)	-	9,940	-	-	(30,298)
Unrealized exchange losses	(11,191)	-	2,738	-	-	(8,453)
On losses from derivatives	(3)	-	195	-	-	192
Tax losses	-	-	(37,666)	-	-	(37,666)
	9,981	-	(250,260)	-	(1,258)	(241,537)

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited	Audited	Audited
31 Dec	31 Mar	31 Mar
2019	2019	2018

33. RETIREMENT BENEFITS

The Group contributes to a defined benefit plan that provides pension benefits for employees on retirement. The plan entitles a retired employee to receive three (3) months' pay for each year of service that the employee provides. The normal retirement age for all employees is 60 years. The defined benefit is unfunded and there are no assets held separately in respect of the plan.

Critical assumptions are made by the actuary in determining the present value of retirement benefit obligation including the discount rate. The carrying amount of the provision and the key assumptions made in estimating the provision were as follows:

• Discount rate	17.50%	18.50%	18.50%
• Future salary increases	11.50%	12.50%	12.50%

The liability and actuarial assumptions are based on the actuarial valuation report as at 31 December 2019.

Characteristics and risks of the arrangement

The plan provides benefits of a defined benefit nature (i.e., salary and services related). Therefore, one of the main risks relating to the benefits under the plan is the rates of salary growth. As the benefits are based on the final salary, any changes in salary that differ from the salary escalation rate assumed will have a direct bearing on the benefits paid under the plan.

Sensitivity of the results

The results of the actuarial valuation are sensitive to changes in the financial assumptions than changes in the demographic assumptions. In preparing the sensitivity analysis of the results to the discount rate used, the actuarial relied on calculations of the duration of the liability. Based on this methodology, the results of the sensitivity analysis are summarized in the table below:

	31-Dec-19	Mar-19	Mar-18
	Present value of obligation	Present value of obligation	Present value of obligation
1% increase in discount rate	(537)	(419)	(297)
1% decrease in discount rate	603	476	337

Since all the benefits payable under the plan are salary related, the sensitivity of the liability to a change in the salary escalation assumption is not expected to be materially different.

Effect on Company cash flows

The arrangement is unfunded and the Company pays benefits from general revenues as and when they arise. The timing of the benefit payments from the plan will be influenced by the age at which employees retire from the Company.

The amounts recognised in the statement of financial position are determined as follows;

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

	Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
Present value of unfunded obligations	34,669	34,180	34,669
Movements in the defined benefit obligation over the year is as follows;			
Balance at 1 April	34,180	32,422	49,567
Acquisition of subsidiary	626	-	-
Charge for the period - expense	3,557	3,322	5,858
Charge for the period - other comprehensive income	715	226	(1,959)
Benefits paid during the period	(4,409)	(1,790)	(21,044)
Closing balance	34,669	34,180	32,422
Non-current liability	7,971	5,513	4,340
Current liability*	26,698	28,667	28,082
Total liabilities	34,669	34,180	32,422
*Ndola Lime ceased operating the defined benefit plan after all employees were transferred to the defined contribution scheme in April 2012. Upon transfer the benefits crystallised and became payable.			
Included in profit and loss for the year as follows;			
Current service cost	745	160	1,103
Interest cost	998	787	787
Personnel expenses (note 9)	1,743	947	1,890
Interest expense	1,814	2,375	3,968
Total employee benefit expensed	3,557	3,322	5,858
Included in OCI for the year as follows:			
Experience adjustment	133	30	(299)
Financial assumptions	582	196	(1,660)
	715	226	(1,959)
34. PROVISIONS FOR ENVIRONMENTAL REHABILITATION			
Balance at 1 April	145,460	118,081	145,610
Acquisition of subsidiary	1,758	-	-
Charge for the year	(55,540)	1,633	(26,967)
Exchange movement	8,245	24,706	(1,434)
Unwinding of discount	29,337	1,040	872
Payment	(10,007)	-	-
Closing balance	119,253	145,460	118,081
Current liability	57,361	145,460	-
Non-current liability	61,892	-	118,081
	119,253	145,460	118,081

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
-----------------------------	---------------------------	---------------------------

The year -end balances represent restoration, rehabilitation and environmental provisions for the Company and its subsidiaries Ndola Lime Company Limited and Kariba Minerals Limited. The Company's provision is as a result of inherited environmental obligations from the old ZCCM Limited. At privatisation of ZCCM Limited, the new investors, taking up the relevant mining licenses, were not willing to assume certain environmental liabilities. The provisions have been assessed to cost ZMW119 million as at 31 December 2019 compared to ZMW 145 million as at 31 March 2019. This gives a decrease of 18% in the cost of the Group's environmental liabilities. The decline is largely on account of taking over of TD 10 and OB 54 for closure by Ministry of Mines and Mineral Development under a World Bank supported project (Zambia Mining and Environmental Remediation and Improvement Project (ZMERIP) and the licensing of TD 8 to a local investor who in turn assumes all responsibilities.

The provision represents the best estimate of the expenditure required to settle the obligations to rehabilitate environmental disturbances caused by mining operations. Ndola Lime is expected to make contributions to the Environmental Protection Fund, controlled by the Department of Mines and Mineral Development. Contributions made towards the fund reduces the environmental provision obligation. No payment has been made into the Environmental Protection Fund for the period 31 December 2019 and 31 March 2019. At the end of useful life of the mine, Ndola Lime is obligated to rehabilitate the damage to the environment and all payments made to the Environmental Protection Fund will be reimbursed towards this rehabilitation.

The valuation for the environmental restoration provision at 31 December 2019 was performed by Misenge Environmental and Technical Services Limited and reviewed by an independent expert Knight Piesold Consulting. The provision recognised as a liability is the best estimate of the consideration required to settle the obligation at the reporting date, assuming a discount rate of 1.69% (March 2019:2.23%) and an inflation rate of 2.3% (March 2019:1.5%) being the US Dollar inflation rate. The liability for restoration, rehabilitation and environmental obligations for Group and Company on undiscounted basis before inflation is estimated to be US\$9.52 million (approximately ZMW 132.83 million) (March 2019: US\$13.04 million (approximately K158.96 million) and US\$ 5.10 million (approximately ZMW71.16 million) (March 2019:US\$9.6 million) approximately ZMW 117.02 million) respectively. Because of the long-term nature of the liability, the greatest uncertainty in estimating the provision is the cost that will be incurred. In particular, the Group has assumed that the site will be restored using technology and materials available currently.

35. RELATED PARTY TRANSACTIONS

a) Parent and ultimate controlling party

The Group is controlled by the Government of the Republic of Zambia through the Industrial Development Corporation (60.3%) and Ministry of Finance (17.2%) which owns a total of 77.5% of the Company's shares.

b) Related party transactions

(i) Key management personnel compensation Group

Salaries and other short-term employment benefits	20,563	30,265	20,864
Directors' fees	6,717	7,584	4,145
	<u>27,280</u>	<u>37,849</u>	<u>25,009</u>
Post-employment benefits	3,578	1,544	2,028

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

	Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
(ii) Dividend income from related parties			
Relationship			
Kansanshi Mines - Associate	122,536	44,760	149,136
Copperbelt Emery Corporation - Associate	-	88,563	50,705
Total dividends (note 7)	<u>122,536</u>	<u>133,323</u>	<u>199,841</u>

(iii) Amounts due from related prices

December 2019	Relationship	Gross	Impairment	Carrying amount
Maamba Collieries Limited (i)	Associate	605,659	(220,194)	385,465
Lubambe Copper Mines Limited (ii)	Associate	701,493	(701,493)	-
Konkola Copper Mines Plc (vii)	Associate	313,931	(314)	313,617
Industrial Development Corporation (ix)	Parent	3,171	(3)	3,168
Sub total		<u>1,624,254</u>	<u>(922,004)</u>	<u>702,250</u>
Price participation receivable	Associate	92,634	(92,634)	-
Dividends receivable	Associate	78,066	(78,066)	-
Subtotal		<u>170,700</u>	<u>(170,700)</u>	<u>-</u>
			(1,092,704)	
Total amounts due from related parties		<u>1,794,954</u>	<u>4)</u>	<u>702,250</u>

March 2019	Relationship	Gross	Impairment	Carrying amount
Maamba Collieries Limited (i)	Associate	513,622	(101,697)	411,925
Lubambe Copper Mines Limited (ii)	Associate	701,493	(701,493)	-
Kariba Minerals Limited (iv)	Associate	18,258	(18,258)	-
Industrial Development Corporation (ix)	Parent	252,858	-	252,858
Sub total		<u>1,486,231</u>	<u>(821,448)</u>	<u>664,783</u>
Price participation receivable	Associate	134,801	(92,613)	42,188
Dividends receivable	Associate	82,603	(78,066)	4,537
Subtotal		<u>217,404</u>	<u>(170,679)</u>	<u>46,725</u>
Total amounts due from related parties		<u>1,703,635</u>	<u>(992,127)</u>	<u>711,508</u>

2018	Relationship	Gross	Impairment	Carrying amount
Maamba Collieries Limited (i)	Associate	291,273	-	291,273
Lubambe Copper Mines Limited (ii)	Associate	701,493	(701,493)	-
Kariba Minerals Limited (iv)	Associate	12,419	(12,419)	-
Sub total		<u>1,005,185</u>	<u>(713,912)</u>	<u>291,273</u>
Price participation receivable	Associate	552,345	(9,044)	543,301
Dividends receivable	Associate	226,116	(78,066)	148,050
Subtotal		<u>778,461</u>	<u>(87,110)</u>	<u>691,351</u>
Total amounts due from related parties		<u>1,783,646</u>	<u>(801,022)</u>	<u>982,624</u>

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
-----------------------------	---------------------------	---------------------------

Shareholder loans

(i) Maamba Collieries Limited

On 17 June 2015, ZCCM-IH entered in an intercompany loan agreement for a cash advance of ZMW321.15 million (US\$26.345 million) as part of its contribution towards the implementation of the Integrated Mining Project and the establishment of the 300MW Thermal Power plant project. The loan attracts a rate of 6 % per annum. The principal and interest accrued is repayable in 5 annual instalments commencing in one year after the commercial operational date of 27 July 2017.

(ii) Lubambe Copper Mines Limited

On 15 September 2012, ZCCM - IH entered into an intercompany loan agreement with Lubambe Copper Mines Limited, for a cash call loan amounting to ZMW926.44 million (US\$76 million). The loan attracts an interest rate of Libor plus 5% and is not secured. The loan was to be repaid in twelve equal quarterly instalments, none of which were made. This loan is fully impaired.

(iii) Kariba Minerals Limited

On 22 January 2019, ZCCM-IH advanced a loan to Kariba Minerals Limited amounting to ZMW5.84 million (US\$489,520) for the purchase of equipment. The loan attracts an interest rate of 6 % per annum. The loan has a moratorium of two years. This loan is fully impaired.

(iv) Industrial Development Corporation (IDC)

On 29 March 2018, ZCCM-IH and Industrial Development Corporation Entered into an intercompany loan agreement for a 12 months term loan amounting to ZMW253 million (US\$19 million) which was paid in April 2019, save for the ZMW3.17 million withholding tax on interest.

36. CONTINGENT LIABILITIES

(i) Chambishi Metals rights issues

In May 2005, the board of directors of Chambishi Metals Plc resolved to undertake a rights issue of 25,000,000 new shares at par value of US\$1 per share. ZCCM-IH was offered 2,500,000 ordinary shares at a par value of US\$1 representing 10% of the shareholding of the new shares to be issued. The ZCCM-IH subscription was converted into a deferred loan for 10 years to be serviced by dividend payments when due from Chambishi Metals Plc. The loan carries interest at LIBOR + 3%.

During the 10 years period to May 2015 no dividends were paid by Chambishi Metals Plc in order to enable ZCCM-IH service the loan in accordance with the resolution. ZCCM-IH has determined that in the absence of dividends from the Company it has no present obligation to settle the loan. Further, based on profit and cash flow forecasts made available to the directors of ZCCM-IH, it is unlikely that Chambishi Metals will have sufficient distributable profits from which to pay dividends for the foreseeable future. Therefore, the total amount of US\$ 3.7 million made up of principal US\$2.5million plus interest of US\$1.2million has not been recognised in these financial statements.

ZCCM-IH, being a co-owner of Maamba Collieries Limited (MCL) with Nava Bharat (Singapore) PTE Ltd (NBS), was in 2017 required to contribute US\$9.75 million in form of a shareholder loan towards Maamba's Base Project Equity according to its shareholding ration of 35%. However, NBS contributed the whole amount including the US\$9.75million share for ZCCM-IH.

