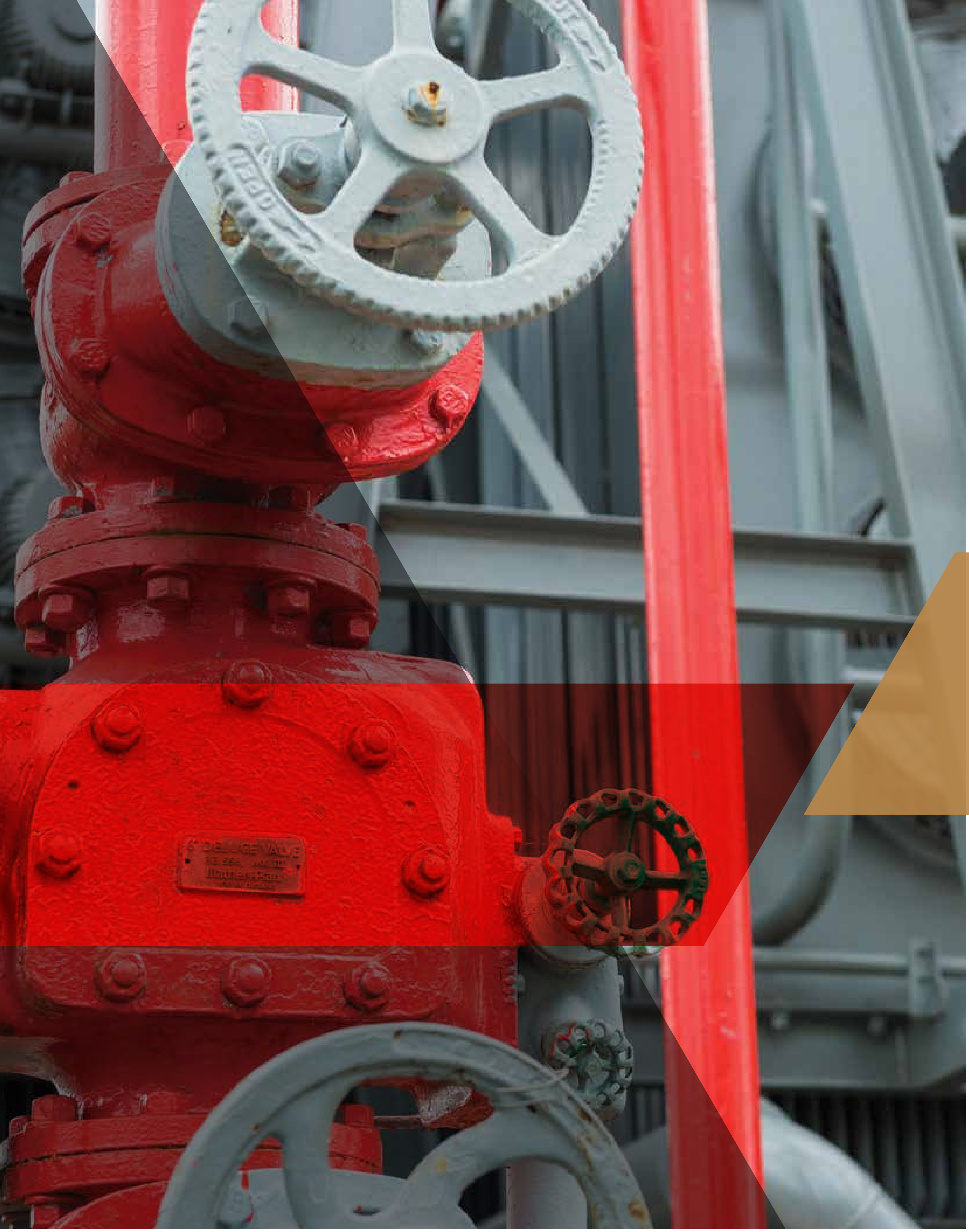
COPPERBELT energy

Annual Report 2017

Copperbelt Energy Corporation PLC



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COPPERBELT energy

About this report

This annual report provides a concise review of the strategic, governance and operational performance of CEC in the period 1 January to 31 December 2017. Being the Company's principal communication to our stakeholders, the report integrates all material aspects of the business including financial, social, environmental and governance, and demonstrates how we create sustainable value for our stakeholders.

Providing an insight into the business model of CEC, the report also highlights the risks and opportunities arising from changes in the external environment, and the Company's strategic response to these material issues. The report also provides information on the governance structures that support the delivery of CEC's strategic objectives, and implementation of our vision and mission.

This report is organised into nine parts. The Overview section takes a quick, high level look at the business, introducing the Company and giving some of its salient features. *The Chairman's statement* wraps up the strategic picture while the *Managing Director's report* presents operational performance against our strategy and key performance indicators. It also outlines the outlook for the future and the approach to achieving set strategic objectives. The Financial section opens with the *Chief Financial Officer's report*, which focuses on financial performance against set objectives. The rest of the sections focus on the business, how we are governed and led, the operational performance, stakeholder engagement and shareholder information. All the key terms and abbreviations used in this report are explained in the glossary under supplementary information.

The financial and non-financial information in this report is compiled in accordance with:

- Companies Act, Chapter 388
- International Financial Reporting Standards
- LuSE Listings Rules

ASSURANCE

The oversight role to this annual report rests with the Audit Committee of our board. The committee has reviewed the completeness and accuracy of this annual report and is satisfied that it is an accurate reflection of the Company's performance and recommended the report for board approval.

Our external auditor, KPMG, has audited the Company's financial statements set out on pages 84-119. The auditor's independent report on the audit of the Company's financial statements is set out on pages 80-84.

MATERIALITY AND COMPARABILITY

We determined as material any issues that could influence the decisions, actions or performance of the Company and its stakeholders. The determination of materiality has been applied to both quantitative and qualitative disclosures and content in this report. All material matters have been included and management is not aware of any information that was available but excluded or any legal prohibitions to the publication of any information disclosed.

There have been significant changes to the content and scope of this report from prior years as we endeavour to present more integrated information to our stakeholders and enhance their appreciation of the business and its creation of sustainable value.

FORWARD-LOOKING INFORMATION

This report contains financial and non-financial forward-looking statements about the Company's performance and position. We believe that while all forward-looking information contained herein is realistic at the time of publishing this report, actual results in future may differ from those anticipated. We take no obligation to revise or update these forward-looking statements to reflect events or circumstances that arise after the statements have been made.

RESPONSIBILITY FOR THIS ANNUAL REPORT

The board acknowledges its ultimate responsibility for ensuring the integrity of the annual report, assisted by the Audit Committee and supported further by management. To the best of the board's knowledge and belief, the 2017 annual report addresses all material issues and fairly presents the integrated performance of the Company and its impacts. The board, having collectively applied its mind to the preparation and presentation of the information contained in this report, is satisfied that the annual report has been prepared in accordance with best practice and confirms that it has, on 28 February 2018, approved the release of the 2017 annual report for CEC.

OUR STAKEHOLDERS' FEEDBACK

We are committed to continue improving our reporting and to building stronger relationships with all our stakeholders. We believe that our stakeholder relationships are enhanced through communication and have available various communication channels and tools that you can use to speak to us. We encourage our stakeholders to provide feedback on this annual report by using the contact details found on page 157 or by email to Chama S. Nsabika: nsabika@cec.com.zm.

Hanson Sindowe
Chairman

Owen Silavwe
Managing Director

1. AN OVERVIEW

WHO WE ARE

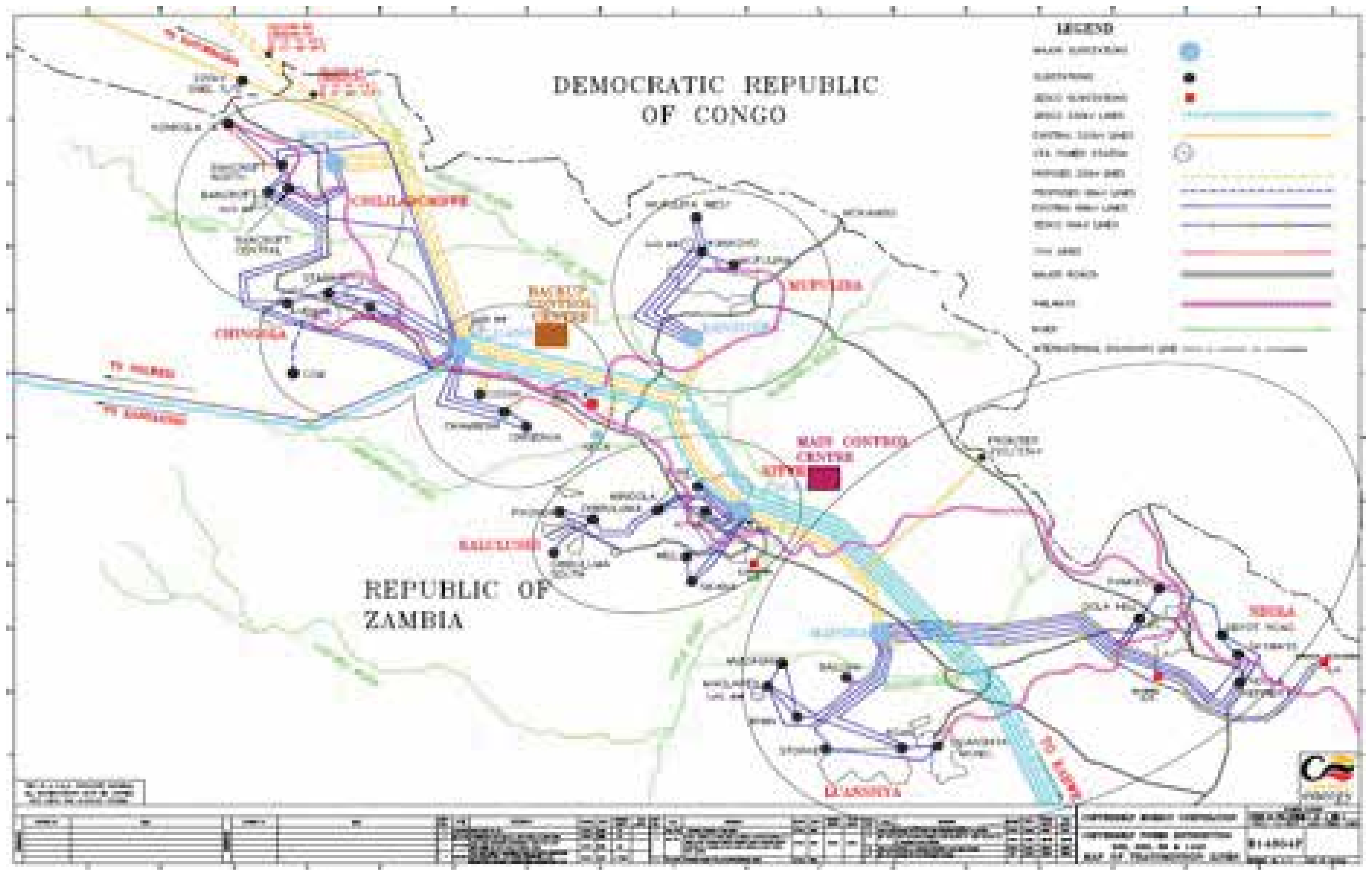
CEC is a publicly traded electricity company domiciled in the Republic of Zambia. Listed on the LuSE main board under the energy sector since 21 January 2008 (ticker CEC.zm), the Company was first incorporated more than 60 years ago and privatized 20 years back.

The business of CEC is the supply, transmission, distribution and generation of electricity. CEC also has interests in telecommunications. Its customers, for the power business, are the mining companies operating in the copper mining belt straddling the border between Zambia and the DRC and utilities in the SAPP that access transmission services. Its telecommunications business is undertaken through the joint venture, CEC Liquid Telecom, which builds fibre networks and provides wholesale bandwidth, and its retail arm Hai Telecoms. CEC is also engaged in international power trading, and is now one of the largest power traders in the SAPP.

CEC's market share of electricity sales in Zambia is about 50% of national energy consumption with our customers taking about 40% of Zambia's national peak demand. Our network, designed to a high degree of redundancy, and maintained to a high standard of reliability comprises over 1,000 kilometres of primary transmission lines at 220kV and 66kV (around 700km of which are embedded with optic fibre). Our Company is Zambia's main supplier of power to the mining industry – a service it has consistently and reliably provided since 1953, when the Company was formed. Our purpose is to power the mines.

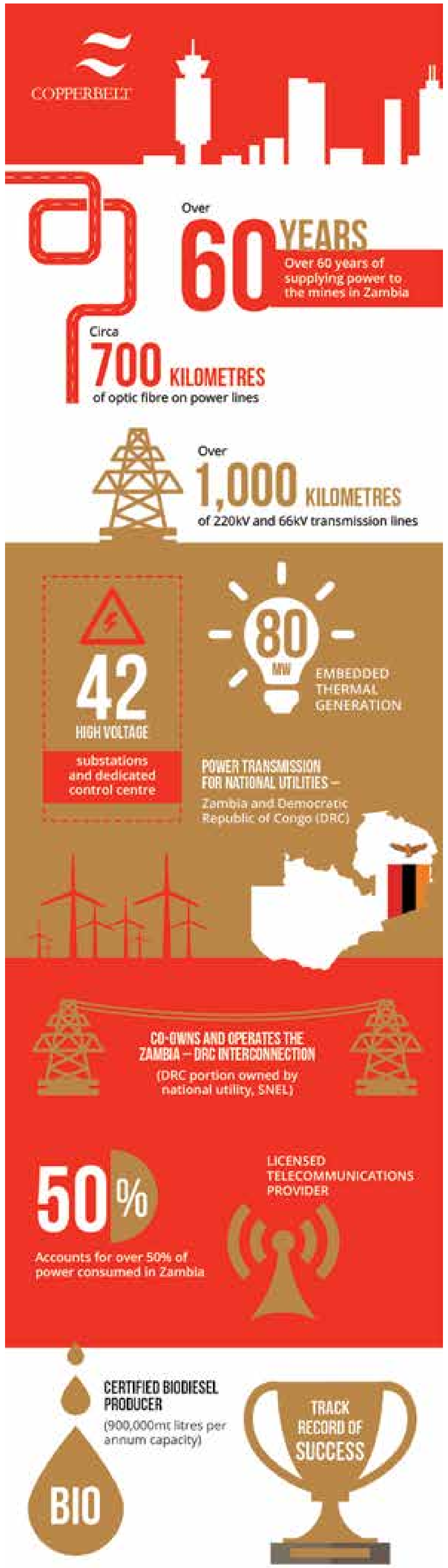
CEC owns and operates a robust network of power infrastructure assets worth over USD438 million, reliably serving our customers and creating sustainable value for all our stakeholders.

Our operational footprint is extensive, covering the entire mineral-rich Copperbelt Province of Zambia (an area measuring 31,328km2) via 42 high voltage substations. We co-own and operate the transmission interconnection between Zambia and the DRC, which forms an integral and important part of the SAPP's central transmission corridor enabling the development of a competitive international power market in the SADC. The link has the capacity to carry over 500MW of firm power trades.



We need to position the Company for the future, armed with the knowledge that advances in renewables coupled with smart grid technology are creating new growth opportunities for utilities around the world. It is important for the sustainability of our business that we acquire and master the technical and commercial capabilities that will allow us to integrate the new developments in the way we do business, seeking the right partnerships whenever necessary. In this regard we have already commenced on our transformation journey. Our push into the renewables space began with our installation and commissioning of a biofuel production plant with an annual capacity of 900,000 litres. We produce a certified biodiesel product which can run in vehicles and industrial equipment. Our 1MW grid-scale solar project due for commissioning in the first quarter of the coming year, is our flagship project in the adoption of distributed generation which will form part of our supply strategy going forward.

Our customer focus and service-centric approach to business is reflected in the attention we pay to every detail hinging on customer satisfaction and retention, including provision of emergency power through 80MW of strategically located thermal plants, condition-based monitoring and maintenance of assets, a world class culture of safety and on-going efforts on the application of current technological trends, enabling a highly efficient supply network.

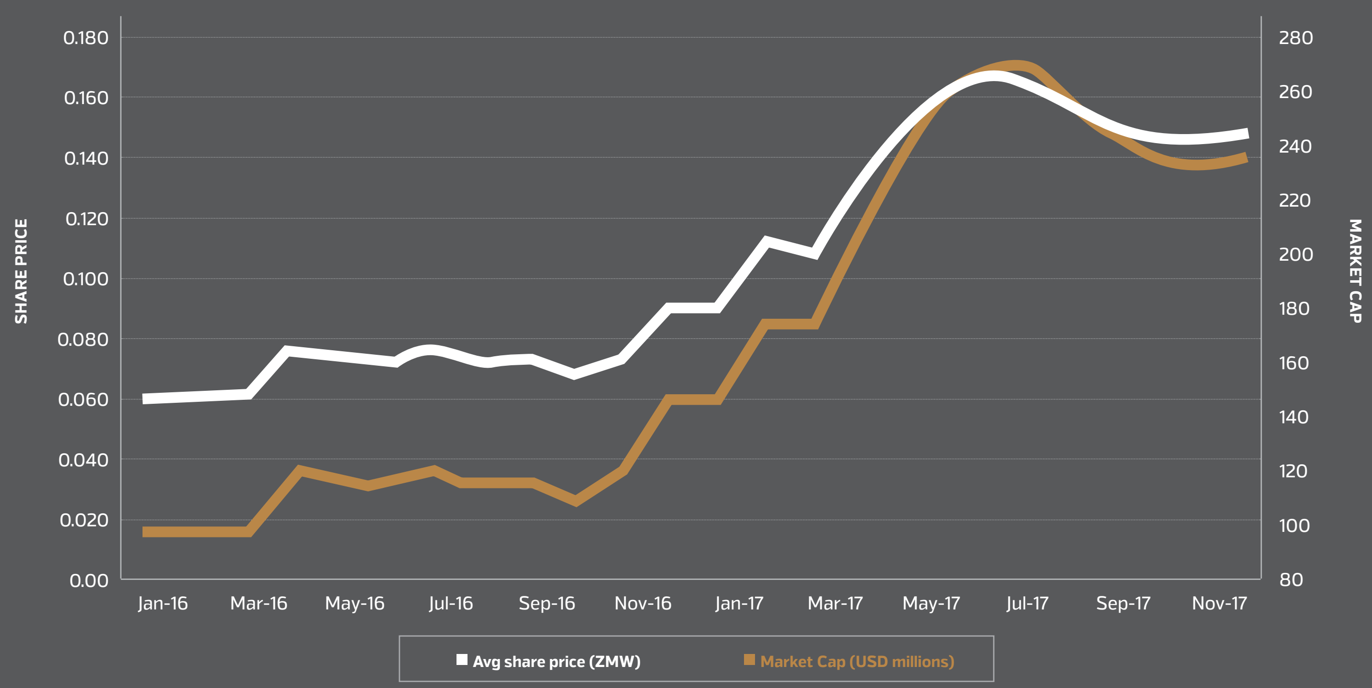


Key performance indicators

Revenue	Adjusted EBITDA	Adjusted Earnings
USD390m	USD101m	USD48m
2016: USD355m	2016: USD92m	2016: USD42m

Dividends Paid	Cash Generation Ratio	Adjusted Earnings Per Share
USD21m	73%	USD cents 3.0
2016: USD16.4m	2016: 64%	2016: USD cents 2.6

Share Price



Non-Financial Performance Indicators

Health and Safety
- 0 fatalities
- 3.094 million injury-free hours
- 0.06 LTIFR

Operations
- 1,586.13GWh domestic wheeling
- 851GWh power trading
- 462.50 average maximum demand

Human capital
- 11,924 learning hours
- 99% retention rate

Social and relationships
- More than 10 stakeholder groups engaged
- USD1.882m in social investment

Salient features

In thousands of USD	**2017**	2016
FINANCIAL PERFORMANCE (adjusted)		
Revenue	**389,532**	354,626
Gross Profit	**130,438**	117,722
Adjusted EBITDA	**101,471**	92,419
Operating Expenses	**(61,708)**	(51,455)
PAT/LAT	**48,378**	(113,687)
ECONOMIC INDICATORS		
Average ZMW/USD exchange rate	**9.49**	10.31
SHARE STATISTICS		
Total shares in issue	**1,625,000,597**	1,625,000,597
Closing share price (ZMW)	**0.144**	0.088
Average share price (ZMW)	**0.136**	0.069
Market capitalisation (in thousands of USD)	**234,168**	143,601
EMPLOYEES		
Total number of employees	**345**	373
Total number of contractors	**119**	116
Training/skills development spending (in thousands of USD)	**621**	413
HEALTH, SAFETY AND ENVIRONMENT		
LIFTR (per 100,000 man hours)	**0.06**	0.06
System based injury-free hours (millions)	**3.094**	1.46
Lost time injury severity rate	**1.95**	6.70
SOCIAL AND TRANSFORMATION		
Corporate social responsibility spend (in thousands of USD)	**171**	92
Community sensitisation engagements	**4**	11

Five-year review

In thousands of USD	**2017**	2016	2015	2014	2013
INCOME STATEMENT					
Revenue	**389,532**	354,626	355,063	291,948	267,066
Adjusted EBITDA	**101,471**	92,419	79,951	60,603	47,719
Operating profit/ (loss)	**79,579**	(80,218)	68,351	50,135	37,311
Net finance costs	**(4,451)**	(6,987)	(7,276)	(2,010)	(294)
Share of profits from joint ventures	**448**	1,841			
Profit/ (loss) before tax	**75,128**	(87,205)	61,075	48,125	37,017
Taxation	**(26,750)**	(26,482)	(21,550)	(14,520)	(13,008)
Net profit/ (loss) attributable to equity holders of the Company	**48,378**	(113,687)	39,525	33,605	24,009
Headline earnings attributable to shareholders	**0.030**	(0.070)	0.024	0.022	0.024
BALANCE SHEET					
Non-current assets	**437,534**	436,170	550,282	380,613	305,273
Current assets	**182,426**	149,168	171,372	161,615	110,414
Total assets	**619,960**	585,338	721,654	542,228	415,687
CASH FLOW					
Net cash inflow/ (outflow) from operating activities	**74,112**	58,371	47,736	28,033	30,478
Net cash outflow from investing activities	**(15,564)**	(8,177)	(25,192)	(56,610)	(107,645)
Net cash (outflow)/inflow from financing activities	**(36,020)**	(44,904)	(15,536)	57,551	72,469
Net cash increase/ (decrease) for the year	**22,528**	5,290	7,008	33,974	(4,698)
RATIOS AND STATISTICS					
Earnings					
Earnings per share	**0.030**	(0.070)	0.024	0.022	0.02 4
Headline earnings per share					
Dividend per share	**0.013**	0.010	0.009	0	0.004
Dividend cover	**2.3**	(6.9)	2.8	0	6.0
Profitability					
Operating margin	**12%**	(32%)	11%	12%	9%
Return on capital employed	**15%**	(23%)	11%	12%	14%
Return on equity attributable to shareholders	**14%**	(38%)	10%	12%	13%
Financial					
Net debt to equity	**21%**	29%	27%	36%	56%
Current ratio	**1.88**	1.63	1.59	1.44	0.72
Liquidity ratio	**1.85**	1.59	1.57	1.41	0.70

Chairman's statement

Our role, as a business, extends far beyond providing electricity that keeps the wheels of mining, and the Zambian economy, turning. We enable economic growth, contribute to job creation and skills development. We invest in the social transformation of individuals, people groups and the larger society through different forms of social investments; including but not limited to infrastructure development, training, education and local human capital development. We see that our traditional role as electricity provider of choice to the mining industry will continue even as certain aspects evolve in line with relevant changes in both the mining and energy industries, technological and other external factors. Our Managing Director, in his performance review, delves into the detail of the key market developments of 2017 on our radar.

In 2017, the global economic environment within which our business operates showed stronger recovery and better performance, with global GDP closing the year around 3% as more than half of the world's economies recorded growth increases. In our sectors of interest, energy and mining, we saw copper prices and production ticking up while the growth in renewables, not only in terms of capacity development and availability but also in technologies and the cost thereof, was positive. The upturn in the copper price (about USD7,157 at year end) and other commodities is indicative of the improved confidence on the side of both the commodity exporters and importers; evidenced by a GDP growth of around 4.3% in emerging markets and developing economies. Although higher than the global rate, the pace of growth recorded in commodity exporting economies was generally still on the subdued side. Zambia's economic growth showed an accelerated pace in the last quarter buoyed, among other factors, by stronger copper sales, consistent with the picture in most commodity exporting economies.

In 2017, CEC performed at commendable levels across a range of metrics from revenue, profits and sales volumes to HSES and human capital. The financial section of this report, which incorporates our Chief Financial Officer's report, details our financial performance. The year was not without its challenges but with dexterity, foresight and focused application, the implementation of our strategy was on course.

Strategy and execution

The board oversees the process to set, review and plan strategy which is reconfirmed at the start of each year. In 2017, the strategy was reviewed for the five-year period 2017 to 2021. Management presented a seven-pillar strategy that seeks to modernise and efficiently manage the CEC network; consolidate our regional market position; realise multiple power sources; enhance stakeholder engagement; support the realisation of a robust tariff setting and migration path; provide management services and invest in viable generation and transmission projects aligned to our core business.

The board was satisfied that management had, in presenting the strategy, applied its mind to the prevailing and changing environment of the local and global market and had taken that context into proper consideration in devising how our business would respond to ensure sustained value creation.

Performance against the set strategy in 2017 was on track and we are proud of the progress achieved in the first year of implementation:

- We supported the implementation of the 2017 tariff review process while participating in the ZESCO Cost of Service Study being spearheaded by the ERB
- We continued on a path to grow the regional power trading business. We continue to increase the volumes of energy we sell under this business segment and our strategy will focus on growing the amount of energy we are pushing through the interconnector. Actualisation of this strategy not only provides improved earnings but also helps the business to diversify its risk as part of our overall risk management
- We made significant progress on the development of our first solar project being developed in Kitwe. We anticipate that commissioning of the Riverside 1MW solar PV project will happen in the first half of 2018
- We realised the first phase of the project to modernise our network infrastructure to facilitate more efficient operations

The board will continue to hold management accountable for the execution of the strategy throughout the remaining period.

Governance

Our Company aims to embed sound corporate values into every day decisions, processes and operations in order to ultimately build a culture of transparent, accountable and sustainable business conduct. Working and acting with integrity at all times is integral to our continued business success.

Our top governing body is the board of directors. We have a unitary board comprising 12 members, the majority of who (11 directors) are non-executive. We seek to maintain the necessary balance and diversity of skill, knowledge, independence and experience in the members. I am happy to report that in 2017, the board composition met all our set criteria.

The board considers good corporate governance as integral and essential to value creation and enhancing the performance of the Company. Our board understands that the foundation of good corporate governance is ethical and effective leadership, which will yield beneficial business outcomes such as sustainable performance and value creation for CEC. The board is committed to play its leadership role by providing strategic direction to management and informed oversight over strategy implementation and business performance.

During the year, there were ten scheduled board meetings. Additional meetings were convened when the board was required to deal with the review and approval of material matters affecting the Company. Each of the seven committees of the board met as scheduled and as necessary to transact its appropriate business as mandated. Section 5 contains the Directors' report in which our governance, performance of the board and its committees are fully covered.

HSES

Our safety, health and environmental management performance continues to record improvement with the systems being implemented in this regard receiving the nod and appreciation of both local and international parties.

The board has given clear guidance to management on the utmost importance of safeguarding and promoting the safety and health of all employees and our other stakeholders. This includes ensuring that employees are not subjected to harm or injury while at work, and that our operations and business activities are not detrimental to the communities neighboring us.

It is, therefore, pleasing to note that in 2017, management developed systems that enable us to adequately safeguard our employees, protect the environment, engage with the communities and manage our business risks. We achieved a nil-fatality record, having gone 23 months without a system based lost time accident and clocking, in that period, 3.094 million hours without a system based lost time injury. Our LTIFR was maintained at 0.06 while the number of system breaches commendably fell from 5 in 2016 to zero.

Shareholder returns

The business exists to create value for our principal stakeholders and one way in which we return value to our shareholders on their investment is through a distribution of profits through dividend. Declaration of a dividend is a matter for our board. Our policy provides for payout of 50% of earnings subject to the availability of cash, reserves and having provided sufficiently for working capital and other obligations. A cash dividend of USD21 million was paid out to our ordinary shareholders, an increase of 28% over 2016 (USD16.4 million).

Outlook

Our focus is the execution of our strategy to achieve sustainable performance and create sustained value for all stakeholders. This will be enabled by our adherence to sound governance principles and actions, effectively mitigating our risks, engaging with all our stakeholders successfully, and developing and retaining the relevant skills in our business.

It is in our interest to have a stable electricity supply industry in the country and the region, and we are committed to ensuring that our business effectively contributes to the attainment of tariffs that ensure reliable and competitively priced electricity not only for our customers but for other consumer categories and the country at large. Therefore, we will continue working with other sector players, including the state, to achieve a tariff path that supports economic growth.

As we continue to make efficiency improvements across the business, we have set our sights on growing demand, realising healthy returns on capital employed, cash conversion, and maintaining and improving our margins.

In mitigating our risks, our focus is on maintaining a moderate risk profile. One way in which we achieve that is by ensuring that we are selective in our pursuit of growth, allocating capital to prospects which are synergistic and aligned with our core business and where we have proven expertise or can easily grow it. Hence, in the near to medium term, we are pursuing a robust power sourcing strategy which will see us combine own and third-party sourced power and invest in co-generation projects. To adequately support our power trading business, we are looking at transmission projects on which this business segment can leverage. We do expect that with solid execution of this strategy, we will grow our footprint and expand our service offering, create and realise sustained value for all our stakeholders.

Appreciation and conclusion

I am grateful to my fellow directors currently serving on our board for their invaluable contributions and their active participation in setting the Company's strategy in the past year. I also thank those who stepped down during the year and welcome the new directors.

I am grateful for the hard work, dedication and commitment of our Managing Director and his management team. I congratulate them for delivering on the CEC strategy and for presiding over the improvements in financial, operational and social performance recorded in the reporting period. My heartfelt gratitude also goes to all the staff for their efforts, without which we may not be posting this performance. I thank our customers for showing their continued confidence in us through their business.

Hanson Sindowe
Chairman

Managing Director's report

Overview

I am proud of what we continue to achieve for our business and stakeholders. In 2017, as we celebrated our 20th anniversary under the CEC logo, the Company again delivered impressive performance, largely driven by a combination of demand recovery in Zambia and improving power volume sales under our power trading business segment.

The good performance we have achieved in our power trading segment, where we sell power to the mines in the DRC, is testament to the strategic approach the Company has taken to establish sustainability under this business line. Our power sales to the mines in Zambia got off to a slow start as demand recovery, following a slump in commodity prices in the last couple of years, remained gradual. By year end, we had achieved demand recovery averaging 2% while the forecast for 2018 indicates a higher rate of recovery. Slow demand recovery is attributed, in part, to the increase in electricity tariffs, averaging about 35%, effected during 2017. On the supply side, we continued to import about 30% of our power requirements for the Zambian market while 70% came from national sources.

We undertook a government-initiated tariff review process which resulted in the upward revision of tariffs to all our mine customers in Zambia. This process has been pitched as the first step in migrating tariffs towards cost reflectivity. Further tariff discussions are expected once the results of the ZESCO cost of service study, currently in progress, have been announced.

We continue to be innovative in our ongoing efforts aimed at upgrading and expanding the capacity and capabilities of our power network. Given the relative age of some of the pieces of equipment, the board has continued to allocate proportional resources towards this objective. This is important as it ensures that we continue to achieve high power supply reliability and efficiency across our network, a priority for the business and our customers. In line with our strategy, adoption of new and tested technologies remains key to the sustainability of our business for the foreseeable future. We are accelerating the adoption of renewables as we have recognised that they form a critical part of our future. In 2017, our board approved a 1MW grid-scale solar project which is already being implemented.

Our performance

HSES

Achieving sustained excellence in HSES is a constant goal that remains a top priority for our business. Through our four strategic sustainability pillars of Our People, Our Environment, Our Community and Our Risks, we have developed relevant management systems which form the basis for rolling out best practices in the Company and carrying out audits aimed at determining levels of compliance with the standards we have set for ourselves. I am pleased to report that, in 2017, our performance in this area was inspirational. We recorded about 3.1 million man-hours (about 23 months) without a system related lost time accident and a lost-time injury frequency rate of 0.06, which is among the best in class. More importantly, we have maintained our fatality record at zero, which marks the fourth year running for CEC, taking into account both the employees and contractors.

Our efforts in caring for the environment are unrelenting. This is not only because we are required to comply with legal and regulatory requirements, but we know, more importantly, that this is a necessity for the sustainability of our business. In the period under review, we remained compliant in all regulated environmental aspects of our business including hazardous and non-hazardous waste management, air emission and management of ozone depleting substances. Furthermore, we supported various activities aimed at creating awareness and promoting good environmental stewardship. For example, we continued supporting the tree replanting efforts and demonstrated our commitment to sustainable environmental protection through our sponsorship of the World Environmental Day school quiz. Our good environmental stewardship was again recognised through the 2017 Environment Award bestowed on the Company by ZEMA.

I am happy with the progress we have made in the areas of awareness, information sharing among all stakeholders, felt leadership programmes and good housekeeping campaigns. Further, we are continuing with our efforts to put in place an Integrated Management System (IMS), aimed at establishing a multi-faceted approach to our management of HSES as a means of boosting performance.

Power business

Power availability and sales

The tight margins between supply and demand of the last couple of years were still with us in 2017. While considerable improvements were recorded in power availability from the Zambian sources, the available energy was nonetheless inadequate to meet the full requirements of our customers. Our customers' requirements were, therefore, satisfied using a combination of 70% energy from Zambian sources and the balance (30%) from regional sources. We achieved this by extending both the Ministerial Consent, allowing us to import power into the Zambian market, and the special arrangements, allowing customers to take imported power as provided under the supplemental power supply agreements. These arrangements were once more instrumental in keeping our customers' processes and plants running uninterrupted and productive throughout the year.

Our power sales to our mine customers in Zambia began to demonstrate signs of recovery. We sold 3,513GWh in 2017 compared to 3,521GWh sold in 2016. Our capacity sales on the other hand showed better recovery, increasing by 2%, from 454MW in 2016 to 462MW 2017. Demand recovery was lower than anticipated mostly because of the tariff hike implemented during the year. By year end, we had just concluded the tariff adjustment process (described below) and we believe our customers were still adjusting to the new tariff before they could refocus their operations to take advantage of the improving commodity prices on the global market. We remain positive about our forecast for demand recovery in 2018 and anticipate a return to the demand levels of around 500MW that we saw in 2015. Domestic wheeling was on the upturn, recording a recovery rate of about 8%, with average capacity of 246MW wheeled compared to 228MW the previous year.

System performance and availability

We maintained a high plant availability and reliability throughout the year in line with our set benchmarks. With adequate contingency built into our power network, we always aim to more than meet our customer requirements. I am pleased with the performance of our power network which held well from a system resilience perspective. However, with the tighter margins between supply and demand, the wider Zambian system continues to show a level of susceptibility to high impact interruptions occurring on the system backbone. Technical studies of this phenomenon show that to enhance customer experience during such severe interruptions, there is need for investment at national level in equipment that provides dynamic voltage response. In 2018, we will engage with all relevant stakeholders with a view to getting agreement on an investment decision.

Modernising our power infrastructure forms part of our top priorities. In 2017 we made the highest capital outlay into our network in recent years, investing almost USD18 million in improving our power network by replacing equipment reaching end of life and upgrading network controls to meet the requirements of a 21^{st} century network. This is not a one-off activity but is part of the Company's rolling 10-year capital expenditure program, whose primary objective is to grow our assets and improve network efficiency while delivering on our commitment to be more customer-centric. As part of our infrastructure upgrade program, we commenced the refurbishment of our Control Centre, which is the nerve centre of our network operations. The first phase of this work which involved a substantial remake of the Control Centre and upgrade of all the tools used by our Control staff was completed during the year. Implementation of the second phase which aims to upgrade the SCADA system commenced during the year and will be continuing in 2018. We are also aware of the growing threat regarding cyber security. Proactively, we have enhanced our cyber security by establishing a cyber security wing within the Company. We will continue to equip the team with the relevant skills and tools to stay ahead of any potential threats to the business.

Financial performance

The Company has again delivered strong financial results supported by a combination of demand recovery in Zambia and improving power volumes sales under our power trading business segment, which involves supplying power to mines in the DRC in partnership with SNEL. Continuing with our purpose of powering the mines, we doubled our power marketing activities in the DRC, developing a better understanding of the demand situation and the capabilities of the local infrastructure. Despite tariffs coming under pressure as more and more surplus power became available in the region, we bet on volumes to grow our power sales to this market by 8%. We remain focused on growing the volumes we sell into this market though the downside risk regarding transmission capacity constraints in the central corridor through Zimbabwe and Zambia remain. In Zambia, realisation of the investment in dynamic voltage control mentioned above will help support increased trade volumes between Zambia and the DRC following the capacity enhancement to the interconnection we completed in 2016.

Market developments

There are a few market developments I wish to highlight. The work that the Ministry of Energy (MoE) initiated to amend both the Electricity and the Energy Regulation acts has yet to be completed. As I reported last year, the main aim of this process seems to have been to strengthen the legal provisions guiding tariff setting in the country and allocation of power amongst various customer categories. The Government sought further consultations with stakeholders on the potential amendments during the year. It is difficult to say, at this stage, how far the intended amendments are from being enacted into law. Our observation is that this work appears to have slowed down. We expect, however, that the amendments will be finalised during the coming year.

During the year, the MoE, working with the ERB, commenced discussions on modalities of implementing transmission open-access in Zambia. This potential policy shift has the aim of encouraging direct contracting between IPPs and large power offtakers as one structure to enable realisation of new generation projects as opposed to the current single-buyer structure where ZESCO acts as the offtaker with the Government providing credit enhancement to support project bankability. The MoE held the first round of consultations with industry stakeholders on the implementation of transmission open-access. One observation that stood out from the stakeholders was the implementation of open-access without reforming the market in a way that would more appropriately support this objective. Of note is whether open-access would account for the customers' requirement of seeking an average tariff between power from legacy power plants (which offer very competitive pricing) with that from new generation plants (producing at marginal cost). Moving the discussion forward will require a solution that ably addresses a number of these issues.

Tariffs

The tariff discussion with all customers that commenced in 2016 continued in 2017. With the signing of new offtake arrangements with some IPPs by ZESCO, who are also CEC's main source of power, securing an interim tariff increase became urgent to compensate for the higher cost of power from IPPs and imports from the region.

The tariff discussion process, which was earlier anticipated to close within the first quarter, however, protracted as the mines who were just beginning to recover from the effects of low commodity prices showed determination not to allow any escalation to their operating cost. The imperative for tariff increase was, however, critical for the short-term survival of the power sector necessitating additional efforts by both the Government and the utilities in ensuring every customer's participation in the new tariff was secured. I am pleased to report that by year end we secured the migration of all our customers to the new tariff regime and agreed mechanisms for payment of any attendant arrears given the new tariff was effective 1 January 2017.

Importantly, I note that that the 2017 tariff increase has been pre-determined as the first step in the broad plan of migrating tariffs towards cost reflectivity. Appropriately, any future tariff increment is dependent on the outcome of the ZESCO cost of service study which is currently in progress. We believe some of the deadlines that have been communicated seem optimistic. While good progress has been made so far, our expectation is that completion of the cost of service study will be sometime in quarter 3 at the earliest, considering the need to account for stakeholders' comments in the final report.

Once the results of the cost of service study are known, we expect a national debate with regards to the way forward on the tariffs to ensue. Our estimate is that a potential tariff increment or migration path, if any, to result from the cost of service study, will only be possible from 2019 onwards, recognising that commercial arrangements for 2018 are already effective.

Telecoms business

CEC Liquid Telecom, a company in which we have 50% shareholding, the other 50% owned by our partner Liquid Telecommunications Holdings Limited, posted strong financial performance in 2017 on the back of continued revenue expansion premised on the strategic positioning of the company in the market coupled with the positive reputation the brand has built over the years. This, combined with a bourgeoning market for telecoms services, makes for a promising business outlook over the foreseeable future.

The company continued with its expansionary agenda, upgrading the dense wavelength division multiplexing core international backhaul from 10 to 20 Gbps, greatly enhancing its data handling capabilities over its expansive fibre network. Additionally, the expansion drive for the LTE network is progressing according to plan, extending to connect all provincial centres across the country in 2017. A number of resellers have been engaged and efforts continue to substantially increase product uptake in the market.

Downside risks to the business include the increased incidences of fibre breaks attributed to heightened excavation works by others that include ongoing construction and expansion of drainage and water supply systems as well as road works. Going forward, the CEC Liquid Telecom is expected to optimise its fibre assets between underground and aerial fibre installations.

Overall, CEC Liquid Telecom has positioned itself well to continue on its growth trajectory in the coming years. We are, however, aware that the telecoms sector around the world is generally adopting strategies that focus on provision of content as a driver for bandwidth growth. In this regard, CEC, being primarily a power business, will continue to evolve its strategy regarding its continued investment in the telecoms business, assessing, on an ongoing basis, alignment with its core business and skill sets.

