

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

ISSUER



ZCCM INVESTMENTS HOLDINGS PLC ("ZCCM-IH")
[Incorporated in the Republic of Zambia]

Company registration number: **119540000771**
Share Code: ZCCM-IH
ISIN: ZM0000000037
Authorised by: Chabby Chabala – 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

APPROVAL

The captioned Notice or Announcement has been approved by:

- i. the Lusaka Securities Exchange ("LuSE")
- ii. the Securities and Exchange Commission ("SEC")
- iii. Stockbrokers Zambia Limited ("SBZ")

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: 11 June 2021



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["ZCCM-IH" or the "Company"]

TRANSACTION ANNOUNCEMENT

The Board of ZCCM Investments Holdings Plc ("ZCCM-IH" or "the Company"), wishes to advise the shareholders and the market participants that the Company has signed a Management Services Agreement ("MSA") with the Industrial Development Corporation Limited ("IDC" or the "Corporation"). As per the proposed agreement, the IDC will provide mandatory and ad hoc group services to ZCCM-IH on a per hour cost basis for a period of five years from the implementation of the agreement.

The Board wishes to inform the shareholders and the market that ZCCM-IH, with its advisors, has prepared the financial and non-financial information which is required in the Circular to ZCCM-IH shareholders ("Shareholders") to ensure Shareholders have sufficient information to vote on the Transaction at an Annual General Meeting ("AGM"). In line with the requirements of Section 9 of the Lusaka Securities Exchange ("LuSE") Listings Requirements, the salient features of the Transaction are as follows.

Particulars of the Transaction	Management Services Agreement involving ZCCM-IH and the Industrial Development Corporation Limited
Conditions Precedent include:	ZCCM-IH Shareholder approval.
Consideration:	Services to be costed on a per hour basis as defined in an appendix of the MSA. A copy of the MSA will be in the Circular and available for inspection at the Company's offices.
Other significant terms of the Agreement:	<ul style="list-style-type: none">• IDC to provide Group mandatory and ad hoc services to ZCCM-IH;• Services to be costed on a per hour basis as defined in an appendix of the MSA; and• The agreement will be in effect for a term of five years.
Effective Date	Upon approval of the agreement by shareholders at the AGM

Rationale for the Transaction

The Industrial Development Corporation is the majority shareholder of ZCCM-IH with 60.28% of shares. The IDC group has 36 companies under its portfolio.

The IDC has a mandate to transform subsidiaries in its portfolio focusing on business remodelling, capital restructuring and financing support amongst others. This is underpinned by effective Group oversight which includes the provision of group management services to ZCCM-IH in all functional areas listed in the MSA. IDC has been providing management services to ZCCM-IH since 2017 and has increased its level of services to ensure ZCCM-IH is aligned to the vision of the IDC.

Thus, ZCCM-IH accesses and benefits from the IDC's group management services. With effect from the date of shareholder approval, the IDC formalised its arrangement for management services by entering into Management Services Agreements with subsidiaries and introducing management fees determined based on cost recovery plus mark-up. Management services by the IDC to its subsidiaries confer economic benefits to ZCCM-IH.

Considering the above, ZCCM-IH intends to sign the management services agreement with the IDC.

	Before	Pro Forma Adjustments	After	Percentage change (%)
EPS (ZMW)	11.87	-0.20	11.67	-1.69%
HEPS (ZMW)	8.59	-0.20	8.38	-2.34%
NAV per share	130.16	-0.20	129.96	-0.15%
NTAV per share	20,930,127	-32,313	20,897,065	-0.15%
Ordinary Shares in issue	160,800,286	-	160,800,286	-
Shares in issue	160,800,286	-	160,800,286	-
Weighted average number of Ordinary Shares in issue	160,800,286	-	160,800,286	-

Extraordinary General Meeting and the Transaction Circular

- i. A notice of Annual General Meeting ("AGM") to consider the Proposed Transaction was published on 09 June 2021; and
- ii. A circular to Shareholders giving full details of the Transaction will be mailed to Shareholders on or about Monday, 14 June 2021.

The Circular will also be available in electronic form on the LuSE's website (www.luse.co.zm) or Stockbrokers Zambia Limited (SBZ) website (www.sbz.com.zm). Alternatively, shareholders may collect the Circular from the Company's Transfer Secretaries and/or Sponsoring Broker whose details are below:

Sponsoring Broker

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

Transfer Secretary

Corpserve Transfer Agents Limited
6 Mwaleshi Road
Olympia Park
Lusaka
Zambia

Shareholders are advised to continue to exercise caution when dealing in the Company's securities until completion of the Transaction which is expected on 1 July 2021.

By Order of the Board

Chabby Chabala
Company Secretary

Issued in Lusaka, Zambia on June 11, 2021

Lusaka Securities Exchange Sponsoring Broker



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

First Issued on 11 June 2021