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited	Audited	Audited
31 Dec	31 Mar	31 Mar
2019	2019	2018

As a result, it was resolved that ZCCM-IH refunds NBS, interest free, the excess contribution through offset of US\$1.23 million interest payment which was due to ZCCM-IH from Maamba on the initial outstanding shareholder loan of 31 May 2015. The balance of US\$8.52 million was to be paid by Maamba to NBS from future dividends of Maamba, payable to ZCCM-IH.

US\$1.23 million was paid to NBS in 2017, however, no dividends have been received from Maamba since 2017 to settle the balance. ZCCM-IH has determined that in the absence of dividends from Maamba it has no present obligation to settle the outstanding balance. For this reason, US\$8.52 million due to NBS has not been recognised in these financial statements.

37. COMMITMENTS

Capital expenditure authorised by the Board of directors at the reporting date but not yet contracted for is as follows:

Property, plant and equipment	11,435	4,484	30,950
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38. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks arising from financial instruments:

- Market risk (see (ii))
- Credit risk (see (iii))
- Liquidity risk (see (iv))

(i) Risk management framework

The Company's Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of directors has established the audit and risk committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports quarterly to the Board of directors on its activities. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and non-derivative financial instruments and investing excess liquidity.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(ii) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited	Audited	Audited
31 Dec	31 Mar	31 Mar
2019	2019	2018

Currency risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. The Group is affected by foreign exchange movements because it has assets and income which are denominated in currencies other than the Group's functional currency, which is the Zambian Kwacha.

Management's policy to manage foreign currency risk is to hold foreign currency fixed deposits with various banks which act as a natural hedge for foreign currency obligations. Hedging techniques such as currency swap are also used to manage currency risk.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	ZMW equivalent of US\$ and other foreign currencies	US\$ Amounts
December 2019		
Investments in associates	11,834,549	848,203
Cash and cash equivalents	8,266	592
Trade and other receivables	702,541	50,352
Term deposits	219,565	15,737
Assets held for sale	131,888	9,453
Trade and other payables	(15,137)	(1,085)
Liabilities directly associated with assets classified as held for sale	(171,772)	(12,311)
Net exposure	12,709,900	910,941
March 2019		
Investments in associates	10,256,081	841,352
Cash and cash equivalents	27,643	2,268
Trade and other receivables	923,104	75,726
Term deposits	470,654	38,610
Borrowings	(104,357)	(8,561)
Trade and other payables	(369,546)	(30,316)
Net exposure	11,203,579	919,079
March 2018		
Financial assets at fair value through profit or loss	336,082	35,413
Investments in associates	7,328,643	772,216
Cash and cash equivalents	320,017	33,720
Trade and other receivables	835,425	88,028
Held to maturity investment securities	293,284	30,903
Borrowings	(133,741)	(14,092)
Trade and other payables	(6,846)	(721)
Net exposure	8,972,864	945,467

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
-----------------------------	---------------------------	---------------------------

The following significant exchange rates have been applied during the year:

	Average Rate			Reporting date spot rate		
	31 Dec 2019	31 Mar 2019	31 Mar 2018	31 Dec 2019	31 Mar 2019	31 Mar 2018
Kwacha						
US\$1	13.3211	11.1958	9.5491	13.9525	12.1900	9.4904

Sensitivity analysis

A 10 percent strengthening of the Kwacha against the US Dollar at 31 December 2019 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The analysis is performed on the same basis for 31 March 2019.

	Equity and profit or loss
31 Dec 2019	
ZMW	1,270,990
31 March 2019	
ZMW	1,120,358
31 March 2018	
ZMW	897,286

A 10 percent weakening of the Kwacha against the US Dollar at 31 December 2019 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited
31 Dec
2019

Audited
31 Mar
2019

Audited
31 Mar
2018

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported by management of the Group is as follows:

Interest rate risk

The Group's operations are subject to cash flow variability due to the risk of interest rate fluctuations to the extent that interest-earning assets (including investments) and interest-bearing liabilities mature or reprice at different times and/or in differing amounts. In the case of floating rate assets and liabilities the Group is also exposed to basis risk, which is the difference in repricing characteristics of the various floating rate indices. Asset-liability risk management activities are conducted in the context of the Group's sensitivity to cash flow variability attributable to interest rate changes.'

	31 December 2019				31 March 2019			
	Total	Zero rate instruments	Floating rate instruments	Fixed rate instruments	Total	Zero rate instruments	Floating rate instruments	Fixed rate instruments
Assets								
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-
Cash and cash equivalents	56,824	-	-	56,824	584	-	-	584
Trade and other receivables	729,677	2,498	-	727,179	464,298	138,544	251,274	74,480
Term deposit	274,960	-	-	274,960	763,418	-	-	763,418
Assets held for sale	1,127,333	-	-	1,127,333	754,438	-	-	754,438
Investment in associates	11,855,067	-	-	11,855,067	10,276,405	-	-	10,276,405
Total assets	14,043,861	2,498	-	14,041,363	12,259,143	138,544	251,274	11,869,325
Liabilities								
Borrowings	-	-	-	-	(104,357)	-	(104,357)	-
Trade and other payables	(738,912)	(738,912)	-	-	(1,453,503)	(1,128,140)	(325,363)	-
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	-	-	-
	(1,091,622)	(1,091,622)	-	-	-	-	-	-
Total liabilities	(1,830,534)	(1,830,534)	-	-	(1,557,860)	(1,128,140)	(429,720)	-
Gap	12,213,327	(1,828,036)	-	14,041,363	10,701,283	(989,596)	(178,446)	11,869,325

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

ZMW'000	Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018	
	31 March 2019			
	Total	Zero rate instruments	Floating rate instruments	Fixed rate instruments
Assets				
Financial assets at fair value through profit or loss	336,082	-	-	336,082
Cash and cash equivalents	339,386	-	-	339,386
Trade and other receivables	1,022,880	34,914	-	987,966
Held to maturity investment securities	535,384	-	-	535,384
Investment in associates	7,355,864	-	-	7,355,864
Total assets	9,589,596	34,914	-	9,554,682
Liabilities				
Borrowings	(133,703)	-	(133,703)	-
Trade and other payables	(488,989)	(488,989)	-	-
Total liabilities	(622,692)	(488,989)	(133,703)	-
Gap	8,966,904	(454,075)	(133,703)	9,554,682

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited	Audited	Audited
31 Dec	31 Mar	31 Mar
2019	2019	2018

Interest rate risk

The Group's interest rate risk arises primarily from the interest received on short term deposits and interest paid on floating rate borrowings. This exposes the Group to cash flow interest risk.

Cash flow sensitivity analysis of variable rate instrument

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased /(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange, remain constant.

Group

Effect in thousands of Kwachas

	<u>Profit or Loss</u>	
	<u>Increase</u>	<u>Decrease</u>
31 Dec 2019		
Variable rate instruments	<u>-</u>	<u>-</u>
31 March 2019		
Variable rate instruments	<u>178.45</u>	<u>(178.45)</u>
2018		
Variable rate instruments	<u>133.70</u>	<u>(133.70)</u>

The Group's investments in corporate term deposits, all of which are fixed rate and are measured at amortised cost exposes the Group to cash flow interest rate risk. The tenure of the investments is mostly less than 1 year. At 31 December 2019, an increase/decrease of 100 basis points would have resulted in a decrease/increase in the Consolidated and separate post tax profit and equity of ZMW0.24 million (March 2019: ZMW0.76 million).

Price risk

The Group is exposed to equity securities price risk because of investments in quoted and unquoted shares classified as financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity and debt securities, the Group diversifies its portfolio, in accordance with limits set by the Group. All quoted shares held by the Group are traded on the Lusaka Securities Exchange.

At 31 December 2019, if the LUSE Index had increased/decreased by five percent with all other variables held constant and all the Group's equity instruments moved according to the historical correlation to the index, consolidated equity and profit or loss would have been ZMW27.57 million (March 2019: ZMW30.91 million) higher/lower.

Other price risk

The Group is exposed to equity price risk, which arises from investments at fair value through other comprehensive income as well as investments measured at fair value through profit or loss. Management of the Group monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Investment Committee of the Board.

The primary goal of the Group's investment strategy is to maximise investment returns and to improve its returns in general. Management is assisted by external advisers in this regard. Certain investments are designated as at fair value through profit or loss because their performance is actively monitored and they are managed on a fair value basis.

ZCCM INVESTMENT HOLDINGS PLC

NOTES TO THE HISTORICAL FINANCIAL STATEMENTS

ZMW'000

Unaudited	Audited	Audited
31 Dec	31 Mar	31 Mar
2019	2019	2018

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments in debt securities.

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, corporate bonds and deposits with banks, as well as trade and other receivables. Neither the Group nor the Company has any significant concentrations of credit risk.

The amount that best represents the Group's and Company's maximum exposure to credit risk at 31 December 2019 is made up as follows:

Cash and cash equivalents	56,824	74,480	339,386
Trade and other receivables	729,677	1,153,236	1,022,880
Term deposits	274,960	754,438	-
Assets held for sale	1,127,333	-	-
Held to maturity investment securities	-	-	535,384
Investments in associates	11,855,067	10,276,405	7,355,864
	<u>14,043,861</u>	<u>12,258,559</u>	<u>9,253,514</u>

ZMW74 million (March 2019: ZMW259 million) of the financial asset's securities, collateral is held in the form of treasury bills. All receivables that are neither past due nor impaired are within their approved credit limits, and no receivables have had their terms renegotiated.

Ageing of trade and other receivables at the reporting date.

31 December 2019

	Gross	Expected credit loss	Net
Not due	1,469,367	(748,451)	720,916
Past due 30 - 60 days	3,431	(517)	2,914
Past due 61 - 90 days	1,264	(59)	1,205
Past due 91 - 120 days	6,005	(3,325)	2,680
Over 121 days	420,729	(418,759)	1,970
	<u>1,900,796</u>	<u>(1,171,111)</u>	<u>729,685</u>

31 March 2019

	Gross	Expected credit loss	Net
Not due	1,506,036	(533,875)	972,161
Past due 30 - 60 days	24,198	(3,174)	21,024
Past due 61 - 90 days	13,203	(785)	12,418
Past due 91 - 120 days	17,114	(5,184)	11,930
Over 121 days	877,560	(741,857)	135,703
	<u>2,438,111</u>	<u>(1,284,875)</u>	<u>1,153,236</u>

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

	Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
31 March 2018	Gross	Expected credit loss	Net
Neither due or impaired	993,634	-	993,634
Past due 30 - 60 days	2,012	-	2,012
Past due 61 - 90 days	2,291	-	2,291
Past due 91 - 120 days	11,616	-	11,616
Over 121 days	877,622	(864,295)	13,327
	<u>1,887,175</u>	<u>(864,295)</u>	<u>1,022,880</u>

Past due but not impaired

Past due 30 - 60 days	2,914	21,024	500
Past due 61 - 90 days	1,205	12,418	809
Past due 91 - 120 days	2,680	11,930	184
Over 121 days	1,970	135,703	22,800
	<u>8,769</u>	<u>181,075</u>	<u>24,293</u>

The Group believes that unimpaired amounts that are past due more than 60 days but not impaired are still collectable in full, based on historical payment behaviour and extensive analysis of customer's credit risk. As at year-end total amount past due but not impaired arising from the Company was ZMW10.7 million (2018: ZMW24.3 million) The expected credit loss account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible, at that point the amount is written off against the financial assets.

The movement in expected credit loss in respect of trade and other receivables during the year was as follows:

Balance at 1 April	1,284,875	864,295	875,027
Acquisition of subsidiary	383	240,186	-
Recognized expected credit loss	129,661	204,806	-
Recovery of impairment loss	(11,425)	(24,412)	(10,732)
Classified to assets held for sale	(219,965)	-	-
Conversion to equity	(12,418)	-	-
	<u>1,171,111</u>	<u>1,284,875</u>	<u>864,295</u>

As at 31 December 2019 an expected credit loss of ZMW130.94 million mainly relates to the receivables from Maamba Collieries Limited and Kapiri Glass in Liquidation of ZMW 2.5 million and ZMW118.35 million respectively. These amounts have been impaired in accordance with the Company's expected credit loss model. The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on historical payment behaviour and extensive analysis of customer credit risk and in accordance with the results of the impairment credit model.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited
31 Dec
2019

Audited
31 Mar
2019

Audited
31 Mar
2018

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows. The Group maintains the level of its cash flow and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities through cash flow forecasts.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

At 31 December 2019	Carrying amount	Contractual amount	Within 1 year	2-5 years
Financial liabilities				
Trade and other payables	738,912	749,810	724,321	14,591
Liabilities directly associated with assets classified as held for sale	1,091,622	1,091,622	1,091,622	-
	<u>1,830,534</u>	<u>1,841,432</u>	<u>1,815,943</u>	<u>14,591</u>

At 31 March 2019	Carrying amount	Contractual amount	Within 1 year	2-5 years
Financial liabilities				
Borrowings	104,357	104,357	104,357	-
Trade and other payables	1,453,503	1,241,712	1,134,196	107,516
	<u>1,557,860</u>	<u>1,346,069</u>	<u>1,238,553</u>	<u>107,516</u>

At 31 March 2018	Carrying amount	Contractual amount	Within 1 year	2-5 years
Financial liabilities				
Borrowings	133,703	135,655	54,239	81,416
Trade and other payables	488,989	488,989	488,989	-
	<u>622,692</u>	<u>624,644</u>	<u>543,228</u>	<u>81,416</u>

Capital management

The scope of the Group management framework covers the Group's total equity reported in its financial statements

The Group's and Company objectives when managing capital are to safeguard their ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new capital or sell assets to reduce debt.