Our people

The consistently good results we have delivered over the last few years are a clear demonstration of the commitment and hard work of our employees individually and collectively. Good performance of any organization is highly dependent on its people and CEC is no exception. For this reason, we remain committed to investing in our people, providing the necessary skills and capabilities for them to successfully manage and operate our network. In 2017, we recorded a total of 11,746 learning hours mostly covering the areas of cyber security, integrated management system for HSES, renewables, stakeholder engagement, and leadership.

We have enhanced our graduate development program whose aim is to create a sustainable talent pipeline for the Company through the sourcing and development of high performing graduates as well as to contribute to the development of a highly capable pool of human capital in the economy. As part of this program, selected graduates are exposed to experiential learning to develop their commercial and functional expertise by working within the business.

We continue our efforts at improving the work life balance for a CEC employee. During the year, the people survey we undertook showed improvements in a number of metrics e.g. the healthy corporate value system came in at 88% (78% in 2016), and the employee value proposition also improved at 71% (56% in 2016). The results also demonstrate areas where we need to make improvements which include communication and information sharing (64%), gender sensitivity (63%) and recognition/remuneration equity which averaged 25%. We have identified a number of actions we will be implementing in the course of the new year to address areas identified for improvement.

Looking ahead

In 2018, we will remain focused on driving performance so as to continue enhancing shareholder value. Key focus areas will include:

Electricity Tariffs

With negotiations completed with all our customers, the focus will be on implementation and ensuring full collection of any arears associated with the 2017 tariff review. We will proactively participate in the ongoing ZESCO cost of service study with a view to helping the process conclude successfully.

Network modernization

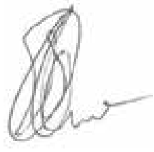
Implementation of our plans to modernise and make the power network more efficient is an ongoing program for which we shall be expending considerable financial resources over the next few years. We are committed to enhancing our customer experience through improved network performance and service delivery.

Power sourcing

With our market growing both in Zambia and the DRC, we continue to evaluate our strategies for power sourcing. Over the long term, we aim at putting in place a power sourcing strategy that integrates third party power sources with a small proportion of own sources. Harnessing and integrating technological improvements in renewables, especially grid-scale solar projects and other options suitable for distributed generation, forms a critical part of the future of our business.

Business growth

There is great potential for further growth in our markets in Zambia and the rest of Southern Africa. We will seek growth from both the supply and demand sides through projects that will drive expansion in our core business. On the demand side we anticipate growth in the mining sector on the Copperbelt in Zambia and the DRC, both of which continue to implement expansionary projects requiring additional power supply. This should drive expansion on the supply side and in transmission infrastructure required to make power available.



Owen Silavwe
Managing Director

2. THE BUSINESS

The Zambian Electricity Supply Industry

The Zambian Electricity Supply Industry (the ESI) is a regulated environment where any undertaking in electricity generation, transmission, distribution and supply must be duly licensed by the ERB, an independent multi-purpose regulator. Additional to licensing, the ERB conducts compliance audits and issues industry codes. It approves agreements between bilateral contracting parties and regulates the tariff setting process.

Zambia's power system is operated as part of an interconnected system linking the DRC, South Africa, Botswana, Namibia, Mozambique, Swaziland, Lesotho and Zimbabwe. Although liberalised, since 1992, the current structure is dominated by the vertically integrated and state-owned ZESCO, which operates across the value chain. CEC is the largest private sector player in the transmission sub-sector and is currently the largest energy supplier to the mining industry. Other notable players concentrated in generation are Lunsemfwa; Maamba and Ndola Energy. There are a few micro players operating mini grids whose generation mainly supplies rural areas. The emergence of solar power as a viable alternative if not the only source of power in certain parts of the country has seen the entry into the market of several solar energy companies.

ZESCO accounts for more than 90% of the country's 2,793MW installed capacity. A few IPPs (notably Lunsemfwa, Maamba and Ndola Energy) are presently generating about 576MW from hydro and thermal sources, which feeds into the national grid. CEC's 80MW diesel-generated power is not released to the grid but serves as emergency or stand-by supply for its customers.

The transmission and distribution segments have two key players – CEC and ZESCO, with CEC responsible for bulk transmission and distribution to the mines on the Copperbelt.

Hydropower is the dominant source of electricity in Zambia, hence, the Zambian ESI largely runs on clean and renewable energy. While other sources are now being added to the mix, the foreseeable future forecasts hydropower to maintain its dominance, claiming 85% of total generation by 2026.

Through programs such as 'Scaling Solar', and others, the Government intends to add 600MW of solar to the country's total generation over a period. While thermal power is expected to account for an annual average of 13.5% of total generation to 2026, there presently appear no prospects for further growth of this source in the foreseeable future as no new projects have yet been announced.

The dependence on hydropower opens up the country to vulnerabilities such as droughts which adversely affect output, hence, the push to inject more diversity in the power source mix. Migrating to tariffs that reflect the true cost of generating and supplying power will help attract investment to the sector. To this effect, the ERB is currently supervising a Cost of Service Study, whose outcome is likely to inform the national tariff setting process going forward.

The combination of a low electrification rate, a single dominant power source, unmet demand and an underdeveloped grid reveals opportunities for investment in Zambia's ESI. New investments in grid infrastructure, including upgrades, will contribute to reduced transmission and distribution losses. Some of these grid improvement and development projects are already underway.

Rich in renewable energy sources; including hydro, biomass, solar, geothermal and wind; the Zambian ESI has much room and potential for growth. The potential for hydro alone is estimated at a generation capacity of 6GW of which only 2GW has been tapped. Further, an abundance of hot springs, numbering at least 80, makes for a potential source of geothermal power.

Over a 10-year horizon, Zambia's electricity consumption is expected to rise on a number of factors. These include increased capacity, grid infrastructure projects (most of which are scheduled to complete from 2018 upwards) and improved commodity prices likely to have a positive impact on the projected annual average real GDP growth which is projected to average 5% over the next five years. The majority of Zambia's energy consumption comes from CEC's primary customer base, the mining sector, which accounts for more than half of the country's overall electricity usage.

> "Hydropower is the dominant source of electricity in Zambia, hence, the Zambian ESI largely runs on clean and renewable energy. While other sources are now being added to the mix, the foreseeable future forecasts hydropower to maintain the dominance, claiming 85% of total generation by 2026."

The CEC business model

CEC's business model is underpinned partly by its core network, its regional relationships with other utilities and service delivery. The business model can be segmented into four aspects which are described below:

- Local power supply: this involves the long term sourcing and supply of electric power primarily to the mines on the Copperbelt. The power is mainly sourced from ZESCO under a BSA. In addition to supply of power, the business provides value additions to customers; including provision of emergency/back up power (supplied in the event of grid power failure). This is a critical value-addition considering that the customers we serve predominantly run underground mining operations. The provision of an N-1 network topology which helps to improve the quality and reliability of supply is another value adding service inherent in our model.
- Regional power trading: is the sourcing of power through medium to long term bilateral arrangements with regional utilities as well as sourcing from the day-ahead market of the SAPP. This power is sold primarily to the mining companies in the Katanga region of the DRC through SNEL.
- Domestic wheeling: refers to the provision of domestic transport services (transfer of electrical power through transmission and distribution lines) using the CEC network from one point to another. This service is primarily provided to the national utility, ZESCO.
- International wheeling: is the transmission of power on behalf of regional utilities including but not limited to ZESCO, SNEL and ESKOM; through the Zambia-DRC interconnector, which is the only mode of transmission of power between DRC and Southern Africa. The Zambia-DRC interconnector is an asset co-owned and operated by CEC and SNEL.
- The Company also provides power solutions to external parties using its people skills and state of the art diagnostic tools. Services provided include a wide range of electrical tests and monitoring (e.g. insulation test and power quality monitoring), laboratory services (e.g. infrared themography and partial discharge analysis). Other services include transformer oil treatment, maintenance and overhauls, and electrical power network studies (including protection coordination).

Meeting our customers' stringent quality of supply requirements, innovating to continuously add value to the benefit of our customers and incentivising mining sector investments are all key to the successful delivery of our business model.

How we add value to electricity

Our network is a robust collection of high voltage transmission and distribution assets consisting of wires, transformers, switchgear, associated protection, control and network monitoring equipment including advanced telecommunications and IT equipment and applications which we use to transmit and transform the high voltage electricity we receive at different bulk supply points before supplying it to our customers at voltages that are usable to them.

CEC takes power from ZESCO at the 330/220kV bulk supply points at the Central Switching Station (CSS) in Kitwe and at Luano Substation in Chingola. Using the CEC transmission network assets in the value chain, the power is distributed to our various customers at different locations on the Copperbelt, with value being added during the transportation of electricity through the multi-stage power transformation process that we carry out.

Power received at 220kV is unusable to the customer who requires it at 11kV to power pieces of equipment that may require even lower voltages of maybe 550 volts. The CEC network carries the power received from ZESCO at high voltage all the way to the customers' door steps and steps it down using various transformation stages to the correct voltage for use by the customer.

Customers require their electricity at varying voltages and providing the power to the customer's precise voltage level is a key component of the quality of supply we offer. We use voltage control and management systems working together with our transformers to fine tune the supply voltage to meet the customers' specific requirements regardless of whether or not we received the power from our supplier at the required voltage (220kV). It is important to note that both CEC and ZESCO operations are guided by operating guidelines contained in the BSA and the national Grid Code.

The various CEC power assets installed between the bulk supply point and the customer supply points constitute critical path ways enabling the conditioning of the power supply and offering of the high quality of supply our customers expect from us.

We have invested and continue to invest considerably in our transmission network and related assets on the Copperbelt, making the density of the CEC power network arguably the highest per square kilometre in the country, which facilitates relatively easy and cost-effective connection by both new customers and new operations by existing customers.

CEC also uses its network to carry ZESCO's incoming power from the bulk supply points to our 11kV supply points where ZESCO takes over and distributes the power to its various customers, mainly domestic and industrial users on the Copperbelt. This is called domestic wheeling and is another value-adding service provided by CEC. Any entity seeking transmission services in and around the Coperbelt does not have to build their own transmission network to carry power but can access the existing CEC network, thus freeing up public resources, in the case of ZESCO, which can be deployed to other national undertakings.

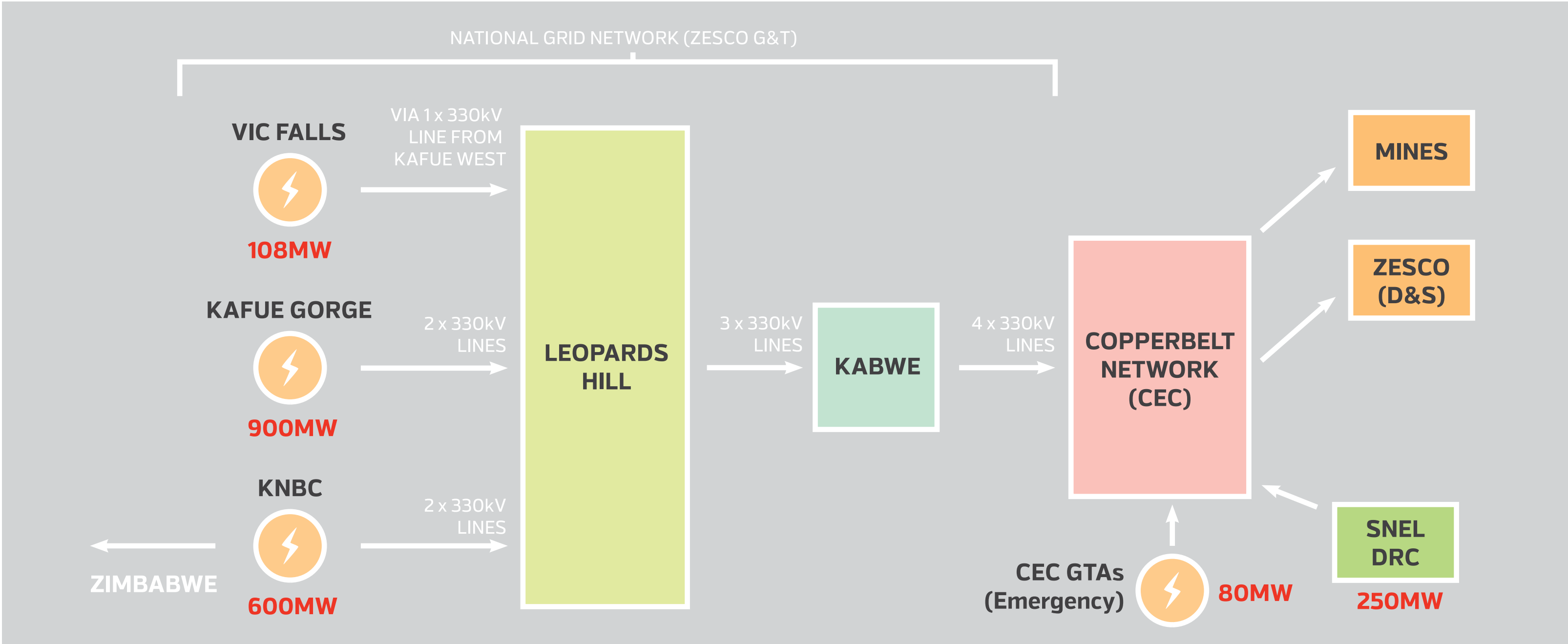
In instances where the voltage on the national grid is low or high due to system loading conditions, the transmission voltage on the Copperbelt may require to be conditioned in order to ensure that our customers receive power at the correct voltage. We deploy various means of voltage control including tap changing equipment on transformers, capacitor banks installed at strategic locations on our network and synchronous condensers. We are following a plan to progressively implement automatic voltage regulation at all substations where this function is not part of the original design due to the age of the substation. Further, we continue to evaluate more modern ways to improve voltage performance of the network and these will be progressively adopted.

Another value-adding aspect of our operations is the reliability consideration inherent in the design of our network, which enables adds value to our quality of supply. This is the single-mode failure contingency built into the network (we call this N-1). It is achieved through single mode contingency built into our transmission and distribution lines, transformers and other related assets between the bulk supply points where power is received and the our supply points to the customers. This allows for failure of one of the circuits while the customer continues to have power without noticing this first component failure.

We have GTAs which assist in instances of total power failure from the national grid. These are situated at strategic locations on our network. During total power blackouts to the Copperbelt, the GTAs generate emergency power to supply critical loads to the mines such as ventilation for the safety of miners who may be underground, hoisting equipment to evacuate such miners to safety, and pumping out water so that our customers' mines are not damaged by flooding, and enabling the smooth resumption of normal operations after grid power is restored.

GTAs can also be used to make up any shortfall should our supplier fail to meet the full amount of power required by our customers, and can function to control voltage when used in synchronous compensator mode where they do not generate any power but generate or absorb what is known as reactive power in order to boost or buck the grid voltage as required.

The reliability of our network is owing, in large part, to our equipment maintenance practices and a policy of continual and strategic renewal and replacement of ageing assets which result in a very low equipment failure rate. Reliability is measured by how many times critical equipment develops faults to the extent that power supply to customers is interrupted or impacted.



External environment, opportunities and threats

Our external operating environment is shaped by developments in both the energy and mining industries globally, regionally and locally. The most telling shifts in energy at a global scale included rapidly falling costs for clean energy technologies, including solar, with the attendant rapid deployment of these technologies; growing energy electrification and a move to a cleaner energy mix in countries such as China. As global energy demand grows, so do renewables and energy efficiency. Here at home, the IFC sponsored solar auctions under the Government's Scaling Solar Project saw bids that yielded the lowest solar power tariffs in Africa yet.

On the regulatory front, a potentially material regulatory development discussed during the year was the introduction of an open access regime, where large customers could contract directly with identified power producers and pay a use of system charge to transport the power through third party networks. The flip side of this opportunity is a possible rise in self-generation which has the potential to result in a possible death spiral for utilities.

Reforms to the legal and policy framework were also in the works during the year with intentions to revise the laws governing both the electricity market and its regulation.

On the mining front, copper was riding the crest of high prices for the most part of the year, surging more than 22% to close the year on USD7,157[1] a tonne on the back of a strong demand outlook, supply disruptions resulting from work stoppage and labour disputes as well as investors' speculation. A bullish copper market means a resurgence in demand from our customers as we saw them start to claw back from their lower demand levels of past years.

The move to energy electrification at a global scale in both the more traditional and newer needs including heating (clean cooking) and mobility (electric motor vehicles), coupled with the decarbonisation of energy, means that the outlook for energy is positive, opportunities exist and will keep arising. Digital technologies will keep improving energy efficiencies as they facilitate flexible operation of power systems.

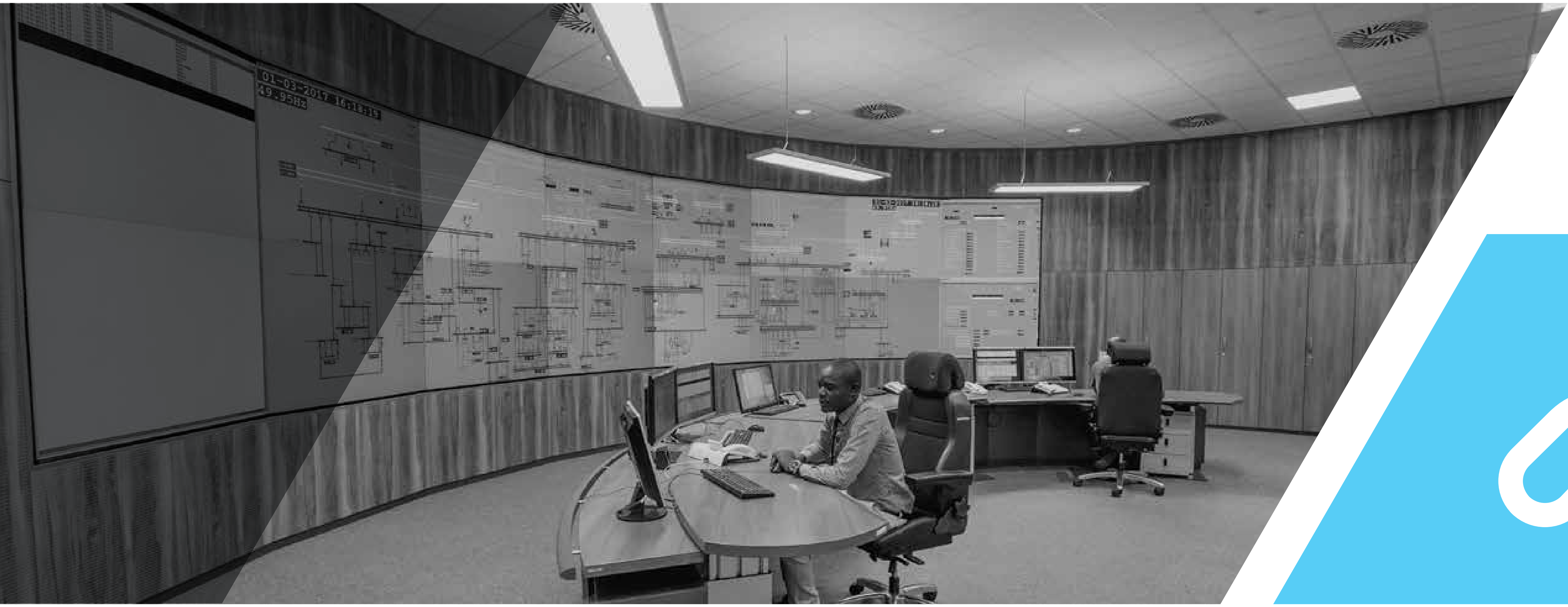
From a regional and local perspective, higher GDP growth implies an increased requirement for power supply to support the growth, hence, the recognition by governments in the SADC region for cost-reflective energy tariffs to enable the sector bank projects and become sustainable.

Transmission and distribution infrastructure in the region remains largely underdeveloped and inefficient, leading to significant losses and preventing the deepening of an interconnected power market. There are at bi- and multilateral level, including SAPP, transmission reinforcement and expansion projects to allow for power from least cost projects to be evacuated to places with limited resource base. CEC intends to participate in viable regional transmission projects to contribute to this objective.

The rapidly reducing cost of renewable energy technologies earlier alluded to and advancement in storage technology provide opportunities for solar, particularly, and other renewables to develop as viable least-cost sources of alternative and new generation. CEC is intentionally poised to upscale its solar development capacities in line with its power sourcing strategy.

With the potential for evolution of the market structure in-country and changing complexion of the energy landscape generally, CEC aims to position itself on a path to creating long term value by pursuing viable opportunities to expand the current business beyond provision of transmission network services and emergency power into base load generation, and other power management and supply services.

[1]*Closing price as at 27 December 2017*



Strategic objectives

Our strategy is premised on deriving outcomes that engender sustainable value for all our stakeholders, intertwining all legitimate and reasonable interests, expectations and needs with our own best interests as a business. Cardinal to our strategic approach is:

Modernising and efficiently managing our network
The extensive power infrastructure covering the Copperbelt province and extending to the border with the DRC is the mainstay of the CEC business in leveraging competitive advantage and delivering stakeholder value. Our current strategic plan is aimed at managing this network for sustainable stakeholder value creation by investing in the good health of all network equipment (transformers, switches, protection/control, state of transmission lines), maintaining high levels of supply quality and optimising the health of metering, billing equipment and systems.

CEC is one of the oldest power utilities in the region, having come into being during the 1950s. Hence, our annual replacement capex spend of over USD20 million, is focused on leveraging technological improvements to enhance the efficiency and modernize the network to sustainably provide quality and reliable services. Our current 10-year capex plan (2018-2028) is aimed at modernizing most parts of the old power supply system.

Renewing and modernizing the infrastructure is being augmented with corresponding investment in people and systems. The plan is to implement continuous improvement in skills, end-to-end digitisation of processes, enhanced HSES management and tooling.

Implementation of expansion and connection projects
Network expansion is key to meeting our customers' growing demand. Our planned expansion is premised on increasing network capacity to maintain service reliability supported through provision of adequate reactive power services to maintain high quality of supply. In addition to quality of supply, our customers have unique needs emanating from the nature of their operations. Most of them operate deep and wet underground mines, making paramount the need for reliable sources of emergency power.

We will work with our customers over the coming years on expansion and growth projects involving investment in voltage control systems, and modernising and expanding emergency power supply capability.

Expanding our foot print
Attaining sustainable growth in the context of the evolving market structure both in Zambia and the region will depend on understanding the changing needs and expectations of our customers and partners in the energy supply business. Hence, we strive to improve our internal processes and capabilities to respond to customer needs in this dynamic environment. We seek to add other customer categories in Zambia to our supply portfolio, starting with increasing the usage of our low voltage networks and exploring the supply potential to other non-mining customers on the Copperbelt, initially, where we have an existing network.

We will support the growth of our power trading business in the DRC by deepening relationships with our partners in that country, aided by our establishing a local presence therein. We will also participate in viable infrastructure investment opportunities and maximize use of the Zambia-DRC interconnector.

Secure power sources
Over the long term, the Company plans to achieve energy sufficiency by diversifying its power sourcing to include own and third-party sources. This will involve securing our energy requirements from a mix of renewable and base load generating plants. Our medium term prospects in this regard include co-developing of co-generation projects with customers seeking this option, and third-party plants as sources of power.

How we create and share value

We use the resources and expertise at our disposal to create value for and share it with our key stakeholders as outlined below. We are a long term asset based business whose value is reflected in the long term contracts we sign on both the supply and demand sides. Our revenue is, therefore, generated in line with the bilateral agreements the Company has signed and as approved by the regulator. We focus a lot of effort on converting our revenue to cash flow and manage the operating performance of the business to ensure sustainable cash generation. This is critical in meeting the funding needs of the business for new and organic growth, and returns to our shareholders.

GENERATING FREE CASH FLOW

SUSTAINABLE STAKEHOLDER RETURNS

- Good corporate citizen through tax contribution and development
- Creating and delivering opportunities for human capital development
- Creating sustainable communities
- Building partnerships with Government (state and local municipalities)

INCREASING SHAREHOLDER VALUE

- Committed dividend policy
- Displined reinvestments of capital generated in assets and operations
- Focused on long term value creation
- Managing and improving the balancesheet through the cycle

3. OPERATIONAL SUSTAINABILITY

Health, safety and environmental sustainability

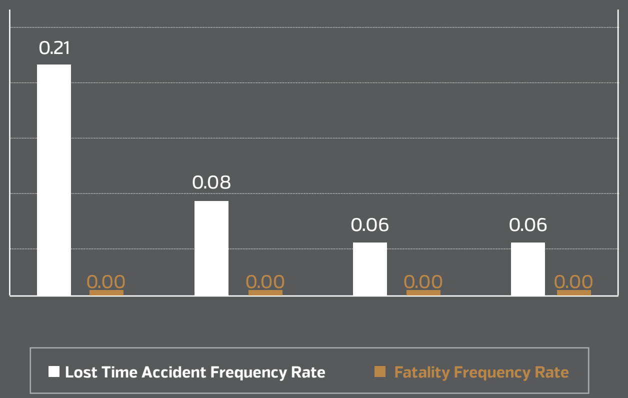
Performance across the very critical areas of safety and health for our staff and our communities in all aspects of our operations and engagements was commendable.

Safety and health

We continued to maintain a fatality-free record and attained 3.094 million hours without a system based lost time accident, having journeyed through 23 months free of a system based lost time accident. We have also made notable improvements in system breaches by reducing them from 5 in 2016 to zero in 2017.

The main drivers for this performance include awareness, information sharing among all stakeholders, felt leadership programmes and good housekeeping campaigns. Further, using an Integrated Management System, we have implemented a Safety and Health Management System.

LTFR (Per 100,000 man-hours)



Maintained a fatality-free record

Achieved 3.094 million hours without a system based lost time injury

Lost time injury frequency rate was maintained at 0.06 per 100000 man-hours

Environmental performance

We continued to sustain good environmental practices to manage our business and operational activities in a manner consistent with environmental obligations, both legal and moral. During the period under review, there were no legal contraventions or environmental incidents recorded. We continued to monitor regulated environmental aspects associated with the Company's operations, vis-à-vis air emissions, hazardous and non-hazardous waste management, ozone depleting substances and pesticides, and toxic substances to achieve compliance and prevent pollution.

An Environmental Management System has been implemented with a view to ensuring continual improvement in environmental performance. Although the Company has yet to receive certification to ISO 14001, we have aligned our EMS to the requirements. In this regard, we undertake regular audits to assess levels of compliance to the standard.

Our lenders affirmed our progress after reviewing our environmental and social programs via the Environment and Social Action Plan audits. Internal and external audits of our developed systems give us the assurance that we are adequately safeguarding our employees, protecting the environment, engaging with the communities and adequately managing our business risks.

We again demonstrated our commitment to collaborate with and support the Government's efforts in the environmental protection sphere by partnering with ZEMA to bring high school students to debate on matters pertaining to the environment in commemoration of the World Environment Day. The intent is to increase their capacity to understand and interact on matters of the environment.

Our corporate culture, which has embedded environmental policies in all managerial and operational functions, has earned the recognition of stakeholders and watchdogs alike. In June 2017, the company received the ZEMA 2017 Environment Award in recognition of our overall contribution to sound environmental management practices judged by our subjection of all proposed developments to the environmental impact assessment process.

Human and intellectual capital sustainability

We are committed to attracting, developing and retaining individuals capable of delivering our business objectives into the future and contributing to the sustainable growth of the business. We believe that a workforce engaged to reach each person's desired level of satisfaction and performance will, in turn, be united by a common vision for the sustainable success of the Company.

The intent for a sustainable workforce is activated through our Employee Value Proposition (EVP) developed during the year under the review. The EVP shapes our policies, procedures and initiatives in the people space. Our EVP comprises six pillars:

(i) ***LEADERSHIP:*** develop leaders who embrace and live CEC's corporate values and respect, provide necessary enablement, support, involve and appropriate supervision and recognition for their team members

(ii) ***EMPLOYABILITY:*** foster career growth and development opportunities through workplace learning and training opportunities, career possibilities within the Company and opportunities across the value chain

(iii) ***REWARD:*** implement a competitive and equitable reward system that attracts and retains skills and talent required by the Company to meet its strategic priorities

(iv) ***RECOGNITION:*** foster a high-performance organisation that recognises individual and team effort as well as one that recognises employees who live corporate values, responsibility and ownership

(v) ***EQUITY:*** comply with the applicable labour legislation and international best practice performance standards. All employment practices will adhere to the principles of equity, fairness, legality, non-discrimination, equal opportunities and ethics

(vi) ***BRAND & HEALTH AND SAFETY:*** establish and sustain a recognised international employer brand and ensure all employees demonstrate uncompromising commitment to CEC's Health, Safety and Environment (HSE) values and systems

2017 highlights:

Employability

- *Employee learning and development*
  To assure the sustainability of the business, significant investment was made in developing employees' capabilities. A total of 11,746 learning hours were recorded, out of which 51% related to business acumen training; 45% went to technical training and 4% covered strategic and leadership training. Basic supervisory skills training was imparted to 22 recently appointed front-line supervisors to enhance the quality of supervision and leadership in the Company.

- *Talent management*
  We tracked key talent acquisition, development and retention indicators providing information for early warning and opportunities for improvement. Emerging challenges requiring attention were identified; such as concerns of staff engagement at certain levels, and the relative maturity of the workforce with 59% of the staff aged more than 40 years. This indicates the need for talent replacement at certain levels for which a buy (recruit) strategy is feasible.

- *Graduate Development Programme*
  Our Graduate Development Program (GDP) supports our objective to create a sustainable talent pipeline to enrich the Company's talent pipeline by sourcing and developing high performing graduates, and to contribute to the development of human capital in Zambia. Selected graduates are exposed to experiential learning to develop their commercial acumen and functional expertise by working within the business. Four university graduates, split equally by gender, enrolled in the 12-month long program for 2017, which commenced in July. The strength and value of the GDP was demonstrated by the fact that two of the four graduates were offered full time employment elsewhere within six months of commencing the programme.

- *Industrial attachment*
  We have continued to demonstrate our commitment to developing human capital in Zambia through our industrial attachment program. A total of 92 university and college students were placed in various departments of the Company to expose them to real-life practical work, helping them to meet the requirement for practical experience as a prerequisite for completing their academic studies. Of these placements, 65% were male and 35% female.

Reward

- *Remuneration policy*
  The Company has in place a remuneration policy that positions it as an employer of choice in the labour market. The policy emphasises the delivery of sustained success throughout the Company's various lines of business attained by motivating the performance of individuals towards the achievement of corporate objectives and their own success. Our Remuneration Policy is premised on attracting and retaining the desirable talent endowed with the technical, behavioral, experience and motivation competences to meet the current and future requirements of the business. It also enables sustainable business results by rewarding individuals for superior performance.

- *Remuneration survey*
  We participated in the 2017 Korn Ferry Hay Group remuneration survey for Zambia. The results indicated that CEC was very competitive on the Zambian labour market, with remuneration levels lying between the 75th and 90th percentiles of the total Zambian market. The results identified some internal equity problems that needed resolution and proposals to address some of these problems were made to the board by management and approved for implementation.

- *Salary increment*
  We awarded employees salary increments averaging 15%, representing a total cost of employment of USD23 million. The increment demonstrates the Company's intent to maintain a strong market posture represented by our EVP. The increments were structured to address some of the internal equity problems indicated above.

Recognition

We recognise the pivotal role that recognition programmes and initiatives play in reinforcing behaviours that support and further our Company's mission, goals and values. Therefore, in addition to complying with the applicable labour legislation the Company has determined, as part of our Recognition Policy, to recognise employees whose exemplary performance and achievements contribute towards the creation of a conducive work environment and the achievement of the Company's objectives and goals. Labour Day certificates and financial tokens were awarded to 22 employees for excelling in various work categories.

Health and safety

In actualising the Company's strong EVP, and creating a sustainable workforce, the Company supported various initiatives aimed at encouraging employee wellness. Notable among these was the improvement of fitness facilities including equipment at the Ravens Gymnasium, sponsoring a team of employees to participate in the annual Inter-Company Relay of the Zambia Amateur Athletics Association, conducting voluntary counselling and testing sessions, facilitating immunisations such as for elephantiasis (Lymphatic Filariasis), and conducting comprehensive company-wide executive health check-ups wherein 352 employees, representing 92% of the workforce, participated.

Equity and quality of work life

- *Gender sensitivity*

Out of an average total workforce of 373 in 2017, the demographics along gender lines were 88% male and 12% female. The gender complexion of the Company reflects the nature of talent supply which, to a large extent, supplies more men than women with the technical and engineering skills required by the Company. We are committed to making CEC more inclusive and gender diverse as demonstrated through our adoption of a gender policy that is cognizant of various considerations in attaining gender diversity. Our gender policy outlaws discrimination during talent acquisition by adopting certain procedural standards and allows the Company to subscribe to 'equal pay for equal work' conventions, provides guidelines to ensure balanced access to training and development, career opportunities, and wellness services for both male and female employees. It espouses compliance with labour laws related to maternity leave, mother's day and other provisions related to both male and female employees, supports corporate social responsibility processes that help to reduce gender inequality and exclusion of either gender in the country and provides guidelines that ensure the Company has an understanding of and takes action on problems affecting both male and female employees. The policy also provides guidelines to ensure that gender matters are taken into account during our planning activities. During the year, the Company established a gender dashboard to track the performance of key gender related indices useful for flagging possible inequity within our people processes.

- *Employee survey*

Our employee survey is aimed at collecting information to understand the strengths of and areas needing improvement in our workplace to inform efforts to improve the quality of work life within the Company. Results from the 2017 employee survey show that the Company maintained a conducive cultural operating environment, borne out by the strong performance in the areas of health, safety and environment (98%), corporate values (88%) and employee value proposition (71%). Performance was acceptable in the communication and information sharing (64%) and gender sensitivity (63%) indices. The results pointed to opportunities for improvement in intra-directorate/department communication and information sharing (28%), recognition (23%) and remuneration equity (28%). Initiatives to make improvements in these lagging areas will be rolled out during 2018.

Leadership

We are committed to developing leaders who embrace and live the CEC corporate values, respect and provide the necessary enablement and support to those they lead. Leaders that support the involvement of and provide appropriate supervision and recognition for their team members. Analysis of leadership talent risk at the C-Suite level and the identification of potential leadership successors for C-Suite positions that could be developed to provide bench strength at this level were done. In addition, work commenced on a CEC leader profile that will inform a leadership development plan to meet our Company's specific cultural and competence requirements into the future.

Key human capital sustainability performance indicators

Performance indicators for both talent management and employee relations were generally positive as indicated in the tables below.

Talent management

Indicator	Std/Avg	Q1 2017	Q2 2017	Q3 2017	Q4 2017	AVG	RAG
Talent Acquisition							
Offer acceptance rate	100	100	100	100	94	**99%**	
New hire probation success rate (%)	100	100	100	100	100	**100%**	
New joiner turnover rate (%)	0	0	0	104	0	**0.4%**	
Talent Development							
Learning hours per employee (Hrs)	16	11.3	6.6	14.9	4.4	**9.3**	
Managers due to retire in 5 years	2	1	1	1	1	**1**	
Internal recruitment rate (%)	10	0	0	0	0	**0%**	
Training penetration (%)	21	73.2	4.5	13.9	12.5	**26%**	
Talent Retention							
Involuntary labour turnover (%)	2.5	0.3	0.3	0	0	**0.2%**	
Labour turnover (%)	2.5	2.4	0.3	0.1	0.9	**0.9%**	
Average job tenure	10	11	10	11.2	11.5	**10.9**	

Talent acquisition indicators were very strong including offer acceptance rate averaging 99%, new hire probation success rate 100% and new joiner turnover rate 0.4%

Talent development indicators were weaker, with learning hours/ employee averaging 9.3 hours against the standard of 16 hours (5 days/annum)

Talent retention indicators were quite strong with turnover averaging 0.9% against a standard of 2.5%

Employee Relations

Indicator	Std/Avg	Q1 2017	Q2 2017	Q3 2017	Q4 2017	AVG	RAG
Labour relations incidents	0	0	0	0	0	**0**	
Disciplinary enquiry	6	8	3	2	0	**3**	
Grievances	0	0	0	0	0	**0**	
Sick leave in hours	705	1003	1101	1419	1320	**1210**	
Mortality	0	0	2	0	2	**1**	

Labour incidents, disciplinary inquiry and grievance indicators were all very strong averaging 0, 3 and 0 respectively

Sick leave was weak, since an average of 4 employees were sick off on long-term basis during the year

Average mortality was 1 per quarter, indicating a need for and improvement in this area

Operational sustainability

CEC owns and operates an extensive transmission and distribution network system spread across the entire Copperbelt province of Zambia. The network is linked to the national grid and the regional grid of the SAPP. Virtually all the power that runs the economy of the Copperbelt passes through the CEC network, which accounts for 40% to 45% of national peak power demand and 50% of energy consumption. To achieve and maintain sustainable operations, we have made quality and security of supply a major focus of our decisions and actions. Satisfying our customers' stringent requirements and being an integral part of their own sustainability, and incentivising mining investments drives our strategic approach in this regard.

Based on its network, CEC's core business activities have traditionally been in the three areas, being:

- Sourcing and supplying of electric power to the mines (which includes the provision of value added services of emergency/back up power in the event of grid power failure through its fleet of strategically located Gas Turbine Alternators).
- Domestic wheeling – transmission of power for the national utility, ZESCO.
- International wheeling – transmission of power on behalf of ZESCO, SNEL and other SAPP members through the Zambia-DRC interconnector whose firm capacity was recently increased to 500MW.

A recent addition to our business activities is power trading in Southern Africa, currently focussing on sourcing power within the SAPP to meet the energy demands of mines in the DRC.

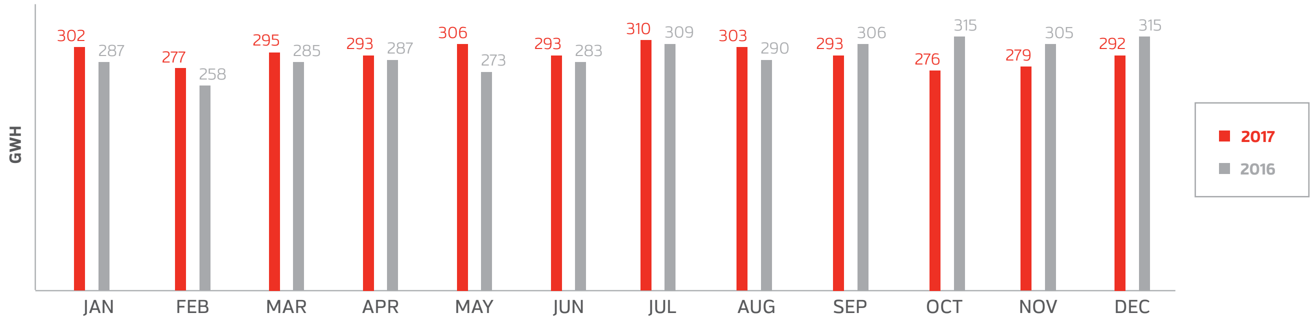
Energy and capacity sales

During the period under review, we purchased most of the electrical energy for our local mining customers from ZESCO as contractually required under the BSA. The remainder was imported from the SADC region based on supplemental power agreements under which replacement power was sourced to supplement the energy deficit resulting from the partial drought of 2014 and from which ZESCO's partial *force majeure* declaration in 2015 resulted.

Under the *force majeure* scenario, ZESCO only made available 70% of the total energy required by the mines at the time. Hence, CEC imported the balance from SADC member countries who had relative excess and from the SAPP market.

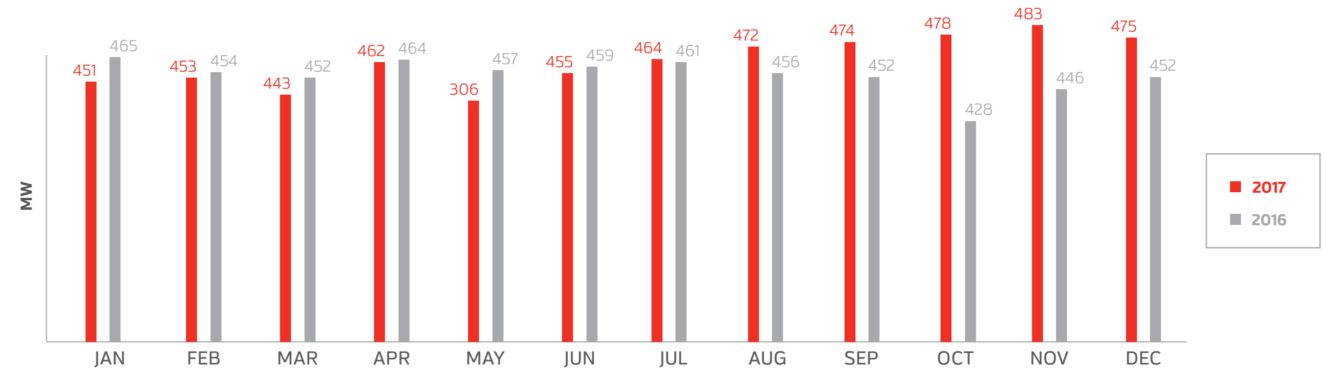
The total energy import into the network in 2017 was 4,957.926GWh, out of which 3,620.156GWh constitutes purchases for the mines while 1,337.770 GWh was wheeled for ZESCO.

MINE ENERGY - SALES



Sales of electrical energy to CEC customers totaled 3,512.529 GWh compared with 3,520.781 GWh the previous year. The difference between the total energy imported into the network and the total energy sold is attributed to inherent technical network losses which are around 3%.

