



Monday, 12 February 2018

UNDERSTANDING THE CEC OFFER ANNOUNCEMENT

– a brief guidance NOTE brought to you by STOCKBROKERS ZAMBIA LIMITED

STOCKBROKERS ZAMBIA LIMITED ("SBZ") is the **Sponsoring Broker** for Copperbelt Energy Corporation PLC ("CEC") on the Lusaka Stock Exchange ("LuSE"). As Sponsoring Broker, the primary role of SBZ is to serve as the first point of contact regarding the activities of CEC on the LuSE.

In this regard SBZ has received several queries from clients and potential investors on the Announcement issued on 30 January 2018, by CEC, regarding the Announcement of a firm intention by **Zambian Transmission LLP** to make an **Offer** for CEC shares.

Offer Announcement Process

This brief guidance note provides a quick and ready summary on the CEC Offer Announcement - and the process that will be followed until the Offer closes.

1. **Zambian Transmission LLP** is a company wholly owned by CDC. CDC is the Commonwealth Development Corporation, a company owned by the British Government. CDC is classified as a development finance institution;
2. **Zambian Transmission** has written to the Board of CEC making a firm intention to acquire CEC (the Offer). Therefore, in compliance with the law (i.e. Securities Act), and the Listing Rules of the LuSE, the Board of CEC is required to publish this Offer as an Announcement to the market - hence the press advert that was issued on 30 January 2018;
3. Following the Press Advert (Announcement), **Zambian Transmission Company** will now - within 21 days - send an Offer Document to ALL the shareholders of CEC. The Offer document will provide details of the Offer to enable shareholders to make an informed decision on whether or NOT they wish to sell their shares in CEC to **Zambian Transmission LLP**;
4. The Board of CEC will also send to ALL CEC shareholders a separate **Circular** in which the Board will indicate whether or not it believes the Offer from CDC is fair and reasonable. The Board of CEC must send its Circular to all CEC shareholders within 14 days from the date that **Zambian Transmission** sends its Offer Document;
5. Therefore, in summary, CEC shareholders will receive two separate documents - the Offer document from **Zambian Transmission** and the Circular document from the CEC Board. Shareholders are then free to make a choice whether to reject the Offer or to SELL some of their shares or to sell ALL their shares.
6. A *Form of Acceptance* will be attached to the Offer Document for use if you wish to SELL. If you do not wish to sell, then you should not complete the Form of Acceptance.

As always, please consult your broker regarding the CEC Offer.

More Information :

Call **Stockbrokers Zambia Limited** on + 260 211 232456 or + 260 212 225984 or send us an email to trading@sbz.com.zm

Or VISIT our **KITWE OFFICE** at **EBENEZER CENTRE** next to **Cavmont Bank** - and open a **TRADING ACCOUNT**.

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