The Board's policy is to implement a sound financial strategy that ensures financial independence and maintains adequate capital to sustain the long terms objectives of the Group and to meet its operational and capital budget.

The Group monitors capital on the basis of the average gearing ratio for the mining industry in Zambia which currently stands at 76.4% equity. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt. The gearing ratios at 31 Dec 2019 and 31 March 2019 were as follows:

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

	Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
Borrowings	-	104,357	133,703
Less: cash and cash equivalents	(56,816)	(74,480)	(339,386)
Net debt	(56,816)	29,877	(205,683)

Total equity	12,729,479	11,124,784	8,940,346
Total capital	12,672,663	11,154,661	8,734,663
Gearing ratio	0.00%	-0.27%	-2.35%

The interest rates used to discount estimated cash flows when applicable are based on the government yield curve at the reporting date plus an appropriate credit spread, and are as follows:

Loans and borrowing	14.18%	10.41%	7.50%
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There has been no change in management of capital during the year.

Fair value estimation

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

Dec-19	Level 2	Level 3	Total
Assets			
Financial investments at fair value through other comprehensive income (note 20)	551,494	10,342,641	10,894,135
Assets held for sale	57,214	329,896	387,110
	608,708	10,672,537	11,281,245

Mar-19

Assets

Financial investments at fair value through other comprehensive income (note 20)

652,693	9,120,663	9,773,356
652,693	9,120,663	9,773,356

Mar-18

Assets

Financial investments at fair value through other comprehensive income (note 20)

Available for sale investments in equity accounted investees

-	336,082	336,082
677,221	4,017,102	4,694,323
677,221	4,353,104	5,030,405

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

			Unaudited 31 Dec 2019		Audited 31 Mar 2019	Audited 31 Mar 2018
	31 December 2019 Carrying Amount	Fair Value	31 March 2019 Carrying Amount	Fair Value	31 March 2018 Carrying Amount	Fair Value
Financial assets						
Financial assets at fair value						
through profit or loss	-	-	584	584	336,082	336,082
Cash and cash equivalents	56,816	56,816	74,480	74,480	339,386	339,386
Trade and other receivables	729,685	729,685	1,153,236	1,084,824	1,022,880	949,085
Term deposit	274,960	274,960	754,438	754,438	-	-
Held to maturity investment						
securities	-	-	-	-	535,384	535,384
Assets held for sale	1,127,333	1,127,333	-	-	-	-
Investment in associates	11,855,067	11,855,067	10,276,405	10,276,405	7,355,864	7,355,864
	<u>14,043,861</u>	<u>14,043,861</u>	<u>12,259,143</u>	<u>12,190,731</u>	<u>9,589,596</u>	<u>9,515,801</u>
Financial liabilities						
Borrowings	-	-	(104,357)	(104,357)	(133,703)	(133,703)
Liabilities directly associated with assets classified as held						
for sale	(1,092,622)	(1,092,622)	-	-	-	-
Trade and other payables	(737,912)	(737,912)	(1,453,503)	(1,453,503)	(488,989)	(488,989)
	<u>(1,830,534)</u>	<u>(1,830,534)</u>	<u>(1,557,860)</u>	<u>(1,557,860)</u>	<u>(622,692)</u>	<u>(622,692)</u>
Net position	<u>12,213,327</u>	<u>12,213,327</u>	<u>10,701,283</u>	<u>10,632,871</u>	<u>8,966,904</u>	<u>8,893,109</u>

The fair value of the financial assets and liabilities carried at amortised cost including cash and cash equivalents, trade and other receivables, term deposits, borrowings and trade and other payables are considered to approximate their respective carrying values due to their short-term nature and negligible credit losses. The exception is the loan receivables from Maamba Collieries Limited as this is long term and as such the fair value was determined using discounted cash flows method (a level 3 valuation technique).

Valuation technique	Significant unobservable inputs	Inter-relationships between key unobservable inputs and fair value measurement
The valuation technique used to determine the fair value of the loan receivable is the discounted cash flow method	<p>Unobservable input is the discount rate used to discount the expected cash flows of the loan.</p> <ul style="list-style-type: none"> The discount rate used comprised the US\$ 5-year treasury bill rate of 1.69% as debt is denominated in US\$; and The Zambian country risk rate 	<p>The estimated fair value would increase or (decrease) if:</p> <ul style="list-style-type: none"> The discount rate is (higher) or lower

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited	Audited	Audited
31 Dec	31 Mar	31 Mar
2019	2019	2018

The basis for determining fair values is disclosed in the respective accounting policy notes for each financial instrument.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

31 December 2019	Loan and receivables	Term deposits	Financial assets at fair value through profit or loss	Other financial liabilities	Total
ZCCM Investments Holdings Plc					
Assets as per statement of financial position					
Financial investments at fair value through other comprehensive income	-	-	-	-	-
Trade and other receivables	729,685	-	-	-	729,685
Assets held for sale	1,127,333	-	-	-	1,127,333
Term deposits	-	274,960	-	-	274,960
Cash and cash equivalents	56,816	-	-	-	56,816
Borrowings	-	-	-	-	-
Trade and other payables	-	-	-	(738,912)	(738,912)
Liabilities directly associated with assets classified as held for sale	(1,091,622)	-	-	-	(1,091,622)
	<u>822,212</u>	<u>274,960</u>	<u>-</u>	<u>(738,912)</u>	<u>358,260</u>

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

			Unaudited 31 Dec 2019	Audited 31 Mar 2019	Audited 31 Mar 2018
31 March 2019	Loan and receivables	Term deposits	Financial assets at fair value through profit or loss	Other financial liabilities	Total
ZCCM Investments Holdings Plc					
Assets as per statement of financial position					
Financial investments at fair value					
through profit or loss	-	-	584	-	584
Financial investments at fair value					-
through other comprehensive income	-	-	-	-	-
Trade and other receivables	1,153,236	-	-	-	1,153,236
Term deposits	-	754,438	-	-	754,438
Cash and cash equivalents	74,480	-	-	-	74,480
Borrowings	-	-	-	(104,357)	(104,357)
Trade and other payables	-	-	-	(1,453,503)	(1,453,503)
	1,227,716	754,438	584	(1,557,860)	424,878
31 March 2018	Loan and receivables	Term deposits	Financial assets at fair value through profit or loss	Other financial liabilities	Total
ZCCM Investments Holdings Plc					
Assets as per statement position of financial					
Financial investments at fair value					
through profit or loss	-	-	336,082	-	336,082
Available for sale investment in associates	-	-	-	-	-
Trade and other receivables	1,022,880	-	-	-	1,022,880
Held to maturity investment securities	-	535,384	-	-	535,384
Cash and cash equivalents	339,386	-	-	-	339,386
Borrowings	-	-	-	(133,703)	(133,703)
Trade and other payables	-	-	-	(488,989)	(488,989)
	1,362,266	535,384	336,082	(622,692)	1,611,040

ZCCM INVESTMENT HOLDINGS PLC
NOTES TO THE HISTORICAL FINANCIAL STATEMENTS
ZMW'000

Unaudited	Audited	Audited
31 Dec	31 Mar	31 Mar
2019	2019	2018

39. SUBSEQUENT EVENTS

(i) Ndola Lime Company Limited

In September 2018, Two (2) former employees of Ndola Lime Company Limited (NLC) instituted business rescue proceedings in the Lusaka High Court pursuant to the Corporate Insolvency Act No. 9 of 2017. By order of the Court dated 5th October 2018, the Official Receiver was appointed as Interim Business Administrator of NLC.

Subsequently, ZCCM-IH commenced the process of restructuring NLC with a view to address the debt burden and optimise its operations. The restructuring process involves the settlement of NLC's creditors through a Court Order and subsequent transfer of NLC's core assets to a newly incorporated company, Limestone Resources Limited.

ZCCM-IH will provide details of the outcome of the restructuring process in due course.

(ii) ZCCM Gold Company Limited ("ZCCM Gold")

Subsequent to the reporting date, ZCCM Gold was incorporated on 10 January 2020. ZCCM Gold has been incorporated to spearhead and manage gold mining activities in Zambia. Its activities include but are not limited to gold exploration, mining, processing, marketing and value addition.

ZCCM Gold is owned 51% by ZCCM-IH and 49% by the Government of the Republic of Zambia through the Minister of Finance. ZCCM Gold provides an opportunity for ZCCM-IH to expand its activities in the mining sector and contribute positively to the Zambian economy.

(iii) Consolidated Gold Company of Zambia Limited

On 23 December 2019, the Board of Directors of ZCCM-IH approved the proposal to enter into a Joint Venture partnership with Karma Mining Services and Rural Development Company ("Karma") under Consolidated Gold Company of Zambia Limited (CGZ), which was incorporated on 10 February 2020. The purpose of the CGZ 's primary objective is to develop a gold processing and trading operation in Zambia. The main source of the gold ore is from Artisanal and Small-Scale Gold Miners. CGZ is owned 45% by ZCCM-IH and 55% by Karma.

(iv) Kansanshi Holdings Limited (KHL) Arbitration Proceedings

On 11 November 2019, KHL filed a Request for Arbitration in London against ZCCM-IH (as Respondent) and Kansanshi Mining Plc (KMP) (as Nominal Respondent). These Arbitration proceedings are strictly confidential as between the parties. The Arbitration proceedings follow a criminal complaint made by ZCCM-IH against the allegedly unauthorised transfer by KMP of KMP monies to a KHL related party/affiliate.

The proceedings are underway.

(v) Konkola Copper Mines Plc

On 21 May 2019, ZCCM-IH filed a petition in the High Court of Zambia for the winding up of KCM. ZCCM-IH has filed the said petition pursuant to Section 56(1)(c) of the Corporate Insolvency Act No. 9 of 2017. By Order of the Court, Mr. Milingo Lungu Simwanza & Company has been appointed as provisional liquidator.

The petition is yet to be heard.



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Lusaka, Zambia

8th March 2021

The Directors
ZCCM Investments Holdings Plc
ZCCM-IH Office Park | Stand No. 16806
Alick Nkhata Road, Mass Media Complex Area
P.O. Box 30048 | Lusaka | Zambia

Dear Sirs,

INDEPENDENT REPORTING ACCOUNTANTS REPORT ON THE PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF ZCCM INVESTMENT HOLDINGS PLC

We have reviewed the financial effects of proposed acquisition of Mopani Copper Mines Plc by ZCCM Investments Holdings Plc (“the Transaction”) as set out in the Circular to shareholders on the pro forma consolidated financial information of ZCCM Investment Holdings Plc. The proforma consolidated financial information consists of the unaudited proforma statement of financial position as at 31 December 2019, the consolidated proforma income statement for the adjusted twelve-month period ended 31 December 2019 and related notes (collectively “the pro forma consolidated financial information”). This report must be read in conjunction with the Circular.

The pro forma consolidated financial information has been prepared for illustrative purposes only, to provide information as to the effect of the proposed transaction on the financial information presented as at 31 December 2019.

Directors’ responsibility for the pro forma financial information

The directors of ZCCM Investment Holdings Plc are solely responsible for the compilation, contents and presentation of the pro forma consolidated 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 consolidated financial information contained in the Circular has been properly compiled on the basis stated, the basis is consistent with the accounting policies of ZCCM Investment Holdings Plc and the pro forma adjustments are appropriate for the purposes of the pro forma consolidated financial information as disclosed in terms of the LuSE listing requirements.

Independent reporting accountant’s responsibility

Our responsibility is to express an opinion as to whether the pro forma consolidated financial information has been compiled accurately, in all material respects by the directors, based on our review. The pro forma consolidated financial information included in the Circular is solely for the purposes of the proposed acquisition of Mopani Copper Mines Plc by ZCCM Investments Holdings Plc (“the Transaction”).