MINE CAPACITY - SALES



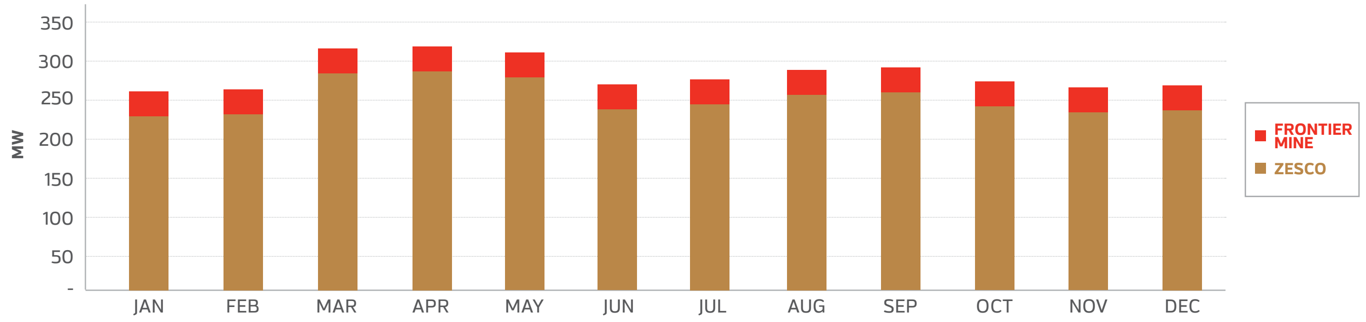
Our mine customers' average maximum demand increased to 462.507MW from 453.882MW in 2016. The system load factor, which is a measure of utilisation, was at 86.18%.

Domestic wheeling

CEC carries on domestic wheeling, which is the transportation of power on behalf other entities, within the country. The largest portion of this business is on behalf of ZESCO on the Copperbelt province. This involves the transportation of power from the main points of interconnection between the ZESCO and CEC high voltage networks in Kitwe and Luano to the medium voltage ZESCO substations across the Copperbelt.

Frontier mine, located in the DRC about 500 metres from the Zambian border, is only connected to the CEC power network; therefore, all its power requirements are wheeled through our network.

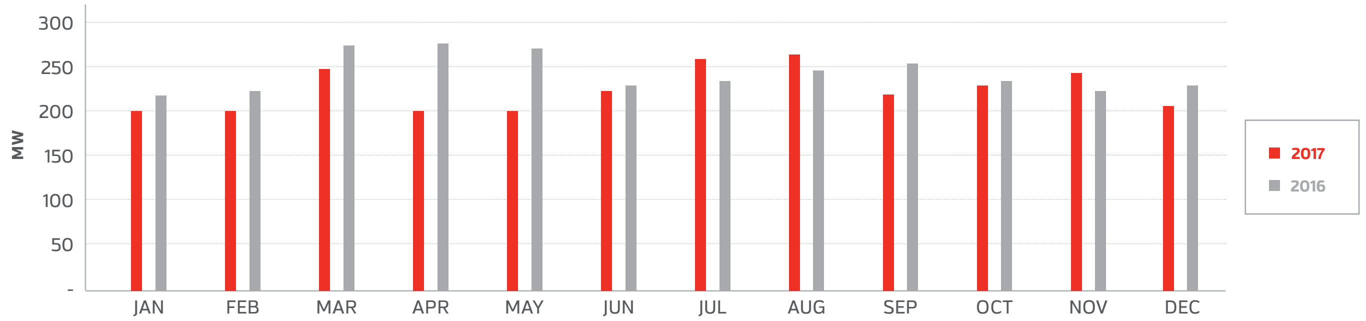
DOMESTIC WHEELING



1,337.77GWh was wheeled for ZESCO while 248.36GWh was wheeled to Frontier mine in 2017.

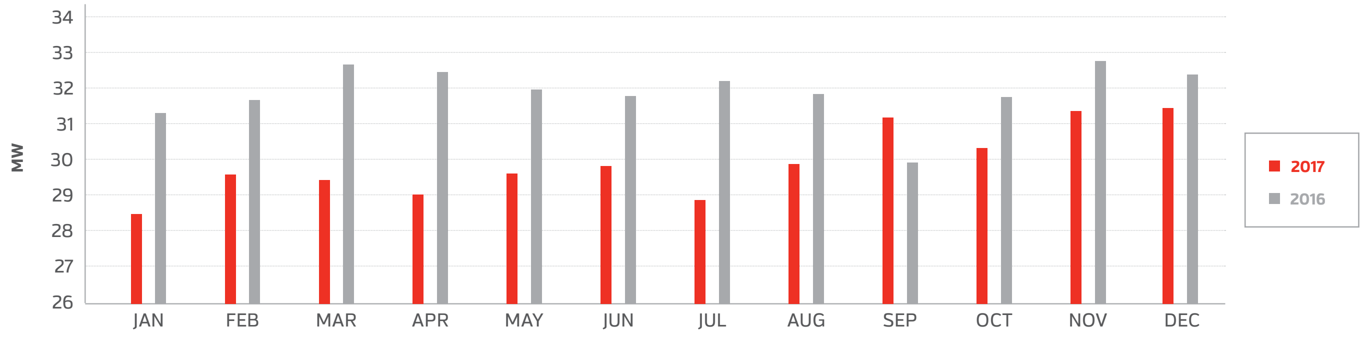
The average power wheeled for ZESCO was 235MW, representing a marginal increase from the 2016 figure of 230MW. Generally, the ZESCO load has been recovering based on the improved hydrology for the 2016/17 period and increased availability of energy in the country.

DOMESTIC WHEELING - ZESCO



Average power wheeled for Frontier mine was 32 representing an increase of 3% over the previous year at 31MW.

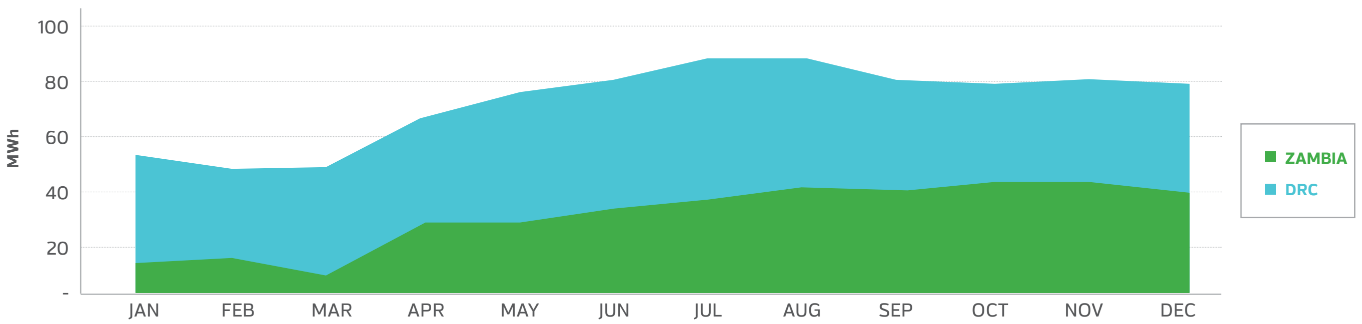
WHEELING - FRONTIER MINE



Power Trading

The cumulative energy volumes traded improved by 6% from 797GWh to 851GWh in 2017.

POWER TRADING



Looking ahead

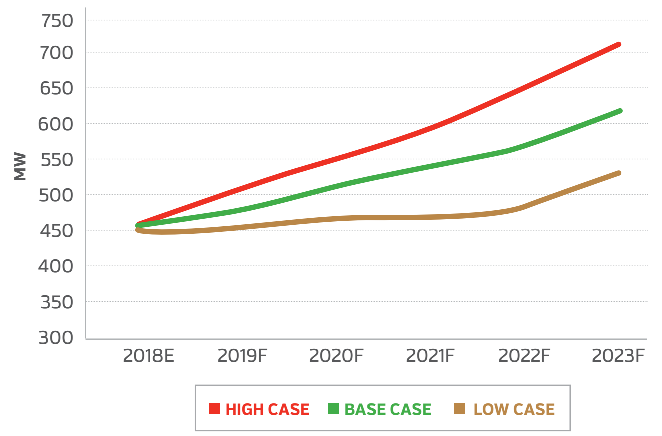
Demand distribution

CEC supplies power to most of the copper mining companies in Zambia. Our largest customers include KCM and MCM.

Others are CNMC-CLM, NFCA, Chambishi Metals and Cosak, Lubambe, Chibuluma, CCM, China Civils and Yong Jia Resources.

Load forecasting

MINE DEMAND FORECAST



Capacity sales are projected to increase by more than 30% over the next five years on the base case. This is on the back of the expected completion and commissioning of expansion projects by most of our customers.

At the core of our strategy is securing power, using power sourcing and looking at generation projects that will deliver sufficient energy to meet the increasing requirements of our mine customers. We are looking to work with those of our customers mooting co-generation solutions for both base load and emergency power.

We ready to seize viable business expansion projects aligned to our core and increase our contribution to the national effort of increasing access to electricity and clean energy for all.

4. GOVERNANCE AND LEADERSHIP

Governance structure
The Company recognises the importance of good corporate governance practices and leadership. Our 12-member board of directors comprises mainly non-executive directors and has seven distinct committees, all chaired by non-executive directors.

The roles of Chairman and Chief Executive Officer
The roles of Chief Executive and Chairman are split, with the Chairman operating in a non-executive capacity. As Chairman, he is responsible for fostering and promoting the integrity of the board to ensure it works harmoniously for the long term benefit of the Company and its stakeholders. The Chairman is responsible for ensuring that the board provides effective governance to the Company. He presides over meetings of the board and that of the shareholders of the Company, and takes a lead role in managing the board and effective communication among directors. He, together with other members of the Nominations Committee, is responsible for the organisation, composition and effectiveness of the board and its committees. In this regard, the Chairman works with the Nominations Committee to plan Board Committee composition and the recommendation of the appointment of the independent directors to the board.

The Managing Director who, is also the Chief Executive Officer, is responsible for the day-to-day management and running of the business and corporate strategy. He is responsible for achieving annual and long term business targets. The Managing Director is supported by a team of senior management comprising the Chief Financial Officer, Chief Operating Officer, Chief Legal Counsel/ Company Secretary, Chief Projects Officer, Chief Human Resources Officer and Chief Commercial Officer.

Meetings of the board
During the year ended 31 December 2017, there were ten scheduled board meetings. Additional meetings were convened when the board was required to deal with the review and approval of material matters affecting the Company. The Company's performance is reviewed at scheduled board meetings.

Role and functions of the board
The board is responsible for agreeing and reviewing the strategy for the Company, for which it maintains both short and longer term plans. It is, in addition, responsible for matters relating to senior management recruitment and remuneration, audit and accounting policies, risk management, strategy, health and safety, and other specific subjects.

The role of the board is to protect and enhance shareholder value through provision of strategic direction to the Company. As trustees, the board directors have a fiduciary responsibility to ensure the Company has clear goals obligated to shareholder value and its growth. The board exercises its duties with care, skill, diligence and independent judgment.

Directors have the right to request that any concerns they have are recorded in the appropriate committee or board minutes.

The board reviews the operational and financial results of the Company on a quarterly basis against pre-agreed performance targets which are reviewed annually. In addition, the board receives information obtained through a system of continuous financial planning which is used to better manage profit and cash flow forecasting and to inform investment decision-making. The formal financial plan for the forthcoming year is set out as a detailed proposition and authorised by the board before the end of each year.

Board committees and their roles

Currently, the board has seven committees: the Executive Committee; the Audit Committee; the Health, Safety, Environment and Social Committee; the Investment Committee; the Risk Committee; the Nominations Committee; and the Remuneration and Employee Committee. All committees meet quarterly and as may be required on ad hoc basis to attend to special business. The Nominations Committee, however, meets as and when required. All committees are chaired by non-executive directors. The Audit Committee is composed only of non-executive directors, and chaired by an independent Director.

a. Executive Committee

The Committee exercises and has all powers of the board in the management of the business and the affairs of the Company during the intervals between meetings of the board. The Executive Committee has delegated authority to act on its [the board] behalf to ensure that the decisions of the board on strategic matters, business plans, daily business and operational issues are carried out, implemented and/or monitored efficiently by the Company's management and that the requirements of good corporate governance practices are observed. The primary role of the Executive Committee is to oversee the implementation and monitoring of the Board's decisions, to make decisions in carrying out its roles and to provide strategic guidance for the Company as delegated by the board. The key highlights for the Executive Committee for the year 2017 included:

- Attended to all critical and urgent board business between scheduled meetings
- Provided oversight over strategic plan goals
- Reviewed and approved executive compensation
- Provided oversight on material litigation
- Provided routine monitoring of the Company's operations and Group activities
- Took final action or as required authorised sign off of material board decisions as delegated.

b. Audit Committee

The Committee provides oversight on the effectiveness of the Company's operational and financial reporting systems and accuracy of information, and sees that the Company's published Financial Statements represent a true and fair reflection. The Committee is responsible for ensuring that appropriate accounting policies, controls and compliance procedures are in place in the Company and that compliance management and other internal control activities are operating effectively. During the year under review, the Audit Committee met on a quarterly basis to review and approve the following:

- 2016 Financial Statements and Directors' Report
- 2016 External Auditor's Management Letter
- 2016 LuSE Corporate Governance Compliance Report
- 2016 Annual Report of the Audit Committee
- Quarterly Management Accounts
- Quarterly Directors' and Senior Management Expenses Report
- 2017 Half Year Financial Statements
- 2018 Operating and Capital Budget
- Internal Audit Reports Issued
- 2017 External Audit Timelines

c. Health, Safety, Environment and Social (HSES) Committee

The Committee's key mandate is to ensure that matters of HSES are managed in line with the Company's overall business strategy. The key highlights for the Committee during 2017 were:

- Reviewed measures taken to ensure the safety and health of employees, and environmental protection
- Approved the 2017 HSES top drivers and monitored, on a quarterly basis, the implementation of the HSES policies and the top drivers
- Examined all significant HSES incidents during the year and followed through the closure of recommended actions from the incidents
- Monitored the implementation of the Integrated Management System
- Monitored the implementation of the Company's obligation under the Lenders Environment and Social Management Action Plan (ESAP)

The Committee noted satisfactory HSES performance during the period under review. Man-hours without a system based lost time accident were extended from 1.46 in 2016 to 3.094 million hours. The Company also maintained a free fatality record and system Breaches reduced from five in 2016 to zero in 2017.

From the environmental perspective, there were no regulatory breaches brought against any of our operations. In addition, no serious environmental incidents were recorded. The Company continued to monitor regulated environmental aspects associated with its operations to achieve compliance and prevent pollution.

d. Investments Committee

The Committee's responsibility is to ensure a streamlined approach to the Company's business growth strategy. It undertakes the initial screening of projects being considered by the Company for investment and provides monitoring, oversight and strategic direction for business development. The Committee also provides focused guidance to grow the business through projects outside CEC's core business. The 2017 key highlights:

- Screened eight projects for possible investment
- Made recommendations for the board to approve investment in two projects
- Continued monitoring the development activity on the Kabompo Gorge Hydropower Project
- Reviewed the Company's strategy for setting up presence in the DRC
- Reviewed the Telecoms investment strategy

e. Risk Committee

The Committee continued with its responsibility of ensuring that risk management is at the core of operating structures within CEC and its Group companies. During the year, the Committee:

- Monitored and ensured the successful integration of a risk management culture at all levels of the Company/Group
- Focused on monitoring the identified key risks facing the Company/Group and how these were being managed, controlled and/or mitigated to minimising any potential adverse impact on the Company's /Group's business and profitability
- Considered the potential risks associated with the 2017 new VAT regime pursuant to which CEC was appointed a Tax Agent by and for the ZRA. The Committee provided the necessary guidance to minimise the occurrence and mitigate the severity of any anticipated risk
- Focused on management of operations-related risks, given the underlying challenges in the 2017 operating environment

f. Nominations Committee

The Committee is responsible for identifying candidates qualified to be appointed as Independent Non-Executive Directors of the board and determines the qualifications, positive attributes and independence of such candidates for recommendation to the shareholders of the Company at the AGM of the Company.

The Committee evaluates and recommends the appointment of members to the board committees and determines the size and composition of the committees. It ensures that the membership of each committee consists of directors who have diverse and complementary skills, perspectives and experience and that the committees reflect a balanced geographical, make up of the shareholders of the Company. It is responsible for assisting the board in ensuring that there is an appropriate mix of skills, experience and diversity in order to provide effective oversight of the Company. In the year under review the Committee:

- Reviewed the membership diversity of the committees to ensure effective participation, delegation at the committee level by all directors and effected leadership changes in the chairmanship of some of the committees to provide for rotation and balance of responsibilities
- Recommended the nomination of Joe M Chisanga and Dr. Sixtus Mulenga to the board for appointment as Independent Non-Executive Directors of the Company for appointment by the shareholder at the AGM

g. Remuneration and Employee Development Committee

The Remuneration and Employee Development Committee provides oversight of the development of human resources strategy, policies and budgets; ensuring alignment and congruence with overall corporate strategy, policies and priorities and enhancement of human capital contribution towards the Company's sustainable performance. The Committee monitors human capital performance and advises remediation required or opportunities for consideration. The key activities for the year were:

- Provided guidance on the Graduate Development Program to enhance its impact on the talent pipeline within the Company
- Provided guidance on the human capital productivity indicators for tracking of human capital performance in the Company
- Provided guidance with respect to the review of the private pension scheme current hybrid defined contribution and defined benefit model
- Provided guidance on the Company's remuneration strategy for adopting a differentiated generational approach in the medium term
- Reviewed and approved the review of remuneration structures and attendant administration processes that will enhance internal equity
- Granted mandate to management for the 2018 collective bargaining session

Details of the Board and Committee membership composition is in the Directors Report.

Appointment of directors

The appointment of the directors of the board is prescribed under Section 14 of the Articles of Association of the Company. The board is comprised of 12 directors, one of whom is the Government director appointed by the Special Member (Shareholder) who is Government.

Shareholders have the exclusive right to appoint, remove or replace one director for each whole 10% of the issued shares in nominal value of the Company, which is referred to in the Articles of Association as the qualifying threshold. A shareholder who holds less than 10% of the nominal value has the right and is entitled to aggregate his shares with those shares held by others to meet the qualifying threshold. The Special Shareholder shall take the exclusive right to appoint, remove and replace the Government Director. Independent Directors are appointed where a vacancy arises on the Board as a result of the shareholder's failure to meet the qualifying threshold to appoint a director or directors. Independent directors are appointed pursuant to a recommendation to the Nominations Committee for screening and short listing subsequent to which a recommendation is made by the committee to the board for further recommendation to the shareholders for consideration and appointment.

Training of board members

All new non-executive directors to the board are introduced to the Company through an induction or orientation session. The Managing Director and Senior Management provide an oversight of the operations of the Company to familiarise the non-executive director, this includes a tour to the Company's principal facilities and business areas. The new director is also introduced to the organisation structure, risks and risk management strategies, HSES policies, investments and projects, governance and directors' duties, board procedures and board related matters.

The Company ensures the continued educational requirements of its directors through training sessions and workshops from time to time.

Board retreat/strategy session

A board retreat/strategy is conducted by the board annually and includes the Company's Senior Management. A board/management strategy session was held in June 2017 to discuss the strategy and business of the Company.

Availability of information to board members

The board has access to all Company related information. Regular updates are provided at all board meetings at the quarterly board and committee meetings.

Board evaluation

A self-evaluation of the board is undertaken annually. This enables the board to review its performance. The Board works with the internal audit function to lay down the evaluation criteria. Internal Audit evaluates the results of the survey that is undertaken by the directors. The questionnaire and subsequent results feed back session is a key part of the process of reviewing the functioning and effectiveness of the board and identifying possible paths for improvement. Each board member is required to evaluate the effectiveness of the board, dynamics and relationships, information flow, decision making processes, relationships with stakeholders, Company performance and strategy, and the effectiveness of the various committees.

Board compensation/remuneration

The Executive Committee determines and recommends to the board the compensation payable to the directors and any applicable adjustments for final approval of the shareholders. Board level compensation is disclosed separately in the financial statements. Remuneration of executive directors consists of a fixed compensation and a variable component. The executive director's compensation is set out in respective contracts.

The Executive Committee approves the compensation for the Executive Director and Senior Management.

Compliance to corporate governance codes and regulations

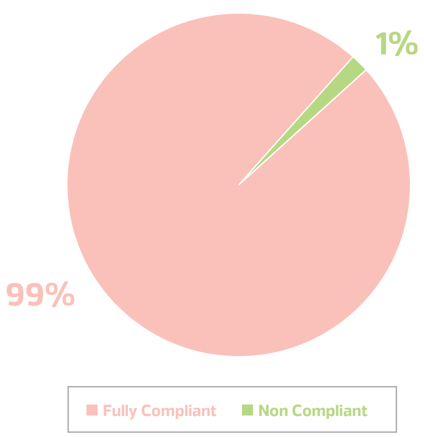
The Company is listed on the LuSE and is required to comply with the LuSE Code of Governance. The Company is 99% compliant to the code (as indicated on the following page). Details of corporate governance compliance by the Company is set out on page 44 of the Annual Report.

Compliance with the relevant corporate governance codes

The Company is listed on the LuSE and is required to comply with LuSE Code of Governance. The Company is 99% compliant to the code as indicated below.

A review of CEC's compliance with the LuSE Regulations (i.e. LuSE Corporate Governance Code and Listings Requirements of LuSE) as at 31 December 2017 showed that full compliance rate was at 99%. A summary of the compliance status is shown below.

2017 Compliance Status



	CATEGORY	TOTAL RULES	APPLICABLE TO CEC	NOT APPLICABLE TO CEC	FULL COMPLIANCE (FC)	PARTIAL COMPLIANCE (PC)	NON COMPLIANCE (NC)	%NA	%FC	%PC	%NC
1	General Matters	16	16		16			0	100	0	0
2	Chairman & CEO	4	4		4			0	100	0	0
3	Executive & Non-Executive Directors	6	6		6			0	100	0	0
4	Senior Management compensation	9	9		8		1	0	89	0	11
5	Shares & Share Dealings	4	3	1	3			28	100	0	0
6	Board Meetings	4	4		4			0	100	0	0
7	Board Evaluations	1	1		1			0	100	0	0
8	Company Secretary	3	3		3			0	100	0	0
9	Board Committees	10	10		10			0	100	0	0
10	Legal & Compliance	2	2		2			0	100	0	0
11	Dividends and Interest	4	4		4			0	100	0	0
12	Financial Statements	3	3		3			0	100	0	0
13	External Audit	6	6		6			0	100	0	0
14	Internal Audit	12	12		12			0	100	0	0
15	Risk	7	7		7			0	100	0	0
16	Integrated Sustainability Reporting	7	7		7			0	100	0	0
17	Disclosure & Stakeholder Reporting	4	4		4			0	100	0	0
18	Organisation Integrity	6	6		6			0	100	0	0
		108	107	1	106	0	1	1	99	0	1

Summary of areas that are not fully compliant

1. Areas of non-compliance

i) The organisation should have a justifiable long-term incentive program for management.

2. Areas that are not applicable

i) Where share options have been granted to non-executive directors, the board must obtain the prior approval of share owners and meet the specific requirements of the Companies Act.

Prevention of insider trading

The Company has an Insider Trading Policy that regulates and monitors trading by insiders. The policy applies to directors of the Company and its employees. In accordance with the policy, a black out period is prescribed and announced to the board and employees prior to the publication of the financial results of the Company.

Risk

CEC recognises that effective risk management is critical to enable it to meet its strategic objectives. The Board has overall responsibility for the Company's risk management and internal controls framework. The Risk Committee, under delegation from the board, reviews the nature and extent of risk exposure.

The Company has a clear framework for identifying and managing risk, both at operational and strategic level. Its risk identification and mitigation processes have been designed to be responsive to the changing environment in which operates. The impact of emerging risks on our business model are also considered and this is used to make informed decisions as we continue to refine our strategy.

Enterprise Risk Management has been implemented and considers the known and foreseeable risks and opportunities to which the Company is or may be exposed. Business and operational risk assessments were carried out for all high-risk activities to enhance the Company's readiness to manage both emerging and real risks affecting the business. The information received helped to better appreciate the risk exposures and how to focus energies on appropriate controls for all high-risk activities. A risk management software, CURA, was rolled out in pursuit of enhancing efficient reporting and tracking of controls for closure.

**More on risk management, assurance and controls on page 56.*

- **Board review of internal controls**

The board retains overall responsibility for the Company's risk management and internal controls framework. Responsibility for reviewing the effectiveness of internal control is delegated to the Audit Committee. The Audit function is responsible for and for provision of its internal audit service. As such, its activities include ensuring the regular review of internal controls, reporting on and reviewing and testing the effectiveness of internal controls through audit reviews.

In 2015 , the Audit and Risk function worked collaboratively with the business to establish a control environment – the 'Guiding Principles' approach that is appropriate for a fast-growing business. This will help ensure that every employee of the Company adheres to a way of working together that reflects the Company's ethos. In turn, this will ensure that CEC employees are able to make informed decisions that are in the best interests of the business and the environment in which it operates.

- **Cyber security**

As with any business, a successful cyber attack could result in the Company being unable to deliver service to its customers; potentially damaging its reputation and leading to consequential customer and revenue loss. It could also lead to the imposition of financial penalties.

The Company continually assesses its security policies, standards and procedures and adjusts them so they are proportionate to the threat profile the Company faces and has introduced a cyber security system.

- **Security of operations**

In relation to security of operations, vandalism; theft of copper cables and encroachments of the Company's wayleaves continued to pose challenges during 2017 but through continued vigilance and security operations the negative impacts were mitigated. The Company recorded a rise in criminal activities with 17 recorded cases across all electrical infrastructure including transmission lines and substations.

Various recoveries were made and the Company continued to collaborate with other security wings through active investigations and intensified motorised patrols along transmission lines and substations with a view to thwart criminal activities.

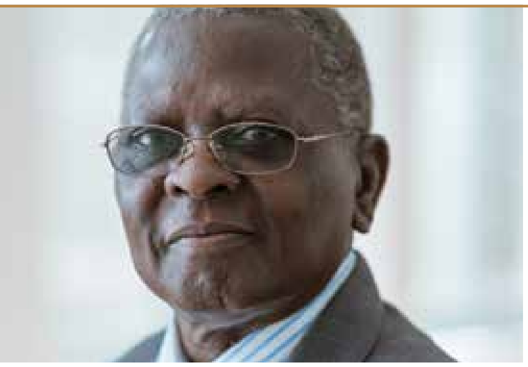
- **Data management**

The Company carries and stores confidential, personal and commercially sensitive information. Failure to protect or correctly use this data could result in unintentional loss of or unauthorised access to this data. This could adversely affect the Company's reputation and potentially lead to legal action.

All applications which hold or transmit confidential personal and commercially sensitive information are fitted with appropriate security features.

- **Financial risk management**

This is considered in the Financial Statements in Section 7 of this Annual Report.



Hanson Sindowe
(Non-Executive Chairman)

Nationality: Zambian

Qualifications
Bachelor's Degree, Electrical Engineering (University of Zambia), Senior Management Certificates (Penn State University; Ashridge College of Management)

Experience
Hanson is the co-founder and Managing Director of the Zambian Energy Corporation (ZamEn). He has over 30 years' experience in the mining industry and has been a Director at the Company since 2006. He has a wide range of experience at senior management level, having previously been General Manager of Zambia Consolidated Copper Mines Limited (ZCCM) Power Division and Managing Director of Zambia Railways. He serves as Chairperson of the Nominations Committee and as a director on the boards of various entities including:

- Batoka Energy Holding Limited
- Zambian Energy Corporation (Ireland) Limited
- Zambian Energy Corporation Limited
- CEC Liquid Telecommunication Limited
- CEC-Kabompo Hydro Power Limited

Munakupya Hantuba
(Vice Chairman)

Nationality: Zambian

Qualifications
Bachelor degree, Economics, MBA (Finance)

Experience
Munakupya has served as Non-Executive Director on the board since 2008 and is currently the Vice Chairman. He is the Group CEO of African Life Holdings Limited Ltd since January 2016. In August 1992, he set up the Financial Services Division of the Anglo-American Corporation which created the Multi-Employer Saturnia Regna Pension Fund. Munakupya was Chief Executive Officer of African Life Financial Services Zambia Limited, a company that manages occupational pension funds, including the Saturnia Regna Pension Fund, from January 2000 until December 2015.

He currently chairs the Lafarge Cement Zambia Plc Board and is a director of Real Estates Investment Zambia Plc. He is a past Chairman of the Securities and Exchange Commission, and a past President of the Economics Association of Zambia. He is a director on the various subsidiaries of the African Life Holdings Group, and also a member of the Zambia Association of Chambers of Commerce and Industry. Munakupya serves on other corporate boards including:

- GoviEx Uranium Zambia Limited
- Southern Sun Ridgeway Ltd
- NWK Zambia Limited,
- Anglo Exploration Limited
- Chimsoro Group of Companies

He has considerable experience in the financial sector. He is also a member of a number of professional societies and other interest groups.

Joe M. Chisanga

Nationality: Zambian

Qualifications
Chartered Accountant

Experience
A chartered management accountant with over 40 years of experience, Joe has vast exposure locally and regionally; having served different companies in various capacities as, among others, Financial Controller, Company Secretary, Internal Auditor and Management Accountant.

He is past president of the Zambia Institute of Chartered Accountants (ZICA) and the Chartered Institute of Management Accountants (CIMA) Zambia Branch. He has held various board directorships and chaired boards of a number of companies in Zambia. As a member of the board of the Zambia Revenue Authority from 1993 to 1999, Joe was an instrumental member of the team that restructured Customs and Excise and Value Added Tax (VAT), creating the VAT Division structure.

He is a Fellow of the Chartered Institute of Management Accounts, the Chartered Global Management Accounts and the Zambia Institute of Chartered Accountants. He is also a Fellow of the Institute of Directors of Zambia and a member of the Institute of Directors of Southern Africa. He holds membership to several other professional institutions and has several professional qualifications.
Joe serves as Chairperson of the Audit Committee and is a member of the following boards :

- Founder, Chairman and Managing Consultant of Fidelity Consultancy Services Limited
- Founder and Managing Partner of JM Chisanga & Company
- Chairman and Managing Director of Pakabuta Investments Limited.
- ZAMEFA

Reynolds Bowa

Nationality: Zambian

Qualifications
Bachelor of Science, Engineering (UNZA)

Experience
Reynolds is an engineer and has been chief executive officer for Petrotech Oil Corporation for the last ten years. Prior to that he worked for Caltex Oil (Zambia) Limited, Zambia Airways Corporation, and Zambia Consolidated Copper Mines (ZCCM) at Konkola Division. He has extensive experience in technical management and serves in a technical advisory role on several statutory boards. Reynolds is a fellow of the Engineering Institution of Zambia and a member of the institute of Directors of Zambia. He was appointed to the CEC board on 1 September 2012. He chairs the Investment Committee, and is a member of Executive, Audit, Nominations, Committee and the Risk Committee of the CEC board and also serves as a director on the boards of:

- CEC Africa Investments Limited
- Petrotech Oil Corporation Ltd
- Petrotech Systems Ltd

Reynolds is also a member of:

- Engineering Registration Board Technical committee
- Petroleum Technical Committee of the Government of Zambia.

Abel Mkandawire

Nationality: Zambian

Qualifications
Bachelors degree, Engineering (University of Zambia)

Experience
Abel has been a Non-Executive Director at CEC since 2006. He serves as a Director at Behrens Limited. He has worked at Behrens Limited, where he has served as Chairman, since 1980. Prior to joining Behrens Limited, he worked at ZESCO from 1972 and held different roles within the Company including that of General Manager. Abel is a Fellow of the Institution of Electrical Engineers (UK).
He serves as Chairperson of the Remuneration and Employee Development Committee and sits on the boards of the following entities:

- Networked Computer Resources
- National HIV/AIDS/STI/TB
- Standard Chartered Bank Zambia Plc
- Zambia Centre for Accountancy Studies
- Zambia Association of Chambers of Commerce and Industry
- Madison Life Insurance Company
- Batoka Energy Holdings Limited

Michael Tarney

Nationality: British

Qualifications
Chartered Accounting and Engineering (Cambridge University)

Experience
Michael has been a director at CEC since 2006. Previously employed as Audit Manager by PricewaterhouseCoopers, Michael has also worked for Marconi Corporation Plc and as Financial Controller-International Operations for National Grid Plc. During his time as Managing Director Corporate Development at CEC, Michael was responsible for implementing CEC's growth strategy as well as identifying potential growth areas in the energy sector in Zambia and abroad. Michael sits on the following boards:

- Batoka Energy Holding Limited
- Zambian Energy Corporation (Ireland) Limited
- Zambian Energy Corporation Limited
- Madison Assets Management Company Limited
- CEC-Kabompo Hydro Power Limited

Dr Sixtus Mulenga

Nationality: Zambian

Qualifications
PhD in Geology, Masters of Science in Geology and DIC in Engineering Geology from University of London, Imperial College of Science Technology and Medicine, Royal School of Mines; and a BSc (Hons) Geology CNAA from the Polytechnic of North London (now University of North London)

Experience
Dr. Mulenga is a Mining Geologist with over 35 years' mining industry experience both in Zambia and in the global mining industry, who has held senior corporate executive management positions over the last 20 years. He formerly served as Vice President in charge of Mineral Resources, Safety, Occupational Health, Environment and Quality Assurance at Konkola Copper Mines Plc and was General Manager – Corporate for Albidon Zambia Ltd – the first nickel mine in Zambia. Other past roles include Group Consulting Hydro-Geologist at Zambia Consolidated Copper Mines Ltd and Chief Geologist of Konkola and Nchanga Mines respectively. He is a member of several professional institutions and has been a key member of major mining developments in Zambia.

He is a founding Member of the Zambia Extractive Industry Transparency Initiative (EITI) Council and a member of the Mining Advisory Committee (MAC) of the Ministry of Mines, Energy and Water Development.

He serves as Chairperson of the Safety Health and Environmental (SHE) Committee and also serves on the local boards of several international companies including:

- Murray and Roberts Cementation Zambia Ltd
- Aggreko
- Kagem Emerald Mining Ltd (representing the Government of Zambia)
- AEL Zambia Plc

Ronald Tamale

Nationality: American

Qualifications
MBA (Stanford Graduate School of Business), Bachelor's Degree in Economics (Pomona College)

Experience
Ronald was a founding member of Standard Chartered's Africa Private Equity (SCPE Africa) division in 2008. SCPE Africa provides equity funding for expansions, acquisitions, leveraged buyouts and management buyouts and considers equity investments from USD30 million to USD150 million in a single transaction. SCPE Africa has invested over USD1 billion in businesses in the telecommunications, banking, oil & gas, agriculture, retail, manufacturing, energy and consumer goods sectors across the bank's geographic footprint in Africa. Prior to joining SCPE Africa in 2008, Ronald spent 6 years at Goldman Sachs in the U.S. before relocating to Africa from his role as a Senior Associate within the U.S. investment giant's investment banking division. Ronald holds an MBA degree from the Stanford Graduate School of Business and a Bachelor of Arts degree in Economics from Pomona College.

He serves as Chairperson of the Risk Committee and is a member of the following boards.

- CEC Africa Investments Limited (Mauritius)
- Zambian Energy Corporation (Zambia) Limited
- Export Trading Group (Mauritius)
- GZ Industries Limited (Nigeria)
- Choppies (Bostwana)

Brigadier-General Emelda Chola

Nationality: Zambian

Experience
Emelda was appointed as Director on the CEC Board in February 2016 by the Special Shareholder, GRZ. She has over 40 years' experience in the Public Service and prior to her appointment as Permanent Secretary in the Ministry of Energy and Water Development, she served in the Ministries of Defence and Home Affairs in the same capacity. She also sits on the boards of:

- ZESCO Limited
- Indeni Oil Refinery
- Zambezi River Authority
- TAZAMA
- Zambia Information and Communications Technology Agency
- Rural Electrification Authority

Mildred Kaunda

Nationality: Zambian

Qualifications
Bachelor of Arts (Cum Laude) major in Economics, MBA (Melbourne Business School, University of Melbourne, Australia)

Experience
Mildred is the founder and managing consultant of communications firm Cutting Edge PR. She focuses on the ongoing sustainability of the agency, creates strategic communications frameworks for client campaigns and oversees all client service.

She is a results oriented senior executive with over 26 years experience in media relations, positioning strategies, branding & marketing communications as well as financial services. Mildred previously worked in various international financial institutions including: Investec, Standard Corporate and Merchant Bank, Trade and Development Bank (formerly PTA Bank) Meridien Bank and Deloitte in Kenya, South Africa and Zambia.

She is a Fellow of the Zambia Public Relations Association (ZAPRA), a Chartered Public Relations Practitioner (CPRP) of the Public Relations Institute of Southern Africa (PRISA), a senior member (MIPRA) of the International Public Relations Association (IPRA), and the Public Relations Association of America (PRSA).

Mildred was elected In January 2010 the IPRA Council Member and National Chair for Zambia for a two-year term. She was a member of the interim founding committee that launched the Zambia Public Relations Association in May 2010 and was elected a committee member in December 2010.

She is a board member of:

- The Duke of Edinburgh's Internation Award in Zambia, and has previously served as a board member of the American Chamber of Commerce in Zambia.

Taimoor Labib

Nationality: American

Qualifications
Bachelor of Science degree

Experience
Taimoor joined Standard Chartered Private Equity in March 2010 and is currently Managing Director, Head of Africa and Middle East Private Equity, investing and overseeing an approximately USD1.5 billion direct investment portfolio in leading companies across Africa and the Middle East. He actively manages and sits on the boards of most of these companies headquartered in Botswana, Jordan, Kenya, Nigeria, Saudi Arabia, South Africa, UAE, UK and Zambia.

Previously, he was also Head of Global Private Equity Portfolio Management (2013 – 2016), overseeing the global emerging market portfolio with investments in Asia, Africa and the Middle East.

Taimoor has 20 years of direct private equity and investment banking investment with leading international and regional institutions, including deep relationships with family groups, regulators, sovereign wealth funds and limited private partners. Taimoor began his career with Bear Stearns in New York, and the Carlyle Group in Washington D.C., and holds a Bachelor of Science degree from Carnegie Mellon University.

EXECUTIVE DIRECTOR

Owen Silavwe

(Managing Director)

Nationality: Zambian

Qualifications
Bachelor's Degree, Electrical Engineering, Master of Science, Electrical Power Engineering (Chalmers University), MBA (IMD)

Experience
Owen has been CEO/Managing Director of CEC since 2014, when he also took up the appointment to the Board, having served as the Company's Managing Director – Operations since the earlier part of 2013. Prior to his current role, Owen served as Commercial Director and Chief Operating Officer of the Company. Owen has over 21 years' experience in the management and operation of electricity infrastructure and energy markets. He has made significant contribution to the business transformation at CEC. He holds an MBA from IMD in Switzerland, an MSc in Power Engineering from Chalmers University in Sweden and a Bachelor of Electrical Engineering degree from the University of Zambia.

Board Representation:

- Barclays Bank Zambia Plc
- Hai Telecommunications Limited
- CEC-Kabompo Hydro Power Limited

Our management

CEC's executive management team provides day-to-day leadership to the Company through the implementation and execution of approved strategy, application of policy and detailed operational plans. Our executive management is highly skilled and focused on the creation of sustainable value in both the short and long term for all our stakeholder groups.

Owen Silavwe
(Managing Director)

Refer to board listing for bio data

Mutale Mukuka
(Chief Financial Officer)

Nationality: Zambian

Qualifications
Chartered Management Accountant (UK), MBA (IE Business School) Spain, Fellow of the Zambia Institute of Chartered Accountants

Experience
Mutale was appointed Chief Financial Officer in August, 2014. Prior to this, he served as Interim CFO for subsidiary CEC Africa Investments Limited, and also as Regional Head – West Africa based in Abuja, Nigeria. He has led and been involved in over 15 transactions (debt, capital markets, restructuring, acquisitions) across Sub-Saharan Africa in the last 8 years. He has previously held senior positions in the CEC Group including as Director, Corporate Finance, Manager Corporate Finance and Business Planning Head.
In his present role, he is responsible for driving financial strategy, investment monitoring, M&A, financial operations, control, tax planning and structuring. Mutale is a United Kingdom Chartered Management Accountant, Fellow of the Zambia Institute of Chartered Accountants and holder of an MBA from IE Business School, Spain.

Years with Company: 14 years

Board Representation:

- Lusaka Securities Exchange Limited - Zambia
- CEC Liquid Telecommunication Limited - Zambia
- Hai Telecommunications Limited Zambia
- CEC Hydro Limited - Mauritius

Christopher Nthala
(Chief Operating Officer)

Nationality: Zambian

Qualifications
Bachelor's degree in Engineering (Electrical), Diploma in Distribution Engineering (British Electricity International, UK), Advanced Management of Power Systems (SwedPower/Vattenfall, Sweden)

Experience
Christopher was appointed Chief Operating Officer for CEC in 2013, heading the Operations Directorate and responsible for the management of all operations aspects of the power system (system operations, system maintenance, emergency power, system safety). He has over 20 years' experience in the Zambian electricity supply industry, holding various portfolios up to Director for Generation and Transmission at ZESCO. He has also served as Manager for the power distribution network at Kansanshi Mine in Zambia, a subsidiary of First Quantum Minerals. Furthermore, he has been involved with SAPP activities for many years, rising to Chairman of the Management Committee.

