

**SENS ANNOUNCEMENT**  
(the "Notice" or "Announcement")

**ISSUER**



**COPPERBELT ENERGY CORPORATION PLC ("CEC")**  
[Incorporated in the Republic of Zambia]

Company registration number: 1199700309070  
Share Code: CEC  
ISIN: ZM0000000136  
Authorised by: Julia C Z Chaila – Company Secretary

**SPONSOR**



**Stockbrokers Zambia Limited**  
[Founder Member of the Lusaka Securities Exchange]  
[Regulated and licensed by the Securities and Exchange Commission of Zambia]

Contact Number: +260-211-232456  
Website: [www.sbz.com.zm](http://www.sbz.com.zm)

**APPROVAL**

The captioned Notice or Announcement has been approved by:

- i. the Lusaka Securities Exchange
- ii. the Securities and Exchange Commission
- iii. Copperbelt Energy Corporation PLC

**RISK WARNING**

The Notice or Announcement contained herein contains information that may be of a price-sensitive nature.

Investors are advised to seek the advice of their investment advisor, stockbroker, or any professional duly licensed by the Securities and Exchange Commission of Zambia to provide securities advice.

**ISSUED: 14 July 2023**



Copperbelt Energy Corporation PLC  
[Incorporated in the Republic of Zambia]  
Company registration number: 39070  
Share Code: CEC  
ISIN: ZM0000000136  
[“CEC” or “the Company”]

## CAUTIONARY ANNOUNCEMENT

Shareholders are referred to the first Cautionary Announcement, dated 9<sup>th</sup> June 2020 and the subsequent Cautionary Announcements dated 25<sup>th</sup> January 2021 and 19<sup>th</sup> May 2021, issued by the Board of Directors of Copperbelt Energy Corporation PLC (“CEC” or “the Company”), wherein shareholders were advised regarding the accumulated debt by Konkola Copper Mines (“KCM”) in unpaid power charges. An arbitration action was commenced by CEC against KCM on 18<sup>th</sup> November 2021, under the UNCITRAL Rules 1976, to recover the debt, pursuant to the arbitration provision contained in the Power Supply Agreement (the “PSA”), for an outstanding principal sum at the material time of US\$ 139,798,529, plus contractual interest for power supplied until the expiry of the PSA (the ‘Arbitration’).

The parties consented to settle the dispute under Arbitration on agreed commercial terms, and consequently, CEC and KCM have entered into a Settlement Agreement in which the parties have agreed to settle and resolve completely and finally the present dispute.

The implication of the Settlement Agreement on the Company will be an immediate reversal in part of the previously impaired KCM receivable of US\$171 million. Additionally, an amount of US\$107 million will be applied to reduce the ZESCO payable, which currently forms part of the current liabilities in CEC’s books of accounts. Furthermore, an amount of US\$64 million will be applied to Zambia Revenue Authority to settle the corporation tax arising from the writeback of the KCM receivable. Finally, the residue KCM debt of US\$20 million will be paid by KCM by way of an agreed number of instalments.

The Board of Directors informs shareholders of the Company and the market that the arbitral proceedings have not been finalised. However, in view of the settlement, the parties intend to conclude the action by a consent award to be endorsed by the sole arbitrator. Therefore, as events unfold, the shareholders and the market will be kept informed on this matter accordingly.

Shareholders are, therefore, advised to continue exercising caution when dealing in the Company’s securities.

**By Order of the Board**

**Julia C Z Chaila**  
Company Secretary

Issued in Lusaka, Zambia on Friday, 14 July 2023

Lusaka Securities Exchange Sponsoring Broker



STOCKBROKERS ZAMBIA LIMITED

T | +260-211-232456

E | [advisory@sbz.com.zm](mailto:advisory@sbz.com.zm)

W | [www.sbz.com.zm](http://www.sbz.com.zm)

Stockbrokers Zambia Limited (SBZ) is a founder member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia

First Issued on 9<sup>th</sup> June 2020