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the pro forma consolidated 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 consolidated financial information.



The purpose of the pro forma consolidated financial information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of ZCCM Investment Holdings 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 2019 would have been as presented.

A limited assurance engagement to report on whether the pro forma consolidated 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 consolidated financial information provides 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 reviewer's judgment, having regard to the reviewer's understanding of the nature of the Company, the event or transaction in respect of which the pro forma consolidated financial information has been presented and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated 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 consolidated financial information has been compiled, in all material respects, on the basis of the LuSE listing requirements. Based on our review, nothing has come to our attention that causes us to believe that:

- the pro forma consolidated financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of ZCCM Investment Holdings Plc; and
- the adjustments are not appropriate for the purposes of the pro forma financial information as disclosed pursuant to the LuSE listing requirements.

Consent

We have given and not withdrawn our consent to the inclusion of this report in the Circular in the form and context in which it appears.

BDO Zambia Limited

D G A Ironside
Director
AUD/F000094

ZCCM INVESTMENT HOLDINGS PLC

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

A. PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (ZCCM-IH & MOPANI COMBINED)

ZMW'000	Note	Pre Transaction				Post Transaction		
		ZCCM Investment Holdings Plc (excl Mopani) ^[1]			Mopani ^[2]	ZCCM Investment Holdings Plc (incl Mopani)		
		Unaudited nine months ended 31 Dec 2019	Three months period ended 31 Mar 2019	Twelve month period ended 31 Dec 2019	Effects of Mopani acquisition	Combined (ZCCM-IH & Mopani)	Consolidation adjustments	Consolidated (ZCCM-IH & Mopani)
		(Apr to Dec)	(Jan to Mar)	(Jan to Dec)	(Full Year)	(Full Year)	(Full Year)	(Full Year)
Revenue		62,432	18,330	80,762	4,771,343	4,852,105	-	4,852,105
Cost of sales		(53,015)	6,947	(46,068)	(8,677,462)	(8,723,530)	-	(8,723,530)
Gross profit		9,417	25,277	34,694	(3,906,119)	(3,871,425)	-	(3,871,425)
Investment income		48,364	22,336	70,700	-	70,700	-	70,700
Investment expenses		(305)	(8,958)	(9,263)	-	(9,263)	-	(9,263)
Net investment income		48,059	13,378	61,437	-	61,437	-	61,437
Other income		139,066	3,048	142,114	129,788	271,902	-	271,902
Net impairment losses on financial assets		(129,541)	-	(129,541)	-	(129,541)	-	(129,541)
Other gains and losses		-	-	-	704,615	704,615	-	704,615
Write down of Glencore loan		-	-	-	42,052,877	42,052,877	-	42,052,877
Transaction costs		(32,776)	-	(32,776)	-	(32,776)	-	(32,776)
Administration expenses		(222,386)	(537,632)	(760,018)	(3,060,609)	(3,820,627)	-	(3,820,627)
Other expenses		-	-	-	(368,908)	(368,908)	-	(368,908)
Operating profit / (loss)		(155,385)	(528,705)	(684,090)	35,551,644	34,867,554	-	34,867,554
Finance income		170,348	39,948	210,296	-	210,296	-	210,296
Finance costs		(31,274)	(133,526)	(164,800)	(1,994,304)	(2,159,104)	-	(2,159,104)
Net finance income		139,074	(93,578)	45,496	(1,994,304)	(1,948,808)	-	(1,948,808)
Share of profit of equity-accounted investees, net of tax		420,348	198,984	619,332	-	619,332	-	619,332
Profit/(loss) before tax		404,037	(423,299)	(19,262)	33,557,340	33,538,078	-	33,538,078
Income tax (expense)/credit		(22,871)	4,328	(18,543)	(6,997)	(25,540)	-	(25,540)
Profit / (loss) from continuing operations		381,166	(418,971)	(37,805)	33,550,343	33,512,538	-	33,512,538
(Loss) from discontinued operations		(73,979)	-	(73,979)	-	(73,979)	-	(73,979)

¹ Please refer to Schedule [A] for adjustments made to ZCCM Investment Holdings Plc's figures [Period: 31 December 2019] used in the pro forma consolidated financial information

² Please refer to Schedule [B] for adjustments made to Mopani Copper Mines Plc's figures [Period: 31 December 2019] used in pro forma consolidated financial information

		Pre Transaction				Post Transaction		
		ZCCM Investment Holdings Plc (excl Mopani) ^[1]			Mopani ^[2]	ZCCM Investment Holdings Plc (incl Mopani)		
ZMW'000	Note	Unaudited nine months ended 31 Dec 2019	Three months period ended 31 Mar 2019	Twelve month period ended 31 Dec 2019	Effects of Mopani acquisition	Combined (ZCCM-IH & Mopani)	Consolidation adjustments	Consolidated (ZCCM-IH & Mopani)
		(Apr to Dec)	(Jan to Mar)	(Jan to Dec)	(Full Year)	(Full Year)	(Full Year)	(Full Year)
Profit / (loss) for the year		307,187	(418,971)	(111,784)	33,550,343	33,438,559	-	33,438,559
Other comprehensive income								
<i>Items that will never be reclassified to profit or loss</i>								
Change in defined benefit obligation		-	-	-	-	-	-	-
Revaluation on property, plant and equipment		26,255	-	26,255	-	26,255	-	26,255
Deferred tax on revaluation reserve		(9,112)	-	(9,112)	-	(9,112)	-	(9,112)
Actuarial gain on defined benefit pension plans		(715)	-	(715)	32,083	31,368	-	31,368
Deferred tax on defined benefit actuarial loss		250	-	250	-	250	-	250
		16,678	-	16,678	32,083	48,761	-	48,761
<i>Items that are or may be reclassified to profit or loss</i>								
Foreign currency translation differences - equity - accounted investees		1,276,863	-	1,276,863	-	1,276,863	-	1,276,863
Equity-accounted investees-share of other comprehensive income		3,987	-	3,987	-	3,987	-	3,987
		1,280,850	-	1,280,850	-	1,280,850	-	1,280,850
Other comprehensive income, net of tax		1,297,528	-	1,297,528	32,083	1,329,611	-	1,329,611
Total comprehensive income		1,604,715	(418,971)	1,185,744	33,582,426	34,768,170	-	34,768,170

ZCCM INVESTMENT HOLDINGS PLC
PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

B. PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION (ZCCM-IH & MOPANI COMBINED)

ZMW'000	Note	Pre Transaction				Post Transaction		
		ZCCM Investment Holdings Plc (excl Mopani) [³]			Mopani [⁴]	ZCCM Investment Holdings Plc (incl Mopani)		
		As at 31 Dec 2019	Adjustments	Revised 31 Dec 2019	Effects of Mopani acquisition	Combined (ZCCM-IH & Mopani)	Consolidation adjustments	Consolidated (ZCCM-IH & Mopani)
		(Apr to Dec)	(Jan to Mar)	(Jan to Dec)	(Full Year)	(Full Year)	(Full Year)	(Full Year)
Assets								
Property, plant and equipment		240,712	-	240,712	24,806,610	25,047,322	-	25,047,322
Intangible assets		648	-	648	-	648	-	648
Investment property		167,970	-	167,970	-	167,970	-	167,970
Investment in associates		11,855,067	-	11,855,067	-	11,855,067	-	11,855,067
Financial assets at fair value through profit or loss		-	-	-	-	-	-	-
Trade and other receivables		385,465	-	385,465	2,245,432	2,630,897	-	2,630,897
Right-of-use assets		-	-	-	8,413	8,413	-	8,413
Environmental protection fund		-	-	-	72,986	72,986	-	72,986
Deferred tax assets		564,304	-	564,304	-	564,304	-	564,304
Goodwill		119,818	-	119,818	-	119,818	-	119,818
Non-current assets		13,333,984	-	13,333,984	27,133,441	40,467,425	-	40,467,425
Property, plant and equipment		58,413	-	58,413	-	58,413	-	58,413
Inventories		52,057	-	52,057	4,450,317	4,502,374	-	4,502,374
Trade and other receivables		344,220	-	344,220	335,990	680,210	-	680,210
Prepayments		-	-	-	129,758	129,758	-	129,758
Amounts due from related parties	3.1	-	-	-	1,102	1,102	(1,102)	-
Assets held for sale		1,127,333	-	1,127,333	-	1,127,333	-	1,127,333
Term deposit		274,960	-	274,960	-	274,960	-	274,960
Current tax receivables	3.3	-	-	-	1,577	1,577	(1,577)	-
Cash and cash equivalents		56,816	-	56,816	63,484	120,300	-	120,300
Current assets		1,913,799	-	1,913,799	4,982,228	6,896,027	(2,679)	6,893,348

³ Please refer to Schedule [A] for adjustments made to ZCCM Investment Holdings Plc's figures [Period: 31 December 2019] used in the pro forma consolidated financial information

⁴ Please refer to Schedule [B] for adjustments made to Mopani Copper Mines Plc's figures [Period: 31 December 2019] used in pro forma consolidated financial information

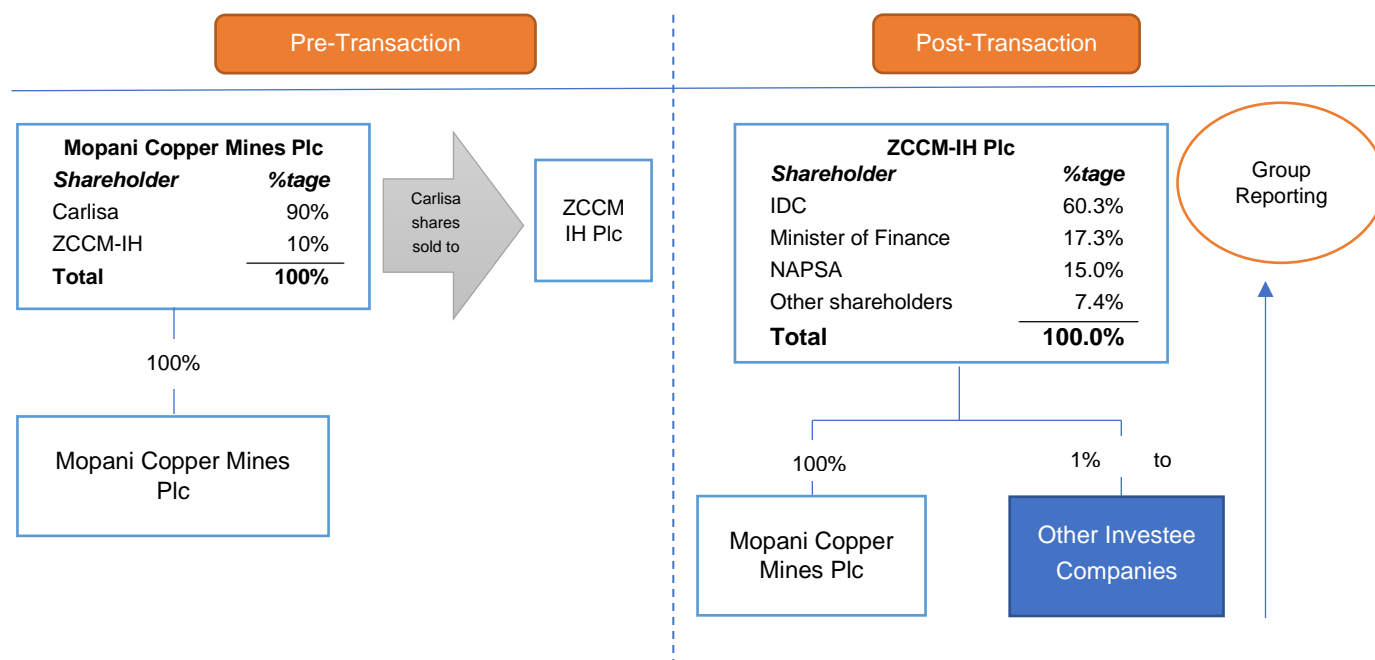
ZMW'000	Note	Pre Transaction				Post Transaction		
		ZCCM Investment Holdings Plc (excl Mopani) [³]			Mopani [⁴]	ZCCM Investment Holdings Plc (incl Mopani)		
		As at 31 Dec 2019	Adjustments	Revised 31 Dec 2019	Effects of Mopani acquisition	Combined (ZCCM-IH & Mopani)	Consolidation adjustments	Consolidated (ZCCM-IH & Mopani)
		(Apr to Dec)	(Jan to Mar)	(Jan to Dec)	(Full Year)	(Full Year)	(Full Year)	(Full Year)
Total assets		15,247,783	-	15,247,783	32,115,669	47,363,452	(2,679)	47,360,773
Equity								
Share capital	3.2	1,608	-	1,608	96,272	97,880	(96,272)	1,608
Share premium		2,089,343	-	2,089,343	-	2,089,343	-	2,089,343
Other reserves	3.2	8,370,716	-	8,370,716	-	8,370,716	96,272	8,466,988
Retained earnings	5	2,219,574	-	2,219,574	6,367,740	8,587,314	(32,776)	8,554,538
Equity attributable to shareholders		12,681,241	-	12,681,241	6,464,012	19,145,253	(32,776)	19,112,477
Non-controlling interest		(51,410)	-	(51,410)	-	(51,410)	-	(51,410)
Total equity		12,629,831	-	12,629,831	6,464,012	19,093,843	(32,776)	19,061,067
Liabilities								
Trade and other payables		14,591	-	14,591	-	14,591	-	14,591
Provisions		-	-	-	805,506	805,506	-	805,506
Lease liabilities		-	-	-	1,800	1,800	-	1,800
Deferred tax liabilities		238,185	-	238,185	-	238,185	-	238,185
Retirement benefits		7,971	-	7,971	165,406	173,377	-	173,377
Borrowings		-	-	-	20,928,750	20,928,750	-	20,928,750
Provisions for environmental rehabilitation		57,361	-	57,361	-	57,361	-	57,361
Non-current liabilities		318,108	-	318,108	21,901,462	22,219,570	-	22,219,570