Years with Company: 4 years

Julia Chaila
(Chief Legal Counsel/Company Secretary)

Nationality: Zambian

Qualifications
Bachelor of Laws Degree (University of Zambia), Advocate of the High Court and Supreme Court for Zambia, Chartered Arbitrator (United Kingdom)

Experience

Julia is the Management head of the in-house Legal Department, which she established in 1997. She is also Company Secretary for CEC. Julia has over 25 years' experience in Corporate and Commercial law, and has in particular specialised in energy, construction and mining law. Julia has previously held several senior positions in both the private and public sector, including as Management Head of the ZCCM Legal Department on the Copperbelt. She has had work experience in three institutions in Melbourne, Australia. Julia is the current Chairperson for the Southern African Power Pool Legal Working Group the regional team of lawyers for elcrtricity utilities that advises and provides legal support to the regional body.

Years with Company: 20 years

Board Representation:

- Company Clinic
- CEC-Kabompo Hydro Power Ltd
- Zambia Forest and Forestry Industries Company Ltd
- Nkana Water and Sewerage Company
- CHEP

Aaron Botha
(Chief Projects Officer)

Nationality: Zambian

Qualifications
Chartered Engineer, Bachelor of Engineering degree – Electrical (UNZA), BTEC Diploma in Industrial Measurements and Control (Bolton Institute of Technology), MBA (Edith Cowan University).

Experience

Aaron is responsible for managing capital projects for the Company and also provides technical liaison for CEC Africa and other external projects support. Prior to taking up this role, he directed the technical and commercial aspects of projects in the Company, as Projects Director, including the Kabompo Hydroelectric project; covering project feasibility and engineering design studies, contract arrangements, aspects of project financing and other commercial arrangements. He has also previously worked as Technical Director, responsible for the management of all technical aspects with regard to Protection, Metering, Telecommunications, System Performance, Asset Management and Emergency Power generating systems to ensure reliable and continuous power supply to the Company's customers. He has over 25 years of practical experience at senior management level, having been responsible for various engineering and operational requirements of the high voltage and power distribution networks in ZCCM and now CEC.

Years with Company: 20 years

Titus Mwandemena
(Chief Commercial Officer)

Nationality: Zambian

Qualifications
Bachelor of Engineering Degree (UNZA) and MBA (Copperbelt University)

Experience
Titus leads the Account Management, Business Development and Power Trading Departments. He has extensive experience in the Zambian Electricity Supply Industry of which the first eleven years involved operation and maintenance of high voltage transmission lines and substations, project management and investment planning for transmission systems. Later experience included overseeing business initiatives; including project management, business development and the creation of the power sourcing and trading department in CEC, bringing together skills and capabilities from within the organisation and the SADC region.

Years with Company: 14 years

John Simachembele
(Chief Human Resources Officer)

Nationality: Zambian

Qualifications
MBA (Strathclyde University), MSc in Human Resources Management (Heriot-Watt University) Fellow of the Zambia Institute of Human Resources Management (FZIHRM)

Experience
John is a strong HR generalist with over 25 years quality Human Resources management and consultancy experience, and accomplishment across a number of top-tier national and multinational companies. John has a track record of adding value to organisations through the development of a strategy-led people agenda and enabling systems, policies and initiatives and through the development of leadership, talent and culture required for organisational effectiveness and performance.

As a consultant, he has executed several high-profile assignments both in Zambia and the sub-region, and provided leadership as team lead for a number of them. Prior to joining CEC as Director HR in May 2015, John held the position of Senior Human Resources Manager at MTN Zambia Limited. Amongst the positions he has previously held are Human Resources Consultancy Services Manager with PricewaterhouseCoopers, Human Resources Manager with Stanbic Bank, Policy & Process Analyst with Barclays Bank and Industrial Engineer with ZCCM.

Years with Company: 2 years

Risk management, assurance and controls

The risk management framework which set out the foundation on which the Enterprise Risk Management system was rolled out during review period is based on a governance process that sets forth clear responsibilities for taking, managing, monitoring and reporting risks.

The risk framework assists the Company to manage the risks involved in its operations so as to optimise opportunities and minimize any adverse consequences. Our risk profile highlights the key risks and controls, which are reported to the board through the Risk Committee on quarterly basis.

The key risks the Company faced during 2017 were:

- Increasing competition in the DRC market
- Delays in processing the VAT refunds by ZRA
- Delayed payments by some major customers
- Delayed renewal of some key business contracts

The board maintained its oversight role to ensure that all risks remained within the acceptable tolerance levels.

Internal controls

The Company maintains a comprehensive system of internal controls to mitigate identified risks and to ensure that its objectives are consistently achieved. Internal controls are based on the principle of acceptable risk being inherent to the design and implementation of a cost-effective system of internal controls. The system includes monitoring mechanisms and mitigation measures for deficiencies when they are detected. This system is benchmarked against the COSO (Committee of Sponsoring Organisations of the Treadway Commission) Internal Control – Integrated Framework

Assurance

Internal Audit Plans are set each year and approved by the board through the Audit Committee. Designed on a risk-based assurance approach, they are focused on adding value to the control environment while rendering independent assurance to the board on the effectiveness of internal controls over operational and compliance activities, and the adequacy of our governance system.

In 2017, assurance and compliance reviews of 10 business processes and functions were carried out. A total of 22 process improvement recommendations were made and as at 31 December, about 55% of these had been implemented. The remainder are targeted for closure during the first quarter of 2018.

5. DIRECTORS' REPORT

The Directors have pleasure in submitting to the shareholders, their report on the financial statements and financial statements for Copperbelt Energy Corporation Plc ("the Company") for the year ended 31 December 2017.

The Directors' Report has been prepared and is published in accordance with, and with reliance upon applicable Zambian company law and the liabilities of the directors in relation to this report are subject to the limitations and restrictions provided by such law.

General company information

As at 31 December 2017, the CEC Group comprised the Company, CEC-KHPL, a subsidiary company incorporated to develop the 40MW Kabompo hydropower project in North-Western Province; and CEC Liquid Telecom, a joint venture company registered and operating in Zambia, in which CEC owns 50% stake. CEC Liquid Telecom has in turn a subsidiary, Hai.

The principal activities of the Company are the generation, transmission, distribution and sale of electricity and telecommunications service provision. There were no significant changes in the nature of the principal activities of the entity during the year under review.

The Company's core business remains the transmission, distribution, generation and sale of bulk electricity, primarily to mining customers on the Copperbelt regions of Zambia and the Democratic Republic of Congo. The joint venture CEC Liquid Telecom provides wholesale capacity and internet bandwidth as well as the provision of IP connectivity and internet services including corporate connectivity solutions and a list of other ICT services through its subsidiary Hai.

The Company is a public limited company incorporated under the Zambian Companies Act Cap 388 of the Laws of Zambia (as revised) and is listed on the LuSE.

The Company's registered office and principal place of business is CEC Headquarters, Stand 3615, 23rd Avenue, Nkana East, Kitwe.

Capital structure and shares

The authorised share capital of the Company is K20,000 thousand, divided into 2,000,000,000 ordinary shares of a par value of K0.01 each and 1 Special Share of K1.40 held in the Company by the Government of the Republic of Zambia. The Company's share register and other Company records are maintained at the Registered Office.

As at 31 December 2017, the shareholding in the Company was as follows:

Zambian Energy Corporation (Ireland) Limited	845,000,000
ZCCM Investments Holdings Plc	325,000,000
Private Individuals/institutions	280,000,597
Government of the Republic of Zambia (Golden Share)	1 Special Share

All ordinary shares have the same rights, including the rights to one vote per share at any general meetings and equal proportion of any dividend declared and paid. The rights and obligations to the shares in the Company are provided in the Articles of Association.

Significant shareholding in the Company

As at 31 December 2017 substantial shareholding (5% or more) in the Company's share capital was as follows:

Zambian Energy Corporation (Ireland) Limited	52%
ZCCM Investments Holdings Plc	20%
Standard Chartered Zambia Securities Services (as nominee of international investors)	6.78%

Directors' interests and their Interests in the Company's shares

Directors' interest in the share certificate capital of the Company are shown in the table below:

	2017	2016	2015	2014	2013
Total ordinary issued Shares of the Company	1,625,000,597	1,625,000,597	1,625,000,597	1,625,000,597	1,000,000,000
Direct shareholding					
Hanson Sindowe	-	-	1,774,567	1,774,567	1,092,000
Michael J Tarney	2,354,148	2,354,148	1,837,630	1,837,630	1,230,000
Reynolds Bowa	-	-	-	343,050	-
Owen Silavwe	982,500	982,500	650,000	650,000	400,000
Munakupya Hantuba	343,615	343,615	343,615	343,615	19,231
Dr. Sixtus Mulenga	107,409	107,409	107,409	50,000	50,000
Indirect shareholding					
Hanson Sindowe	300,092,866	300,092,866	300,092866	300,092,866	110,802,000
Michael J Tarney	166,596,215	166,596,215	166,596,215	166,596,215	61,513,000
Abel Mkandawire	153,246,550	153,246,550	153,246,550	153,246,550	56,854,00

Directors' indemnity statement

As permitted by the Company's Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined under the Companies Act. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

Dividends

Details on the 2017 dividend are provided in the Chairman's statement on page 11.

Activity of Company shares on the LuSE

The Company continued to be listed and actively traded on the LuSE. A total of 3,596,922 shares were traded in 2017 (2016: 50,324,816) in 1,038 trades, giving a turnover of K4,639,348 (USD488,867). The share price averaged K1.36; reaching a 12-month high of K1.46, a low of K0.87 and closing the year at K1.44. The Company's shares are traded in the dematerialised form on the LuSE. CEC's transfer agent is Corpserve.

Financial results

Below is a table of financial highlights for the Company over the last four years. The telecoms investments have been equity accounted for in the results shown below. The table further provides financial summary on a business segmentation basis.

THE COMPANY

	2017	2016	2015	2014
Revenue	389,532	354,626	355,063	291,948
Gross profit	130,438	117,722	110,331	88,697
PBIT	79,579	(80,218)	68,351	50,135
Net profit/(loss)	48,378	(113,687)	39,525	33,605
Non-current assets	437,534	436,170	550,282	380,613
Inventory	3,3913	4,156	2,346	2,869
Current assets	182,426	149,168	171,372	161,615
Total assets	619,960	585,338	721,654	542,228
Current liabilities	96,899	91,408	107,978	112,326
Loans	73,555	87,575	101,595	99,740
Non-current liabilities	172,151	192,991	222,930	150,424
Equity	350,910	300,939	390,746	279,478
Acid test ratio (Times)	1.85	1.59	1.57	1
Adjusted EBITDA	101,471	92,419	69,352	50,135
Return on assets	8%	-19%	5%	6%
Return on equity	14%	-38%	10%	12%
Earnings per share (USD cents)	0.030	(0.070)	0.024	0.022

	HAI			CEC LIQUID TELECOM		
	2017	2016	2015	2017	2016	2015
Revenue	4,904	8,607	6,380	23,133	12,603	14,734
Gross profit	3,923	2,895	2,499	16,780	8,815	10,016
Net (loss)/profit	(894)	(920)	(295)	1,790	1,230	1,546
Share of (loss)/profit	(447)	(460)	(148)	895	2,000	773
Total assets	767	2,936	2,394	60,864	49,339	54,201
Total liabilities	2,870	3,586	2,121	36,843	27,207	20,567

Capital expenditure

The Company's capital expenditure strategy is driven by ensuring that growth is supported with a focus on minimising and managing business risks, enhancing customer satisfaction through seeking to modernise and efficiently manage the network.

The main focus of the capital expenditure programme for this period was on critical business operational areas. In particular, expansion of capacity at major substations to meet customer needs, replacement of system assets that had reached the end of their useful lives, retrofitting and refurbishment of key assets to renew their lives, compliance with regulatory requirements as well as to maintain the required high standards for SHE compliance.

A total of USD17.954 million (2016: USD8.054 million) was spent on capital expenditure. The main areas of capital expenditure programme for this period were transformers, GTAS and wayleave roads.

Insurance

The Company has insured its operational assets against property damage and business interruptions. The Company also maintains insurance for its directors in respect of their duties as directors of the Company. Besides the foregoing, the Company has cover for employers' liability, public and product liability, Group personal accident, and motor vehicle.

Total premiums paid during the year for the Company was USD1.367 million (2016: USD1.786 million)

Operations

ZESCO Limited continues to be the main source of the Company's energy purchases to supply its customers. As a result of improved rainfall during the 2015/16 season the water levels in the country's main generating dams registered an improvement over the previous season. The availability of energy was complemented by the commissioning of additional coal and HFO fired generating capacity at Maamba and Ndola. However, the *force majeure* declared by ZESCO in 2015 due to an acute energy deficit remained in force during 2017. Consequently, the Company continued with its strategy of sourcing some energy from the SAPP market in order to mitigate the effects of the 30% reduction in energy supplies under the force majeure. Total energy sales in 2017 were 3,513 GWh compared to 3,521GWh in 2016 as the mines were recovering from the previous period of depressed copper prices on the world market. The corresponding average capacity sales were 462.5MW compared to 453MW in 2016. The corresponding figures for domestic wheeling for ZESCO were 1,338GWh and 1,290GWh respectively. The Company's power supply network continued to operate satisfactorily throughout the year. However, the start of 2017/18 rainy season accompanied by heavier than normal rainfall and lightning activity brought its own unique challenges. A number of system disturbances attributed to stormy weather were recorded particularly in the northern parts of the network. The Company continued to seek and implement measures to effectively mitigate the impact on its customers. There were no incidents of total power failure from the national grid. The Company successfully undertook rehabilitation of some of the major components of its fleet of gas turbine alternators (GTAs) in order to improve the reliability of its emergency power obligations to its mining customers. A total of 210MVA of new transformation capacity was installed or awaiting installation on the Company's network through a combination of new growth projects and the on-going asset replacement program which is aimed at replacing obsolete/aging equipment and meeting increased demand for power from customers.

The detailed operations report is given in the Managing Director's review starting on page 14.

Human resources

The total remuneration for employees in the Company amounted to USD23.02 million in 2017 compared to USD15.64 million in 2016.

The table below shows the average number of employees in the Company and its joint venture during the year.

Month	CEC	CEC Liquid Telecom	Hai	Total
January	370	62	88	520
February	370	63	85	518
March	372	63	86	521
April	367	65	97	529
May	382	64	97	543
June	381	63	108	552
July	384	63	115	562
August	383	63	147	593
September	383	63	145	591
October	384	62	141	587
November	381	63	147	591
December	381	65	147	593

The Company has an ESOP Scheme to which all employees are eligible to participate. The Company is committed to attracting developing and retaining individuals capable of delivering its business objectives into the future, thereby contributing to enhanced shareholder value.

The Board

The Membership of the Board as at 31 December 2017 was as follows:

Non-Executive Directors
Hanson Sindowe - Chairperson Munakupya Hantuba - Vice Chairperson Michael Tarney Abel Mkandawire Ronald Tamale Taimoor Labib Reynolds Bowa Mildred Kaunda Emeldah Chola
Independent Non-Executive Directors
Dr. Sixtus Mulenga Joe M Chisanga
Executive Director
Owen Silavwe

Committees

The membership of the Board Committees were as follows:

Executive Committee

Munakupya Hantuba – Chairperson
Hanson Sindowe
Michael Tarney
Ronald Tamale
Mildred Kaunda
Owen Silavwe
Mutale Mukuka

Audit Committee

Joe M Chisanga – Chairperson
Ronald Tamale
Mildred Kaunda
Michael Tarney
Reynolds Bowa

Health, Safety, Environment and Social Committee

Dr. Sixtus Mulenga – Chairperson
Munakupya Hantuba
Abel Mkandawire
Taimoor Labib
Owen Silavwe

Investment Committee

Reynolds Bowa – Chairperson
Hanson Sindowe
Michael Tarney
Munakupya Hantuba
Joe M Chisanga
Taimoor Labib
Owen Silavwe

Risk Committee

Ronald Tamale – Chairperson
Joe M Chisanga
Dr. Sixtus Mulenga
Reynolds Bowa
Hanson Sindowe
Owen Silavwe

Nominations Committee

Hanson Sindowe – Chairperson
Abel Mkandawire
Munakupya Hantuba
Joe M Chisanga
Reynolds Bowa

Remuneration and Employee Development Committee

Abel Mkandawire – Chairperson
Dr. Sixtus Mulenga
Mildred Kaunda
Taimoor Labib
Owen Silavwe
Muna Hantuba

Schedule of director's meeting

The table below shows attendance of each director and alternate director at board and committee meetings (scheduled and unscheduled) held during the year.

	Board	EXCOM	Audit	Rem	Invest	SHE	Risk	Nom
Number of meeting held in the year	10	7	6	4	5	4	4	4
Director								
Hanson Sindowe	9	7	4	-	5	-	-	4
Munakupya Hantuba	9	5	-	3	2	1	-	1
Emelda Chola	2	-	-	-	-	-	-	-
Michael Tarney	10	7	6	-	5	3	2	-
Abel Mkandawire	9	-	-	4	-	4	-	4
Ronald Tamale	9	7	6	-	3	-	4	-
Reynolds Bowa	10	-	2	-	5	-	4	3
Owen Silavwe	10	7	6	4	5	3	4	-
Joe M. Chisanga	10	-	6	-	2	-	4	3
Dr. Sixtus Mulenga	10	-	-	4	-	4	1	-
Mildred Kaunda	9	7	6	4	-	-	-	-
Taimoor Labib	+	-	-	+	+	+	-	-
• Derek Chime	7	-	3	1	5	1	-	-
• Arnold Simwaba	2	-	-	-	-	-	-	-
• Clement Saasa	1	-	-	-	-	-	-	-
• Nana Mbaeliachi	2	-	-	-	-	-	-	-

• *Alternate Director*
\- *Not Applicable*
\+ *Represented by proxy*

Directors' interests in contracts

There were no contracts of significance during or at the end of the financial year in which a Director is or was materially interested other than through shareholding interests.

Directors' fees and remuneration

The Company paid USD0.772 million (2016: USD0.418 million) to the Executive Director as remuneration and USD1.080 million to Non-Executive Directors as directors' fees in 2017. Included in the payments to the Exeutive Directors are salaries, annual bonus and gratuity paid covering the three years' contract.

There was USD4,056 outstanding as ESOP loans from the Executive Director at the year end. Members of the board were not entitled to any form of defined pension benefits from the Company.

Corporate social responsibility

CEC is committed to making a positive difference to the Communities in which it operates. During the year, the Company made donations to support sponsorship to Power Dynamos Football Club, a number of community initiatives and charitable causes. The total cost for donations in 2017 was USD1.882 million (2016:USD1.152 million).

Compliance

The directors confirm that the Company is not in violation of any laws and regulations that would have a material adverse effect on the operation of the business and that the Company has obtained all material licences and permits that are necessary to enable the company carry out its business.

Significant changes in the state of affairs

There are no significant changes in the state of affairs of the Company that occurred during the financial year under review.

Other material facts, circumstances and events

The directors are not aware of any material facts, circumstances or events which occurred between the accounting date and the date of this report which might influence an assessment of the Company's financial position or the results of its operation.

Corporate governance

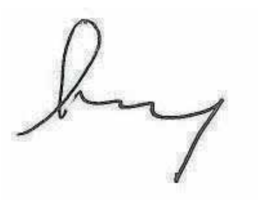
The board is committed to achieving and demonstrating the highest standards of corporate governance. The board continues to refine and improve the governance framework and practices in place to ensure they meet the interests of shareholders. The Company complies with the LuSE Corporate Governence Code.

Auditors

At the last AGM of the shareholders of the Company, Messrs KPMG were appointed as auditors of the Company.

In accordance with the Company's Articles of Association, Messrs KPMG will retire as auditors of the Company at the conclusion of the forthcoming AGM and have expressed willingness to continue in office. A resolution for their appointment and fixing their remuneration will be tabled at the AGM.

By order of the Board



Julia C Z Chaila
Company Secretary

6 March 2018

6. CHIEF FINANCIAL OFFICER’S REPORT

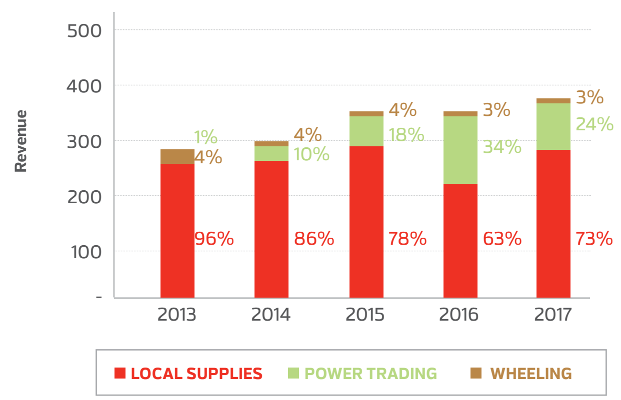
Our strong performance translated into a 10% increase in revenue and EBITDA over the previous year.

The business continued on a path of deriving efficiency gains through modernisation, automation and a culture of strong cost discipline. These, combined with a strong operational performance, resulted in a net cash increase of USD22 million to USD68 million as at 31 December 2017. Reported earnings equally increased by 14% to USD48 million.

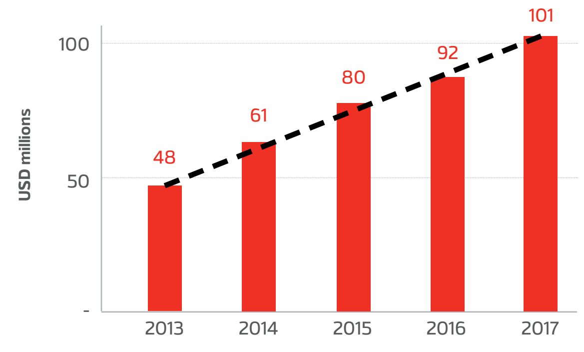
Revenue of USD390 million was USD35million higher than in 2016, driven mostly by the increase to the end-user mining tariff. Generally, the regional power situation in the SAPP improved significantly compared to the previous year as a few countries in the region had surplus power. This resulted in a general reduction in the tariffs compared to the year before. Consequently, the Company extended the tariff reduction to its customers the effect of which was that despite having sold more energy in 2017, the revenue attributed to power trading reduced by 22% from USD120 million to USD94 million.

Local supplies under the BSA increased by 27% from the previous year on account the tariff increase. Reduced load shedding and general improvement on the supply side impacted on the wheeling income, which increased by 7% purely on account of the increased energy flows. The net impact is an increase of 10% in revenue.

REVENUE SPLIT



ADJUSTED EBITDA



Revenue
USD390m
2016: USD355m

Adjusted EBITDA
USD101m
2016: USD92m

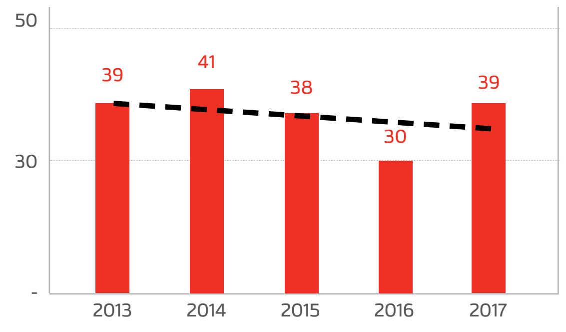
Adjusted Earnings
USD48m
2016: USD42m

Capital Expenditure
USD18m
2016: USD8m

Operating cash costs

The Company recognises the need to drive continuous improvements in all areas of operations. Focus is placed on building a strong cost discipline culture, partly achieved by ensuring that we have in place an ever- improving performance management system and an open culture which cultivates innovation to drive operational efficiency improvements. Specifically, the Company has over the last five years focused on initiatives aimed at modernisation of equipment, efficiency improvements, cost containment and improvements in governance; all of which have contributed to the realisation of savings over the period. Despite having expanded our operations to support the regional power trading business segment, the cost structure has not materially changed. The cash operating cost profile provides a trend as shown in graph.

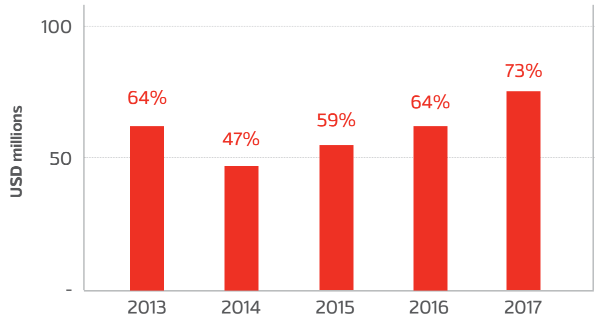
CASH OPERATING COST (USDm)



Cash conversion rate and working capital

Cash conversion ratio is a key performance indicator for the Company, and the business recognises that cash is king. The need to convert profit into cash is assessed by this measure or conversion ratio. The overall cash conversion cycle is a metric used to gauge the effectiveness of a company's management and, consequently, the overall health of that company. Our business normally targets a cash conversion ratio of 60% and in the year under review the conversion ratio was 72%. The higher than target cash conversion rate was a result of the collection of arrears from one of the customers which amounts were outstanding as at the last balance sheet date. The cash balance and conversion ratio trend is provided for information.

CASH BALANCE & CONVERSION



Returns and shareholder ratios

The existence of a business is primarily to serve the cause of the principal stakeholders who are the shareholders. In this regard, the Company recognises the importance of its primary responsibility of providing a return to shareholders on their investment done through ensuring that the business is profitable, has the capacity to make distributions as per policy and there is sustained share price growth.

In assessing the operations of the business, the below financial performance and shareholder return expectations are some of the benchmarks used by the Company:

- **Adjusted Return on Capital Employed –** pre exceptional items

  In a business as capital intensive as CEC's, profitability alone is not an adequate measure of performance; reason being that it is possible to be generating good profitability margins but still deliver poor value to the shareholders.

- **Adjusted Return on Assets** – pre exceptional items

  This measures the profitability of the business relative to its asset base. Its an important measure as it asses the efficiency of the management at using its assets to generate earnings.

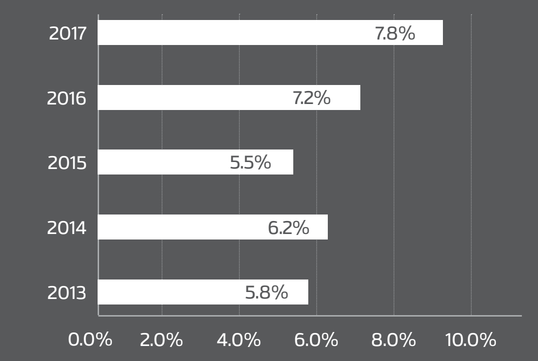
- **Adjusted Earnings Per Share** – pre exceptional items

  EPS, while not perfect, is an accessible measure of the returns we are generating as a Company for our shareholders and comprises both revenue growth and trading margins. In this regard, the key measure of short term financial performance is diluted EPS, pre-exceptional items. EPS is calculated based on profit attributed to equity shareholders (adjusted to exclude exceptional items) divided by the diluted weighted average number of ordinary shares ranking for dividend during the relevant year.

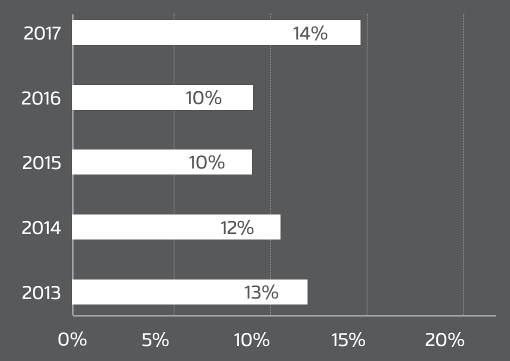
The objective of the Company's strategy is to deliver sustainable long term value to its shareholders while maintaining a balance sheet structure that safeguards the Company's financial position through economic cycles. The importance of sustained growth cannot be over emphasised but also the business recognises the need to maintain a dividend payout. For this reason, we have adopted a dividend policy that provides for payment of 50% of earnings subject to availability of cash, reserves and having provided sufficiently for working capital and other obligations. In adhering to the dividend policy, the Company during the year paid an interim dividend in March 2018 of US Cents 1.29 per ordinary share which signified an increase of 28% from the previous year's dividend payment.

In (USDm)	2013	2014	2015	2016	2017
Adjusted EBITDA	**48**	**61**	**80**	**92**	**101**
- Capital expenditure	(13)	(12)	(25)	(8)	(16)
- Net Interest	-	(2)	(7)	(7)	(5)
-Tax paid	(12)	(11)	(23)	(20)	(5)
-Working capital	1	(10)	(5)	(7)	(9)
Free Cash Flow	**23**	**26**	**20**	**50**	**61**

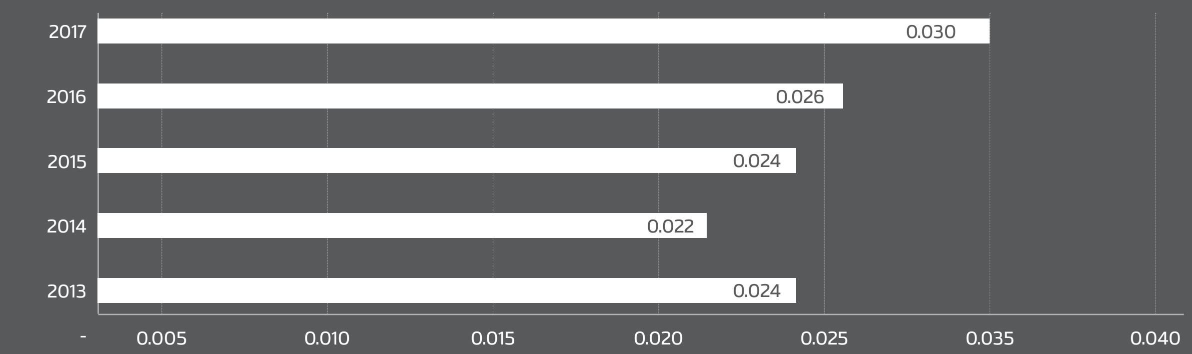
ADJUSTED RETURN ON ASSETS



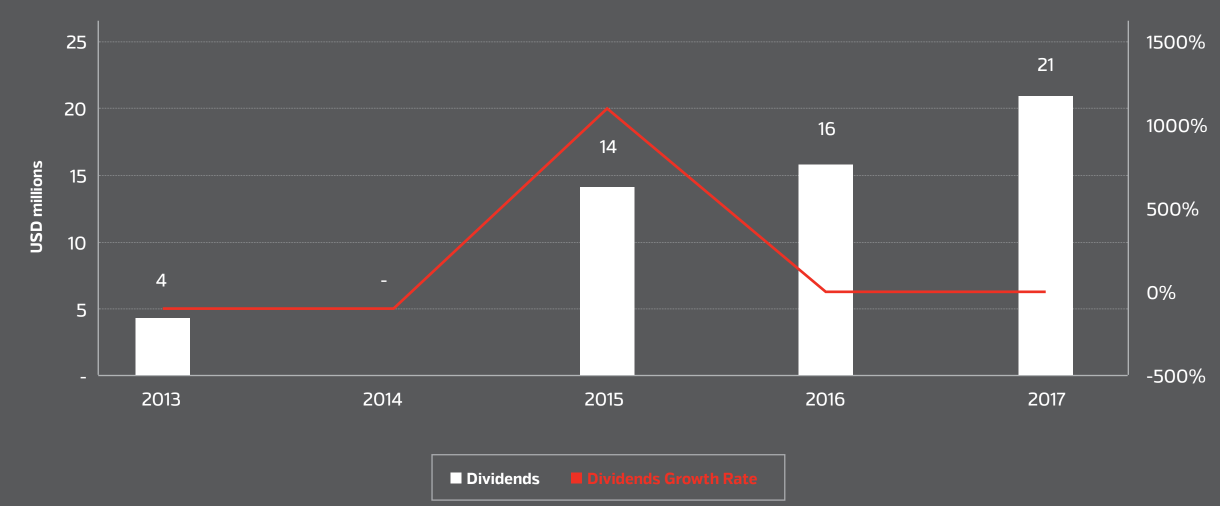
ADJUSTED RETURN ON EQUITY

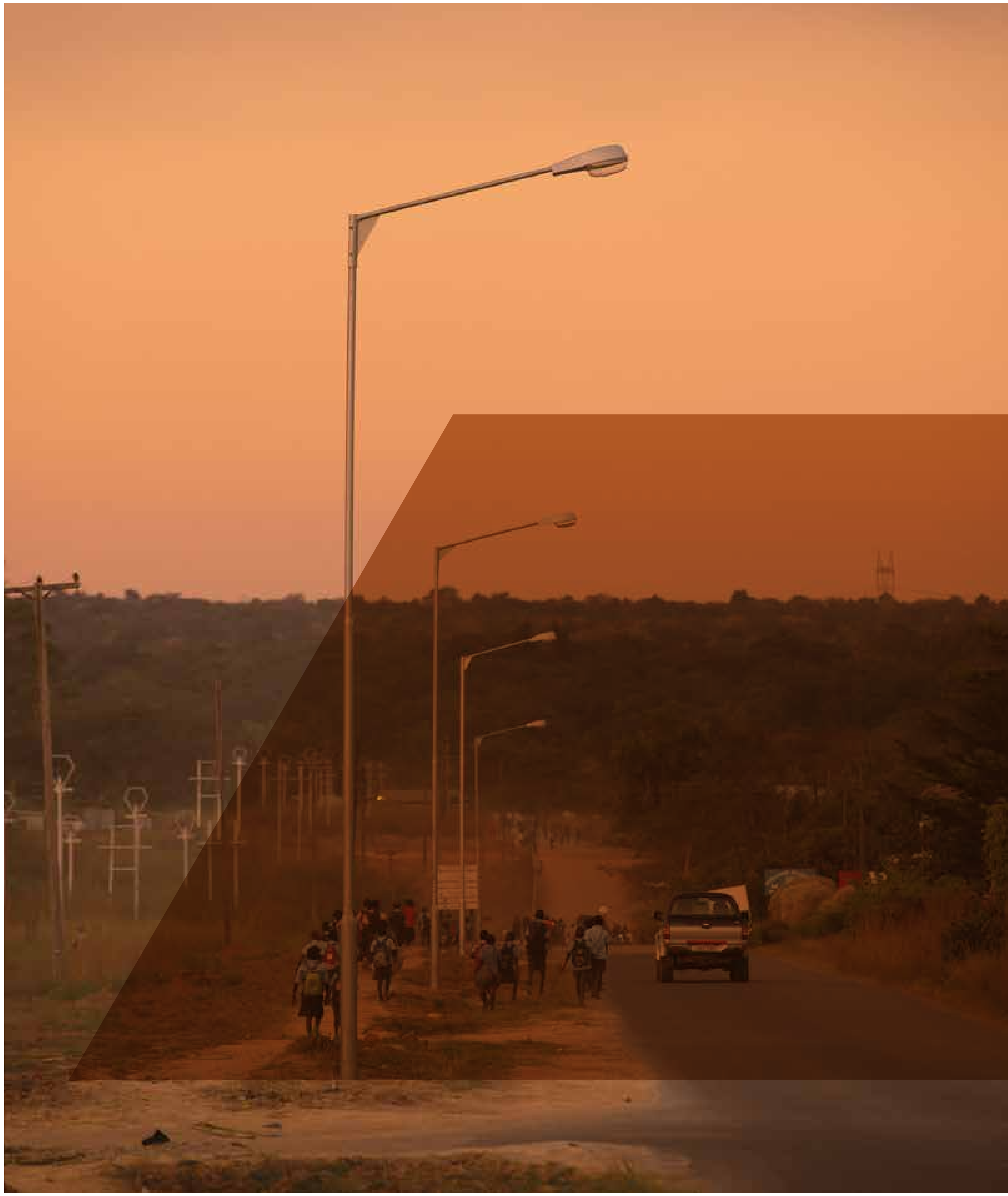


ADJUSTED EPS



DIVIDEND VS GROWTH RATE





Shareholder Engagements

We have over 4,300 shareholders active on our share register. In addition to the provision of the annual report and presentations at AGMs, our shareholders are kept regularly informed on the operations, actions and performance through various communication platforms employed by the Company. These include our corporate website, social media platforms Twitter, Facebook and Google+ as well as email, mobile texting and a mobile application (the CEC IRApp). Our website carries press releases, presentations, podcasts of results announcement conference calls, articles and other information packaged to keep shareholders, other stakeholders and the investing public adequately informed.

Most of the shares are held by institutional investors, both local and foreign. We have a structured investor relations programme aimed at keeping existing investors informed and attracting new ones. The programs include:

- Reporting half yearly results, accompanied by investor conference calls or presentation from senior management
- Meetings and conference calls with investors both in Zambia and around the world
- Participating and making presentations at investor conferences

Capital expenditure and investments

In recent years, the Company has prioritised capital expenditure to underpin the modernisation of the network and support the strategic growth of the business. We regard this as the foundation of the business and are, therefore, making significant investments in prioritised areas to support this theme. In particular, we are expanding the network to support our mine customers' expansion and ensure that the vision to provide reliable uninterrupted power supply is realised. On-going investments this year to support our strategy include:

- Overhaul of the emergency generators aimed at improving reliability
- Transmission reinforcement for power evacuation
- Investments in renewable energy solar project (1MW)
- Network expansion and build of dedicated substaions to support mine expansion
- Rehabilitation in the protection and metering aimed at assuring security of supply, safety and accuracy of the metering
- New wayleaves and rehabilitation of existing wayleaves to support access to infrastructure

Significant judgment in applying accounting policies and key sources of estimation of uncertainty

Many of the amounts included in the financial statements require management to make judgments and/or estimates. These judgments and estimates are continuously evaluated and are based on management's experience and best knowledge of the relevant facts and circumstances, but actual amounts may differ from the amounts included in the financial statements. Information about such judgments and estimation is included in the accounting policies and/or notes to the financial statements and the key areas are summarised below:

Areas of judgment and the key sources of estimation uncertainty that have the most significant effect on the amounts recognised in the financial statements include:

- Review of tangible asset carrying values, the determination of whether a trigger for an impairment review exists, whether these assets are impaired and the measurement of impairment charges or reversals, and also includes the judgment of reversal of any previously recorded impairment charge
- The estimated useful lives of tangible and long lived assets and the measurement of depreciation expense
- The estimates for fair value of "investment" subsidiaries and joint ventures for impairment tests, including estimates for future costs to underpin cashflow generation, future power and bandwidth tariffs, foreign exchange rates and discount rates
- Recognition of deferred tax liabilities, the amounts recorded for uncertain tax position, the measurement of income tax expense and indirect taxes
- The estimates of fair value of the deferred employee benefits being a defined benefit long term service payments including estimates for exchange rates, discount factor and salary inflation rates.
- The estimates for fair value of the receivables and whether to recognise a provision for accounts receivable balances including indirect tax receivables from the ZRA
- The estimatesof fair value of the long term payables as provided in the respective connection agreements taking into account time value of money through discounting effect estimates for discount factor and probability of payment

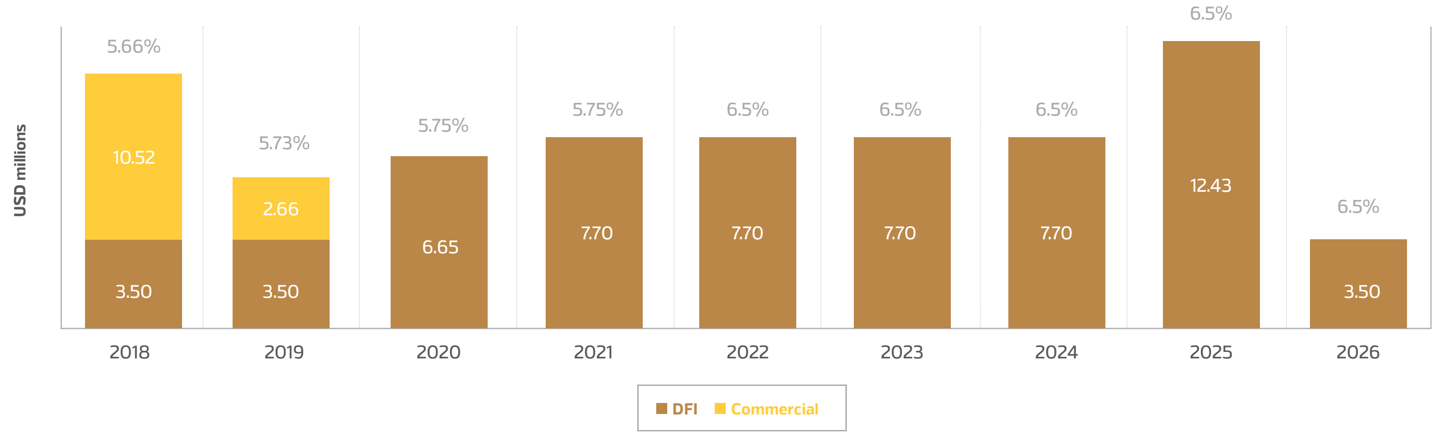
Balance sheet - borrowings

As a long term business, CEC believes that it should maintain a strong balance sheet, illustrated by its commitment to the shadow credit rating. It is the Company's view that a strong balance sheet enables it to secure financing from debt funders at competitive and efficient rates as well facilitate for better terms on long term power offtake arrangements from power generators and suppliers. This, then, allows the Company to take decisions that are focused on the long term – all of which support the delivery of sustained dividend growth and an appropriate level of dividend cover.