ZMW'000	Note	Pre Transaction				Post Transaction		
		ZCCM Investment Holdings Plc (excl Mopani) [³]			Mopani [⁴]	ZCCM Investment Holdings Plc (incl Mopani)		
		As at 31 Dec 2019	Adjustments	Revised 31 Dec 2019	Effects of Mopani acquisition	Combined (ZCCM-IH & Mopani)	Consolidation adjustments	Consolidated (ZCCM-IH & Mopani)
		(Apr to Dec)	(Jan to Mar)	(Jan to Dec)	(Full Year)	(Full Year)	(Full Year)	(Full Year)
Bank overdraft		2,641	-	2,641	429,653	432,294	-	432,294
Borrowings		-	-	-	-	-	-	-
Trade and other payables	3.1/3.4	724,321	-	724,321	3,316,119	4,040,440	31,674	4,072,114
Liabilities associated with assets classified as held for sale		1,191,270	-	1,191,270	-	1,191,270	-	1,191,270
Lease liabilities		-	-	-	4,423	4,423	-	4,423
Provisions		83,118	-	83,118	-	83,118	-	83,118
Current tax liabilities	3.3	209,904	-	209,904	-	209,904	(1,577)	208,327
Retirement benefits		26,698	-	26,698	-	26,698	-	26,698
Provisions for environmental rehabilitation		61,892	-	61,892	-	61,892	-	61,892
Current liabilities		2,299,844	-	2,299,844	3,750,195	6,050,039	30,097	6,080,136
Total liabilities		2,617,952	-	2,617,952	25,651,657	28,269,609	30,097	28,299,706
Total equity and liabilities		15,247,783	-	15,247,783	32,115,669	47,363,452	(2,679)	47,360,773

ZCCM INVESTMENT HOLDINGS PLC
PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

C. NOTES – INCOME STATEMENT

The pre-transaction and post-transaction scenarios are as follows:



The following takes place before and after the transaction:

- Carlisa Investment Corporation sells its 90% stake in Mopani to ZCCM-IH Plc
 - Mopani Copper Mines Plc becomes a 100% subsidiary of ZCCM Investment Holdings Plc
 - The results of Mopani Copper Mines Plc are consolidated into ZCCM Investment Holdings Plc combined entity's group reporting along with the pre-existing investee companies
1. The pro forma consolidated statement of financial position illustrates the effect of the Transaction on the financial statements of ZCCM Investment Holdings Plc as if it had been effected at 31 December 2019.
 2. There were no income statement adjustments noted.

ZCCM INVESTMENT HOLDINGS PLC
PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

D. NOTES – BALANCE SHEET

1. The pro forma consolidated statement of financial position illustrates the effect of the Transaction on the financial statements of ZCCM Investment Holdings Plc as if it had been effected at 31 December 2019.
2. It has been prepared for illustrative purposes only and as such may not fairly present ZCCM Investment Holdings Plc's consolidated financial position, changes in equity, results of operations or cash flows at that date.
3. Other consolidation adjustments

No.	Detail	Debit	Credit
3.1	Related party amounts		
Dr	Current trade and other payables	1,102	
CR	Amounts due from related parties		1,102
		<u>1,102</u>	<u>1,102</u>
3.2	Share capital/ premium in Mopani Copper Mines		
Dr	Share capital	96,272	
CR	Reserves		96,272
		<u>96,272</u>	<u>96,272</u>
3.3	Group tax obligation		
DR	Tax payable	1,577	
CR	Tax receivable - Mopani		1,577
		<u>1,577</u>	<u>1,577</u>
3.4	Transaction advisory costs		
DR	Retained earnings	32,776	
CR	Trade and other payables		32,776
		<u>32,776</u>	<u>32,776</u>

ZCCM INVESTMENT HOLDINGS PLC
PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

SCHEDULE A: ZCCM INVESTMENT HOLDINGS PLC - INCOME STATEMENT

ZMW'000	Note	Before transaction			Adjustments	Revised 12 month period ended 31 Dec 2019
		Unaudited nine months ended 31 Dec 2019	Three months period ended 31 Mar 2019	Combined 12 month period ended 31 Dec 2019		
		(Apr to Dec)	(Jan to Mar)	(Jan to Dec)		
Revenue from contracts with customers		62,432	18,330	80,762	-	80,762
Cost of sales		(53,015)	6,947	(46,068)	-	(46,068)
Gross profit		9,417	25,277	34,694	-	34,694
Investment income		48,364	22,336	70,700	-	70,700
Investment expenses		(305)	(8,958)	(9,263)	-	(9,263)
Net investment income		48,059	13,378	61,437	-	61,437
Other income		139,066	3,048	142,114	-	142,114
Net impairment losses on financial assets		(129,541)	-	(129,541)	-	(129,541)
Other gains and losses		-	-	-	-	-
Write down of Glencore loan		-	-	-	-	-
Transaction costs		-	-	-	(32,776) ^[5]	(32,776)
Administration expenses		(222,386)	(537,632)	(760,018)	-	(760,018)
Other expenses		-	-	-	-	-
Operating loss		(155,385)	(495,929)	(651,314)	(32,776)	(684,090)
Finance income		170,348	39,948	210,296	-	210,296
Finance costs		(31,274)	(133,526)	(164,800)	-	(164,800)
Net finance income		139,074	(93,578)	45,496	-	45,496
Share of profit of equity-accounted investees, net of tax		420,348	198,984	619,332	-	619,332
Profit/(loss) before tax		404,037	(390,523)	13,514	(32,776)	(19,262)
Income tax (expense)/credit		(22,871)	4,328	(18,543)	-	(18,543)
Profit from continuing operations		381,166	(386,195)	(5,029)	(32,776)	(37,805)
Loss from discontinued operations		(73,979)	-	(73,979)	-	(73,979)
Profit for the year		307,187	(386,195)	(79,008)	(32,776)	(111,784)

⁵ Adjustment related to transaction costs for all Advisors

ZMW'000

ZMW'000		Before transaction			
	Note	Unaudited nine months ended 31 Dec 2019	Three months period ended 31 Mar 2019	Combined 12 month period ended 31 Dec 2019	Revised 12 month period ended 31 Dec 2019
Other comprehensive income					
<i>Items that will never be reclassified to profit or loss</i>					
Change in defined benefit obligation		-	-	-	-
Revaluation on property, plant and equipment		26,255	-	26,255	26,255
Deferred tax on revaluation reserve		(9,112)	-	(9,112)	(9,112)
Actuarial gain on defined benefit pension plans		(715)	-	(715)	(715)
Deferred tax on defined benefit actuarial loss		250	-	250	250
		16,678	-	16,678	33,356
<i>Items that are or may be reclassified to profit or loss</i>					
Foreign currency translation differences - equity - accounted investees		1,276,863	-	1,276,863	1,276,863
Equity-accounted investees- share of other comprehensive income		3,987	-	3,987	3,987
		1,280,850	-	1,280,850	2,561,700
Other comprehensive income, net of tax		1,297,528	-	1,297,528	2,595,056
Total comprehensive income		1,604,715	-	1,218,520	2,483,272
Profit/(loss) attributable to:					
Owners of the company		328,345	-	328,345	328,345
Non-controlling interests		(21,158)	-	(21,158)	(21,158)
		307,187	-	307,187	307,187
Total comprehensive income attributable to:					
Owners of the company		1,625,873	-	1,625,873	1,625,873
Non-controlling interests		(21,158)	-	(21,158)	(21,158)
Total comprehensive income		1,604,715	-	1,604,715	1,604,715
Earnings per share					
Basic earnings per share (ZMW)		1.91	-	(0.49)	(0.70)
Diluted earnings per share (ZMW)		1.91	-	(0.49)	(0.70)

ZCCM INVESTMENT HOLDINGS PLC
PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

SCHEDULE A: ZCCM INVESTMENT HOLDINGS PLC - BALANCE SHEET				
ZMW'000	Note	Before transaction		
		Audited nine months ended 31 Dec 2019	Three months period ended 31 Mar 2019 [⁶]	Revised 12 month period ended 31 Dec-2019
		(Apr to Dec)	(Jan to Mar)	(Jan to Dec)
Assets				
Property, plant and equipment		240,712	-	240,712
Intangible assets		648	-	648
Investment property		167,970	-	167,970
Investment in associates		11,855,067	-	11,855,067
Financial assets at fair value through profit or loss		-	-	-
Trade and other receivables		385,465	-	385,465
Right-of-use assets		-	-	-
Environmental protection fund		-	-	-
Deferred tax assets		564,304	-	564,304
Goodwill		119,818	-	119,818
Non-current assets		13,333,984	-	13,333,984
Property, plant and equipment		58,413	-	58,413
Inventories		52,057	-	52,057
Trade and other receivables		344,220	-	344,220
Prepayments		-	-	-
Amounts due from related parties		-	-	-
Assets held for sale		1,127,333	-	1,127,333
Term deposit		274,960	-	274,960
Current tax receivables		-	-	-
Cash and cash equivalents		56,816	-	56,816
Current assets		1,913,799	-	1,913,799
Total assets		15,247,783	-	15,247,783
Equity				
Share capital		1,608	-	1,608
Share premium		2,089,343	-	2,089,343
Other reserves		8,370,716	-	8,370,716

⁶ ZCCM-IH with effect from 1 April 2019, changed its financial year end from 31 March to 31 December in order to comply with the provisions of section 71 of the Public Finance Management Act and to align with the financial year end of its majority shareholder, the Industrial Development Corporation (IDC). Accordingly, the financial statements (31 December 2019) are for the nine (9) month period from 1 April 2019 to 31 December 2019. WE THEREFORE INCORPORATED THE THREE MONTHS FROM JANUARY 2019 TO MARCH 2019 TO HAVE A TWELVE-MONTH PERIOD IN ORDER TO USE THESE FIGURES AS PRO FORMA FINANCIAL INFORMATION.

ZMW'000

Retained earnings
Equity attributable to shareholders

Non-controlling interest
Total equity

Liabilities

Trade and other payables
Provisions
Lease liabilities
Deferred tax liabilities
Retirement benefits
Borrowings
Provisions for environmental rehabilitation
Non-current liabilities

Bank Overdraft
Borrowings
Trade and other payables
Liabilities associated with assets classified as held for sale
Lease liabilities
Provisions
Current tax liabilities
Retirement benefits
Provisions for environmental rehabilitation
Current liabilities
Total liabilities
Total equity and liabilities

Note	Before transaction		
	Audited nine months ended 31 Dec 2019	Three months period ended 31 Mar 2019 ^[6]	Revised 12 month period ended 31 Dec- 2019
	(Apr to Dec)	(Jan to Mar)	(Jan to Dec)
	2,219,574	-	2,219,574
	12,681,241	-	12,681,241
			-
	(51,410)	-	(51,410)
	12,629,831	-	12,629,831
			-
			-
	14,591	-	14,591
	-	-	-
	-	-	-
	238,185	-	238,185
	7,971	-	7,971
	-	-	-
	57,361	-	57,361
	318,108	-	318,108
			-
	2,641	-	2,641
	-	-	-
	724,321	-	724,321
	1,191,270	-	1,191,270
	-	-	-
	83,118	-	83,118
	209,904	-	209,904
	26,698	-	26,698
	61,892	-	61,892
	2,299,844	-	2,299,844
	2,617,952	-	2,617,952
	15,247,783	-	15,247,783

ZCCM INVESTMENT HOLDINGS PLC
PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

SCHEDULE B: MOPANI COPPER MINES PLC - INCOME STATEMENT

USD'000 / ZMW'000	Notes	Before adjustments	Adjustments	Revised balances	Exchange Rate	Translated amounts
		USD'000	USD'000	USD'000		ZMW'000
Revenue (Net of Mineral Royalty)		366,890	-	366,890	13.0048	4,771,343
Cost of sales		(667,249)	-	(667,249)	13.0048	(8,677,462)
Gross (loss)		(300,359)	-	(300,359)		(3,906,119)
Other income		9,980	-	9,980	13.0048	129,788
Other gains and losses		54,181	-	54,181	13.0048	704,615
Write down of Glencore loan		-	3,014,003 ⁷	3,014,003	13.9525	42,052,877
Administration expenses		(235,344)	-	(235,344)	13.0048	(3,060,609)
Other expenses		(28,367)	-	(28,367)	13.0048	(368,908)
(Loss) / profit before finance costs and tax		(499,909)	3,014,003	2,514,094		35,551,644
Finance costs		(153,351)	-	(153,351)	13.0048	(1,994,304)
(Loss) / profit before tax		(653,260)	-	2,360,743	13.0048	33,557,340
Income tax expense		(538)	-	(538)	13.0048	(6,997)
(Loss) / profit for the year		(653,798)	-	2,360,205		33,550,343
Other comprehensive income/(loss)						
<i>Items that will not be reclassified to profit or loss</i>						
Change in defined benefit obligation		2,467	-	2,467	13.0048	32,083
Total comprehensive (loss) / profit for the year		(651,331)	-	2,362,672		33,582,426

⁷ The only adjustment relates to write down of Glencore loan as agreed between ZCCM-IH and Carlisa Investment Corporation

ZCCM INVESTMENT HOLDINGS PLC

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

SCHEDULE B: MOPANI COPPER MINES PLC - BALANCE SHEET

USD'000 / ZMW'000	Notes	Before adjustments	Adjustments [8]	Revised balances	Exchange Rate	Translated amounts
		USD'000	USD'000	USD'000		ZMW'000
ASSETS						
<i>Non-current assets</i>						
Property, plant and equipment		553,111	1,224,822	1,777,933	13.9525	24,806,610
Long term assets		160,934	-	160,934	13.9525	2,245,432
Right-of-use assets		603	-	603	13.9525	8,413
Environmental protection fund		5,231	-	5,231	13.9525	72,986
Other assets/ Total non-current assets		719,879	1,224,822	1,944,701		27,133,441
<i>Current assets</i>						
Inventories		318,962	-	318,962	13.9525	4,450,317
Prepayments		9,300	-	9,300	13.9525	129,758
Trade and other receivables		24,160	(79)	24,081	13.9525	335,990
Amounts due from related parties		19,221	(19,142)	79	13.9525	1,102
Current tax receivables		113	-	113	13.9525	1,577
Cash and cash equivalents		4,550	-	4,550	13.9525	63,484
Total current assets		376,306	(19,221)	357,085		4,982,228
Total assets		1,096,185	(19,221)	2,301,786		32,115,669

⁸ Adjustments were made to: Property, plant and equipment (USD 1,224,822 – Asset reinstatements by ZCCM-IH following previous write down by Mopani), trade and other receivables (USD 79 - related party transaction adjusted on consolidation), amounts due from related parties (USD 19,142 - related party transaction adjusted on consolidation), share premium (USD 48,160 - write off on consolidation), retained earnings (USD 3,072,974 – debt write off as agreed by transacting parties), provisions (USD 5,582 – write off of provisions on consolidation), borrowings (USD 3,014,003 – debt write off as agreed by transacting parties), amounts due to related parties (USD 24,450 - related party transactions adjusted on consolidation).

USD'000 / ZMW'000	Notes	Before adjustments	Adjustments [8]	Revised balances	Exchange Rate	Translated amounts
		USD'000	USD'000	USD'000		ZMW'000
EQUITY AND LIABILITIES						
<i>Capital and reserves</i>						
Share capital		6,900	-	6,900	13.9525	96,272
Share premium		48,160	(48,160)	-	13.9525	-
Retained earnings		(3,841,409)	4,297,796	456,387	13.9525	6,367,740
Total shareholders deficit		(3,786,349)	4,249,636	463,287		6,464,012
 <i>Non-current liabilities</i>						
Provisions		63,314	(5,582)	57,732	13.9525	805,506
Lease liabilities		129	-	129	13.9525	1,800
Retirement benefits		11,855	-	11,855	13.9525	165,407
Borrowings due to related parties		4,514,003	(3,014,003)	1,500,000	13.9525	20,928,750
Total non-current liabilities		4,589,301	(3,019,585)	1,569,716		21,901,463
Trade payables		32,305	-	32,305	13.9525	450,736
Accruals and other liabilities		205,367	-	205,367	13.9525	2,865,383
Lease liabilities		317	-	317	13.9525	4,423
Bank overdrafts		30,794	-	30,794	13.9525	429,653
Amounts due to related parties		24,450	(24,450)	-	13.9525	-
Total current liabilities		293,233	(24,450)	268,783		3,750,195
Total liabilities		4,882,534	(3,044,035)	1,838,499		25,651,658
Total equity and liabilities		1,096,185	(19,221)	2,301,786		32,115,670

8th March 2021

The Directors
ZCCM Investments Holdings Plc
ZCCM-IH Office Park | Stand No. 16806
Alick Nkhata Road, Mass Media Complex Area
P.O. Box 30048 | Lusaka | Zambia

Dear Sirs,

INDEPENDENT REPORTING ACCOUNTANTS REPORT ON THE FORECAST FINANCIAL INFORMATION OF ZCCM INVESTMENTS HOLDINGS PLC

We have examined the accompanying forecast financial information of ZCCM Investments Holdings Plc for the period 1 January 2021 to 31 December 2021 set out in the Circular to shareholders. The forecast financial information consists of the forecast statement of financial position as at 31 December 2021, the forecast income statement for the period then ended and related notes (collectively “the forecast”). This report must be read in conjunction with the Circular.

Directors’ responsibility for the forecast financial information

The directors are responsible for the forecast financial information, including the assumptions set out in the accompanying notes, on which it is based, and for the financial information from which it has been prepared. This responsibility, arising from compliance with the Listing Requirements of the Lusaka Stock Exchange (LuSE), includes: determining whether the assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecast; whether the forecast has been properly compiled on the basis stated; and whether the forecast is presented on a basis consistent with the accounting policies of the company or group in question.

Independent reporting accountant’s responsibility

Our responsibility is to provide a limited assurance report on the forecast prepared for the purpose of complying with the Listings Requirements of the Lusaka Stock Exchange and for inclusion in the circular to ZCCM Investments Holdings Plc’s shareholders. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to the Examination of Prospective Financial Information. This standard requires us to obtain sufficient appropriate evidence as to whether or not:

- management’s best-estimate assumptions on which the forecast is based are not unreasonable and are consistent with the purpose of the information;
- the forecast is properly prepared on the basis of the assumptions;
- the forecast is properly presented and all material assumptions are adequately disclosed; and
- the forecast is prepared and presented on a basis consistent with the accounting policies of the company or group in question for the period concerned.

In a limited assurance engagement, the evidence - gathering procedures are more limited than for a reasonable assurance engagement and, therefore, less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.



Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that:

- i) the assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the forecast;
- ii) the forecast has not been properly compiled on the basis stated;
- iii) the forecast has not been properly presented and all material assumptions are not adequately disclosed; and
- iv) the forecast, is not presented on a basis consistent with the accounting policies of the company or group in question.

Actual results are likely to be different from the forecast, since anticipated events frequently do not occur as expected and the variation may be material, accordingly no assurance is expressed regarding the achievability of the forecast.

Consent

We have given and not withdrawn our consent to the inclusion of this report in the Circular in the form and context in which it appears.

A handwritten signature in dark ink, appearing to read 'D G A Ironside'.

BDO Zambia Limited

A handwritten signature in dark ink, appearing to read 'D G A Ironside'.

D G A Ironside
Director
AUD/F000094

ZCCM INVESTMENT HOLDINGS PLC
FORECAST FINANCIAL INFORMATION

A. FORECAST STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

ZMW'000	Note	ZCCM-IH	Mopani	Misenge	Kariba Minerals	Kabundi Resources	Limestone Resources	Zambia Gold	Associates (Incl Investrust)	Forecast 2021
Revenue from contracts with customers		-	15,646,209	31,815	101,093	16,306	134,426	757,180	-	16,687,029
Cost of sales		-	(14,388,202)	(13,197)	(17,174)	-	(113,511)	(571,883)	-	(15,103,967)
Gross profit		-	1,258,008	18,618	83,918	16,306	20,915	185,297	-	1,583,062
Investment income		1,043,765	-	-	-	-	-	-	-	1,043,765
Investment expenses		(67,578)	-	-	-	-	-	-	-	(67,578)
Net investment income		976,187	-	-	-	-	-	-	-	976,187
Other income		297,810	-	-	783	-	-	-	-	298,593
Net impairment losses on financial assets		-	-	-	-	-	-	-	-	-
Other gains and losses		-	20,674	-	-	-	-	-	-	20,674
Write down of Glencore loan		-	-	-	-	-	-	-	-	-
Administration expenses		(414,735)	(1,430,441)	(10,803)	(52,634)	(6,587)	(13,632)	(58,216)	-	(1,987,048)
Other expenses		-	-	-	(9,764)	-	(5,756)	(59,297)	-	(74,817)
Operating income / (loss)		859,262	(151,759)	7,815	22,303	9,719	1,527	67,784	-	816,651
Finance income		41,032	-	-	-	-	-	-	-	41,032
Finance costs		(256,113)	(741,251)	-	(6,000)	-	-	(5,304)	-	(1,008,668)
Net finance income		(215,081)	(741,251)	-	(6,000)	-	-	(5,304)	-	(967,636)
Share of profit of equity-accounted investees, net of tax	1	-	-	-	-	-	-	-	1,893,045	1,893,045
Profit/(loss) before tax		644,181	(893,011)	7,815	16,303	9,719	1,527	62,480	1,893,045	1,742,059
Income tax (expense)/credit		(225,463)	-	(2,735)	(5,706)	(3,402)	(10,692)	(21,868)	-	(269,866)
Profit from continuing operations		418,718	(893,011)	5,079	10,597	6,317	(9,165)	40,612	1,893,045	1,472,194
Loss from discontinued operations (Investrust)	2	-	-	-	-	-	-	-	5,774	5,774
Profit for the year		418,718	(893,011)	5,079	10,597	6,317	(9,165)	40,612	1,898,819	1,477,968

ZCCM INVESTMENT HOLDINGS PLC
FORECAST FINANCIAL INFORMATION

B. FORECAST STATEMENT OF FINANCIAL POSITION

ZMW'000	Note	ZCCM-IH	Mopani	Misenge	Kariba Minerals	Kabundi Resources	Limestone Resources	Zambia Gold	Total	Adjustment	Forecast 2021
Assets											
Property, plant and equipment		144,060	36,995,859	2,973	43,184	9,746	136,640	142,898	37,475,361		37,475,361
Intangible assets		648	-	-	-	-	-	-	648		648
Investment property		167,970	-	-	-	-	-	-	167,970		167,970
Investment in subsidiary	1	491,964	-	-	-	-	-	-	491,964	(491,964)	-
Investment in associates	5	9,677,625	-	-	-	-	-	-	9,677,625	11,057,833	20,735,458
Financial assets at fair value through profit or loss		-	-	-	-	-	-	-	-		-
Trade and other receivables		543,700	-	-	-	-	-	-	543,700		543,700
Right-of-use assets		-	-	-	-	-	-	-	-		-
Environmental protection fund		-	-	-	-	-	-	-	-		-
Deferred tax assets		-	-	-	-	-	-	-	-		-
Goodwill		-	-	-	-	-	-	-	-		-
Non-current assets		11,025,967	36,995,859	2,973	43,184	9,746	136,640	142,898	48,357,268	10,565,869	58,923,137
Inventories			4,656,865		5,600		-	20,581	4,683,046		4,683,046
Trade and other receivables		327,144	2,480,056	2,473	11,342	1,578	1,417	-	2,824,010		2,824,010
Prepayments					-	-	-	-	-		-
Amounts due from related parties					-	-	-	-	-		-
Assets held for sale	2	386,777			-	-	-	-	386,777	1,578,303	1,965,080
Term deposit		2,234,467			-	-	-	-	2,234,467		2,234,467
Current tax receivables	3			1,704	-	-	-	-	1,704	(1,704)	-
Bank and cash		558,617	156,871	610	41,452	7,030	2,957	226,000	993,537		993,537
Current assets		3,507,005	7,293,792	4,788	58,394	8,608	4,374	246,581	11,123,541	1,576,599	12,700,140
Total assets		14,532,972	44,289,651	7,762	101,579	18,354	141,014	389,478	59,480,810	12,142,468	71,623,277