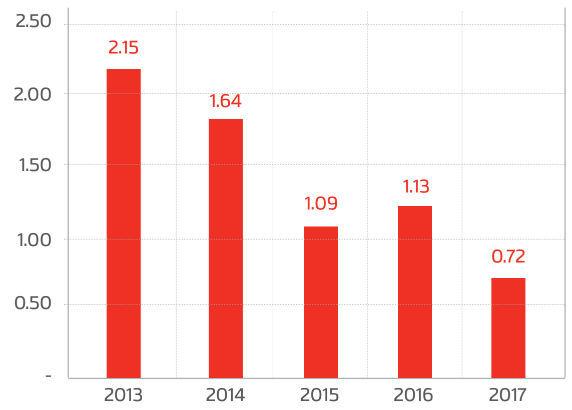
As at balance sheet date, the weighted average debt was 8.2 years compared to 9.2 years the previous year. The graph below shows the maturity of the facilities over the period split between commercial lenders tranche and development finance institutions.

From the gearing ratios shown below, it is evident that the business has capacity to leverage on its balance sheet to support its growth strategy.

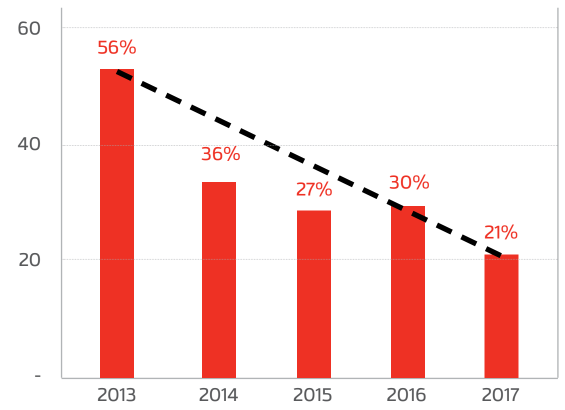
MATURITY PROFILE OF GROSS DEBT & AVERAGE MARGIN



NET DEBT/EBITDA



DEBT TO EQUITY RATIO



Business segmentation

The Telecoms units outperformed past financial and operational results. The business focused on customer acquisitions during the year and reinforce its position in the retail sector using the LTE spectrum, a wireless solution for provision of connectivity soutions as a cheaper alternative to fibre solution. The Company further has plans to make more investments in this areas and as a result drawdown on a facility with Stanbic Bank of USD8m to fund expansion LTE sites. Below is a summary of the segmented results for the two Telecoms businesses.

	HAI			CEC LIQUID TELECOM		
	2017	**2016**	**2015**	**2017**	**2016**	**2015**
Revenue	4,904	8,607	6,380	23,133	12,603	14,734
Gross profit	3,923	2,895	2,499	16,780	8,815	10,016
Net (loss)/profit	(894)	(920)	(295)	1,790	2,460	1,546
Share of (loss)/profit	(447)	(460)	(148)	895	1,230	773
Total assets	767	2,936	2,394	60,864	49,339	54,201
Total liabilities	2,870	3,586	2,121	36,843	27,207	20,567

Going concern

CEC's business activities together with factors likely to affect its development, performance and position are set out in the strategy section of this annual report. The financial position of CEC, its cash flow, liquidity position and borrowing facilities are described in this section of the report.

As at 31 December 2017, the Company had cash and cash equivalents of USD68 million compared to total borrowings of USD88 million out of which USD14 million is payable in 2018. The Company's net current assets as at that date was USD70 million. Based on the financial forecast, it is expected that the working capital of the business over the next 12 months will be positive and that the Company will be profit-making during the same period.

In assessing the going concern status of the Company, the directors have taken into account the above factors; including the financial position of CEC and in particular the cash balance as well as the net current asset position, the short to medium term projections, which include capital expenditure and financing plans. After due consideration, the directors consider that it is appropriate to adopt the going concern basis in preparing the financial statements.

Outlook

The telecoms subsidiaries (CEC Liquid Telecom and Hai Telecoms) has been expanding its market share in the wholesale and retail segments and have been profitable two years consecutively; exhibiting potential for further growth prospects. The board further recognises that the Company is primarily a power business and that there is need to continuously review its strategy around its continued investment in the telecoms operations going forward. Generally, it is recognised that telecoms businesses around the world are generally adopting strategies that have a high focus on provision of content as a driver for bandwidth growth – requiring an appropriate skill set which is not necessarily part of CEC's core business. In this regard, the Company will explore options available from a strategic perspective as it reviews the strategy around its continued involvement in the telecoms sector.

Subsequent events

Reflecting our continued confidence in the strength and prospects of the business, the directors on 25 January 2018 recommended an interim dividend of US Cents 1.6 per ordinary share, which translates to 16 Ngwee (ZMW0.1557) per share, using the Bank of Zambia mid rate applicable on the date of declaration. The dividend was paid to shareholders registered in the share register of the Company at the close of business on Friday, 2 March 2018. Dividend payments were posted from Monday, 5 March 2018.

On 23 January 2018, the Company received a firm intention by Zambian Transmission LLP to buy all the shares in the capital of CEC. The board considered the offer and appointed an Independent Committee of the Board to consider the offer. The offer was sent, through an offer document to all shareholders, with an offer period commencing 20 February 2018. The ICB also sent to all shareholders the circular which contains the recommendation of the board.

Mutale Mukuka
Chief Financial Officer

7. Financial Statements

for the year ended 31 December 2017

Directors' responsibilities in respect of the preparation of the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements of Copperbelt Energy Corporation Plc, comprising the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, which include summaries of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of Zambia. In addition, the directors are responsible for preparing the Annual Report.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the Company to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with applicable financial reporting framework, as described above.

The 2016 temporary exemption granted by the SEC to the Boards of Directors and Auditors of listed companies or companies whose securities are registered with the Commission from reporting on the effectiveness of the company's internal control system in their annual reports, prescribed under section 147 of the Securities Act, remained in place during 2017.

The exemption covering periods ending on or before 31 December 2018 to allow the Commission and stakeholders develop and implement an appropriate reporting framework to guide the form and content of compliance with the requirements of the Act.

Approval of the financial statements

The financial statements of Copperbelt Energy Corporation Plc, as identified in the first paragraph, were approved by the board of directors on **6 March 2018** and were signed on its behalf by:

Director	**Director**	**Director**
Hanson Sindowe	**Owen Silavwe**	**Joe M Chisanga**

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Website www.kpmg.com

Independent auditor's report
To the shareholders of Copperbelt Energy Corporation Plc

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of Copperbelt Energy Corporation Plc ("the Company") set out on pages 84 to 119, which comprise the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Copperbelt Energy Corporation Plc as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Zambia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of the financial statements in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Customer financed long term payables (USD28.225 million)

Refer to Note 20 to the financial statements.

The key audit matter	*How the matter was addressed in our audit*
The Company entered into Connection Agreements with certain of its mining customers, which sets out that the customer will make capital contributions to finance dedicated capital infrastructure required to supply power to their operations ("connection assets"). As per the standard terms of the Connection Agreements, once the connection assets are transferred, the Company will pay for the assets over a specified period of time which is usually more than 5 years, thereby creating a long term payable at year end. Significant judgements and assumptions are applied by management in determining customer financed long term payables. Key assumptions include the determination of interest rates and future cash flows. Because of the significance of the customer financed long term payables, and the level of judgement and assumptions applied by management, this has been considered as a key audit matter.	Our audit procedures included amongst others:- • We compared inputs used to calculate the present value of the customer financed long term payables to externally available market data and assessed whether the methodologies used by the Company were in line with our understanding of market practice. • We evaluated the reasonableness of management computation by performing an independent recomputation of the present value of the customer financed long term payables. • We evaluated the reasonableness of management's assumptions and key inputs used in their calculations such as interest rates and cash flows. • We evaluated the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' report as required by the Companies Act of Zambia and all other information contained in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Zambia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding

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independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with Section 173(3) of the Companies Act of Zambia, we report that, in our opinion, the required accounting records, and registers have been properly kept in accordance with the Act.

KPMG

KPMG Chartered Accountants **14 March 2018**

Maaya Chipwayambokoma **AUD/F000861**
Partner

Statement of financial position

For the year ended 31 December 2017

In thousands of USD	Note	2017	2016 Restated*	2015 Restated*
Assets				
Property, plant and equipment	*12*	**437,533**	418,534	431,532
Investment in subsidiary	*13*	**1**	1	100,001
Investment in joint venture	*14*	**-**	17,635	15,794
Loans to subsidiary		**-**	-	2,955
Non-current assets		**437,534**	436,170	550,282
Inventories	*15*	**3,393**	4,156	2,346
Loans to subsidiary		**-**	-	40,000
Trade and other receivables	*16*	**89,655**	86,243	86,991
Current tax assets	*10(d)*	**-**	10,684	-
Amount due from related parties	*24(i)*	**3,191**	2,501	1,844
Cash and cash equivalents	*17*	**68,104**	45,584	40,191
Assets held for sale – investment in joint venture	*14*	**18,083**	-	-
Current assets		**182,426**	149,168	171,372
Total assets		**619,960**	585,338	721,654
Equity				
Share capital	*18*	**2,849**	2,849	2,849
Share premium		**60,078**	60,078	60,078
Revaluation reserve		**142,991**	135,822	151,200
Retained earnings		**144,992**	102,190	176,619
Total equity		**350,910**	300,939	390,746
Liabilities				
Loans and borrowings	*19*	**59,535**	73,555	87,575
Customer financed long term payables	*20*	**28,225**	34,979	35,371
Employee benefits	*21*	**2,907**	2,190	3,860
Deferred income	*22*	**12,408**	13,294	12,180
Deferred tax liabilities	*10(e)*	**69,076**	68,973	83,944
Non-current liabilities		**172,151**	192,991	222,930
Current tax liabilities	*10(d)*	**10,367**	-	5,471
Loans and borrowings	*19*	**14,020**	14,020	14,020
Trade and other payables	*23*	**72,319**	77,324	88,471
Amounts due to related parties	*24(ii)*	**193**	64	16
Current liabilities		**96,899**	91,408	107,978
Total liabilities		**269,050**	284,399	330,908
Total equity and liabilities		**619,960**	585,338	721,654

**See Note 28.*

These financial statements were approved by the Board of Directors on **6 March 2018** and were signed on its behalf by:

Director *Director* *Director*

The notes on pages 88 to 119 form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2017

In thousands of USD	Note	2017	2016 Restated*
Revenue	6	**389,532**	354,626
Cost of sales		**(259,094)**	(236,904)
Gross profit		**130,438**	117,722
Other income		**10,401**	2,888
Share of profit from joint venture, net of tax	*14*	**448**	1,841
Impairment of investment in subsidiary		**-**	(100,000)
Impairment of loans to subsidiary		**-**	(51,214)
Operating expenses	*7*	**(61,708)**	(51,455)
Operating profit/(loss)		**79,579**	(80,218)
Finance income	*9*	**2,501**	1,499
Finance costs	*9*	**(6,952)**	(8,486)
Net finance costs		**(4,451)**	(6,987)
Profit/(loss) before income tax		**75,128**	(87,205)
Income tax expense	*10(a)*	**(26,750)**	(26,482)
Profit/(loss) for the year		**48,378**	(113,687)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation surplus		**23,089**	-
Defined benefits plan actuarial (gain)/loss	*21(iii)*	**(763)**	2,608
Related tax	*10(b)*	**267**	37,671
Other comprehensive income, net of tax		**22,593**	40,279
Total comprehensive income/(loss)		**70,971**	(73,408)
Basic and diluted earnings per share	*11*	**0.030**	(0.070)

**See Note 28.*

The notes on pages 88 to 119 form an integral part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2017

In thousands of USD	Share capital	Share premium	Revaluation reserve	Retained earnings	Total
Balance at 1 January 2016 as previously reported	2,849	60,078	151,200	167,359	381,486
Prior year adjustment (refer to note 28)	-	-	-	9,260	9,260
Balance at 1 January 2016 as restated	2,849	60,078	151,200	176,619	390,746
Total comprehensive income					
Loss for the year	-	-	-	(113,687)	(113,687)
Other comprehensive income					
Defined benefits plan actuarial loss	-	-	-	2,608	2,608
Related tax	-	-	-	37,672	37,672
Amortisation of revaluation reserve	-	-	(15,378)	15,378	-
Total comprehensive income	-	-	(15,378)	(58,029)	(73,407)
Transactions with owners of the Company					
Distributions					
Dividends paid	-	-	-	(16,400)	(16,400)
Balance at 31 December 2016	2,849	60,078	135,822	102,190	300,939
Balance at 1 January 2017	**2,849**	**60,078**	**135,822**	**102,190**	**300,939**
Total comprehensive income					
Profit for the year	**-**	**-**	**-**	**48,378**	**48,378**
Other comprehensive income					
Revaluation surplus	**-**	**-**	**23,089**	**-**	**23,089**
Defined benefits plan actuarial gain	**-**	**-**	**-**	**(763)**	**(763)**
Related tax	**-**	**-**	**-**	**267**	**267**
Amortisation of revaluation reserve	**-**	**-**	**(15,920)**	**15,920**	**-**
Total comprehensive income	**-**	**-**	**7,169**	**63,802**	**70,971**
Transactions with owners of the Company					
Distributions					
Dividends paid	**-**	**-**	**-**	**(21,000)**	**(21,000)**
Balance at 31 December 2017	**2,849**	**60,078**	**142,991**	**144,992**	**350,910**

Retained earnings

Retained earnings are the brought forward recognised income, net of expenses of the Company, plus current year's profit attributable to the shareholders, less dividend paid.

Share premium

The share premium relates to the excess amounts paid by the shareholders on the issue of share capital net of pre-incorporation costs.

Revaluation reserve

Revaluation reserve is a non-distributable reserve which represents revaluation surplus on property, plant and equipment net of deferred tax.

The notes on pages 88 to 119 form an integral part of these financial statements.

Statement of cash flows

For the year ended 31 December 2017

In thousands of USD	Note	**2017**	2016 Restated
Cash flows from operating activities			
Profit/(loss) for the year		**48,378**	(113,687)
Adjustments for:			
Depreciation	*12*	**21,890**	21,423
Loss on disposal of plant and equipment		**230**	756
Effect of discounting on customer financed long term payable	*9*	**610**	1,718
Reversal of customer financed long term payable	*20 (a)*	**(7,229)**	-
Share of profit from joint venture	*14*	**(448)**	(1,841)
Impairment of property, plant and equipment	*12*	**46**	393
Impairment of investment in subsidiary		**-**	100,000
Impairment of loans to subsidiary		**-**	51,214
Impairment loss on other receivables		**899**	-
Finance income	*9*	**(2,501)**	(1,499)
Finance costs	*9*	**6,342**	6,768
Income tax expense	*10(a)*	**26,750**	26,482
Operating profit before changes in working capital		**94,967**	91,727
Changes in:			
- Inventories		**763**	(1,810)
- Trade and other receivables		**(4,311)**	748
- Amounts due from related parties		**(690)**	(657)
- Amounts due to related parties		**129**	47
- Deferred income and employment benefits		**(932)**	52
- Trade and other payables		**(4,143)**	(5,031)
		85,783	85,076
Cash generated from operating activities			
Interest paid		**(6,342)**	(6,768)
Income tax paid	*10(d)*	**(5,329)**	(19,937)
Net cash generated from operating activities		**74,112**	58,371
Cash flows from investing activities			
Acquisition of plant and equipment	*12*	**(17,954)**	(8,054)
Proceeds from disposal of plant and equipment		**6**	-
Interest received		**2,509**	1,397
Investment in Kabompo	*12*	**(125)**	(1,520)
Net cash used in investing activities		**(15,564)**	(8,177)
Cash flows from financing activities			
Grants received	*22*	**-**	2,000
Loans advanced to subsidiary		**-**	(8,259)
Repayment of loans and borrowings	*19*	**(14,020)**	(14,020)
Repayment of customer financed long term payable	*20*	**(1,000)**	(8,225)
Dividends paid		**(21,000)**	(16,400)
Net cash used in financing activities		**(36,020)**	(44,904)
Net increase in cash and cash equivalents		**22,528**	5,290
Cash and cash equivalents at 1 January		**45,584**	40,191
Effects of movements in exchange rates on cash held		**(8)**	103
Cash and cash equivalents at 31 December	*17*	**68,104**	45,584

The notes on pages 88 to 119 form an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2017

1 Reporting entity

CEC is domiciled in the Republic of Zambia. The address of the Company's registered office is 23rd Avenue, Nkana East, Kitwe. These financial statements comprise the Company, and its joint venture. Its principal business activity is the generation, transmission, distribution and sale of electricity.

2 Basis of accounting

The financial statements have been prepared in accordance with (IFRS and the requirements of the Companies Act of Zambia.

Details of the Company's accounting policies are included in note 26.

Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following material item in the statement of financial position measured at fair value:

- Property, plant and equipment.

3 Functional and presentation currency

These financial statements are presented in USD, which is the Company's functional currency. All the amounts have been rounded to the nearest thousand unless otherwise indicated.

4 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the 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.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ended 31 December 2017 is included in the following notes:

- Note 21 and 26 (L) measurement of defined benefits obligations. Key actuarial assumptions;
- Note 30 – measurement of provisions and contingencies: Key assumptions about the likelihood and magnitude of an outflow of resources; and
- Note 20 – measurement of customer financed long term payable.

5 Measurement of fair value

A number of the Company's accounting policies and disclosure require the measurement of fair values; for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised 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 categorised 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 Company 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 assumption made in measuring fair value is included in the following note:

- Note 12 – Property, plant and equipment.

6. Revenue

In thousands of USD	**2017**	2016
Electricity transmission	**283,328**	223,682
Wheeling – domestic	**12,191**	11,407
Power trading	**94,013**	119,537
	389,532	354,626

7. Operating expenses

In thousands of USD	**2017**	2016
Depreciation of property and equipment	**21,890**	21,423
Personnel and staff related costs (note 8)	**23,021**	15,641
Non-executive directors' fees and benefits	**1,081**	970
Auditors' remuneration – audit services	**169**	182
Tax services	**10**	10
Insurance costs	**1,367**	1,786
Stores and maintenance	**3,137**	2,184
Project costs	**-**	18
Donations	**171**	92
Council rates	**470**	298
Impairment of property, plant and equipment	**46**	-
Impairment of other receivables	**899**	-
Corporate social responsibility (football expenses)	**1,711**	1,060
Other operating expenses	**7,736**	7,791
	61,708	51,455

7. FINANCIAL STATEMENTS

8. Personnel and staff related costs

In thousands of USD	2017	2016
Salaries and wages	**14,779**	9,353
Retirement benefits	**1,279**	993
Pension contribution and provisions	**381**	26
Other staff costs differentials and bonuses	**5,017**	4,360
Staff medical costs	**883**	449
Staff training	**682**	460
	23,021	15,641

9. Net finance costs

In thousands of USD	2017	2016
Finance income		
Interest on overdue debtors	**1,643**	**1,343**
Interest earned – other	**858**	**156**
	2,501	**1,499**
Finance costs		
Effect of discounting on customer financed long term payable	**(610)**	(1,718)
Interest on bank loans	**(6,342)**	(6,768)
	(6,952)	(8,486)
Net finance costs	**(4,451)**	(6,987)

10. Income taxes

In thousands of USD	2017	2016
a. Amount recognised in profit or loss		
Current tax expense (note 10 (d))	**26,380**	3,782
Deferred tax expense (note 10 (e))	**370**	22,700
Total income tax expense (note 10 (c))	**26,750**	26,482

The tax expense excludes the Company's share of the tax expense of equity accounted investments of USD1.971 million (2016: USD1.409 million) (refer to note 14).

b. Amounts recognised in other comprehensive income		
Revaluation surplus	**-**	(38,584)
Actuarial (loss)/gain	**(267)**	913
	(267)	(37,671)

c. Reconciliation of the tax charge		
Profit/(loss) before tax	**75,128**	(87,204)
Income tax using domestic tax rate	**26,294**	(30,521)
Non-deductible expenses	**456**	34,644
Exchange differences on property, plant and equipment	**-**	22,360
Tax charge (note 10 (a))	**26,750**	26,483

10. Income taxes *(continued)*

In thousands of USD	2017	2016
d. Current tax liabilities/(assets)		
At the beginning of the year	**(10,684)**	5,471
Charge for the year (note 10 (a))	**26,380**	3,782
Payments made during the year	**(5,329)**	(19,937)
At the end of the year	**10,367**	(10,684)

e. Deferred tax liabilities

Movement in deferred tax balances

In thousands of USD — **2017**

	Balance 1 January 2017	Recognised in profit or loss	Recognised in OCI	Balance 31 December 2017	Deferred tax assets	Deferred tax liability
Property, plant and equipment	**65,130**	**797**	**-**	**65,927**	**-**	**65,927**
Customer financed long term payables	**4,385**	**(214)**	**-**	**4,171**	**-**	**4,171**
Employee benefits	**(766)**	**16**	**(267)**	**(1,017)**	**(1,017)**	**-**
Unrealised exchange gain	**224**	**(229)**	**-**	**(5)**	**(5)**	**-**
	68,973	**370**	**(267)**	**69,076**	**(1,022)**	**70,098**

In thousands of USD — 2016

	Balance 1 January 2016	Recognised in profit or loss	Recognised in OCI	Balance 31 December 2016	Deferred tax assets	Deferred tax liability
Property, plant and equipment	39,740	25,390	-	65,130	-	65,130
Customer financed long term payables	4,986	(601)		4,385	-	4,385
Revaluation surplus	38,584	-	(38,584)	-	-	-
Employee benefits	805	(2,484)	913	(766)	(766)	-
Unrealised exchange loss	(171)	395	-	224	-	224
	83,944	22,700	(37,671)	68,973	(766)	69,739

11. Basic and diluted earnings per share

The calculation of the basic and diluted earnings per share at 31 December 2017 was based on the profit attributable to ordinary shareholders of USD48.378 million (2016: loss of USD113.687 million) and weighted average number of ordinary shares during the year ended 31 December 2017 of 1,625,000,579 (2016: 1,625,000,579).

In thousands of USD	**2017**	2016
Profit/(loss) attributable to ordinary shares	**48,378**	(113,687)
Weighted average number of ordinary shares (000)		
Issued at beginning of year	**1,625,001**	1,625,001
Weighted average number of ordinary shares at end of year	**1,625,001**	1,625,001
Basic and diluted earnings per share	**0.030**	(0.070)

12. Property, plant and equipment

In thousands of USD	Land and buildings	Transmission and distribution network (primary)	Equipment distribution network (secondary)	Fixtures and fittings	Motor vehicles	Capital work in progress (CWIP)	Total
Cost or revaluation							
Balance at 1 January 2016	34,644	265,294	73,827	1,175	3,555	55,531	434,026
Additions	-	-	-	-	-	8,054	8,054
Adjustment	(568)	382	(325)	573	(312)	-	(250)
Investments in Kabompo (note 12 (a)	-	-	-	-	-	1,520	1,520
Transfer from CWIP	140	14,736	8,362	968	597	(24,803)	-
Disposals	-	(789)	-	-	(27)	-	(816)
Balance at 31 December 2016	34,216	279,623	81,864	2,716	3,813	40,302	442,534
Balance at 1 January 2017	**34,216**	**279,623**	**81,864**	**2,716**	**3,813**	**40,302**	**442,534**
Additions	-	-	-	-	-	**17,954**	**17,954**
Revaluation surplus	**(1,111)**	**47,919**	**(31,652)**	**(134)**	**(1,002)**	-	**14,020**
Impairment	**(26)**	**(7)**	**(11)**	-	**(2)**	-	**(46)**
Investments in Kabompo (note 12(a)	-	-	-	-	-	**125**	**125**
Transfer from CWIP	**318**	**3,834**	**1,253**	**370**	**1,170**	**(6,945)**	-
Disposals	-	**(98)**	-	**(14)**	**(549)**	-	**(661)**
Balance at 31 December 2017	**33,397**	**331,271**	**51,454**	**2,938**	**3,430**	**51,436**	**473,926**
Depreciation							
Balance at 1 January 2016	139	1,118	776	229	232	-	2,494
Charge for the year	670	11,498	7,687	445	1,123	-	21,423
Depreciation write back	(46)	299	106	(165)	(51)	-	143
Disposals	-	(43)	-	-	(17)	-	(60)
Balance at 31 December 2016	763	12,872	8,569	509	1,287	-	24,000
Balance at 1 January 2017	**763**	**12,872**	**8,569**	**509**	**1,287**	-	**24,000**
Charge for the year	**683**	**11,751**	**7,727**	**584**	**1,145**	-	**21,890**
Depreciation write back	**(106)**	**(3,225)**	**(4,453)**	**(24)**	**(1,261)**	-	**(9,069)**
Disposals	-	**43**	-	**(14)**	**(457)**	-	**(428)**
Balance at 31 December 2017	**1,340**	**21,441**	**11,843**	**1,055**	**714**	-	**36,393**
Carrying amounts							
At 31 December 2017	**32,057**	**309,830**	**39,611**	**1,883**	**2,716**	**51,436**	**437,533**
At 1 December 2016	33,453	266,751	73,295	2,207	2,526	40,302	418,534

12. Property, plant and equipment *(continued)*

a) **Change in classification**

Development costs relates to the costs incurred towards the construction of a power station at the Kabompo Hydro Power Project site. A power plant meets the definition of property, plant and equipment and, therefore, is within the scope of IAS 16. In prior years, development costs were disclosed as a separate line item on the face of the statement of financial position. The Company modified the classification of development costs to property, plant and equipment under capital work in progress (CWIP). Comparative amounts in the statement of financial position have been reclassified for consistency.

b) A schedule listing all the properties as required by Section 193 of the Companies Act, Cap 388 of the Laws of Zambia is available for inspections by members or their duly authorised representatives at the registered office of the Company.

c) Management has assessed the useful lives of fixed assets as at 31 December 2017 and have determined this to be appropriate.

d) If property, plant and equipment were stated on a historical basis, the carrying value would be as follows:

	Land and buildings	Transmission and distribution network (Primary)	Transmission and distribution network (Secondary)	Equipment, fixtures and fittings	Motor vehicles	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
2017						
Cost	**15,616**	**204,085**	**58,506**	**3,299**	**3,390**	**284,896**
Acc. Dep	**(312)**	**(5,831)**	**(2,340)**	**(660)**	**(678)**	**(9,821)**
Net book value	**15,304**	**198,254**	**56,166**	**2,639**	**2,712**	**275,075**
2016						
Cost	15,611	206,241	59,638	3,679	3,461	288,630
Acc. Dep	(312)	(5,893)	(2,386)	(736)	(692)	(10,019)
Net book value	15,299	200,348	57,252	2,943	2,769	278,611

e) **Fair value hierarchy**

The fair value of property, plant and equipment was revalued on 31 December 2017 by Sherwood Greene; an external independent valuer. Property, plant and equipment are revalued every 3 years as per the Company's revaluation policy.

The fair value measurement has been categorised as a level 3 fair value based on inputs to the valuation technique used:

Valuation technique	Significant unobservable inputs
Market value for existing use for land and building, motor vehicles, furniture and fittings, transmission and distribution assets by comparing similar assets.	Exchange rate fluctuations as values for land and building were done in ZMW and converted into USD. An exchange rate of ZMW9.68 to USD1 was used.
Depreciated replacement cost approach for specialised buildings, furniture and fittings, motor vehicles, office equipment and transmission and distribution assets.	

13. Investment in subsidiaries

In thousands of USD	Percentage shareholding	31 December 2017	Company Percentage shareholding	31 December 2016
Subsidiary				
CEC-Kabompo Hydro Power Limited	**100**	**1**	100	1

The CEC-KHPL Financial Statements have not been consolidated in line with Section 165 of the Companies Act of Zambia in view of the insignificant amounts involved. In this regard, in compliance with section 165 (3), a statutory declaration to this effect was lodged by the CEC directors with the registrar of companies and an approval for non-consolidation of the subsidiary has since been granted by the registrar of companies.

14. Equity accounted investees – Held for sale

The Company has joint control of CEC Liquid Telecom. The CEC Liquid Telecom results include the results of its 100% subsidiary, Hai. CEC Liquid Telecom is engaged in the provision of optic fibre-based telecommunications products and services.

In November 2017, the board made a decision to dispose off its 50% investment in the joint venture CEC Liquid Telecom. Management is committed to the plan to sell CEC Liquid Telecom in early 2018 as CEC wants to concentrate on its core business of transmission and distribution of electricity. There are no impairment losses recognised in respect of the disposal as the fair value less cost to sell is higher than the carrying amount. The detailed results of the discontinued operation in this joint venture are included below.

Investment in joint venture

In thousands of USD	**2017**	2016
Balance at 1 January	**17,635**	15,794
Share of profit	**448**	1,841
Balance at 31 December	**18,083**	17,635

The following table summarises the financial information of CEC Liquid Telecom.

In thousands of USD	**2017**	2016
Non-current assets	**46,412**	43,018
Current assets	**15,219**	9,257
Total equity	**21,918**	21,482
Non-current liabilities	**(18,075)**	(15,887)
Current liabilities	**(21,638)**	(14,906)
Revenue	**28,037**	21,210
Profit before tax	**2,867**	2,949
Income tax expense	**(1,971)**	(1,409)
Profit for the year	**896**	1,540
Other comprehensive income	-	-
Share of profit (50%) for the current year	**448**	770
Total share of profits from prior years	**-**	1,071
Total share of profit	**448**	1,841

14. Equity accounted investees – Held for sale *(continued)*

CEC's share of the joint venture's contingent liabilities is Nil (2016: Nil).
CEC's share of the joint venture's capital commitment is USD5.1 million (2016: USD0.4 million).
No dividend was received from the joint venture (2016: Nil).

15. Inventories

In thousands of USD	**2017**	2016
Fuel	**1,054**	1,288
Spares and consumables	**2,339**	2,868
Total	**3,393**	4,156

In 2017, inventories of USD5.779 million (2016: USD3.735 million) were recognised as an expense and included in cost of sales.

16. Trade and other receivables

In thousands of USD	**2017**	2016
Trade receivables	**71,154**	77,129
Less: impairment allowance	**(2,071)**	(2,071)
	69,083	75,058
Prepayments and deposits	**532**	545
VAT receivable	**16,562**	10,264
Other receivable	**3,478**	376
Total	**89,655**	86,243

Other receivables

The Company, in 2007, approved an Employee Share Ownership Plan (ESOP) to allow members of staff to purchase shares in the Company at the time of floatation of these Company shares. The plan allowed the members of staff to obtain loans to enable them to purchase shares. The other receivables include USD0.194 million (2016: USD0.334 million) due from employees under the ESOP.

VAT receivable

In the 2017 national budget, the Minister of Finance announced changes to the VAT Act which introduced a new withholding tax mechanism. Pursuant to the said law, ZRA appointed most of CEC's mining customers as withholding VAT agents, effective 1 January 2017, which implied that CEC no longer received the output VAT as it was to be paid to ZRA directly by the mines affected. Similarly, following the appointment of CEC as a tax agent, effective 1 April 2017, CEC was expected to withhold the VAT component from the supplier payments which are payable directly to ZRA. Unfortunately, in applying these rules, the withheld output VAT cannot be offset against the withheld input VAT. In processing the refunds, ZRA has so far not been meeting its Service Level Obligation which has resulted in a receivable of USD16.5 million as at 31 December 2017.

17. Cash and cash equivalents

In thousands of USD	**2017**	2016
Bank balances	**68,097**	45,576
Petty cash	**7**	8
Total	**68,104**	45,584

The Company has an overdraft facility of USD12.5 million with Standard Chartered Bank (2016: USD12.5 million). The overdraft facility bears interest at 5.5% above the 1-month USD LIBOR. As at the reporting date, the overdraft had not been drawn.

Notes to the financial statements *(continued)*
For the year ended 31 December 2017

18. Share capital

In thousands of USD	**2017**	2016
Authorised		
1 Special Share of ZMW1.40		
31 December – ordinary shares	**3,250**	3,250
Issued and fully paid		
1 Special Share of ZMW1.40		
31 December – ordinary shares	**2,849**	2,849

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote per share at meetings of the Company. The number of ordinary shares under authorised share capital is 2,000,000,000 and the issued are 1,625,000,597.

The rights of the special shareholder as enshrined in the Company's Articles of Association include:

- Entitlement to convene, receive notice of and to attend at any general meeting of the Company or any meeting of any class of members of the Company, and to add items to the agenda thereof upon giving notice to the secretary and to speak thereat, but the special shareholder shall carry no right to vote; and
- The written consent of the special shareholder shall be required:
  - To effect the taking or permitting of taking of any step to have the Company voluntarily wound up by its members or voluntarily to take advantage of any provisions of the Act or similar legislation in relation to winding up of the Company;
  - For change of control, such approval not to be unreasonably withheld;
  - For material change in the nature of business; and
  - For the sale, transfer, lease, assignment, or disposal (or any contract so to do) by the Company of its electricity transmission system or, alone or when aggregated with any other disposal or disposals forming part of the connected with the same or a connected transaction, a material part of the undertaking, property and/or assets of the Company (or any interest thereof) or contract so to do, otherwise than in the normal course of business.

19. Loans and borrowings

In thousands of USD	**2017**	2016
Balance at 1 January	**87,575**	101,595
Payments during the year	**(14,020)**	(14,020)
Balance at 31 December	**73,555**	87,575
Current	**14,020**	14,020
Non-current	**59,535**	73,555
Total	**73,555**	87,575

The amounts payable within one year are borrowings payable to Standard Bank. The loans and borrowings are interest bearing which are measured at amortised cost.

In thousands of USD	**2017 Capital**			2016 Capital		
	Principal	**Interest**	**Total**	**Principal**	**Interest**	**Total**
Less than 1 year	**14,020**	**6,150**	**20,170**	14,020	7,370	21,390
More than 1 year	**59,535**	**23,209**	**82,744**	73,555	26,310	99,865
Total	**73,555**	**29,359**	**102,914**	87,575	33,680	121,255

19. Loans and borrowings *(continued)*

Senior debt

In May 2014, the Company signed a USD120 million loan facility of which USD105 million was drawn down in 2014 and the remaining USD15 million in 2015. This facility was syndicated and led by Standard Bank. As at 31 December 2017, the loan balance was USD73.555 million made up of two tranches, the Commercial Lender (CL) and Development Finance Institutions (DFI) tranche.

The CL comprises Stanbic Bank Zambia Limited, Standard Chartered Bank and Citibank International Plc. The Commercial tranche bears interest of 3 months LIBOR plus a margin of 5.25%. The balance of the CL tranche at 31 December 2017 was USD13.180 million. The DFI tranche comprises Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO), Deutsche Investitions - Und Entwicklungsgesellschaft Mbh (DEG), Société De Promotion Et De Participation Pour La Coopération (Proparco) and bears interest of 3 months LIBOR, plus a margin of 5.75% for the first 84 months and 6.5% thereafter. The balance of the DFI tranche at 31 December 2017 was USD60.375 million. The loan is payable in March 2026.

20. Customer financed long term payables

In thousands of USD	2017	2016 Restated	2015 Restated
(a) CNMC LCM			
Opening balance	**6,789**	9,905	10,952
Less: amounts paid during the year	**-**	(3,725)	-
Add/(less): Effect of discounting	**440**	609	(1,047)
Reversal of amounts payable to CNMC LCM	**(7,229)**	-	-
Closing balance	-	6,789	9,905
(b) KCM			
Opening balance	**25,518**	29,048	49,963
Less: amounts paid during the year	**(1,000)**	(4,500)	(8,391)
Add/(less): Effect of discounting	**(28)**	970	(12,524)
Closing balance	**24,490**	25,518	29,048
(c) MCM			
Opening balance	**4,036**	3,897	4,573
Add/(less): Effect of discounting	**198**	139	(676)
Closing balance	**4,234**	4,036	3,897
Grand total	**28,724**	36,343	42,850
**Current portion	**499**	1,364	7,479
Non-current portion	**28,225**	34,979	35,371
Grand total	**28,724**	36,343	42,850

**The current portion has been recognised as part of trade and other payables.

20. Customer financed long term payables *(continued)*

As part of its risk management strategy, CEC leaves the construction and setting up of all connection infrastructure to the customer before the customer is connected. This is to avoid situations where CEC incurs huge costs in setting up the said infrastructure and then the supply of power to that customer turns out to be unprofitable. Section 3(1) & (2) and section 4(1) of the Electricity Act prohibits any person from owning any electricity generation, distribution, transmission or supply equipment above 100 kilowatts without a license from the ERB. Considering this prohibition, once the customer completes setting up the connection infrastructure, these have to be transferred to CEC and the customer is reimbursed based on the Connection Agreement. The standard terms of the Connection Agreements are that once the connection assets are transferred, CEC will be paying the customer for the assets over a specified period, which is usually more than 5 years, thereby creating a long term payable. However, CEC only pays the customer upon that customer fulfilling certain agreed upon conditions as stipulated below:

a. The CNMC CLCM long term creditor relates to the procurement of transmission assets in Luanshya area from CLM. The credit is interest- free and repayment is over seven years upon reaching certain milestones. The assets were acquired in December 2012 and agreement was signed on 21 August 2010. At the inception of the agreement, the Company recognized an asset and liability at an amount equal to the fair value of the equipment. In 2015, the agreed threshold of 196,244,000 KWh was reached, hence, a payment of USD3.75 million was made in 2016. As at 31 December 2017, the seventh anniversary of the vesting date had been reached and CEC was released from payment of the obligation as per the agreement, which resulted in CEC derecognising the liability.
b. The KCM long term creditor relates to the procurement of transmission assets in Chingola area from KCM. The credit is interest free and repayment is over eleven years upon reaching certain milestones. The assets were acquired in December 2015. At the inception of the agreement, the Company recognised an asset and liability at an amount equal to the fair value of the equipment. In 2017, the agreed target was reached, hence, a payment of USD1.0 million due in 2017.
c. The MCM long term creditor relates to the procurement of transmission assets in Kitwe area from MCM. The credit is interest free and repayment is over five years upon reaching certain milestones. The assets were acquired in December 2015. At the inception of the agreement, the Company recognised an asset and liability at an amount equal to the fair value of the equipment. In 2017, there were no payments made to MCM. In 2017, MCM did not reach the agreed milestone for the load volume uptake, hence, no payment was made.

The key assumptions used to determine the present value of the customer financed long-term liability include:
2015 - Interest rate of 5.5% plus 3 months LIBOR rate of 0.51%.
2016- Interest rate of 5.5% plus 3 months LIBOR rate of 0.96%.
2017- Interest rate of 5.5% plus 3 months LIBOR rate of 1.32%.

The future cash flows used in the computation of the present value of the customer financed long term payable is based on the assumption that the customer will meet the agreed power consumption targets/milestones as per the Connection Agreement.

21. Employee benefits

In thousands of USD	2017	2016
Present value of unfunded obligation	**2,907**	2,190

Regulation and governance

CEC awards terminal benefits to its employees upon retirement in addition to the retirement benefit received from the CEC Pension Trust Scheme. The benefits are payable depending on date of joining the Company as well as seniority.

This scheme is unfunded, and the employer only pays a benefit upon retirement of an individual qualifying for the benefit. The regulator, Pensions and Insurance Authority, does not regulate gratuity schemes such as this one. However, companies that provide an additional and separate unfunded gratuity in their financial statements should operate within the governing covenants and agreements with employee representative bodies. Taxation of this scheme falls under the framework and administration of this arrangement, including decisions as to whether to prefund the benefit costs, or amend the arrangement design.

The Company's accrued liability in respect of each employee is the present value of the benefits in respect of service completed to the valuation date but based on projected earnings to retirement or date of payment. The total accrued liability (or the required provision) at the valuation date is a summation of the accrued liability in respect of each employee.

21. Employee benefits *(continued)*

Key risks

The plan is exposed to a number of risks, the main ones being:

• *Changes in bond yields*

The plan liabilities are calculated using a discount rate set with reference to Zambian government bond yields. A decrease in government bond yields will increase the plan liabilities. Moreover, there are no plan assets invested in government bonds, hence a change in government bond yield rates may have more impact on the plan if it differs from the employer's opportunity cost of benefit provision.

• *Changes in salaries*

The plan benefits are calculated with reference to employees' salaries. An increase in salaries will increase the plan liabilities. This risk becomes higher as the expectations of short term inflation rise increase, due to the weakened strength of the Zambian Kwacha against other currencies.

• *Liquidity*

The plan is unfunded – so there is a risk that resources are not available when needed to pay the benefits that have become due.

(i) Movement in net defined benefit liability

In thousands of USD	**2017**	2016
Balance at 1 January	**2,190**	3,860
Interest cost	**488**	926
Current service cost	**323**	234
Benefits paid	**(562)**	(702)
Actuarial gain/(loss)	**763**	(2,608)
Exchange differences	**(295)**	480
Balance at 31 December	**2,907**	2,190

(ii) Expense recognised in profit or loss

In thousands of USD	**2017**	2016
Interest cost	**488**	926
Exchange differences	**(295)**	480
Current service costs	**323**	234
Total	**516**	1,640

(iii) Included in other comprehensive income

In thousands of USD	**2017**	2016
Actuarial gain/(loss) arising from:		
– Demographic assumptions	**-**	(1,662)
– Financial assumptions	**(99)**	(1,796)
– Experience adjustment	**862**	850
Actuarial gain/(loss)	**763**	(2,608)

Notes to the financial statements *(continued)*
For the year ended 31 December 2017

21. Employee benefits *(continued)*

(iv) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	2017	2016
Discount rate	**18.5%**	25%
Salary growth	**11%**	15%
Inflation rate	**7%**	12%

(v) Sensitivity analysis

Reasonably possible changes, at the reporting date, to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as at 31st December 2017 by the amounts shown below:

In thousands of USD	**2017**	2016
Discount rate (+1%)	**(217)**	(164)
Discount rate (-1%)	**243**	183
Salary increase (+1%)	**464**	308
Salary increase (-1%)	**(422)**	(282)

22. Deferred income

In thousands of USD	**2017**	2016
(a) CEC Liquid Telecom right of use		
At the beginning of the year	**6,527**	7,180
Amortisation	**(653)**	(653)
At the end of the year	**5,874**	6,527
(b) DBSA Grant		
At the beginning of the year	**6,767**	5,000
Grant received during the year	**-**	2,000
Grant amortisation	**(233)**	(233)
At the end of the year	**6,534**	6,767
Grand total	**12,408**	13,294

CEC Liquid Telecom right of use

(i) In 2012, CEC entered into an Indefeasible Right of Use agreement of the excess capacity on its Telecoms Assets with CEC Liquid Telecom for a period of 15 years for a consideration of USD9.79 million. The consideration is being amortised over 15 years.

DBSA Grant

(ii) CEC received a capital grant of USD7 million from the Development Bank of Southern Africa (DBSA) for the construction of a 220kV double circuit transmission line between Zambia and the DRC. DBSA was acting as an agent of the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the Southern Africa Development Community (SADC) under the Tripartite Trust Fund (TTF). The grant is being amortised over 30 years.

23. Trade and other payables

In thousands of USD	**2017**	2016
Trade payables	**59,668**	61,527
Accrued expenses	**7,016**	11,672
Customer financed payable (note 20)	**499**	1,364
Other payables	**1,032**	1,478
Social security, VAT and PAYE	**4,104**	1,283
Total	**72,319**	77,324

24. Related party transactions

CEC is controlled by Zambian Energy Corporation (Ireland) Limited (ZECI).

CEC owns 50% of CEC Liquid Telecom and 100% of CEC-KHPL. The results of CEC Liquid Telecom include the results of the 100% subsidiary Hai.

The following transactions were carried out with related parties:

	In thousands of USD	**2017**	2016
i.	**Amounts due from related parties**		
	CEC Liquid Telecom – Joint Venture	**2,698**	2,234
	Hai – Joint Venture	**493**	267
	Total	**3,191**	2,501

The amounts due from related parties relate to rentals and management fees payable to CEC. The amounts are interest free and there are no specific payment terms.

ii.	**Amounts due to related parties**		
	CEC Liquid Telecom – Joint Venture	**22**	21
	Hai – Joint Venture	**171**	43
	Total	**193**	64
iii.	**Sales to related parties**		
	Hai – Joint Venture	**361**	29
	CEC Liquid Telecom – Joint Venture	**53**	24
	Total	**414**	53
iv.	**Purchases from related parties**		
	Hai – Joint Venture	**81**	69
	CEC Liquid Telecom – Joint Venture	**1**	1
	Total	**82**	70

v. Directors' remuneration

During the year, directors received cash remuneration for services rendered to the Company of USD1.080 million (2016: USD0.97 million).

vi. Key management personnel

(Executive management team, excluding directors (shown in (v) above))

Short term employment benefits	**4,106**	3,125
Post-employment benefits	**606**	428
Total	**4,712**	3,553

vii. Individual shareholders

One shareholder of the Company is also a director and in employment with the Company. The Company pays salaries and provides other benefits to the individual shareholder that is in employment with the Company.

25. Financial instruments

Financial risks

The Company is exposed to a range of financial risks through its financial assets and financial liabilities. The most important components of this financial risk are interest rate risk, foreign exchange risk, liquidity risk and credit risk. These risks are exposed to general and specific market movements.

The Company manages these positions with a framework that has been developed to monitor its customers and return on its investments.

Liquidity risks

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages its liquidity risk by monitoring weekly cash flows and ensuring that adequate cash is available or borrowing facilities maintained.

Credit risk

The Company has exposure to credit risk, which is the risk that a counter party will be unable to pay amounts in full when due. The key area where the Company is exposed to credit risk is trade and other receivables.

The Company's exposure to credit risk is influenced mainly by individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. Approximately 40% of the Company's revenue is attributable to sales transactions with a single customer.

The Company enters into Agreements with new customers, each customer is analysed individually for creditworthiness before credit terms and conditions are offered. The Company's review includes trade references from other suppliers, when available, and in some cases bank references. Credit limits are established for each customer, which represents the maximum open amount without requiring approval from the senior management; these limits are reviewed annually. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a cash basis.

In monitoring customer credit risk, customer supplies are within the predetermined credit limits, and further supplies are restricted if amounts remain outstanding for more than 60 days regardless of the amount.

The Company does not require collateral for trade and other receivables.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance relates to individually significant exposures, and a collective loss component is established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment of statistics for similar financial assets.

25. Financial instruments *(continued)*

Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company has complied with all capital requirements of its funders.

The Company sets the amount of capital in proportion to its overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of the economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of the dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The board of directors monitors the key financial performance indicators of the Company. The board reviews the statutory accounts by comparing the actual results against budget and prior year. The Company's target is to achieve growth in respect of sales, sales volumes and profit before tax.

There were no changes in the Company's approach to capital management during the year.

The Company's debt to capital ratio at the end of the reporting period was as follows:

In thousands of USD	**2017**	2016
Total liabilities	**269,050**	284,399
Less: Current assets	**(182,426)**	(149,168)
Net debt	**86,624**	135,231
Total equity	**350,910**	300,939
Total debt to capital ratio at 31 December	**25%**	45%

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 Company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to foreign currency risks arising from exchange rate fluctuations. Foreign currency denominated purchases and sales, together with foreign currency denominated borrowings, comprise the currency risk of the Company. The risks are minimised by matching the foreign currency receipts to the foreign currency payments as well as holding foreign currency bank accounts.

25. Financial instruments *(continued)*

Interest rate risk

The Company is exposed to interest rate risk to the extent of the balance of the bank accounts and borrowings.

i. Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
In thousands of USD	**2017**	2016
Amounts due from related parties	**3,191**	2,501
Trade and other receivables	**72,561**	75,434
Cash and cash equivalents	**68,104**	45,584
Total	**143,856**	123,519

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Carrying amount	
In thousands of USD	**2017**	2016
Domestic	**47,432**	56,487
Other	**21,651**	18,571
Total	**69,083**	75,058

Impairment losses

The aging of trade receivables at the reporting date was:

In thousands of USD	**2017**	2016
Neither past due nor impaired		
0-21 days	**31,793**	33,379
Past due but not impaired		
22-45 days	**17,139**	21,294
46-59 days	**16,311**	14,596
Individually impaired		
Over 60 days	**5,911**	7,860
Total gross trade receivables	**71,154**	77,129
Allowance for impairment		
- Individually impaired	**(2,071)**	(2,071)
Net trade receivables	**69,083**	75,058

25. Financial instruments *(continued)*

Impairment losses (continued)

The credit quality of trade receivables that are neither past due nor impaired is considered to below risk due to the fact that these amounts are within the credit period.

Bad debt provisions are made based on the likelihood of the customer defaulting on payment. This is assessed based on how long the debt has been outstanding. For the mining customers, the PSAs has the following key terms:

- Payment is due within 21 days of invoicing;
- Between 22 to 44 days, interest is charged on unpaid invoices at a rate of 6 month LIBOR plus 5%;
- At day 45 if the invoice remains unpaid, a 15 day restriction (disconnection to a certain prescribed level) notice is issued; and
- At day 60, restriction is carried out.

The above measures makes it very unlikely to have the mining customers defaulting on payment.

The collectability of receivables is assessed at the reporting date and specific allowances are made for any doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off during the year in which they are identified.

ii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities:

31 December 2017 *In thousands of USD*	**Carrying amount**	**Contractual cash flows**	**Within 1 year**	**1 to 2 Years**	**2 to 5 years**	**Longer than 5 years**
Non-derivative financial liabilities						
Amount due to related parties	**193**	**193**	**193**	**-**	**-**	**-**
Loans and borrowings	**73,555**	**102,914**	**20,170**	**18,978**	**9,927**	**53,839**
Trade and other payables	**68,215**	**68,215**	**68,215**	**-**	**-**	**-**
Customer financed long term payables	**28,724**	**40,144**	**499**	**-**	**-**	**39,645**
Total	**170,687**	**211,736**	**89,077**	**18,978**	**9,927**	**93,484**

31 December 2016 *In thousands of USD*	**Carrying amount**	**Contractual cash flows**	**Within 1 year**	**1 to 2 years**	**2 to 5 years**	**Longer than 5 years**
Non-derivative financial liabilities						
Amount due to related parties	64	64	64	-	-	-
Loans and borrowings	87,575	121,255	21,390	20,198	19,007	60,660
Customer financed long term payables	36,343	47,508	1,364	-	-	46,144
Trade and other payables	76,041	76,041	76,041	-	-	-
Total	200,023	244,868	98,859	20,198	19,007	106,804

25. Financial instruments *(continued)*

iii. Exposure to currency risk

In thousands of USD	**2017**			2016		
	USD	**ZMW Exposure (USD equivalent)**	**USD Total**	USD	ZMW Exposure (USD equivalent)	USD Total
Financial assets						
Trade and other receivables	**71,564**	**997**	**72,561**	68,767	6,667	75,434
Amounts due from related parties	**1,750**	**1,441**	**3,191**	-	2,501	2,501
Cash and cash equivalents	**67,025**	**1,079**	**68,104**	44,517	1,067	45,584
Total financial assets	**140,339**	**3,517**	**143,856**	113,284	10,235	123,519
Financial liabilities						
Trade and other payables	**(66,123)**	**(2,092)**	**(68,215)**	(71,556)	(4,485)	(76,041)
Loans and borrowings	**(73,555)**	**-**	**(73,555)**	(87,575)	-	(87,575)
Customer financed long term payables	**(28,724)**	**-**	**(28,724)**	(36,343)	-	(36,343)
Amounts owed to related parties	**-**	**(193)**	**(193)**	-	(64)	(64)
Total financial liabilities	**(168,402)**	**(2,285)**	**(170,687)**	(195,474)	(4,549)	(200,023)
Gap	**(28,063)**	**1,232**	**(26,831)**	(82,190)	5,686	(76,504)

The following significant exchange rates applied during the year

	Closing rate		**Average rate**	
	2017	2016	**2017**	2016
ZMW: USD	**9.99**	9.90	**9.49**	10.31

Exchange rate sensitivity

A strengthening/(weakening) of the USD by 10 percent, as indicated below against the Kwacha at 31 December 2017, would have increased/(decreased) equity and profit or loss by the amounts shown below. This computation is based on the foreign exchange rate variance that the Company considered reasonably possible at the reporting date. The computation assumes all the other variances remain constant.

In thousands of USD	**Weakening**		**Strengthening**	
	Equity	**Profit or loss**	**Equity**	**Profit or loss**
31-Dec-17				
ZMW	**123**	123	(123)	(123)
31-Dec-16				
ZMW	569	569	(569)	(569)

25. Financial instruments *(continued)*

iv. Interest rate risk

At the reporting date, the Company had the following interest-bearing financial instruments:

In thousands of USD	Carrying amount **2017**	2016
Variable rate instruments		
Loans and borrowings	**(73,555)**	(87,575)
Cash and cash equivalents	**68,104**	45,584
Total	**(5,451)**	(41,991)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in the interest rates at the reporting date would have increased/ (decreased) equity and profit or loss by the amounts shown below. The analysis assumes all the other variables remain constant.

In thousands of USD	**Decrease 100 basis points**		**increase 100 basis points**	
	Equity	**Profit or loss**	**Equity**	**Profit or loss**
31-Dec-17				
Variable rate instruments	**55**	**55**	**(55)**	**(55)**
31-Dec-16				
Variable rate instruments	420	420	(420)	(420)

v. Fair values

Fair values versus carrying amounts

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

In thousands of USD	**31 December 2017**		31 December 2016	
	Carrying amount	**Fair Value**	Carrying amount	Fair Value
Financial assets				
Trade and other receivables	**72,561**	**72,561**	75,434	75,434
Amounts due from related parties	**3,191**	**3,191**	2,501	2,501
Cash and cash equivalents	**68,104**	**68,104**	45,584	45,584
Total financial assets	**143,856**	**143,856**	123,519	123,519
Financial Liabilities				
Loans and borrowings	**(73,555)**	**(73,555)**	(87,575)	(87,575)
Trade and other payables	**(68,215)**	**(68,215)**	(76,041)	(76,041)
Amounts due to related parties	**(193)**	**(193)**	(64)	(64)
Customer financed long term payable	**(47,508)**	**(28,225)**	(40,144)	(34,979)
Total financial liabilities	**(189,471)**	**(170,188)**	(203,824)	(198,659)
Net position	**(45,615)**	**(26,332)**	(80,305)	(75,140)

The carrying amounts equal the fair value as the effect of discounting is considered immaterial, except for customer financed long term payable. All the financial assets and financial liabilities are all level 3 category.

26. Significant accounting policies

The accounting policies set out below have been applied consistently 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 note reference below.

A. Revenue
B. Finance income and finance costs
C. Income tax
D. Earnings per share
E. Foreign currency
F. Financial instruments
G. Share capital
H. Property, plant and equipment
I. Impairment
J. Provisions
K. Inventories
L. Employee benefits
M. Investment in Subsidiaries
N. Interest in equity accounted investees
O. Deferred income
P. Retained earnings
Q. Share premium

A. Revenue

Revenue comprises monies earned by distributing and supplying electricity to the consumers/customers. Revenue from prepaid electricity is deferred and recognised as and when the customer consumes/uses electricity.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyers of electricity and no significant uncertainties remain regarding the derivation of consideration or associated costs.

Revenue comprises the fair value of consideration received or receivable for the distribution and supply of electricity to the consumers/customers.

B. Finance income and finance costs

Finance income comprises interest income on funds invested, bank interest received, interest resulting from the discounting of long term payables and dividend income. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established.

Finance costs comprise interest expense on borrowings. All non-qualifying borrowing costs are recognised in profit or loss using the effective interest method.

C. Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity, or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

26. Significant accounting policies *(continued)*

C. Income tax *(continued)*

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

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 nor loss.

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. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future 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.

Deferred tax assets and liabilities are offset only if certain criteria are met.

D. Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by dividing the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares, which comprise convertible redeemable accumulative preferred stock.

E. Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the Company entities at exchange rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

F. Financial instruments

Non-derivative financial assets

The Company classifies non-derivative financial assets into the following category- loans and receivables.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

26. Significant accounting policies *(continued)*

F. Financial instruments *(continued)*

Non-derivative financial assets and financial liabilities – recognition and derecognition

The Company initially recognises loans and receivables issued on the date when they are originated.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Non-derivative financial assets – measurement

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. Loans and receivables comprise trade and other receivables, cash and cash equivalents, loans to subsidiaries and amounts due from related parties.

Non-derivative financial liabilities – measurement

Other financial liabilities

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. Non-derivative financial liabilities comprise other financial liabilities and include interest bearing loans and borrowings and trade and other payables.

Amortised cost
Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayment and plus or minus cumulative amortisation using the effective interest method, with any difference between cost and redemption value.

Offsetting
Financial assets and financial liabilities are not offset, unless the Company has a legal right to offset the amounts and intends either to settle on a net basis or realise the asset and settle the liability simultaneously.

Cash and cash equivalents
In the statement of cash flows, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

G. Share capital

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

26. Significant accounting policies *(continued)*

H. Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at valuation less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When 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.

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

Subsequent expenditure
Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately. Other subsequent expenditure is capitalised only when there are future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in profit or loss as an expense as it is incurred.

Depreciation
Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

	Rates
	%
Land and buildings	2
Transmission and distribution network (primary)	1.5 – 8.33
Equipment distribution network (secondary)	1.5 – 8.33
Motor vehicles	20
Furniture and fittings	20

Capital work in progress is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date, and adjusted if appropriate. There were no revised estimates in respect of items of property, plant and equipment during the year.

The surplus arising on revaluation of property, plant and equipment except for motor vehicles is credited to a non-distributable reserve. A transfer is made from the reserve to retained earnings each year equivalent to the difference between the actual depreciation charge for the year and the depreciation charge based on historical values when the revaluation assets are sold, the amount included in the revaluation reserve are transferred to retained earnings.

The revaluation reserve is stated at the net of deferred tax. A revaluation of property, plant and equipment except for motor vehicles is done at least once every two years if the carrying amounts of property change significantly from market values.

26. Significant accounting policies *(continued)*

I. Impairment

Non-derivative financial assets

Trade and other receivables

Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

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

Financial assets measured at amortised cost

The Company considers evidence of impairment for trade and other receivables and loans to subsidiaries. All individual significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by comparing together assets with similar risk characteristics.

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

An impairment loss is 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 are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

26. Significant accounting policies *(continued)*

I. Impairment *(continued)*

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than investments 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 grouping of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. 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 assessment 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 CGUs 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 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. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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, where appropriate, the risks specific to the liability.

K. Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less all estimated costs necessary to make the sale.

L. Employee benefits

Pension obligations
All local employees below 60 years are registered with the statutory defined contribution pension scheme. A defined contribution scheme is a pension plan under which the Company pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees' benefits relating to employee service in the current and prior periods. For the defined contribution scheme, the Company makes mandatory contributions to the National Pension Scheme Authority. These contributions constitute net periodic costs and are charged to the profit or loss as part of staff costs in the year to which they relate. The Company has no further obligation once the contributions have been paid.

Secondly, there is a defined benefit pension scheme, the assets of which are held in a separate trustee-administered fund. The pension scheme is funded by contributions to the pension scheme. The contributions by the Company are charged to the profit or loss in the period in which the contributions relate. The Company contributes 10.7% and the employees 5% of the employee's basic salary towards the scheme.

26. Significant accounting policies *(continued)*

L. Employee benefits *(continued)*

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonuses or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

Post-retirement benefits

The expected costs of providing post-retirement benefits under defined benefits arrangements relating to employees service during the period are charged to profit or loss. Any actuarial assumptions are recognised immediately in other comprehensive income. In all cases, the pension costs are assessed in accordance with the advice of independent qualified actuaries but require the exercise of significant judgments in relation to assumptions for future salary and pension increases, long term price inflation and investment returns. While management believes the assumptions used are appropriate, a change in assumptions would impact the earnings of the Company.

M. Investment in Subsidiaries

Subsidiaries are entities controlled by the Company. The Company 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 Company's financial statements from the date on which control commences until the date on which control ceases.

Investments in the subsidiary are measured at original cost less subsequent impairment in the statement of financial position.

N. Interests in equity-accounted investees

The Company's interests in equity-accounted investees comprise interests in associates and a joint venture. Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial or operating policies. A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. The interest is initially recognised at costs, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Company's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

O. Deferred income

The Company recognises unconditional grant related to Telecom Assets and construction of circuit transmission lines in profit or loss as other income when the grant become receivable. Other grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Company for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

26. Significant accounting policies *(continued)*

P. Retained earnings

Retained earnings are the carried forward recognised income, net of expenses of the Company, plus current year's profit attributable to the shareholders, less dividend paid.

Q. Share premium

The share premium relates to the excess amounts paid by the shareholders on the issue of share capital net of pre-incorporation costs.

27. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2018, have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

IFRS 9 financial instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments. The Company will adopt IFRS 9 effective 1 January 2018.

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which the assets are managed and their cash flow characteristics. The three principal classification categories for financial assets are: measured at amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI).

Based on the Company's preliminary assessment, the Company believes that the new classification, if applied at 31 December 2017, would not have a significant impact on its accounting for financial assets.

IFRS 9 replaces the "incurred loss" model in IAS 39 with a forward-looking "expected credit loss" (ECL) model. The Company will apply the practical expedient within IFRS 9 to calculate the ECL on trade receivables using a provision matrix. The Company is finalising their new impairment models that will be applied to financial assets measured at amortised cost (i.e. primarily trade receivables).

IFRS 15 revenue from contracts with customers

IFRS 15 introduces a new revenue recognition model for contracts with customers and establishes a comprehensive framework for determining whether, how much and when revenue is recognised. IFRS 15 also includes extensive new disclosure requirements. It replaces existing revenue recognition guidance, including IAS 8 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. The Company will adopt IFRS 15 effective 1 January 2018.

The Company has performed an extensive gap analysis to determine the impact of adopting IFRS 15 as compared to its current accounting for revenue under IAS 18. The nature of the ompany's revenue from providing goods and services to customers was identified and stratified into revenue streams after considering:

a) the promises made to customers and whether there is a single performance obligation or whether there is more than one performance obligation;
b) whether performance obligations identified are bundled together or whether they are distinctly separate; and
c) the frequency of delivery of goods and services to customers, and specifically whether these goods and services are delivered at a point in time or over time.

27. New standards and interpretations not yet adopted *(continued)*

IFRS 15 revenue from contracts with customers *(continued)*

Contracts within each revenue stream were analysed against the five step revenue recognition model in IFRS.

The Company must still make a decision on the transition method to be applied, as well as the practical expedients to be used if elected, and is currently finalising the impact that the new standard will have on the company's financial statements.

IFRS 16 leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exceptions for short-term leases and leases of low-value items. Lessor accounting remains similar to current practice i.e. lessors continue to classify leases as finance or operating leases. IFRS 16 replaces IAS 17 Lease, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases - Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. It includes more disclosures for both lessees and lessors.

The Company has decided to adopt this standard when it becomes effective. Management is still assessing the potential impact of this new standard and still needs to make a decision on the transition method to be applied as well as the practical expedients to be used, if elected.

28. Prior period adjustments

The prior year adjustment relates to discounting of customer financed long-term payables which was previously not being taken into account. The financial liability has been accounted for in terms of IAS 37.94 and measured at amortised cost using effective interest method. As a result of the adjustments noted below , the recorded deferred tax has been amended.

Details of the adjustments in the account balances and impact of each line of the financial statements is detailed below:

a) Statement of comprehensive income

2016 *In thousands of USD*	As previously reported at 2016	Impact of adjustment	**Restated at 2016**
Finance costs	6,768	1,718	**8,486**
Income tax expense	27,083	(601)	**(26,482)**
		1,117	

b) Statement of financial position

2015 *In thousands of USD*	As previously reported at 2015	Impact of the adjustment	**Restated at 2015**
Retained earnings	167,359	9,260	**176,619**
Deferred tax liabilities	78,958	4,986	**83,944**
Customer financed long term payable	57,096	(14,246)	**42,850**
		-	

2016 *In thousands of USD*	As previously reported at 2016	Impact of the adjustment	**Restated at 2016**
Retained earnings	94,046	8,144	**102,190**
Deferred tax liabilities	64,588	4,385	**68,973**
Customer financed long term payable	48,872	(12,529)	**36,343**
		-	

29. Capital commitments

Capital commitments authorised and contracted for by the directors as at 31 December 2017 amounted to USD5.485 million (2016: USD2.959 million).

30. Contingent assets and liabilities

The ERB awarded an electricity tariff increase to ZESCO applicable to all mining companies with effect from 2 April 2014.

The ERB communicated a 28.8% increase from 5.31 USc/KWh to 6.84 USc/KWh for CEC under the BSA between ZESCO and CEC. Later, on 1 January 2016, the Ministry of Energy issued a directive increasing the tariff to 10.35 USc/KWh effective for CEC under the BSA between ZESCO and CEC. Under the various PSAs between CEC and its mining customers, this tariff decision resulted in differentiated increase linked to different customer tariff categories.

Most of the mines have contested this tariff increase and have since commenced an action in the High Court by way of Judicial Review. During the period from 2 April 2014 to 31 December 2016, the mines opted to pay the invoices in part, based on the old tariffs exclusive of the 2014 ERB and 2016 Government tariff increases. In December 2017, CEC received a credit note from ZESCO effectively reversing the 2016 tariff increment.

Pursuant to the ERB directive, ZESCO has continued to invoice CEC on the basis of the new tariffs and CEC, in turn, has continued to invoice its mining customers on the same basis. From a working capital perspective, CEC payments to ZESCO during the period have been based on the old tariff prevailing (exclusive of 2014 ERB tariff pending determination in the High Court).

In this regard, in the event of the court's ruling in favour of the ERB, it will be expected that CEC will pay an amount equivalent to USD243.179 million inclusive of interest (2016: USD275.669 million) to ZESCO upon receipt of the owings from the mining houses.

Legal proceedings

There were some legal proceedings outstanding against the Company at 31 December 2017. Provisions have not been made in the financial statements in respect of such claims, based on professional advice and management's best judgement.

31. Events subsequent to the reporting date

Dividends

Subsequent to the reporting period, the directors approved, on 25 January 2018, the payment of a dividend of US Cents 1.6 per ordinary share, which translates to 15.57 Ngwee (ZMW0.1557) per share, using the Bank of Zambia mid-rate applicable on the date of declaration. The dividend was paid to the shareholders registered in the share register of the Company at the close of business on Friday, 2 March 2018. Dividend payment was effected on Monday, 5 March 2018.

8. STAKEHOLDERS & SOCIAL SUSTAINABILITY

Stakeholder engagement

As a business, we recognise that our actions and decisions affect or can affect others and that, conversely, we can be affected either negatively or positively by the actions and decisions of others. We, therefore, take seriously our obligation to communicate and engage with all our stakeholders. Stakeholders have different concerns, expectations and interests which if not managed have the potential to hamper the execution of our stragegy. It is only through effective stakeholder engagement that the Company can determine the validity and reasonableness of those concerns and expectations, and ably address our stakeholders' interests in a manner that allows us to create sustainable value for each of our stakeholder groups.

We regularly provide our stakeholders with current information from and about the Company through our various communication channels. These include our corporate website, mobile app (CEC IRApp), online and social media, and the LuSE SENS. Through our media engagements, we also feed information through to our stakeholders and use other tools and platforms, such as mobile texting and email, for more direct targeting whenever necessary.

As a strategic approach to managing our stakeholders' information and engagement needs, we participate in investor conferences and hold conference calls to announce our financial results at half year and full year. Our conference calls follow a calendar aligned with our interim results and full year results reporting. These engagements give us the opportunity to intereact with market analysts, investors, potential investors and other players in the market with an interest in the Company.

We are continuously improving on the way we deliver information and engage with our different stakeholders, emphasising on the ease of accessibility to the platforms in use as well as appropriateness. We acknowledge and deliver quick responses to queries and feedback, ensuring that the communication loop is closed as closed each time as soon as possible and to the satisfaction of our stakeholders.

Stakeholder management in the Company is undertaken at senior management level with ultimate board oversight. All engagements with our stakeholders are properly planned and monitored to ensure value-adding relationships and outcomes.

During the year, we mapped our stakeholders and identified their interests or areas of interest to inform our engagements. Into the coming period, we intend to engage external experts to provide an independent assessment of the quality of our relationships, and their impact on our brand, reputation and value creation. We believe this will be useful to further inform decision-making on how we can continue to improve our relationships and engage collaboratively and with effectiveness on matters of mutual strategic interest to our Company and our stakeholders.

The table on the following page notes some of our key engagements in 2017.

Stakeholder group	Engagement type
Government (including municipalities, Parliament)	Presentations One-on-one meetings Larger group meetings Appearance before Parliamentary committees Site visits Board meetings AGM Community initiatives support
Regulators	Legislation review submissions Meetings Mutual collaboration Public hearings Grid Code Technical Committee representation Cost of Service Study participation
Customers	Liaison meetings Networking opportunities Commercial negotiations Industry associations CSR collaboration and support
Suppliers (including ZESCO)	Technical workshops Joint Technical Committee Consultative meetings Commercial negotiations
Lenders	One-on-one meetings Networking opportunities Results announcement and podcasts
Investors, shareholders and analysts	Road shows Investor conferences and networking opportunities Results announcement presensentations and podcasts One-one-one meetings Mailers and alerts (e-mail and text) Website LuSE SENS IRApp Notices and announcements AGM
Media	One-to-one meetings Presentations Briefings Tours and site visits Queries Website Social and online media
Employees (including contractors and trade unions)	Regular communiques Open forum dialogue Collective bargaining Shop floor meetings Informal interactions Wellness initiatives and activities (HIV/AIDS, dental, malaria, elephantiasis, eye screening, financial wellness, physical fitness) Causes support Sporting and fitness sponsorship Development and learning programs
Communities	Social investment and support Health outreach (mass vaccination against Lymphatic Filariasis or elephantiasis) Wellness, health and safety sensitisation Public infrastructure Sport and recreation facilities Plant tours
Business and industry	Industry associations Expos Meetings Networking Fundraising and awards support

Sustainability report

At CEC, we aim to integrate responsible corporate citizenship into our operations and growth strategy to create sustainable value for all our stakeholder groups, and a sustainable society. Our sustainability report discloses information relating to our CSR and HSES covering the period 1 January to 31 December, 2017.

Our self-interest is intertwined with and tempered by our appreciation of the interconnectedness of our business interests and existence with the interests of those directly and indirectly affected by our activities and decisions. We understand clearly that our ability to create value for ourselves is dependent on our ability to create value for others.

Governance

The board has delegated the daily running and management of all social and environmental sustainability aspects of the business to the Managing Director and his management team, but retains oversight and gives overall direction and guidance to management. The Safety, Health and Environment Committee of the board meets quarterly to receive and consider reports, progress on strategic action items and all matters pertinent. The Managing Director reports regularly to the board on social sustainability covering corporate social responsibility and stakeholder engagement.

Policy and management

All aspects of CSR and HSES in the Company are governed by relevant policies and supported by adequate procedures. This ensures that our social, safety, health and environmental sustainability activities are structured and aligned to our values. Competent persons in senior management roles are in charge of social sustainability strategy implementation and report on their areas of responsibility at least once a quarter to the Managing Director, who is ultimately respoinsible for sustainability; and whenever necessary to the executive management committee.

In addition to the functional roles, there exists the Corporate Social Responsibility Committee and the SHE Steering Committee comprising members from diverse but complementary functions of the business.

The CSR Committee, whose mandate is delegated from the Managing Director, was established in 2017 and meets at least once every quarter and whenever necessary both physically and electronically to deliberate on relevant corporate responsibility matters including taking decisions on solicitations for recommendation to the Managing Director.

The SHE Steering Committee, whose mandate is delegated from the Managing Director, meets at least once quarterly to deliberate on strategies to achieve an injury-free workplace, devoid of ill health and protective of public safety and the environment.

Performance review

The CSR Committee, during the year, reviewed the exiting social sustainability guiding documents including policies and procedures for adequacy and alignment to the corporate mission and vision. The Committee also recommended to management changes to the financing of social programs to a proprotion of profits eacy year rather than fixing expenditure. The Committee during the year reviewed the basis on which expenditure is made towards corporate social responsibility and other philantrophic actitivities, and approved for the Company to adopt the use of a well thought through basis, which is an internationally acceptable benchmark of ploughing back to the community such as percentage of earnings. This methodology will allow for proportionate distribution of earnings and for social investments that are not disproportionate to the value accruing to other stakeholders.

Support to various internal and external community interests was made across a number of our social sustainability pillars in education and innovation, sport, infrastructure, public security, and child health. All these areas are supported by our CSR and social investment pillars.

i. Wukwashi Wa Nzambi

Disability in any form requires special care and attention, and is more likely than not to attract additional costs to enable a life as close as possible to what is taken as the norm. Wukwashi Wa Zambi (Wukwashi) is a charity dedicated to educating and caring for children with mental and physical disabilities between the ages zero to 18. Imparting skills and therapy to the children, teaching their parents and carers techniques to care for them and providing a platform for the parents and the children to interact and network all form part of the charities service officering.

Our involvement with Wukwashi had a deep resonance with the meaning we attach to sustainability. The material donation deliberately coincided with the celebration of the Company's twentieth year of operating post-privatisation in 1997, hence, it provided reflection on what values we espouse as a member of the community, how we live out those values and the interconnectedness of our interests with those of our stakeholders. The children at Wukwashi, in their various disabilities, are a potential source of future human and intellectual capital for our business. Most of them have cerebral palsy, speech and mobility challenges but they still are an asset to humanity. Some learn to work with their hands, others improve their speech, and with surgery or mobility aids most of them are able to attain mobility. CEC invested more than USD10,000 in wheelchairs, electrical equipment and raw material for in-house manufactured mobility aids. We also made a commitment to undertake infrastructure development to improve the facilities available to the children at the centre.

ii. University of Zambia SRG

The University of Zambia (UNZA) is the country's first and oldest public university. It's position in and significance to the entire national fabric is undeniable. Funding challenges to the institution have progressively affected its contributions especially in the area of research and innovation because funding. Both public and private financing is just not as readily available.

For the first time, UNZA students had the opportunity in 2017 to participate in the South African edition of Shell Eco-Marathon, a contest that challenges university students teams from around the world to design, build and drive the most energy-efficient cars. With technical, logistical and branding support from CEC worth USD18,000, the UNZA Students Research Group (SRG) team was able to build the Defender, a prototype car, and participate in the marathon. The exposure and learning they gained from the experience has provided a base for future innovations.

iii. Power Dynamos Football Club

Football is a staple of our corporate social responsibility. Each year, the Company gives a grant to the running of every aspect of the Power Dynamos Football Club, one of the country's most successful sides. Despite the glory of silverware having eluded the club for close to a decade now, Power Dynamos carries the prestige of past successes, some as yet unsurpassed, and track record of consistent showing season after season. The sustainability of our society has intricate linkages to youth development, itself underpinned by many facets including education, skills development, recreation and sport. Appreciating these linkages as a business, we continue to support football. In 2017, total spend on football was USD1.7 million.

iv. Employees as ambassadors

Our employees are stakeholders and ambassadors of the Company. They are our internal community and we take pride in their involvement and support toward's the Company's social sustainability. As individuals and as part of the Mutende Community Service Group, they rallied around the Company's goal to raise USD5,000 to support selected social projects in the community. More than USD2,500 contributed personal funds, and many more took part in our fund raising initiatives. In previous years, employees under the Mutende umbrella, have raised funds that have supported children with malnutrition and those suffering different types of cancer. Mutende is a voluntary association of CEC employees who mobilise resources, mostly personal, and give not only their money but also their time to different causes in our communities. These causes are aligned with the Company's CSR pillars.

Our IT & Telecommunications staff commendably went above and beyond. After the Company's donation of a copier and printer to Riverrain Primary School, a public school close to our operations headquarters, they made a commitment to buy a ream of paper each month for the school to make the use of the donated equipment sustainable for the purpose of improving the learning and teaching experience with the ultimate objective of better and more effective learning outcomes. This they did diligently using their personal funds. That goal apparently became too small for them so they undertook to paint the classrooms at the school, one at a time. Their selfless rise to responsibility is a tangible and clear example of what interconnectedness means to us.

v. Charity marathon

Mutende combined a drive to promote healthier lifestyle through physical activity and raising money for charity in the Run for Charity half-marathon, which raised USD1,852. Open to other companies, the charity run drew the participation and support of various CEC business partners. Proceeds from the run are scheduled for donation to identified charities working with children's health.

Other support was rendered to:

- Donation of computers to St. Francis Community School [USD3,500]
- Donation of second hand office furniture to Zamtan Police Post [USD1,500]
- Provision and installation of electrical fittings to a police post in Mufuchani area [USD1,200]
- Financial support to the hosting of the 2017 Zambia Open Golf Tournament [USD25,000]
- Finacial support to facilitate the 2017 World Environment Day school quiz including airing on national television [USD1,200]
- Construction of a recreation shelter for the Mineworkers Union of Zambia at their social facility [USD3,000]
- Material support towards hosting of regional energy regulatory annual meetings [USD5,000]
- Sponsorship of CEC team to participate in the annual Inter-Company Relay

Total social investment spend in 2017 was USD1.882 million.

Future focus areas

We will work further to integrate social sustainability activities and metrics into our broader corporate strategy, and make more clearly the connection between our corporate goals and values and the goals and issues that our various stakeholders consider to have the highest materiality to them. We also believe that our social sustainability should not be insulated or removed from global intitiatives and actions. In this regard, we will going forward explore how we can integrate, within our own settings, and contribute to the attainment of the Sustainable Development Goals set by the United Nations. Our engagement will be become enhanced and more targeted. This, we believe, will translate into more valuable relationships as well as in our contribution to the discourse shaping the energy landscape.

In the area of environmental sustainability, equippping young people with the right information and knowledge is a big factor in achieving mindset and behavior change, and there are perhaps fewer areas where this is currently more needed than in how we interact with the environment. We collaborated with national environmental protection agency, ZEMA, to raise awareness among high school learners through an environmental quiz pitting students from schools in Lusaka, Copperbelt and Central provinces. The quiz was aired on national television.

Solid waste management remains a huge problem in Zambia and we are doing what we can to contribute to its controlled management, both in the workplace and outside. We converted metal drums into waste bins and donated them to Mwekera Forestry College to help the college practically teach and manage solid waste.

We recognise that what happens in the social and environmental sphere cannot be separated or seen as independent from the Company's commercial and operational activities or even the national economy; rather, it is a web of interactions where one thing affects the other, no matter how remote and disparate they may seem.