ZCCM INVESTMENT HOLDINGS PLC
FORECAST FINANCIAL INFORMATION

B. FORECAST STATEMENT OF FINANCIAL POSITION (CONTINUED)

ZMW'000	Note	ZCCM-IH	Mopani	Misenge	Kariba Minerals	Kabundi Resources	Limestone Resources	Zambia Gold	Total	Adjustment	Forecast 2021
Equity											
Share capital	4	1,608	148,621	15	500	15	142,396	15	293,170	(291,562)	1,608
Share premium	4	2,089,343	-	1,668	25,826	-	-	62,098	2,178,935	(89,592)	2,089,343
Other reserves	4,6	6,153,393	(18,365,230)	-	17,066	-	-	-	(12,194,771)	30,133,433	17,938,662
Retained earnings	6	1,579,856	24,877,250	(5,436)	(42,815)	6,317	(4,830)	34,442	26,444,785	(19,430,774)	7,014,010
Equity attributable to shareholders		9,824,200	6,660,641	(3,753)	577	6,332	137,566	96,555	16,722,119	10,321,504	27,043,623
Non-controlling interest											
Equity attributable to shareholders		9,824,200	6,660,641	(3,753)	577	6,332	137,566	96,555	16,722,119	10,321,504	27,043,623
Liabilities											
Trade and other payables			-	-	22,644	-	-	-	22,644		22,644
Provisions			-	-	-	-	-	-	-		-
Lease liabilities			-	-	-	-	-	-	-		-
Deferred tax liabilities		2,730,212	-	-	-	-	-	-	2,730,212		2,730,212
Retirement benefits		7,971	236,378	-	-	-	-	-	244,349		244,349
Borrowings		1,362,722	33,409,308	-	73,168	-	-	50,083	34,895,281		34,895,281
Provisions for environmental rehabilitation		55,258	1,181,654	-	-	-	-	-	1,236,912		1,236,912
Non-current liabilities		4,156,163	34,827,340	-	95,812	-	-	50,083	39,129,397	-	39,129,398

ZCCM INVESTMENT HOLDINGS PLC
FORECAST FINANCIAL INFORMATION

B. FORECAST STATEMENT OF FINANCIAL POSITION (CONTINUED)

ZMW'000	Note	ZCCM-IH	Mopani	Misenge	Kariba Minerals	Kabundi Resources	Limestone Resources	Zambia Gold	Total	Adjustment	Forecast 2021
Bank overdraft		-	-	-	-	-	-	-	-		-
Borrowings		185,064	665,212	-	-	-	-	-	850,276		850,276
Trade and other payables		58,964	219,296	9,979	4,589	10,950	3,448	220,972	528,197		528,197
Related party payables		-	-	1,536	-	-	-	-	1,536		1,536
Liabilities associated with assets classified as held for sale	2	-	-	-	-	-	-	-	-	1,822,668	1,822,668
Lease liabilities		-	-	-	-	-	-	-	-		-
Provisions		83,118	515,844	-	-	-	-	-	598,962		598,962
Current tax liabilities	3	225,463	(2,434)	-	601	1,072	-	21,868	246,570	(1,704)	244,866
Retirement benefits		-	-	-	-	-	-	-	-		-
Provisions for environmental rehabilitation		-	-	-	-	-	-	-	-		-
Creditor & Accrual Third Parties		-	1,403,751	-	-	-	-	-	1,403,751		1,403,751
Current liabilities		552,609	2,801,670	11,514	5,190	12,022	3,448	242,840	3,629,293	1,820,963	5,450,256
Total liabilities		4,708,772	37,629,010	11,514	101,002	12,022	3,448	292,923	42,758,690	1,820,963	44,579,654
Total equity and liabilities		14,532,972	44,289,651	7,762	101,579	18,354	141,014	389,478	59,480,810	12,142,468	71,623,277

ZCCM INVESTMENT HOLDINGS PLC
FORECAST FINANCIAL INFORMATION

B. NOTES TO STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

1. Share of profit of equity-accounted investees, net of tax

Share of profit for equity-accounted investees, net of tax was calculated as follows:

2021	Accounting year end	% held	Revenues	Profit / (loss)	Dividends	Share of profit/(loss)
			ZMW'000	ZMW'000		ZMW'000
Konkola Copper Mines Plc	31-Mar	20.6%	24,296,992	(3,388,843)	-	-
Kansanshi Mining Plc	31-Dec	20.0%	32,168,633	6,295,903	-	1,259,181
Copperbelt Energy Corporation Plc	31-Dec	24.1%	6,977,621	846,671	101,413	102,635
CNMC Luanshya Copper Mine	31-Dec	20.0%	6,930,634	883,068		176,614
Maamba Collieries Limited	31-Mar	35.0%	3,935,542	994,726	-	348,154
Lubambe Copper Mines	30-Jun	20.0%	5,526,037	746,037	-	-
Consolidated Gold	31-Dec	45.0%	68,275	9,467	-	4,260
Rembrandt Properties	31-Dec	49.0%	13,595	4,528	18	2,201
Total			79,917,329	6,391,557	2,134	1,893,045

2. Discontinued operations (Investrust Bank Plc)

ZMW'000	Investrust Bank
Revenue from contracts with customers	-
Cost of sales	-
Gross profit	-
Investment income	273,594
Investment expenses	(99,460)
Net investment income	174,134
Other income	-
Net impairment losses on financial assets	-
Other gains and losses	(6,000)
Write down of Glencore loan	
Administration expenses	(139,105)
Other expenses	(23,255)
Operating income	5,774
Finance income	-
Finance costs	-
Net finance income	-
Share of profit of equity-accounted investees, net of tax	-
Profit before tax	5,774
Income tax credit	-
Profit from continuing operations	5,774
Loss from discontinued operations	-
Profit for the year	5,774

ZCCM INVESTMENT HOLDINGS PLC
FORECAST FINANCIAL INFORMATION

C. NOTES TO THE FORECAST STATEMENT OF FINANCIAL POSITION

No.	Details	Debit	Credit
1	Investments in subsidiaries		
Dr	Reserves	491,964	
CR	Investments in subsidiaries - ZCCM-IH		491,964
		491,964	491,964

Being adjustment of investment in subsidiary from the ZCCM-IH balance sheet

2	Held for sale assets and liabilities		
Dr	Reserves	1,822,668	
CR	Liabilities held for sale		1,822,668
DR	Assets held for sale	1,578,303	
CR	Reserves		1,578,303
		3,400,971	3,400,971

Being transfer of Investrust Bank Plc figures to held for sale assets and liabilities

3	Group tax obligation		
DR	Tax payable	1,704	
CR	Tax receivable - Misenge		1,704
		1,704	1,704

Being tax adjustment related to Misenge

4	Share capital/ premium in subsidiaries		
Dr	Share capital - Misenge	15	
Dr	Share capital - Kariba	500	
Dr	Share capital - Kubundi	15	
Dr	Share capital - Limestone	142,396	
Dr	Share capital - Zambia Gold	15	
Dr	Share capital -Mopani	148,621	
Dr	share premium - Misenge	1,668	
	share premium - Zambia Gold	62,098	
	share premium - Kariba	25,826	
CR	Reserves		381,155
		381,155	381,155

Being elimination of share capital accounts in investee companies

5	Investments in associates		
	Amount per share of net assets	20,735,458	
	Fair Value of associates	9,677,625	
DR	Investments in associates	11,057,833	
CR	Reserves		11,057,833
		11,057,833	11,057,833

ZCCM INVESTMENT HOLDINGS PLC**FORECAST FINANCIAL INFORMATION**

This relates to investments in associates as they are recognised at fair value in the separate financials an adjustment must be passed to ensure that amounts are recognised using the equity method as per IAS 28.

6 Aligning of reserves and retained earnings

DR	Retained Earning	19,430,774	
CR	Reserves		19,430,774
		19,430,774	19,430,774

Being alignment of reserves to retained earnings

D. REVIEW OF FORECAST ASSUMPTIONS**(i) Overall**

Our review of the 2021 forecast assumptions has been performed in the absence of audited financial statements for 31 December 2019 and 31 December 2020 for ZCCM-IH Plc and audited financial statements for the year ended 31 December 2020 for Mopani Copper Mines Plc.

(ii) Shareholding

The Group had the following interests in the undernoted companies as at 31 December 2019. The treatment in the forecast is as follows:

No.	Company	% held in 2019	Type going forward	Assumption Review	Further comment
1	Ndola Lime Company Limited	100.00%	Discontinued	No	Discontinued
2	Misenge Environmental and Technical Services Limited	100.00%	Subsidiary	Yes	Consolidated
3	Nkandabwe Coal Mine Limited	100.00%	Subsidiary	No	Not consolidated - Dormant
4	Kariba Minerals Limited	100.00%	Subsidiary	Yes	Consolidated
5	Kabundi Resources Limited	100.00%	Subsidiary	Yes	Consolidated
6	Mushe Milling Limited	100.00%	Discontinued	No	Not consolidated - Moved to IDC
7	Limestone Resources Limited	100.00%	Subsidiary	Yes	Consolidated
8	Investrust Bank Plc	71.40%	Discontinued	No	Not consolidated - Moved to IDC
9	Rembrandt Properties Limited	49.00%	Associate	No	Reviewed investment in associates
10	Maamba Collieries Limited	35.00%	Associate	No	Investment in associates
11	Konkola Copper Mines Plc	20.60%	Associate	No	Reviewed investment in associates
12	Kansanshi Mining Plc	20.00%	Associate	No	Reviewed investment in associates
13	Copperbelt Energy Corporation Plc	24.10%	Associate	No	Reviewed investment in associates
14	CEC Africa Investments Limited	20.00%	Associate	No	Reviewed investment in associates

ZCCM INVESTMENT HOLDINGS PLC
FORECAST FINANCIAL INFORMATION

15	Lubambe Copper Mine Plc	20.00%	Associate	No	Reviewed investment in associates
16	CNMC Luanshya Copper Mines Plc	20.00%	Associate	No	Reviewed investment in associates
17	Copper Tree Minerals Limited	15.58%	Associate	No	Reviewed investment in associates
18	NFC Africa Mining Plc	15.00%	Associate	No	Reviewed investment in associates
19	Chibuluma Mines Plc	15.00%	Associate	No	Reviewed investment in associates
20	Chambishi Metals Plc	10.00%	Associate	No	Reviewed investment in associates
21	Mopani Copper Mines Plc	10.00%	Associate	No	Reviewed investment in associates
22	Oranto Oil Block	10.00%	Associate	No	Reviewed investment in associates
23	Nkana Alloy Smelting Company Limited	10.00%	Discontinued	No	Not consolidated - Sold

(iii) Major assumptions

(a) ZCCM Investment Holdings Plc and group

- Revenue is from two main sources:
 - Dividend - Zambia Gold Company, Kagem, CEC Plc and Kansanshi mine
 - Royalty - Kansanshi Mine Plc, Kabundi Resources, Zambia Gold Company
- There is a strategic shift within ZCCM to move away from the dividend model to royalties with investee companies. This is deemed to be more favourable from a cash flow perspective as the income flows are based on an agreed formula which is applied periodically, as opposed to waiting for dividends declared at the end of the financial year.
- Other key assumptions used in the forecasts include:

Item	2021	2020
USD/ZMW	21.04	15.50
GBP/ZMW	28.00	20.00
ZAR/ZMW	1.50	1.20
JPY/ZMW	0.20	0.15
EUR/ZMW	25.00	16.50
91 Days T-bills	14.00	17.50
365 Days T-bills	30.00	30.00
BOZ Policy Rate	8.00%	11.50%
Inflation Rate (February 2021 exchange rate is 22.2%)	11.00%	9.63%
Lending Rates	23.00%	28.92%
Fixed term Deposit Rates (180 Days)	15.00%	21.25%
Libor rate: Libor rate - US\$ (3 Months)	0.22%	2.00%
Copper price expected average	US\$ 7,000	US\$ 6 000
Corporate Income Tax (CIT)	35.00%	35.00%

ZCCM INVESTMENT HOLDINGS PLC
FORECAST FINANCIAL INFORMATION

(b) Mopani Copper Mines Plc

Revenue And Cost Assumptions

Sales Copper price (LME+\$98 premium)	\$/t	110,993
Average CU contained	%	26.00%
Recovery for pricing	%	96.50%
Actual recovery	%	98.00%
3rd party Copper price	\$/t	9,249
Acid price	\$/t	42
Slimes	\$/t	18,335

Cathode Reconciliation

Opening Stock Cathode	t	4,968
	t	70,905
Production - Third Party	t	27,629
Production - Own Source	t	43,276
	t	75,317
Sales - Third Party	t	30,560
Sales - Own Source	t	44,758
Closing Stock Cathode	t	<u>555</u>

Cathode revenue	USD	679,304,857
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TC	62
RC	6.20
Freight	110
Revenue - Total 3rd Party	
Acid - 3rd party revenue	0.70

Stock Movement prices

Price ratio

Ore	70%
Concentrate	81%
Revert	85%
Chunks	85%
Spent Anode	88%
In Process WIP	90%
Finished copper	100%

ZCCM INVESTMENT HOLDINGS PLC
FORECAST FINANCIAL INFORMATION

Economic/Financing Assumptions

Exchange rate

USD/ZAR	15.30
USD/ZMW	21.40
USD/Euro	0.83

Financing rates

Libor rate	0.27%
Margin on loan	3.17%
Rate charged	3.44%

Operational

1. The company has not accounted for any potential tax implications relating to:
 - a) Glencore loan write down to USD1.5 billion
 - b) Asset reinstatements by ZCCM-IH following previous write down by Mopani
2. Assuming current copper prices are maintained, it is forecast that the company will generate sufficient cash inflows to finance capital expenditure internally.
3. Mopani working capital forecast assumes continuing access to current letter of credit and bank overdraft facilities of USD 30 million due to expire on 31 March 2021.

11. ANNEXURE IV: EXTRACTS FROM ZCCM-IH'S ARTICLES OF ASSOCIATION

Share Capital

The authorized share capital of the Company is ZMW 2,000,000 divided into 120,000,000 "A" Ordinary Shares of ZMW 0.01 each and 80,000,000 "B" Ordinary Shares of ZMW 0.01 each.

The authorized share capital of the Company shall consist only of "A" Ordinary Shares of ZMW 0.01 each and "B" Ordinary Shares of ZMW 0.01 each.

Save as specifically provided in the Articles, the "A" Ordinary Shares and the "B" Ordinary Shares shall rank *pari passu* in all respects.

Alteration of Share Capital

The Company may from time to time by Special Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe. All new shares shall be subject to the provisions of the Company's Articles of Association with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

Issue of New Shares

All new 'A' and 'B' Ordinary Shares proposed to be issued shall before issue be offered to the members holding shares of the same class as the shares proposed to be issued in proportion to their then holdings of such shares (but so that fractions of a new share may be excluded). The Offer shall be made by Notice in writing and shall remain open for a period of 21 days. Any such offer shall entitle offerees to assign their right to accept such offer without restriction.

All unissued shares shall be at the disposal of the Directors and they may allot, grant options over or otherwise dispose of them to such persons at such and on such terms as they think proper. The Company may on any issue of shares pay such brokerage or commission as may be lawful.

The Directors may at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

Alteration of Rights

The rights attached to any class of shares in the capital of the Company may, subject to the provisions of the Statutes be varied or abrogated only by the affirmative vote of the holders of not less than three-fourths of the issued shares of the Company at a General Meeting of which notice specifying the intention to propose the resolution has been duly given."

Director's Appointment and Retirement

The Company may have at least seven but not more than eight Directors in number. The Directors are Directors of the Company and not split into 'A' and/or 'B' Directors notwithstanding the continuing 'A' and 'B' Ordinary Shares structure of the Company.

Any provision of the Statutes which, subject to the provisions of these Articles, would have the effect of rendering any person ineligible for appointment or election as a Director or liable to vacate office as a Director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment or election of any Director over a specified age, shall not apply to the Company.

The office of a Director shall be vacated in any of the following events, namely, if the director:

- a) becomes prohibited by law from acting as a Director;
- b) resigns and the Directors accept the director's resignation;
- c) has a receiving order made against the director or shall compound with the director's creditors generally;
- d) has a mental disorder and an order is made by a court claiming jurisdiction in that behalf on that ground (however formulated) for the director's detention or for the appointment of a guardian or for the appointment of a receiver of other person (by whatever name called) to exercise powers with respect to the director's property or affairs; or
- e) is removed from office as provided in these Articles.

Borrowing Powers

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.

The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relating to its subsidiaries (if any) so as to secure (but as regards subsidiaries only in so far as by the exercise of such rights or powers control the Board can secure) that the aggregate amount from time to time outstanding of all borrowings by the Group to another member of the Group) shall not at any time without the previous sanction of a Special Resolution of the Company exceed US\$1 billion.



ZCCM- INVESTMENTS HOLDING PLC

(Incorporated in the Republic of Zambia, Company Registration Number: 119540000771)

Share Code: ZCCM-IH

ISIN: ZM0000000037

("ZCCM-IH" or "the Company")

Directors: Mr Eric S. Silwamba (Chairman), Mr Mabvuto T. Chipata (Chief Executive Officer), Mr Fredson K. Yamba
Mr Mateyo C. Kaluba, Mr Philippe G Taussac, Mr Barnaby B. Mulenga, Mr Yollard Kachinda

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary Meeting of the Shareholders of ZCCM Investment Holding Plc will be held virtually on <https://eagm.creg.co.zw/eagm/login.aspx> on Tuesday 30 March 2021 at 10:00 hours.

The Extraordinary Meeting is convened by ZCCM-IH to seek its Shareholders' approval for the Transaction whereby it will acquire 90% of the issued shares of Mopani Copper Mines Plc (being all of the issued shares in Mopani which it currently does not own) from Carlisa and enter into the following Transaction Agreements:

- o an uncommitted term facility agreement between Mopani as borrower, GIAG as lender and the Company as guarantor originally dated 25 July 2013, as amended pursuant to the Transaction;
- o an uncommitted term facility agreement between Mopani as borrower, Carlisa as lender and the Company as guarantor originally dated 31 March 2000, as amended pursuant to Transaction;
- o an assignment, capitalisation, amendment and restatement agreement between GIAG as original lender, Glencore Finance (Bermuda) Ltd ("GFB") as assignor, the Company as guarantor and Mopani as borrower, appending the GIAG Facility Agreement;
- o an amendment and restatement agreement between Carlisa as original lender, GIAG, First Quantum Minerals Ltd, the Company as guarantor and Mopani as borrower, appending the Carlisa Facility Agreement;
- o an amendment and restatement of deed of priority between GIAG, Carlisa, GFB and Mopani;
- o a Zambia law governed security agreement between Mopani and GIAG granting a first ranking fixed and floating charge over all of the assets and undertaking of Mopani;
- o the Share Pledge Agreement between GIAG, Mopani and the Company as chargor, granted in favour of GIAG by the Company granting security over all the issued share capital of Mopani and securing existing debt owed to GIAG;
- o the Glencore Offtake Agreements between Mopani, the Carlisa and the GIAG for the supply of up to 100% of the Copper produced by Mopani; and
- o a transitional services agreement between GIAG, Mopani and the Company relating to the provision of certain services by GIAG in respect of the operations of Mopani;

substantially on the terms and conditions as set out in the circular to shareholders of the Company dated 9th March 2021 (the "Circular") outlining the Transaction, of which this notice convening the general meeting forms part. The Circular includes:

- o Salient terms of the Transaction;

- o A Competent Persons Report prepared by an independent consultant; and
- o An Independent Reporting Accountants Report.

The Circular will be distributed to shareholders physically or electronically from Tuesday, 9 March 2021. The Circular will also be available from Tuesday 9 March 2021 until 30 March 2021 at 10:00 hours at Company's registered office ZCCM-IH Office Park, Stand No. 16806, Alick Nkhata Road, Mass Media Complex Area, Lusaka.

As a Category 1 transaction under the LuSE Listing Rules, Shareholder approval is required for the Transaction.

At the EGM Shareholders will consider the proposed Transaction, and if deemed appropriate, pass the proposed ordinary resolution below:

THAT the Transaction be and is hereby approved and the directors of the Company (the "Directors") be and are hereby authorised to:

- a. do or procure to be done all such acts and things as they consider necessary, expedient or appropriate in connection with the Transaction and this resolution (including for the purpose of obtaining any approval, consent, clearance or permission that is a condition to the Transaction or that the Directors consider necessary or expedient); and
- b. to agree such modifications, variations, revisions, waivers or amendments to the terms and conditions of the Transaction (provided that such modifications, variations, revisions, waivers or amendments are not of a material nature), to any documents, and arrangements relating thereto, as the Directors may, in their absolute discretion, think fit.

Notes:

All shareholders are encouraged to make arrangements to participate in the Extraordinary Meeting through the eAGM link provided.

i. The proceedings of the Meeting will be streamed live through the following link, and shareholders are required to Sign Up in advance.

<https://eagm.creg.co.zw/eagm/login.aspx>

ii. Shareholders and proxies are requested to **Sign Up now**. Please sign up onto the link with the credentials that shall be forwarded to you via email and phone.

The key steps to follow are as given below:

- a. Sign up on the ("**eAGM platform**") given.
- b. Log into the ("**eAGM platform**") and register to attend the meeting on the day of the meeting

iii. To sign up for the Meeting, a shareholder must have a working email and an active cell phone number.

iv. The window for signing up for the Meeting shall be open on Tuesday, 09th March 2021 and automatically close at the commencement of the Meeting on Tuesday, 30th March 2021 at 10:00 hours. Registration will commence at 08:00 hours on the day of the meeting. A shareholder who does not register before the start of the meeting will not be able to do so when the meeting starts.

v. After registering, a shareholder will be allowed to join the meeting.

vi. The voting at the Extraordinary Meeting will be conducted electronically on <https://eagm.creg.co.zw/eagm/login.aspx>.

vii. To fully participate in the AGM, a shareholder must have a reliable internet connection.

viii. Queries on how to log into the Meeting, registration or on the voting process can be channelled to the Corpserve Transfer Agents on info@corpservezambia.com.zm or james@Corpservezambia.com.zm: Or phone **0950968435, 0955899375, 0979946143**

ix. A member entitled to attend and vote at the meeting is entitled to appoint any person (whether a member of the Company or not) to attend and to vote in his/her stead. A Proxy form has been included in the Circular and is available on the Company website www.zccm-ih.com.zm. The completed Proxy Form must be lodged at the Registered Office of the Company, ZCCM-IH Office Park, Stand No. 16806, Alick Nkhata Road, P.O .Box 30048, Lusaka or emailed to corporate@zccm-ih.com.zm before the commencement of the EGM.

By Order of the Board

Chabby Chabala

Company Secretary



ZCCM - INVESTMENTS HOLDINGS PLC

(Incorporated in the Republic of Zambia, Company Registration Number: 119540000771)

Share Code: ZCCM-IH

ISIN: ZM0000000037

("ZCCM-IH" or "the Company")

FORM OF PROXY

I/Weof.....being a member/members of the above-named company, hereby appoint.....of..... or failing him/her.....of.....as my/our proxy to vote in my/our names and on my/our behalf at the Extraordinary General Meeting of the Company to be held on the 30th March 2021 and at any adjournment of that meeting *:

Please indicate with an X, in the spaces below, how you wish your vote to be cast. If no such indication is given, the proxy will vote or abstain at his/her discretion.

Details of Resolution	For	Against	Abstain
<p>THAT the Transaction be and is hereby approved and the directors of the Company (the "Directors") be and are hereby authorised to:</p> <p>a. do or procure to be done all such acts and things as they consider necessary, expedient or appropriate in connection with the Transaction and this resolution (including for the purpose of obtaining any approval, consent, clearance or permission that is a condition to the Transaction or that the Directors consider necessary or expedient); and</p> <p>b. to agree such modifications, variations, revisions, waivers or amendments to the terms and conditions of the Transaction (provided that such modifications, variations, revisions, waivers or amendments are not of a material nature), to any documents, and arrangements relating thereto, as the Directors may, in their absolute discretion, think fit.</p>			

Unless otherwise instructed, the proxy will vote as he thinks fit.

Dated: _____ Signed: _____

*Strike out whichever is not desired.

The completed Proxy Form must be lodged at the Registered Office of the Company, ZCCM-IH Office Park, Stand No. 16806, Alick Nkhata Road, P. O. Box 30048, Lusaka or emailed to corporate@zccm-ih.com.zm before the commencement of the EGM.