9. SHAREHOLDERS' INFORMATION

Analysis of shareholders, as at 31 December 2017

	Number of shareholders	Percentage of total	Number of shares	Percentage of issued shares
Size of holding				
1 – 1,000	1,022	23.46	525,831	0.03
1,001 – 5,000	1,846	42.38	5,252,177	0.32
5,001 – 10,000	512	11.75	3,991,011	0.25
10,000 – 100,000	803	18.43	23,851,691	1.47
100,001 – 1,000,000	129	3.15	32,058,394	1.97
1,000,001 – 100,000,000	42	0.96	389,321,493	23.96
>100,000,001	2	0.05	1,170,000,000	72.00
Totals	**4,356**	**100**	**1,625,000,597**	**100**
Classification				
Local individuals	4,100	94.12	105,303,987	6.48
Foreign individuals	110	2.53	2,249,681	0.14
Local companies	83	1.91	134,060,390	8.25
Foreign companies	1	0.02	117,488	0.01
Pension funds	60	1.38	213,269,051	13.12
Strategic/majority shareholding *(more than 10%)*	2	0.05	1,170,000,000	72.00
Totals	**4,356**	**100**	**1,625,000,597**	**100**
Top 10 shareholders				
Zambian Energy Corporation (Ireland)			845,000,000	52.00
ZCCM-IH			325,000,000	20.00
Standard Chartered Zambia Securities Services			110,129,108	6.78
Saturnia Regna Pension Trust Fund			69,894,425	4.30
Workers' Compensation Fund Control Board			30,730,608	1.89
KCM Pension Trust Scheme			18,806,268	1.16
Copperbelt Energy Corporation Plc (ESOP) Nominees			16,283,175,	1.00
National Pension Scheme Authority			15,779,333	0.97
Public Service Pensions Fund Board			13,736,457	0.85
Barclays Bank Staff Pension Trust Fund			8,869,109	0.55

Share trading statistics	
Shares traded as a % of total shares in issue	0.22
Average daily volume of shares traded	14,562
Average trading price (ZMW)	1.36
Opening price (ZMW)	0.87
Closing price (ZMW)	1.44
Highest price traded during the year (ZMW)	1.46
Lowest price traded during the year (ZMW)	0.87
Market capitalization (ZMW)	2,340,000,859
Shares in issue	1,625,000,597
Share price at year end (ZMW)	1.44
Number of shares traded during the year	3,596,922
Value of shares traded during the year (ZMW)*	4,639,348
Number of trades	1,038

**Based on 247 number of trading days*

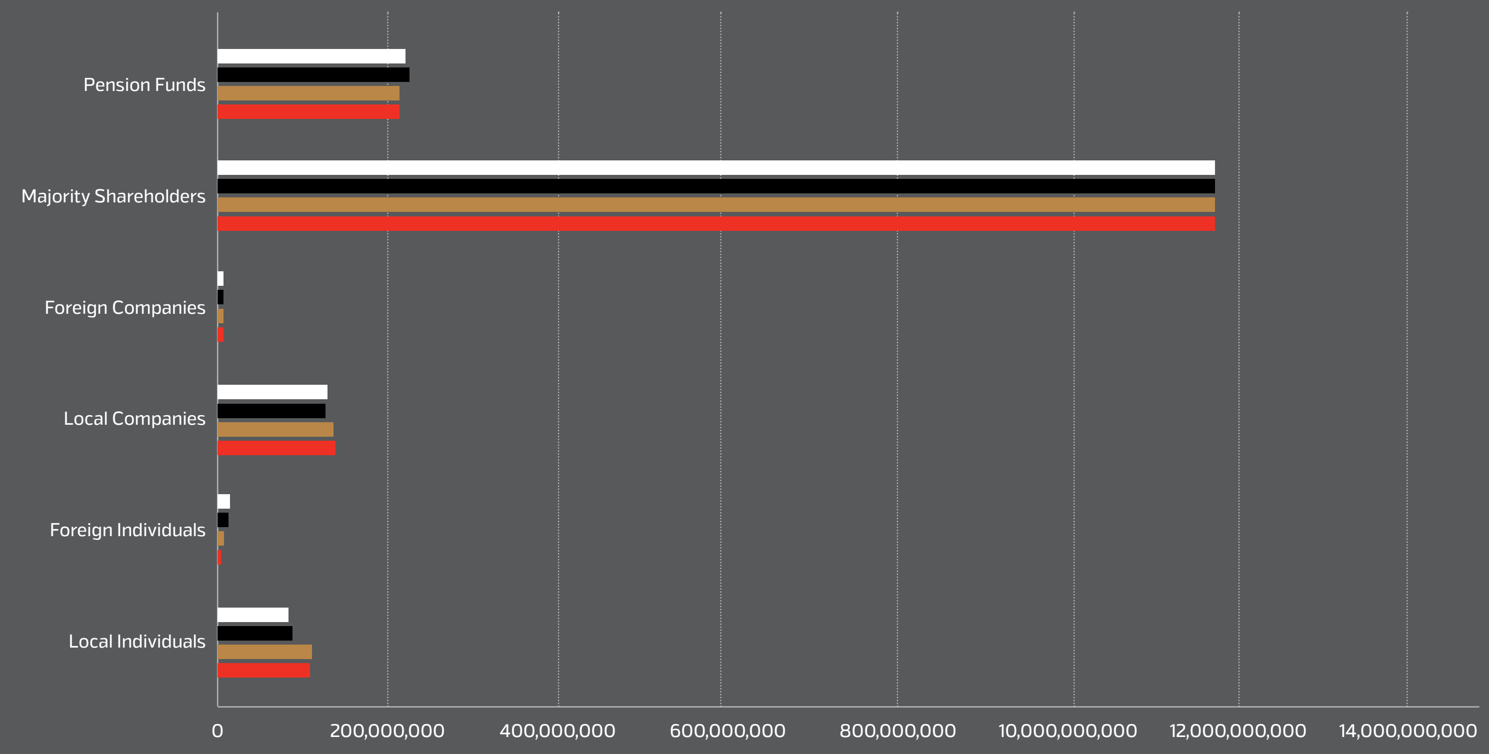
Valuation indicators	
Market capitalization (USD)	234,168,000
Share price ZMW	0.144
Earnings per share	0.030
PE Ratio	4.8
Dividend per share	0.013
Dividend yield (%)	9.03%
Dividend cover	2.3
Net asset value per share	0.22

**Based on 247 number of trading days*

Shareholders' diary

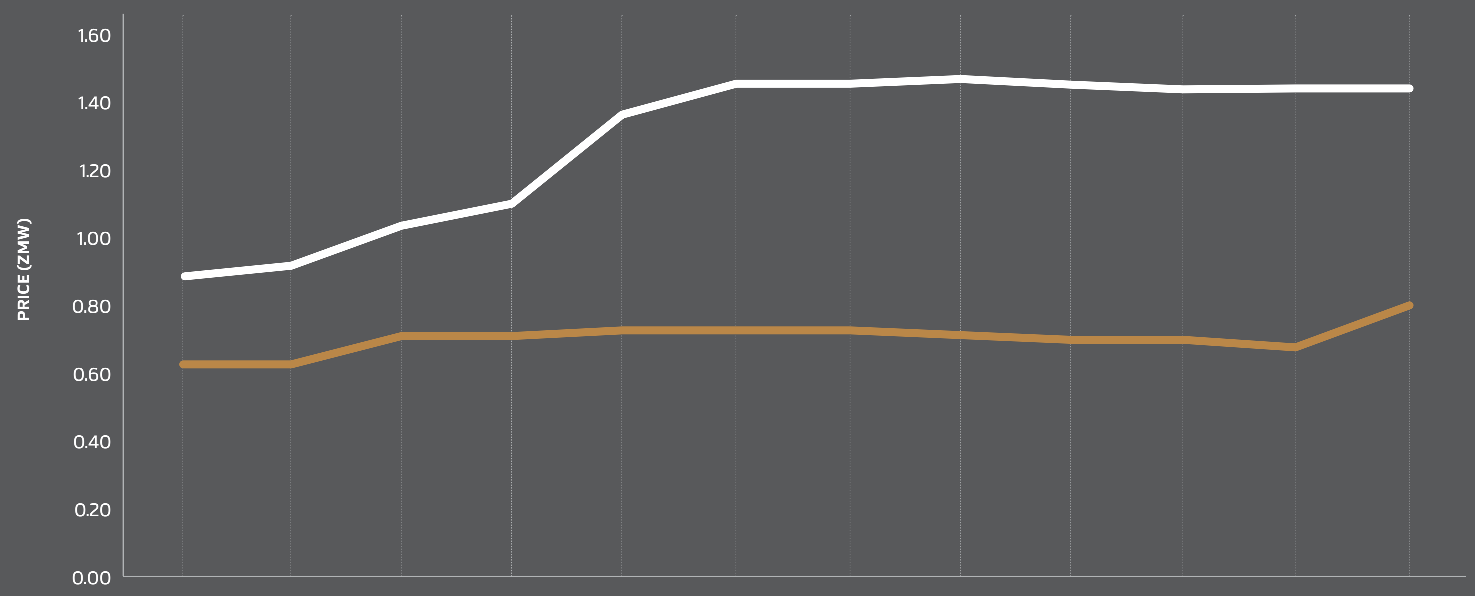
Financial year-end	**31 December**
Interim dividend declaration	**January**
Interim dividend paid	**March**
Annual financial results	**March**
Annual report distributed	**March**
Annual general meeting	**29 March**
Interim financial results	**August**

SHAREHOLDER CLASSIFICATION



	Local Individuals	Foreign Individuals	Local Companies	Foreign Companies	Majority Shareholders	Pension Funds
Shares Held - Q4	80,184,089	8,990,893	127,274,684	117,488	1,170,000,000	220,433,443
Shares Held - Q3	82,455,200	6,748,826	125,227,687	117,488	1,170,000,000	222,451,396
Shares Held - Q2	105,829,003	2,030,525	133,640,149	124,288	1,170,000,000	213,376,632
Shares Held - Q1	105,303,987	2,249,681	134,060,390	117,488	1,170,000,000	213,269,051

SHARE PRICE ANAYSIS



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017 Average Prices	0.87	0.91	1.03	1.08	1.37	1.45	1.45	1.46	1.45	1.43	1.44	1.44
2016 Average Prices	0.62	0.62	0.70	0.70	0.73	0.74	0.73	0.71	0.70	0.68	0.65	0.80

Notice and agenda of annual general meeting

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of the Members of Copperbelt Energy Corporation Plc will be held at the CEC Ravens Country Club in Kitwe on Thursday, 29th March 2018 commencing at 10:00 hours to transact the following business:

A. Call to Order

Call to order, tabling of proxies and announcement concerning quorum in attendance.

B. Resolution 1 – Adoption of Minutes – Friday 31st March 2017

To consider and adopt the minutes of the Nineteenth Annual General Meeting held on Friday, 31st March 2017.

C. Resolution 2 – Adoption of Directors' Report and Financial Statements

To receive and adopt the Directors' Report and the Financial Statements for the year ended 31st December 2017 together with the Report thereon of the Auditors.

D. Resolution 3 – Ratification of Dividend Payment

To ratify the dividend payment made on 6th March 2017.

E. Resolution 4 – Appointment of Auditors

To consider and adopt the recommendation for the appointment of auditors for the Company and to authorise the Directors to set their remuneration.

F. Resolution 5 – Appointment of Directors

To consider and adopt the recommendation of the board for the appointment of directors in accordance with Article 14.4 of the Articles of Association of the Company.

G. Resolution 6 - Directors' Remuneration

To approve the adjustment of the remuneration of the Directors.

H. To transact such other business as may properly be transacted at an Annual General Meeting.

By order of the Board

Julia C Z Chaila (Mrs)
Company Secretary

MINUTES OF THE ANNUAL GENERAL MEETING OF THE MEMBERS OF COPPERBELT ENERGY CORPORATION PLC HELD AT COPPERBELT UNIVERSITY MULTIPURPOSSE HALL, JAMBO DRIVE KITWE ON FRIDAY, 31ST MARCH 2017 COMMENCING AT 10:30 HOURS

PRESENT:

Mr Hanson Sindowe - Chairman

MEMBERS PRESENT:

As per attached Attendance Register

DIRECTORS IN ATTENDANCE:

Mr. Munakupya Hantuba	-	Vice Chairman
Mr. Abel Mkandawire	-	Director
Mr. Reynolds Bowa	-	Director
Mrs. Mildred Kaunda	-	Director
Dr. Sixtus Mulenga	-	Director
Mr. Ronald Tamale	-	Director
Mr. Joe M. Chisanga	-	Director
Mr. Owen Silavwe	-	Managing Director

SECRETARY:

Mrs. Julia C Z Chaila - Company Secretary

APOLOGIES:

Brig. Gen. Emelda Chola	-	Director
Mr. Michael Tarney	-	Director
Mr. Taimor Labib	-	Director

PROXIES:

On behalf of the Members, the following representations of proxies were tabled:

Abel Mkandawire	-	Zambian Energy Corporation (Ireland) Ltd
Wilfred Katoto	-	ZCCM Investments Holdings Plc
Musa Kaoma	-	Madison Life Insurance Company
Musa Kaoma	-	Pannar Seed Pension Trust
Musa Kaoma	-	NISIR Pension Trust Scheme
Musa Kaoma	-	Motor Mart Group Pension
Musa Kaoma	-	CEC Minor Beneficiaries Fund
Musa Kaoma	-	Workcom Pension Trust
Musa Kaoma	-	Access Bank Pension
Musa Kaoma	-	Madison Unit Trust – Equity Fund
Musa Kaoma	-	CEC Pension Trust Scheme
Musa Kaoma	-	Game Stores (Z) Limited Pension
Musa Imakando	-	Standard Chartered Bank Zambia Pension Trust Fund
Musa Imakando	-	UTI Pension Trust Scheme
Musa Imakando	-	Saturnia Regna Pension Trust
Musa Imakando	-	Sun International Pension Trust Scheme
Musa Imakando	-	Zanaco Plc DC Pension Trust Scheme
Musa Imakando	-	Ecobank Pension Trust Scheme
Musa Imakando	-	Diamond Insurance Pension Trust Scheme
Musa Imakando	-	Deloitte & Touche Pension Trust Scheme
Musa Imakando	-	CEC Pension Trust Scheme
Musa Imakando	-	Cavmont Capital Pension Trust Scheme
Musa Imakando	-	Airtel Zambia Staff Pension Fund
Musa Imakando	-	SCZ International Pension Trust Scheme
Musa Imakando	-	SCZSS Nominees Ltd BBZ Staff Pension Fund
Musa Imakando	-	Stanbic Bank (Z) Ltd Pension Trust Fund
Musa Imakando	-	Indeni Pension Trust Scheme
Musa Imakando	-	Konkola Copper Mines Pension Trust Scheme
Musa Imakando	-	Lafarge Cement Zambia Pension Trust Scheme
Musa Imakando	-	Lubambe Copper Mine Pension Trust Scheme
Musa Imakando	-	National Breweries Pension Trust Scheme
Musa Imakando	-	Sandvik Mining Pension Trust Scheme
Chifumbe G Sikazweh	-	ZSIC Life Shareholders Fund
Chifumbe G Sikazweh	-	ZSIC Pension Trust Fund
Chifumbe G Sikazweh	-	ZSIC Life Policy Holders Fund
Musa Imakando	-	SC255 Nominees – BB2 Staff Pension Fund
Musa Imakando	-	Sandvik Mining Pension Trust Scheme
Musa Imakando	-	National Breweries Pension Trust Scheme
Musa Imakando	-	Buyantashi Pension Trust Fund
Musa Imakando	-	African Life Financial Services
Vincent Kawamya	-	Osbert Sikazwe
Jobby Simmba	-	Fred Simumba
Cyril Chinene	-	Edwina Chishimba
Steven Kambone	-	Musonda Daniel Kambone
Robert Nkhonesya	-	Jobbhuka Shamfuti
Brian Kasase	-	Stellar Chisoko Kasase
Bright Chanda	-	Rehema Kasanga
Vickey Ngandu	-	Esther Mukna
Cyril Chinene	-	Edwina Chishimba
Steven Kambone	-	Daniel Musonda Kambone
Robert Nkomeshya	-	Jobb Luka Shamfuti
Predencia Ngosa	-	Sandvick Mining Pension Trust Scheme
Predencia Ngosa	-	African Life Financial Services
Predencia Ngosa	-	Stanbic Zambia Pension Fund
Predencia Ngosa	-	SCZ Nominees BBZ Staff Pension Fund
Predencia Ngosa	-	Deloitte and Touche Pension Trust Scheme
Predencia Ngosa	-	VTI Pension Trust Scheme
Predencia Ngosa	-	CEC Pension Trust Scheme
Predencia Ngosa	-	Saturnia Regina Pension Trust Scheme
Predencia Ngosa	-	Indeni Pension Trust Scheme
Predencia Ngosa	-	Konkola Copper Mines Pension Trust Scheme
Predencia Ngosa	-	Sun International Pension Trust Scheme
Predencia Ngosa	-	Standard Chartered Pension Trust Scheme
Predencia Ngosa	-	Ecobank Pension Trust Scheme
Predencia Ngosa	-	Buyantashi Pension Trust Scheme
Predencia Ngosa	-	National Breweries Pension Trust Scheme
Predencia Ngosa	-	Diamond Insurance Pension Trust
Predencia Ngosa	-	Lubambe Copper Mines Pension Trust Scheme
Predencia Ngosa	-	Lafarge Cement Zambia Pension Trust
Predencia Ngosa	-	Cavmont Capital Pension Trust Scheme
Predencia Ngosa	-	Airtel Zambia Staff Pension Fund
Predencia Ngosa	-	SCZ International Pension Trust Scheme

1.0 CALL TO ORDER

The Chairman, Mr. Hanson Sindowe, called the meeting to order at 10:30 hours. Mr Sindowe welcomed everyone present to the nineteenth AGM of CEC.

2.0 INTRODCUTIONS

The meeting commenced with introductions of the Board of Directors and the Senior Management Team.

3.0 APOLOGIES

The Chairman reported that Brigadier-General Emelda Chola, Mr. Taimoor Labib, and Mr. Michael Tarney, Directors of the Board, were unable to attend the meeting due to other commitments and had tendered apologies for their absence.

4.0 AUDITORS IN ATTENDANCE/CEC CHIEF OFFICERS AND HEADS

The Chairman informed the members that the Auditors of the Company, Messrs KPMG, and the Company's Management were also in attendance at the meeting.

5.0 PROXIES

The Secretary, Mrs. Julia Chaila told the meeting that the Company had received a number of proxies in respect of various representations. She reported that the proxies received from the major shareholders of the Company were those for ZCCM-IH, which had appointed Mr Wilfred Katoto, and ZECI which had appointed Mr. Abel Mkandawire as their representatives respectively. Mrs. Chaila informed the meeting that she would not read out the remainder of the proxies but that they would be recorded in the attendance register and in the minutes of the AGM. She tabled the instruments of proxy from the various shareholders for inspection by the shareholders until the conclusion of the meeting.

6.0 **QUORUM**

Mrs. Chaila proceeded to inform the meeting that the quorum for the AGM was two Members holding between them a majority in nominal value of the issued ordinary shares of the Company, present either in person or by proxy. She said as there were more than two shareholders of a majority in the nominal value of the issued ordinary shares of the Company present at the meeting, the necessary quorum had been met.

She further said that the Notice convening the meeting and the Agenda had been in the shareholders hands within the period stipulated by the Articles of Association of the Company and, therefore, with the consent of the shareholder she would take the Notice as read.

7.0 **PRESENTATIONS**

The Chairman proceeded to invite reports from Mr. Owen Silavwe, Managing Director, on the overall business and Mr. Mutale Mukuka the Chief Financial Officer on the financials for the year under review. Thereafter, the auditor, KPMG, presented their report to the shareholders which was submitted through Mr. Maaya Chipwayambokoma, the Audit Partner. The presentations were followed by a question and answer session. (Details of the presentations and the questions and answer session are set out in Appendix 1 and Appendix 2 to the minutes).

8.0 **POLL AND RESULTS**

The Chairman said the vote of the shareholders in respect of the business specified in the Notice for the AGM would be by poll on all resolutions, and the meeting proceeded accordingly.

Following the vote, the Chairman reported that the poll results on the resolutions were as follows:

No.	Resolution	Shares for	%	Shares Against	%	Shares Abstain	%
1.	Minutes of the Annual General Meeting of 31st March 2016	1,374,950.791	99.99	35,114	0.00	55,834.00	0.00
2.	Minutes of the Extraordinary General Meeting of 9th December 2016	1,341,327,334	99.81	17,970	0.00	2,551,161.00	0.19
3.	Directors' Report and Financial Statements for the year ended 31st December 2016	1,343,673,377	100.00	0	0.00	21,678.00	0.00
4.	Ratification of dividend payment made on 7th March 2016	1,343,753,699	100.00	1,670	0.00	21,635.00	0.00
5.	Appointment and Remuneration of Auditors	1,343,337.238	99.98	243,535	0.02	28,968.00	0.00
6.	Appointment of Directors	1,336,636.565	99.48	457,529	0.03	6,502,771.00	0.48
7.	Directors' Remuneration	1,342,820.584	99.94	537,846	0.04	202,986.00	0.02

The Chairman declared that all the resolutions set out in the Notice for the AGM had been duly passed by more than two-thirds of votes attaching to the shares entitled to vote and held by the shareholders present in person, by authorised representative or by proxy at the meeting.

RESOLUTIONS

The resolutions passed by the shareholders on the basis of the poll results were as follows:

A. **Resolution 1 – Adoption of Minutes – Thursday, 31st March 2016**

It was RESOLVED that the minutes of the Eighteenth Annual General Meeting held on Thursday, 31st March 2016 be and are hereby confirmed as a true and correct record of that meeting.

B. **Resolution 2 – Adoption of Minutes – Friday 9th December 2016**

It was RESOLVED that the minutes of the Extraordinary General Meeting held on Friday, 9th December 2016 be and are hereby confirmed as a true and correct record of that meeting.

C. **Resolution 3 – Adoption of Directors' Report and Financial Statements**

It was RESOLVED that the Directors' Report and the Financial Statements for the year ended 31st December 2016 together with the Report thereon of the auditors be and are hereby approved.

D. **Resolution 4 – Ratification of Dividend Payment**

It was RESOLVED that the dividend payment made on 7th March 2016 be and is hereby ratified.

E. **Resolution 5 – Appointment of Auditors**

It was RESOLVED that the recommendation for the appointment of Messrs KPMG as Auditor of the Company to hold office until the next AGM of the Company and to authorise the Directors to set their remuneration be and is hereby approved.

F. **Resolution 6 – Appointment of Directors**

It was RESOLVED that the recommendation of the Directors for the appointment of Dr. Sixtus Mulenga and Mr. Joe Mwansa Chisanga as Directors in accordance with Article 14.4 of the Articles of Association, to hold office until the conclusion of the next Annual General Meeting of the Company at which they would retire, be and is hereby approved.

H. **Resolution 7 - Directors' Remuneration**

It was RESOLVED that the adjustment of the remuneration of the Directors be and is hereby ratified.

CLOSURE

There being no other business, the Chairman thanked all present for their support to the AGM and declared the meeting closed at 14:10 hours.

Signed: ______________________ Date: ______________________

CHAIRMAN

Signed: ______________________ Date: ______________________

SECRETARY

APPENDICES TO THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 31ST MARCH 2017

Appendix 1

PRESENTATIONS

Business Review

The business review was presented by the Managing Director, Mr Owen Silavwe. In his report, Mr Silavwe said:

A. CEC was unable to secure sufficient power in line with the BSA as ZESCO had declared a partial *force majeure* and was only able to supply CEC at 70% of its requirements. This situation was due to the lack of adequate power in the country perpetrated by the draught conditions and poor rains. CEC took measures to supplement its requirements by importing the remainder of the balance power requirements of up to 30% from the SAPP.

B. The load shedding at domestic level had reduced and CEC expected that at some point ZESCO would be able to update CEC on the power balance status and what was expected by the end of the year, in terms of power availability in the country.

C. The regional power situation was similar to the local situation. Under its contracts, CEC was required to supply power to its mining customers in the DRC. As the power supplied to these customers was obtained from the region, it was important that CEC understood the power availability within the region.

D. The ERB had been leading a process to amend the Electricity Act as well as the Energy Regulation Act. The amendments to these Acts were mainly intended to reinforce the powers of the regulator with respect to tariff setting and adopt a framework for allocation of power on the basis of generation cost.

E. The HSE performance for 2016 was good. The Company had areas where it performed well and some areas which required improvement.

G. CEC had performed well from the perspective of power trading which had grown by 86% and had contributed positively to the Company's overall performance. Domestic wheeling had gone down mainly due to load shedding.

H. In relation to the Company's organic growth, a number of customers, including NFC Africa Mining, had been implementing extension projects.

I. CEC was looking forward to working with the small mining operations that had come up on the Copperbelt and was working on connecting all these mines.

J. The main focus in terms of renewables was solar. CEC's entry into solar power generation would be a 1MW plant located near the Copperbelt University.

K. The DRC had become a bigger market for CEC, as a result, CEC had expanded the transmission capacity of the Zambia-DRC interconnection thereby allowing the Company to get more power from the regional market.

L. CEC would continue to make investments that were important to the Company and would deliver value to the shareholders.

Financial Report

The Financial Report was submitted by the Chief Financial Officer, Mr. Mutale Mukuka. In his report, Mr. Mukuka said:

A. CEC undertook a corporate action which was approved by shareholders on 9 December 2016. The transaction was a dividend in specie, which officially divided CEC and CEC Africa and meant that, going forward, CEC would not consolidate the CEC and CEC Africa accounts.

B. CEC's mining customers' load consumption had reduced by approximately 16%. The Company had, however, come up with strategies to restore the revenues through power trading, which had increased by 86%.

C. There was an improvement in revenues from power trading which allowed the Company to maintain revenues at USD355 million.

D. Costs were contained within a certain ratio which had resulted in an increase in earnings before interest, tax, depreciation and motorization at around 26% year on year.

E. The Company had a duty not only to invoice customers but to convert the invoices into cash. Management strove hard to increase that conversion ratio during the year, achieving 64% compared to slightly lower ratios in previous periods. The Company's asset ratio was consistent at around 6-7%.

F. The return on equity was at 10% in USD terms. The adjusted earnings per share averaged around 0.024 cents compared to the previous year at 0.026 cents per share. With the projects presently in progress, there was need to re-look at the Company's capital structure.

G. CEC has interests in the telecommunications businesses consisting of Hai and CEC Liquid Telecom. During the year, CEC Liquid Telecom' fibre build footprint had reached 5,000kmw. With content addition, CEC expected to see more internet bandwidth usage which was expected to drive up revenue and the companies' profitability.

H. In 2012, CEC paid a dividend of under USD4 million. CEC did not, however, pay any dividend in 2013 as that was the period that the Company made aggressive investments in West Africa. In 2016, the Company saw a growth in dividend to USD16.4 million and a further increase on the recent dividend which was declared in early January 2017 to USD21 million.

J. CEC wanted to ensure that it retained its status as a private investor and market leader in the power sector in Zambia as well as the DRC, and to see how the Company could possibly deploy more capital in Zambia, including through either solar or other renewable projects.

Auditor's Report

In their report the auditor said the Audit Report was significantly different from what had been the case the previous years. The auditor said there was a new auditing standard which had improved the Audit Report, making it more informative. The Audit Report included other matters and, information on other responsibilities. In addition, it had reduced certain elements in the Audit Report and placed significant effort on the paramount areas of the audit.

Appendix 2 A

QUESTIONS AND ANSWERS TO THE PRESENTATIONS

1. **Mr. Felix Musumali** – was concerned about the levels of road traffic accidents and incidents in the Company, which he viewed to be high despite the training and retraining of staff.

Ans: **Dr. Sixtus Mulenga –** responded that SHE standards in the Company were very high with zero system accidents. The Company had introduced alcohol testing to remind employees of their responsibilities and had suspended night driving. He said retraining meant reminding people of their responsibilities. Those found wanting would have their driving permits suspended..

2. **Professor Misra** – said CECA was demerged from CEC at the end of the year (2016), however, there had not been any CECA contact address given to shareholders. He said the CEC Board should provide the location of CECA offices and information on its Directors.

Ans: **Mr. Hanson Sindowe –** said the Chairperson for CECA was Mr. Siyanga Malumo and that the local offices for CECA were in Lusaka at 1st Floor of Abacus Square, and that Mrs. Clara Mvula was the Company Secretary running that office. He gave her phone number as +260 212 244915.

3. **Mr. Marvelous Chanda –** wanted to know what the full benefits of being a shareholder were, apart from receiving dividends. He also queried what the corporate social responsibilities of CEC were. He said information should be made to the shareholders especially on such queries.

Ans: **Mr. Hanson Sindowe** – said that the Annual Report showed some of the corporate social responsibilities of CEC. He said urgent matters of concern to the shareholders need not wait for the AGM and that the Investor Relations Office and website were readily available and could be used by the shareholders to communicate with the Company on an ongoing basis.

Ans: **Mr. Owen Silavwe –** said a shareholder was someone who invested in a business and sought to receive a return and/or some growth on their investment. He said CEC had supported various environmental, health and infrastructure projects such as building of bridges for communities as part of its corporate social responsibility programmes.

4. **Mr. Kanswe Osward –** wanted to know how CEC motivated its employees.

Ans: **Mr. Owen Silavwe** – said that CEC's offered very competitive career progression and growth to employees and that its salaries were very competitive on the market.

5. **Mr. David Mwango** – said that for the past three years he had been applying for attachments (internship) and his applications had not been considered as a shareholder. He said people who were not shareholders in the Company were, however, favourably considered.

Ans: **Mr. Hanson Sindowe –** said CEC would like to give every Zambian equal opportunity to be employed and Management looked at the limited places where it would attach students.

6. **Mr. Peter Sikazwe –** said that it was now eight years since the Kabompo project commenced and wanted to know if CEC had set a time frame for completion of the project.

Ans: **Mr. Hanson Sindowe** – said some works had been started on the Kabompo project but more funding was required. He further said the funding needed would require a certain tariff level to be attained and that in Zambia the tariffs were currently rather low to support the required funding.

7. **Mr. Laston Jere** – said there were four causes of RTAs mechanical failure, human failure, acts of God and poor road infrastructure. He said CEC had undertaken training and retraining of staff and he wanted to know if CEC had considered installing GPS in vehicles to reduce on the RTAs.

Ans: **Mr. Owen Silavwe** – said that CEC tried various ways to approach the issue of RTAs and was targeting zero accidents in the Company. He said the training focussed on the drivers themselves and what they needed to do when they were driving a vehicle. He explained that there were various aspects that the training looked at to avoid RTAs.

8. **Mr. Mutanda Nyanga** – wanted to know whether, apart from energy and telecommunication, CEC had considered investing in other sectors that would generate more revenue e.g. agriculture, transportation or mining.

Ans: **Mr. Hanson Sindowe** – said CEC's main focus at the moment was within the energy sector and that other investments may be considered, but could present challenges to the business.

9. **Mr. Wapananga** – wanted to know whether after the demerger of CEC Africa from CEC, the Company would operate in the same area as CEC Africa.

Ans: **Mr. Hanson Sindowe –** said CEC Africa and CEC could not operate in the same market because CEC was operating in the Zambian and DRC market while CEC Africa was operating outside the Zambian and Southern African market**.**

ATTENDANCE REGISTER OF THE CEC ANNUAL GENERAL MEETING HELD ON FRIDAY 31ST MARCH, 2017

SURNAME	OTHER NAMES	RESIDENTIAL ADDRESS	POSTAL ADDRESS	EMAIL	STATUS
Abel	Mkandawire	23 Mulungushi Road, Lusaka	P.O. Box 30473, Lusaka	ablemkandawire@behrens.co.zm	Member
Baciga	Girish Gorodas	B19 CBU, Kitwe	P.O. Box 23338, Kitwe	girish@iwayafrica.com	Proxy of Mr. G.T Baciga
Banda	Mejah Thomas	House No.884 Old Ndeke		thomasbanda77@gmail.com	Member
Banda	Yonah	50 President Avenue, Chingola	P.O. Box 10925, Chingola	yonah1157@gmail.com	Member
Banda	Naomie	House No.6219 Chimwemwe, Kitwe		naomiebanda@gmail.com	Proxy of Banda C. Henry
Bbenkele	Haachitwe	H/No.1 Ikelengi close, Kitwe	P.O. Box 20819, Kitwe	haachitweb@cec.com.zm	Member
Bbuku	Funi	Ibex Hill, Lusaka	P.O. Box 32308, Lusaka	funi@aotussecurities.com	Non-Member
Botha	Aaron	House No.3 Broadway Street, Nkana East, Kitwe	P.O. Box 20819, Kitwe	bothaa@cec.com.zm	Member
Bowa	Reynolds	7933 Chipushi Road, Lusaka	P.O. Box 39555, Lusaka	rcbowa@gmail.com	Mmeber
Bwalya	Musonda	Nortec Flats 4 Mtata Rd, Ndola		cnmuzo@yahoo.com	Member
Bwalya	Emmanuel	290 Thorite Road, Garneton	P.O. Box 20819, Kitwe	bwalyae@cec.com.zm	Non-Member
Bwalya	Tracey	House No.13-629 East Garneton, Kitwe		traceybwalya@gmail.co	Member
Bwalya	Wellington	463/27 Mpatamato, Luanshya			Member
Chabala	Noah	Block 11 No. 55, Mindolo Flats, Kitwe	P.O. Box 21964, Kitwe		Member
Chabala	Kafuti	S5 Block 11Mindolo			Non-Member
Chabala	David	Plot 3305, Luanshya	P.O. Box 90754, Luanshya	chabala_david@yahoo.com	Member
Chaila	Julia C.Z.	5465 Kaminda Drive, Riverside, Kitwe	P.O..Box 20819, Kitwe	chailaj@cec.com.zm	Member
Chala	Bule Charles	H/No H106 Ndeke Village, Kitwe	P.O. Box 20819, Kitwe	bule@gmail.com	Member
Chali	Chitalu Tantameni		P.O. Box 20819, Kitwe	chalic@cec.com.zm	Non-Member
Chalikosa	Maggie	No.2 New Road, Kalulushi	P.O. Box 260239, Kalulushi		Member
Chalwe	Alfred Saunders	KL132, Kamirenda, Luanshya	P.O. Box 91090, Luanshya		Member
Chama	Jane	1960 Pamozi, Ndola			Non-Member
Chama	Rose Mambwe	House No.21 Mboloma Street, Chachacha, Kitwe		mambwesolace@gmail.com	Member
Chambwa	Changu	11 Mwenda Close, Nkana East, Kitwe	P.O. Box 20819, Kitwe	chambwa@yahoo.com	Member
Chanda	Marvellous	RB19 Tom Mboya Road, Chililabombwe		marvchang@gmail.com	Member
Chanda	Nshikita H.	A - 223 Mufulira	P.O. Box 40563, Mufulira	henrynshikita@gmail.com	Member
Chanda	Abigal	Kalukanya Mufulira		abigal.nsama@gmail.com	Non-Member
Chanda	Musonda	H451, Ndeke Village, Kitwe		musondachanda04@gmail.com	Proxy of Ester Namwila Mukube
Chanda	Frank C.	House No.1 Mwatiyanywa Road, Ndola	P.O. Box 71534, Ndola	fchanda@workers.com.zm	Proxy of WCFCB
Chandalala	Florence Chanda	32 Beit Street Nkana East, Kitwe		nakulunkhosi@yahoo.co.uk	Member
Chate	Mary	27 Twalilwisha, Riverside, Kitwe		marychate@gmail.com	Member
Cheembela	Bobbline H.	Flat 11 Madalitso Flats, Kitwe	P.O. Box 20819, Kitwe	bobbline@hotmail.com	Member
Chengo	Caroline B	H/No.6-8th Street, Chamboli, Kitwe	P.O. Box 20819, Kitwe	chengob@cec.com.zm	Member
Chewe	Taulo Kabwe	G907 Ndeke Village, Kitwe		taulo.chewe@gmail.com	Member
Chibale	Sandileya	A4 Old Airport Ndeke, Kitwe	P.O. Box 22084, Kitwe	maximillianchibale@gmail.com	Member
Chibale	S. Mwansa	6291 Zambezi Way, Riverside, Kitwe		mwansachibale@yahoo.com	Member
Chibale	Patrick	271 Old Ndeke, Kitwe	P.O. Box 68, Kitwe		Non-Member
Chibale	Alfred George	28-14th Street, Chingola	P.O. Box 10475, Chingola	alfredchibale@yahoo.com	Member
Chibale	Andella	House No. 1119, Ndola	P.O. Box 71791, Ndola	corneluskabwe@yahoo.com	Member
Chibale	Obery	5855 Ngozi, Street Riverside, Kitwe			Member
Chibowa	Faustina Mwango	5461 Riverside, Kitwe	P.O. Box 21686, Kitwe	owenmulubwa@gmail.com	Member
Chibubi	Kaulu	H/No 2701 Kwacha East, Kitwe	P.O. Box 100, Sinazongwe	kchibubi@yahoo.com	Member
Chihili	Gladys Mwelwa	U1 Mukuba Natwange, Kitwe	P.O. Box 20819, Kitwe	mwelwag@cec.com.zm	Non-Member
Chikanta	Eileen Muleya	D-13 CBU, Kitwe	P.O. Box 21692, Kitwe	eileenmuleya@yahoo.co.uk	Member
Chikombo	Rosaria	House No.6343 Buchi, Kitwe			Member
Chikweni	Elijah Kenneth	24-25TH Avenue, Nkana East, Kitwe	P.O. Box 22286, Kitwe		Member
Chilembwe	Edward	House No.1 Nsombo Street, Twibukishe, Kitwe	P.O. Box 87, Chamboli, Kitwe	bbmembe@gmail.com	Proxy of Brian Mmembe
Chileshe	Bernard L.	59 - 8th Street Nchanga South, Chingola			Member
Chileshe	Edgar	553 KL Kamirenda, Luanshya			Member
Chileshe	Mulimba	6 Federal Flats Freedom Avenue		chileshemulimba@yahoo.com	Member
Chiluba	Mwila Fred	2672 New Ndeke, Kitwe	P.O. Box 20819, Kitwe	Chilubaf@cec.com.zm	Member
Chilufya	Mwape	2 Kabanga Steet Long Acres, Lusaka		mwape.chilufya@hai.alive.co.zm	Non-Member

SURNAME	OTHER NAMES	RESIDENTIAL ADDRESS	POSTAL ADDRESS	EMAIL	STATUS
Chimuongo	Gladys Mtonga	17 Chipungu, Mpelembe Sec. School, Nkana East, Kitwe	P.O. Box 22809, Kitwe	gladysmtonga@rocketmall.com	Member
Chinene	Cyril	131 Central Street, Nkana East, Kitwe		chinenec@cec.com.zm	Member
Chipepo	Chishala	House No.2375 New Ndeke, Kitwe	P.O. Box 20819, Kitwe	chipepoc@cec.com.zm	Member
Chipwayambokoma	Maaya	2429/M Kabanana, Lusaka	P.O. Box 33993, Lusaka	mchipwayambokoma@kpmg.com	Non-Member
Chisambwe	Chipango Fredrick	Plot 1751 Luangwa, Kitwe	P.O. Box 20819, Kitwe	chisambwef@cec.com.zm	Non-Member
Chisanga	Joe Mwansa	Plot No. 471/100 Ibex Hill, Lusaka	P.O. Box 50544, Lusaka	chisangajm@gmail.com	Director
Chisanga	Mevis Kasongo	Farm 457a/3/H, Mapepe, Chilanga	P.O. Box 320125, Woodlands, Lusaka	chisangakm@cec.com.zm	Member
Chisanga	Progress	No.3002B Pamodzi Extension, Ndola			Member
Chisenga	Angel	9J8J Chandamali, Kitwe	P.O. Box 20819, Kitwe	chisengaa@cec.com.zm	Member
Chisenga	Precious		P.O. Box 20819, Kitwe	musondap@cec.com.zm	Member
Chisha	Chisha	Flat 2, Kangelanji Court, Parklands, Kitwe	P.O. Box 20819, Kitwe	chishach@cec.com.zm	Member
Chishiba	Christine Mbulo	6205 Zambezi Way, Riverside Extension, Kitwe	P.O. Box 21152, Kitwe	mbulochristine@yahoo.co.uk	Member
Chishimba	Edwina	131 Central Street, Nkana East, Kitwe		edwinachinene@yahoo.com	Member
Chisunka	Chipulu	91Kantanta Nkana East, Kitwe		chipuluchisunka@yahoo.com	Proxy of Chishala Chisunka
Chitalu	Martin	7-6TH Street MN, Miseshi, Kitwe	P.O. Box 21686, Kitwe	martinchitalu@yahoo.com	Non-Member
Chitundu	Chileshe	Plot 2945, Riverside, Chingola		chchitundu@zesco.co.zm	Non-Member
Chomba	Kapembwa David	15 LC Napsa Complex, Kitwe		chombadk@yahoo.com	Member
Chomba	Sombe	1183 Richmonds Gardens Parklands, Kitwe		sombechomba@gmail.com	Member
Chongo	Malombola Chongo	Farm 2049 Sunnyridge, Kalulushi	P.O. Box 40273, Mufulira	jmc.sunnyridgefarm@gmail.com	Member
Chulu	Parton	14 Lushitu Drive, Parklands, Kitwe	P.O. Box 20819, Kitwe	chulup@cec.com.zm	Member
Dr. Mulenga	Godfrey Kapitolu	Plot 5626 Eititophi Close, Riverside Extension, Kitwe			Member
Garg	Deepika	Kitwe Central Hospital Flats, Kitwe		gargdeeps07@gmail.com	Proxy of Dr.MP Garg
Gondwe	Patrick	Plot 12717 Ndeke, Kitwe	P.O. Box 20819, Kitwe	gondwep@cec.com.zm	Member
Hamweene	Buumba Daisy	House No.D13, CBU Workers Compound, CBU, Kitwe	P.O. Box 21692, Kitwe	hamweene@cbu.ac.zm	Member
Hantuba	Munakupya	4019/555 Makeni, Lusaka	P.O. Box 51331, Lusaka	hantuba@aflife.co.zm	Member
Imakando	Musa	Lusaka		musa@aflife.co.zm	Proxy of African Life Financial Services

SURNAME	OTHER NAMES	RESIDENTIAL ADDRESS	POSTAL ADDRESS	EMAIL	STATUS
Jere	Laston Zimba	53 Eucalyptus Avenue, Luanshya			Member
Kabanda	Mwape	26 Kamenza Way, Chililabombwe	P.O. Box 210385, Chililabombwe		Member
Kadi	Reagan	17 E Road, Natwange East, Kitwe		reagan.kadi@gmail.com	Member
Kafwimbi	Dailey	946 New Ndeke, Kitwe	P.O. Box 20783, Kitwe		Member
Kakumbi	Kasanda	20 W.T.C, Kitwe	P.O. Box 73 Chamboli, Kitwe	kasanda@madionassets.co.zm	Non-Member
Kalinda	John	H 968, Ndeke Village, Kitwe	P.O. Box 20819, Kitwe	kalindaj@cec.com.zm	Member
Kalulu	Jerry N. White	180 Central Street, Nkana East, Kitwe	P.O. Box 20819, Kitwe	kaluluj@cec.com.zm	Member
Kamanga	Wanangwa	188 Chimene Road, Kalulushi		wana_kamanga@yahoo.com	Member
Kambole	David	105 Dongwe, Kalulushi	P.O. Box 260175, Kalulushi	dvdkambole@yahoo.co.uk	Member
Kambone	Steven	40 Kalungwishi Street, Nkana East, Kitwe			Non-Member
Kambone	Steven	40 Kalungwishi Street, Nkana East, Kitwe		kambonesteven@yahoo.com	Proxy Of Daniel Musonda Kambone
Kamizi	Emily	House No.527 Section 3B Kantanshi, Mufulira		emmzkamz@gmail.com	Member
Kamwendo	Thomas	10 Mulilansolo Crescent, Kitwe	P.O. Box 21670, Kitwe	tomkamwendo1@gmail.com	Member
Kanswe	Osward	6658 Buyantanshi, Kitwe		kansweo@cec.com.zm	Member
Kantumoya	Aaron	6 Katepusha Crescent, Luanshya	P.O. Box 91075, Luanshya	aaronkantumoya@yahoo.co.uk	Member
Kaoma	Musa	House No.3 Chachacha, Kitwe		musa@madisonassets.co.zm	Proxy Of Madison Asset Management
Kaoma	Musa	House No.3 Chachacha, Kitwe		musa@madisonassets.co.zm	Proxy Of Acess Bank Pension
Kaoma	Musa	House No.3 Chachacha, Kitwe		musa@madisonassets.co.zm	Proxy Of Airtel Zambia Pension
Kaoma	Musa	House No.3 Chachacha, Kitwe		musa@madisonassets.co.zm	Proxy Of Buyantashi Pension Fund
Kaoma	Musa	House No.3 Chachacha, Kitwe		musa@madisonassets.co.zm	Proxy Of CEC Minor Beneficiaries
Kaoma	Musa	House No.3 Chachacha, Kitwe		musa@madisonassets.co.zm	Proxy Of CEC Pension Trust
Kaoma	Musa	House No.3 Chachacha, Kitwe		musa@madisonassets.co.zm	Proxy Of Game Stores (Z) Pension
Kaoma	Musa	House No.3 Chachacha, Kitwe		musa@madisonassets.co.zm	Proxy Of Madison Life
Kaoma	Musa	House No.3 Chachacha, Kitwe		musa@madisonassets.co.zm	Proxy Of Madison Pension Trust
Kaoma	Musa	House No.3 Chachacha, Kitwe		musa@madisonassets.co.zm	Proxy Of Madison Unity Trust Equity Fund
Kaoma	Musa	House No.3 Chachacha, Kitwe		musa@madisonassets.co.zm	Proxy Of Motor Mart Group Pension
Kaoma	Musa	House No.3 Chachacha, Kitwe		musa@madisonassets.co.zm	Proxy Of Nisir Pension Trust
Kaoma	Musa	House No.3 Chachacha, Kitwe		musa@madisonassets.co.zm	Proxy Of Pannar Seed Pension

SURNAME	OTHER NAMES	RESIDENTIAL ADDRESS	POSTAL ADDRESS	EMAIL	STATUS
Kaoma	Musa	House No.3 Chachacha, Kitwe		musa@madisonassets.co.zm	Proxy Of Workcom Pension Trust
Kaonga	Annie	7180/1 Chimwemwe, Kitwe			Member
Kapuka	Evelyn	Plot 4745 (28), Kariba Road Riverside Ext. Kitwe			Member
Kapula	Andrew	34A Musasa Avenue, CPC Village, Kitwe	P.O. Box 20819, Kitwe	kapula8k@gmail.com	Member
Kaputula	Daniel Kunda	82 Section 3B, Kantanshi T/Ship, Mufulira			Member
Kasakula	Jim	3 Copperfields Flats, Town Centre, Chililabombwe		kasakulaj@yahoo.com	Proxy Of Muzinza Kalwazhi
Kasanga	Rehema	House No.7049 Chinese Extension, Ndola		rehemakasanga19@gmail.com	Member
Kasaro	Dumisa	No.4023 Flambouyant Buyantashi, Kitwe		kasarodumi@gmail.com	Member
Kasase	Stellar C	5202 Pungwa, Riverside Kitwe		kasaseb@gmail.com	Member
Kasase	Brian	5202 Pungwa, Crescent, Parklands	P.O. Box CBU 10, Kitwe	kasaseb@gmail.com	Proxy Of Stellan Chisoko Kasase
Kasembe	Orgat	KPMG		kasembeo@kpmg.com	Non-Member
Kasongo	Vincent C.	House No.22 Mulilansolo Cresent, Riverside, Kitwe		kasongovc@yahoo.com	Member
Kasongo	Francis	2 Katanga Crescent, CPC Village, Nkana East, Kitwe	P.O. Box 20819, Kitwe	kasongof@cec.com.zm	Member
Katai	Elizabeth	4547, Ndeke, Luanshya			Member
Katoto	Wilphred	39709/M, Kamfinsa	Box 21121, Kitwe	katotowk@zccm-ih.com.zm	Member
Kaunda	Mildred T.	65 Ibex Hill, Lusaka	P.O. Box 50818, Lusaka	mildred@cuttingedge.co.zm	Proxy of ZCCM-IH
Kawamya	M.Vincent	18 Fyapakale Crescent	P.O. Box 12 UNZA, Lusaka	vmkawamya@gmail.com	Proxy of Dr. Osbert Sikazwe
Kayombo	Lemon	House No.19 Kuomboka Drive, P/Lands, Kitwe			Member
Keembe	Keembe	31 Natwange East, Kitwe		morehzal@gmail.com	Member
Kolala	Godfrey	3353 Chimwemwe, Kitwe		mwansakolala13@gmail	Proxy Of Benson Simfukwe
Kumisha	Conrad	7 Lunsemfwa Drive, Riverside, Kitwe	P.O. Box 22565, Kitwe		Member
Kumwenda	Frieda	21 Kenyatta Drive, Parklands		friedakumwenda@yahoo.co.uk	Member
Kunda	Kaunda	160 Eagle Street, Nkana East, Kitwe		kundakaunda@gmail.com	Member
Lengwe	James Chola	E64 Mindolo Central, T/Ship, Kitwe			Member
Liyungu	Muyunda Joyce	1 Jambo Drive, Kitwe	P.O. Box 22665, Kitwe		Member
Longwani	Perry C.	Nkana West 1st Paricer, ZIBSIP, Kitwe	P.O. Box 21495, Kitwe	perry_longwani@yahoo.co	Member

SURNAME	OTHER NAMES	RESIDENTIAL ADDRESS	POSTAL ADDRESS	EMAIL	STATUS
Longwe	Samson	476 IBEX Meanwood, Lusaka	P.O. Box 38688, Lusaka	samsonlongwe@hai-alive.co.zm	Member
Luchembe	Ignatius Nkandu	5065 Zebra Street, Nkana East, Kitwe		luchembei@yahoo.co.uk	Member
Lukwesa	Moses	230 Central Street, Kitwe		bromolukwesa@yahoo.co.uk	Member
Lungu	Charles Ben Maposa	4871 Kariba Road, Riverside, Kitwe	P.O. Box 22681, Kitwe	cbmlungu@yahoo.com	Member
Lungu	Chisoni	House No.2 Kasalanga, Kalulushi		lunguchisoni@gmail.com	Member
Lungu (DR.)	Alice	36 Kariba Road, No.3, R/Side, Kitwe		alicesuzyo@gmail.com	Member
Lupupa	Taulo	103 Central Street, Nkana East, Kitwe			Member
Maambo	Charles	House Number B1, CBU, Kitwe	P.O. Box 21692, Kitwe	charlesmaambo@gmail	Member
Machanda	Isaac	House No. 5521/840 Mukuba Street, chachacha.	P.O. Box 20819, Kitwe	machandai@cec.com.zm	Member
Mackay	Neil Caoen	2698 Mosi-O-Tunya, Kalulushi	P.O. Box 260028, Kalulushi	neilcmackay@gmail.com	Member
Maiba	Friday Davis	2640 New Ndeke, Kitwe	P.O. Box 20819, Kitwe	maibaf@cec.com.zm	Member
Makashini	Idah	31 Lubambe Drive, Riverside, Kitwe			Member
Makumba	Barnabas	8 Musenga Street, Kalulushi	P.O. Box 20180, Kitwe	styluseng@yahoo.com	Member
Malama	Chileshe	5762, Mungwi Close, Kitwe		chilebrings@yahoo.com	Member
Malama	Godfrey	0586 Mushili Bonano, Ndola		malamagodfrey21@gmail	Member
Malambo	Fabian Mazuba	B42, CBU Compound Riverside, Kitwe	P.O. Box 21692, Kitwe	fmalambo@CBU.ac.zm	Member
Malekani	John	14 Hippo Street, Nkana East, Kitwe	P.O. Box 22103, Kitwe	johnmalekani@gmail.com	Member
Makumba	Atanslus	7 Orange Street, ORC, Mufulira			Member
Mambwe	Thumelo	6 Richmond Gardens, Parklands, Kitwe	P.O. Box 20530, Kitwe	thumelo@mukuba.com.zm	Proxy of Mukuba Pension Trust
Masela	Socha	X1 Mukuba Natwange, Kitwe	P.O. Box 20819, Kitwe	maselas@cec.com.zm	Member
Masopo	Muchelenje Catherine	3349 Luapula Road, Kalulushi	P.O. Box 20819, Kitwe	muchelenjec@cec.com.zm	Member
Mayaba	Tresford	Plot 3041, New Ndeke, Kitwe	P.O. Box 20819, Kitwe	mayabat@cec.com.zm	Non-Member
Mazaba	Mwendamo Isaac	Plot 344 Meanwood Ibex, Lusaka		mwendamo.mazaba@liquidtelecom.com	Non-Member
Mazala	Felistus	1 Fyalipwa Crescent	P.O. Box 22920, Kitwe		Member
Mazyopa	Keith	173 Luela Street, Nkana East, Kitwe		kmazyopa@yahoo.co.uk	Proxy Of Mr.B.Z Mazyopa
Mbale	Clifford Phillip	35E 1st Street, Chingola	P.O. Box 20819, Kitwe	mbalec@cec.com.zm	Member
Mbewe	Israel	A2 Old Airport, Ndeke, Kitwe	P.O. Box 20819, Kitwe	mbewei@cec.com.zm	Member
Mbewe	Gorrette	15 Buffalo Village, Makeni, Lusaka		gorrettembewe@yahoo.com	Member

SURNAME	OTHER NAMES	RESIDENTIAL ADDRESS	POSTAL ADDRESS	EMAIL	STATUS
Mbewe	Cheelo	Makeni Bufflo Village, Lusaka		cheylombewe@gmail.com	Proxy Of Peggy H. Mbewe
Mbewe	William	1806 New Ndeke, Kitwe	P.O. Box 20819, Kitwe	mbewew@cec.com.zm	Member
Mbozi	Oswald Hamaluma	11 Liberia Nkana East, Kitwe		oswaldmbozi@gmail.com	Member
M'gemezulu	Morton Esau	3 Dag Hammerskjoed, Kalulushi	P.O. Box 20819, Kitwe	mgemezulum@cec.com.zm	Member
Misra(Prof)	Badri Prasad	162 Eagle Street, Nkana East, Kitwe	P.O. Box 21915, Kitwe	bepemi2003@yahoo.co.uk	Member
Miti	Duly	49 Dongwe, Kalulushi	P.O. Box 20819, Kitwe	mitid@cec.com.zm	Member
Moomba	Noreen	4 Bombesheni Close	P.O. Box 20975, Kitwe	noreen@diamond.co.zm	Proxy of Diamond Insurance
Moyo	Nashon	H/No. 142 Mukuba Natwange, Kitwe	P.O. Box 22822, Kitwe	moyon@cec.com.zm	Member
Mtonga	Annie	No.16 Mbamba Mindola, Miseshi, Kitwe			Proxy of Mike Mtonga
Mubita	Aaron	436/M Kapompi, Central Street, Nkana East, Kitwe	P.O. Box 20297, Kitwe		Member
Mubita	Lutangu Mwala	7 Egupto close, Parklands, Kitwe	P.O. Box 23320, Kitwe	mwala55@yahoo.co.uk	Member
Mugala	Chance	4903 Kariba Road, Riverside, Kitwe	P.O. Box 20819, Kitwe	mugalac@cec.com.zm	Member
Muhau	Pumulo	12 Leokasie, P/Lands, Kitwe	P.O. Box 20819, Kitwe	muhaup@cec.com.zm	Member
Muhau	Pumulo	Flat 12 Leoria Flats, Kitwe			Member
Mukando	Michael	T84 Wusakile Township, Kitwe		michaelmukanda@gmail.com	Member
Mukena	Esther	House No.2 Godetia Street, Luangwa Township, Kabwe			Member
Mukonde	Leo Beatrice	KPMG		bmukonde@kpmg.com	Non-Member
Mukuka	Daniel	E362, Wusakile, Kitwe		danielcmukuka@gmail.com	Member
Mukuka	Kelvin	No.9 Muleya Street, Kalulushi		kelvin.muks@gmail.com	Member
Mukuka	Mutale	2089 Farm X Acarcia Park,Chilanga, Lusaka	P.O. Box 20819, Kitwe	mutalem@cec.com.zm	Member
Mulandwa	S. Musonda	Plot 193, Vandium Avenue, Itimpi, Garneton, Kitwe		mulandwas@cec.com.zm	Member
Mulandwa	T. Cosmos	Plot 193, Vandium Avenue, Itimpi, Garneton, Kitwe		mulandwas@cec.com.zm	Member
Mulapwa	Harret	5 Mwenda Street, Nkana East, Kitwe	P.O. Box 23570, Kitwe	harret@mukuba.com.zm	Proxy Of Mukuba Pension
Muleba	Mark	25 Mamba Street, Twibukishe, Kitwe			Member
Mulele	Manyando Josephine	14 Mabvuto Court Parklands, Kitwe		manyandom@hotmail.com	Member
Mulenga	Taza Dalise	House No.2 Siakandobo Road, Kalulushi	P.O. Box 210507, Chililabombwe	taza.mulenga@yahoo.com	Member
Mulenga	Vincent	18 Kafue Chikola "A", Chingola	P.O. Box 20819, Kitwe	mulengav@cec.com.zm	Member

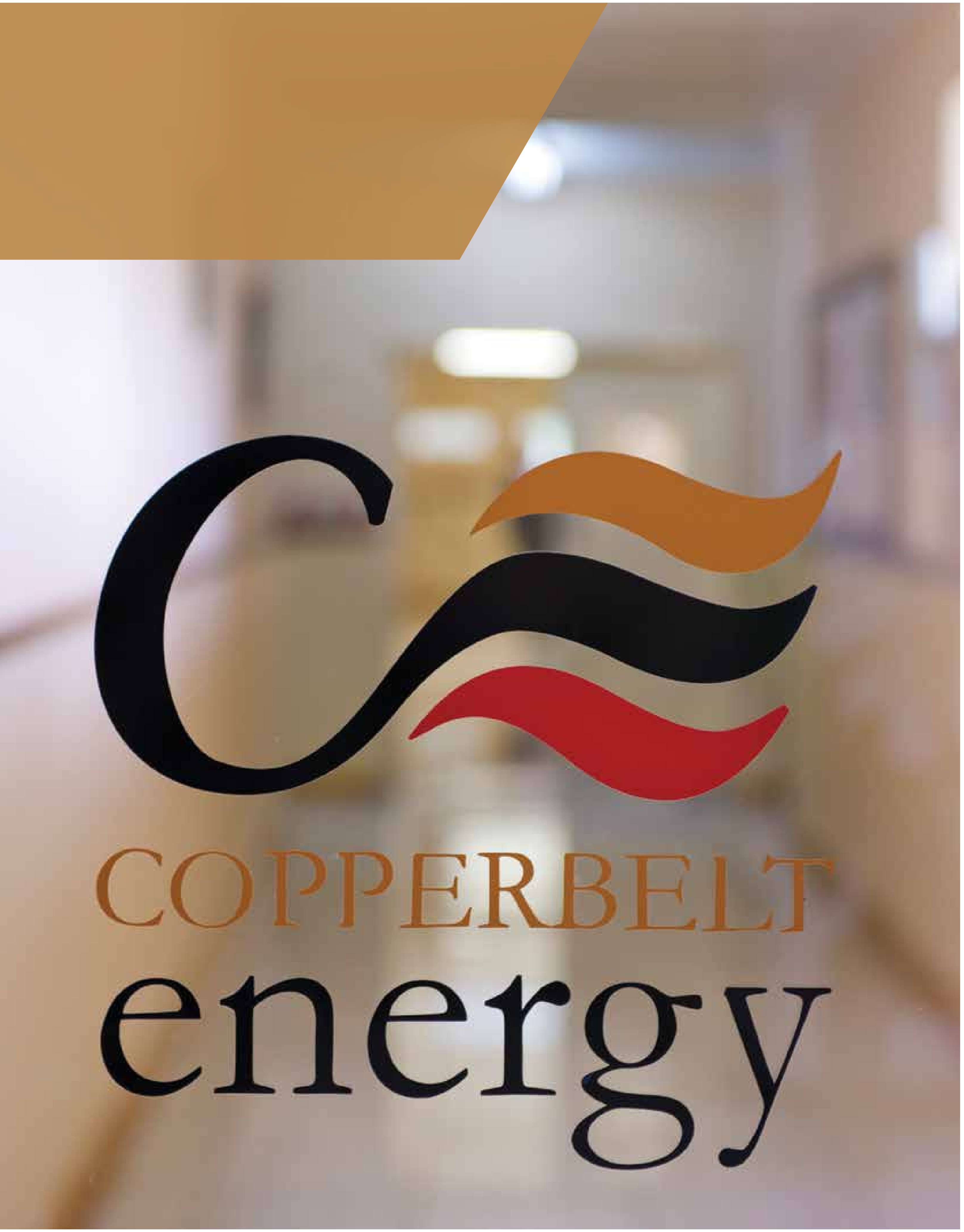
SURNAME	OTHER NAMES	RESIDENTIAL ADDRESS	POSTAL ADDRESS	EMAIL	STATUS
Mulenga	Sixtus Chileshe	2 Siankandobo Road, Kalulushi	P.O. Box 210507, Chililabombwe	sixtus.mulenga@iwayafrica.com	Member
Mulenga	Chota Musonda	KL440A, Kamirenda, Luanshya			Member
Mulenga	Dora Ngosa	5072 Zebra Street, Nkana East, Kitwe		ngoza.mulenga@yahoo.com	Member
Mulenga	Collins	38 Musuku Road, Miseshi/ Wusakile,Kitwe		mulengabesa@ymail.com	Member
Mulenga	Elizabeth	91 Kantanta Nkana East, Kitwe			Non-Member
Mulonda	Frank Nawa	7 Liberia Street, Kitwe			Proxy of Collins A. Mulonda
Mulubwa	Owen	1238 Ndeke, Kitwe		owenmulubwa@gmail.com	Non-Member
Muluka	Allan	247/8B Kantanshi, Mufulira			Member
Muluka	Kellyn	247/8B Kantanshi, Mufulira			Member
Muluka	Wenson Bornwell	247/8B Kantanshi, Mufulira			Non-Member
Mumba	Cephus	Plot No 13407 Kabushi Ext., Ndola	P.O. Box 72319, Ndola		Member
Mumbalanga	Betty Chileshe	Plot No.553 KL Kamirenda, Luanshya	P/ BAB 7 T.V.T.C, Luanshya	mumbalangabetty@gmail.com	Member
Mungo	Godwin	H/No. A8 Old Airport, Ndeke	P.O. Box 20819, Kitwe	mungog@cec.com.zm	Member
Munshya	Elias Mwape	52 President Avenue, Chingola	P.O. Box 20819, Kitwe	munshyae@cec.com.zm	Member
Mupela	Chilufya Chrispin	9Y12 Angola Road, Northrise, Ndola		chilufyamupela@yahoo.com	Member
Musamba	Peter	H/No.7497 Chimwemwe, Kitwe			Member
Mushabati	Donald	14 Mabvuto Court Parklands, Kitwe		dmushabati@yahoo.com	Member
Musitini	Lazarous	41 Kenyatta, Parklands, Kitwe	P.O. Box 20819, Kitwe	musitinil@cec.com.zm	Member
Musonda	Brian	Levy Park, Lusaka	P.O. Box 51275, Lusaka	musondab@napsa.co.zm	Proxy of NAPSA
Musonda	Gabriel	H736 Ndeke Village, Kitwe	P.O. Box 20018, Kitwe	anasturetiel@gmail.com	Member
Musonda	P. Nampito	7289 Kaleni Street, Kitwe	P.O. Box 20819, Kitwe	nampitop@cec.com.zm	Member
Musumali	Felix	19 Zamtel Complex, Ndola		fmusumali@yahoo.com	Member
Mutale	Osward Kinestone	H1063, Ndeke Village, Kitwe	P.O. Box 20819, Kitwe	mutaleo@cec.com.zm	Member
Mutale	Phillip Leo	10 Spurwing Avenue, Chililabombwe	P.O. Box 20122, Chililabombwe		Member
Mutanda	Nyanda	House No. 68, Mubulia Kabadi, Ndola	P.O. Box 72914, Ndola	mutandanyanda@gmail.com	Member
Mutanuka	Joshua	Flat A4 Cheswa Avenue, Luanshya		mutanukaj@cec.com.zm	Member
Mutobola	Musonda Mathews	Plot 840 T/Centre, Kitwe			Member
Mwaba	Ernest	House No.1543, Kwacha		ernemwa@gmail.com	Member

SURNAME	OTHER NAMES	RESIDENTIAL ADDRESS	POSTAL ADDRESS	EMAIL	STATUS
Mwafulirwa	Gladson R.	H/ No. P341, Chamboli, Kitwe			Non-Member
Mwaisaka	Trust Sileke	4866 Kariba Road, Riverside, Kitwe	P.O. Box 38956, Lusaka	tmwaisaka@sbc.com.zm	Member
Mwala	Mwala	7 Egupto Close, Kitwe		mwalamwala60@gmail.com	Proxy Of Lutangu Mwala
Mwale	Gelson	41 Datora Avenue, Luanshya	P.O. Box 91095, Luanshya	gelsonmwale@gmail.com	Member
Mwale	Kennedy	CH1135, Chifubu, Ndola		mkos2006@yahoo.co	Member
Mwale	Elias	1960 Pamozi, Ndola	P.O. Box 71999, Ndola	eliasmwale26@yahoo.com	Member
Mwamba	Besa Christopher	60 Lalafuta, Kalulushi	P.O. Box 60107, Kalulushi	mwambabes77@gmail.com	Non-Member
Mwamba	Victor	Flat No. 16, Donna Court	P.O. Box 20819, Kitwe	mwambav@cec.com.zm	Member
Mwambazi	Jimmy	Flat 2, ZESCO Flats, Lusaka	P.O. Box UTH 81, Lusaka	jm@umozi.com	Non-Member
Mwangala	Ignatius S.	Plot 4802 Mupaka Drive, Chingola	P.O. Box 20819, Kitwe	mwangalai@cec.com.zm	Member
Mwangomali	David	T-31 Wusakile, Kitwe		mwangomali@gmail.com	Member
Mwansa	Saviour Mupashi	1968, Mukuba Natwange, Kitwe	P.O. Box 20819, Kitwe	mwansas@cec.com.zm	Member
Mwanza	Jacob	5213 Lunga Close, Riverside, Kitwe	P.O. Box 23445, Kitwe		Member
Mwanza	Vincent Mathew	10 - Maamba Street, Twibukishe, Kitwe			Member
Mwanza	Thokozile Rachael	5213 Lunga Close, Riverside, Kitwe		thoquel@yahoo.com	Member
Mwanza	Dumisani		P.O. Box 23445, Kitwe	merdumisani@gmail.com	Member
Mwape	Collins	1123 Bulangililo, Kitwe			Member
Mwasembe	Emmanuel	No 5-25th Avenue, Nkana East, Kitwe	P.O. Box 20819, Kitwe	mwasembee@cec.com.zm	Member
Mwenya	Brian	House No.2 President Kennedy, Kalulushi		mwenyabrian@yahoo.co.uk	Member
Mwenya	Vernon Mwaba	1514 Hamapande Road, Ndola		vernon.mwaba@yahoo.com	Member
Mwewa	Kakumbi	832 New Eucalyptus, Kalulushi		kakumbimwewa@gmail.com	Proxy of Zeliya Daka
Mwiinga	Mainza	34A Musasa, CEC Village Nkana East, Kitwe	P.O. Box 20819, Kitwe	mwiingam@cec.com.zm	Member
Nambeya	Lillian	Kapiri Mposhi			Non-Member
Nambeya	Nellie	Fibawe Primary School, Kapiri Mposhi	P.O. Box 810063, Kapiri MP.O.shi	nambeyanellie@gmail.com	Non-Member
Namwila	Mercy Nkumbu	Farm No.3248 Kamirenda, Luanshya	P.O. Box 90767, Luanshya	nkumbumercynamwila@yahoo.com	Member
Nasilele	Akamadisa	House No.22 Mwenda Street, Nkana East, Kitwe		info@mobritech.com	Member
Nayee	Bharat	20 Enos Chomba Ave, Parklands, Kitwe		bretston@gmail.com	Member

SURNAME	OTHER NAMES	RESIDENTIAL ADDRESS	POSTAL ADDRESS	EMAIL	STATUS
Ndhlovu	Jacklim	House No. "H"592, Ndeke Village, Kitwe	P.O. Box 20819, 23rd Avenue, Nkana East, Kitwe	ndhlovuj@cec.com.zm	Non-Member
Ngandu	Lameck	137 Kombe Avenue, Mufulira	P.O. Box 40578, Mufulira	ngandulameck@gmail.com	Member
Ngoma	Yobby	G44, Ndeke Village, Kitwe	P.O. Box 20819, Kitwe	ngomay@cec.com.zm	Member
Ngosa	Predencia			predencia@gmail.com	Proxy Of Aflife Managers Funds
Ngosa	Emmanuel Sundie	Plot 1551, Kapiri Mposhi		ngosaemanuel@yahoo.co	Member
Ngowani	Usonia	Luanshya			Non-Member
Ngowani	Evaristo	Blind Centre Village, Masaiti			Member
Nkama	Rabecca	3963 Mulundu Place, Riverside, Kitwe	P.O. Box 20819, Kitwe	rabeccankama@gmail.com	Member
Nkandu	Moses Mwansa	3782 Chalo Chesu Road, Ndola		mosesmwansa.nkandu@gmail.com	Member
Nkhoma	Hellen	35 Geddes Street, Nkana East, Kitwe		helena.nkhoma@gmail.com	Member
Nkole	P.G Same	Farm No.15, Kamfinsa	P.O. Box 20431, Kitwe		Member
Nkomesha	Robert	4388 Luanshya			Non-Member
Nkwanga	Agnes Mumba		P.O. Box 23445, Kitwe	dokowe2008@gmail.com	Member
Nsabika	Chama	No. 410/100 Off Kabulonga Road, Ibex Hill, Lusaka	P.O. Box 320125, woodlands, Lusaka	nsabika@cec.com.zm	Member
Nsabula	Harrison	23 Nsombo Road, M/N, Kitwe		nsabula@gmail.com	Member
Nsemiwe	Peter K.	14 Luapula Drive, Riverside, Kitwe	P.O. Box 21964, Kitwe	koicasansemiwe@hotmail.com	Member
Ntongwe	Marvis William	5 Zambia Avenue, Chililabombwe			Member
Nyachikanda	Noah	8 Musasa Avenue, Nkana East, Kitwe		noah.neway@gmail.com	Non-Member
Nyachikanda	Christine	8 Musasa Avenue, CEC Village, Nkana East, Kitwe		tinanyachi@gmail.com	Member
Nyirenda	Rhoda N.M	No.2 -25th Avenue Nkana East, Kitwe		rhodanm76@gmail.com	Member
Nyirenda	Quochiwe Rahab	Flat D, 7144, Nkana East, Kitwe	P.O. Box 20819, 23rd Avenue, Nkana East, Kitwe	rahabq4@gmail.com	Member
Nyirenda	Vincent	2317 Musokotwane, Kalulushi	P.O. Box 20819, Kitwe	nyirendavc@cec.com.zm	Member
Peter	Lwembe Sikazwe	3346 Mikonfwa, Luanshya			Member
Phiri	Moffat	159A Buteko Drive, Kalulushi	P.O. Box 20819, Kitwe	phirim@cec.com.zm	Member
Price	Frank John	Plot 10 Misenga, Chingola	P.O. Box 112700, Chingola	franjpri@hot.mail.co	Member

SURNAME	OTHER NAMES	RESIDENTIAL ADDRESS	POSTAL ADDRESS	EMAIL	STATUS
Sailli	Kenny	14, Nsuzu Avenue, Eastlea, Mufulira			Member
Sakala	Maggie	Copperbelt University	Railway System of Zambia, P.O. Box 630004, Choma	maggieblessings@gmail.com	Member
Sakala	Nosiku Kamungoma	6749 B Nkana East, Kitwe	P.O. Box 22535, Kitwe	nosikus@yahoo.com	Proxy of Nosiku T.K Sakala
Shawa	Manda Elizabeth	105 Bouhiwia Avenue, Kalulushi			Member
Shikabwali	Grace	7 Lunsemfwa Drive, Riverside, Kitwe	P.O. Box 22565, Kitwe		Member
Siame	Yotam	150 Fairview Stage One, Kapiri Mposhi		yotamsiame@gmail.com	Proxy of B. Tembo
Siamwanja	Christopher	178B Central Street, Nkana East, Kitwe	P.O. Box 20819, Kitwe	siamwanjac@cec.com.zm	Non-Member
Sibalwa	Muntanga	House No.21 Muuyu Close, Nkana East, Kitwe	P.O. Box 20819 Kitwe	muntanga@hotmail.com	Member
Sibayumba	David Siabona	N1-379/1 New Kawama, Kitwe	P.O. Box 21443, Kitwe		Member
Sichone	Samuel	H/No.50 Katyetye Chachacha, Kitwe	P.O. Box 20819, Kitwe	sichones@cec.com.zm	Member
Sikazweh	Chifumpe	16988 Massmedia, Lusaka	P.O. Box 30894, Lusaka	ggsikazweh@zsiclife.co.zm	Member
Silavwe	Owen	3 Mimosa CPC Village, Kitwe	P.O. Box 20819, Kitwe	silavweo@cec.com.zm	Member
Simakoloyi	Gilbert Hachizenge	Plot No.TT18/840 Chachacha, Kitwe	P.O. Box 20819, Kitwe	simakoloyig@cec.com.zm	Member
Simasyikwe	Anderson	House No. 116, Geddes Street, Kitwe			Member
Simbeye	Caroline Ngulube	Plot 1074 Nile Road, Riverside	P.O. Box 11070, Chingola		Member
Simfukwe	Eston	House No. KM62, Kamirenda, Luanshya	P.O. Box 90985, Luanshya	iwulpowers@yahoo.com	Member
Simfukwe	Jackson	House No.2644 Kwacha East, Kitwe			Member
Simpho	Isaiah Mushani	House No.121, Datura, Luanshya			Member
Simukoko	Benny	11 Washington Avenue Nkana East, Kitwe	P.O. Box 20819, Kitwe	simukokob@cec.com.zm	Member
Simukoko	Asher	2 Fwifwi Close, Nkana East, Kitwe	P.O. Box 20819, Kitwe	simukokoa@cec.com.zm	Non-Member
Simukoko	Jonathan Lukumbuko	3 Diamond Crescent, Parklands, Kitwe		sjonathan.js23@gmail.com	Member
Sindowe	Hanson	47 Acacia Drive, Eureka Park, Lusaka	P.O. Box 20819, Kitwe	sindoweh@cec.com.zm	Member
Sinyangwe	Rachael S.	Plot 7291 off Lantana Street, Nkana East, Kitwe	P.O. Box 20819, Kitwe	sinyangwer@cec.com.zm	Non-Member
Sondashi	Benaiah Tsemba	138 Kantanta Street, Nkana East, Kitwe		benaiah.s@gmail.com	Member
Sungwe	Magdalene	House No.3 Mindolo Secondary School, Kitwe			Member
Syamambo	Raphael	15 Nursery Crescent, Nkana East, Kitwe	P.O. Box 20819, Kitwe	shamambor@cec.com.zm	Member
Sydney	Mulenga	1029 Kalengwa East, Kalulushi	P.O. Box 260032, Kalulushi	sydneymulenga@gmail.com	Member

SURNAME	OTHER NAMES	RESIDENTIAL ADDRESS	POSTAL ADDRESS	EMAIL	STATUS
Tamale	Ronald	49B Kinross Avenue, Johannesburg		ronald.tamale@sc.com	Non-Member
Tamina	Mulenga Joseph	15, Mwenda St, Nkana East, Kitwe		lasuasceletozl@yahoo.com	Member
Tandeo	Michael	19 Hindu Hall, Kalulushi		tandeomichael@gmail.com	Member
Tembo	Loveness				Member
Tembo	Bornwell	Plot No. 103, Kapiri Mposhi	P.O. Box 810293, Kapiri Mposhi		Member
Tembo	Soka	Lusaka P.H 28712		sokatembo7@gmail.com	Non-Member
Tembo	Matildah	6380 Chimwemwe, Kitwe			Proxy Of H. Banda
Wamunyima	Kuonga Bruno	28 Wisteria Avenue, Luanshya	P.O. Box 90965, Luanshya	bkwamunyima@yahoo.com	Member
Zeka	Aaron Deluxe	52 Amabungo Street Kabundi North, Chingola			Member
Zimba	Ellie	65 Geddes Street, Nkana East, Kitwe		sourceafricazltd@gmail.com	Proxy of John Smart Chola
Zimba	Lungowe Allina	Plot 111C, Mindolo Secondary School			Member
Zimba	Frazier	2554 New Ndeke, Kitwe	P.O. Box 20819, Kitwe	zimbaf@gmail.com	Member
Zulu	Levison		Maposa S.D.A KMD, P.O. Box 20075, Kitwe		Member



COPPERBELT ENERGY CORPORATION PLC FORM OF PROXY

FORM 1 (Corporate Representative)

We ....(*name of Corporate Body*)

of .... being a Member of

Copperbelt Energy Corporation Plc, hereby appoint ....

of .... to act as our

representative and proxy to vote on behalf of ....

(*name of Corporate Body)* at the Nineteenth Annual General Meeting of the Company to be held on Thursday the 29th day of March, 2018 and at any adjournment thereof:

			For	Against
Resolution	1	Minutes of the Annual General Meeting of 31st March 2017	☐	☐
Resolution	2	Directors' Report and Financial Statements for the year ended 31st December 2017	☐	☐
Resolution	3	Ratification of dividend payment made on 6th March 2017	☐	☐
Resolution	4	Appointment and remuneration of Auditors	☐	☐
Resolution	5	Appointment of Directors	☐	☐
Resolution	6	Directors' Remuneration	☐	☐

Signed: ....
(Authorised Signatory)

Date: ....

COPPERBELT ENERGY CORPORATION PLC
FORM OF PROXY

FORM 1

I/We ....of ....

being a Member/Members of the above named Company, hereby appoint ....

of .... or, in his/her absence ....

of .... as my/our proxy to vote for me/us on my/our behalf at the Twentieth

Annual General Meeting of the Company to be held on Thursday 29th March, 2018 and at any adjournment thereof

			For	Against
Resolution	1	Minutes of the Annual General Meeting of 31st March 2017	☐	☐
Resolution	2	Directors' Report and Financial Statements for the year ended 31st December 2017	☐	☐
Resolution	3	Ratification of dividend payment made on 6th March 2017	☐	☐
Resolution	4	Appointment and remuneration of Auditors	☐	☐
Resolution	5	Appointment of Directors	☐	☐
Resolution	6	Directors' Remuneration	☐	☐

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

Signed: ....
(Authorised Signatory)

Date: ....

Corporate information

Copperbelt Energy Corporation Plc
(Incorporated in the Republic of Zambia)
Registration number: 39070
Share code: CEC.zm
Listed: 2008
Securities exchange: LuSE
Sector: Energy

Registered office
23rd Avenue
Nkana East
Kitwe

Corporate office
1st Floor Abacus Square
Stand 2374/B
Thabo Mbeki Road
Lusaka

Postal address
P O Box 20819, Kitwe
P O Box 320125, Woodlands, Lusaka

Contact information
Telephone: +260 212 244 556 / +260 212 244 956 / +260 211 261 298
Fax: +260 212 244 040 / +260 211 261 640
Website: www.cecinvestor.com
Email: info@cec.com.zm
Facebook: www.facebook.com/cecinvestor
Twitter: www.twitter.com/cecinvestor

Corporate communication and investor relations
Chama S. Nsabika
E-mail: nsabika@cec.com.zm

Company secretary
Julia C. Z. Chaila
E-mail: chailaj@cec.comzm

Transfer secretary
Corpserve Transfer Agents
6 Mwaleshi Road
Olympia Park
Lusaka
E-mail: info@corpservezambia.com.zm
Telephone: +260 211 252 6969/211 256 970/+260 950 968 435
Postal address: P O Box 37522, Lusaka

Sponsoring broker
Stockbrokers Zambia Limited
32 Lubu Road
Long Acres
Lusaka
E-mail: info@sbz.com.zm
Telephone: +260 211 232 456
Postal address: P O Box 38956

Auditors
KPMG
First floor, Elunda 2
Addis Ababa Roundabout, Rhodes Park
Lusaka
Tel: +260 961 141 307

Bankers

Citibank Zambia Limited
Stand 4646 Addis Ababa Drive Roundabout
Lusaka
Telephone: +260 211 444 492 / 211 444 493

Stanbic Bank Zambia Limited
Head Office
Addis Ababa Drive,
Lusaka
Phone: +260 211 370 000

Standard Chartered Bank (Z) Plc
Standard Chartered House
Cairo Road
Lusaka
Telephone: +260 212 224318

United Bank for Africa Zambia Limited
Stand 22768, Thabo Mbeki Road
Lusaka
Telephone: +260 212 225305

Barclays Bank Zambia Plc
Kitwe City Square
Kitwe
Telephone: +260 212 232 057

Access Bank Zambia Plc
Plot 632 Cairo Road, Northend
Lusaka
Telephone: +260 211 227 941

SUPPLEMENTARY INFORMATION

Glossary of terms and abbreviations

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

"Act" or "Companies Act"	the Companies Act, 2017
"Adjusted EBITDA	EBITDA adjusted for impairment (loss)/gain
"AGM"	The annual general meeting of the members or shareholders of CEC or the Company
"Articles"	The Articles of Association of the Company (CEC)
"the Board" or "the Directors"	The board of directors of CEC as at the date of this annual report and "Director" shall be construed accordingly
"BSA"	The bulk supply agreement between CEC and ZESCO Limited
"CEC" or "the Company"	Copperbelt Energy Corporation Plc (Registration number 39070), a public company incorporated in accordance with the laws of Zambia and listed on the LuSE
"CEC Group" or "the Group"	CEC and its subsidiaries, as defined under the Companies Act, 2017
"CEC Liquid Telecom"	CEC Liquid Telecommunication Limited (Registration number 92298), a company registered in Zambia and owned 50% by CEC
"CEC-KHPL"	CEC-Kabompo Hydro Power Limited (Registration number 99488), a company registered in Zambia
"CNMC LCM"	CNMC LCM Luanshya Copper Mines, a customer of CEC
"Copperbelt"	The mining area of Zambia, which is centred around the Copperbelt Province of Zambia
"Certificated Shares"	CEC shares which have not yet been dematerialised in terms of the requirements of CSD, title to which is represented by a share certificate or other documents of title
"Copperbelt"	the mining area of Zambia, which is centred around the Copperbelt Province of Zambia
"Corporate Governance Code"	the corporate governance code of the LuSE
"CSR"	Corporate Social Responsibility
"CTA"	Common Terms Agreement
"CSD" or "LuSE CSD"	the Central Securities Depository maintained by the LuSE
"Dematerialised Shareholders"	CEC shareholders who hold Dematerialised Shares in CEC
"Dematerialised Shares"	CEC Shares which are held through the CSD and are no longer evidenced by a share certificate or other documents of title
"Dividend"	a distribution of a portion of the Company's earnings, decided by the board of directors, paid to shareholders
"Documents of Title"	share certificates, certified transfer deeds, balance receipts, or any other documents of title to CEC Shares
"DPS"	dividend per share
"DRC"	Democratic Republic of Congo
"Earnings Per Share" or "EPS"	earnings attributable to each CEC share, calculated by dividing the Company's profit attributable to shareholders by the weighted average number of issued CEC shares
"EBITDA"	Earnings Before Interest, Tax, Depreciation and Amortization
"ERB"	Energy Regulation Board, Zambia's energy sector regulatory body established under the Energy Regulation Act Chapter 436 of the Laws of Zambia
"ESAP"	Environmental and Social Action Plan
"ESIA"	Environmental Social Impact Assessment
"ESMP"	Environmental and Social Management Plan
"FFR"	Fatality Frequency Rate
"FY"	the appropriate financial year-end reporting date for the defined year

"GDP"	Gross Domestic Product, monetary measure of a country's economy
"Golden Share"	"Golden Share" or "Special Share" is a share in CEC that may only be issued to, held by and transferred to the Minister responsible for Finance or his successor or a nominee on his behalf or any other Minister or other Person acting on behalf of GRZ, the Special Shareholder
"GRZ"	Government of the Republic of Zambia
"GRZ Nominated Member"	the Board member appointed by GRZ, pursuant to the Golden Share, usually the Permanent Secretary of the Ministry of Energy as shall be designated as such by the Minister from time to time
"GTAs"	Gas Turbine Alternators, emergency thermal power generators/plants
"GWh"	Gigawatt hours, is a unit of energy representing one billion (1,000,000,000) watt hours and is equivalent to one million kilowatt hours. Gigawatt hours are often used as a measure of the output of large electricity power stations
"Hai"	Hai Telecommunications Limited (Registration number 46356), a company incorporated in Zambia, wholly owned by CEC Liquid Telecom
"HSES"	Health, Safety, Environment and Social
"HV"	High Voltage
"IAS"	International Accounting Standards
"ICT"	Information and Communication Technologies
"IFRS"	the International Financial Reporting Standards and Interpretations adopted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee of the IASB
"IMS"	Integrated Management System
"IPP"	Independent Power Producer(s)
"Independent Reporting Accountant"	KPMG Chartered Accountants, a partnership registered in Zambia
"ISA"	International Standards on Auditing
"ISO"	International Organisation for Standardization
"Kabompo"	the Kabompo Gorge Hydroelectric Power Project, located in the North-Western Province of Zambia
"KCM"	Konkola Copper Mines Plc, a customer of CEC
"KM" or "km"	Kilometers, a measure of distance equivalent to 1,000 metres
"kV"	Kilovolts, a unit of electromotive force equal to 1000 volts
"Listings Requirements"	the Listings Requirements of the LuSE, as amended from time to time
"LTA"	Lost Time Accident
"LTE"	Long Term Evolution
"LTIFR"	Lost Time Injury Frequency Rate
"LuSE"	the Lusaka Securities Exchange Limited (Registration number 30495), a company incorporated in Zambia and licensed to operate as a stock exchange under the Securities Act, Chapter 354 of the Laws of Zambia
"MCM or Mopani"	Mopani Copper Mines Plc, a customer of CEC
"MoE"	Ministry of Energy
"Mutende"	Mutende Community Service Group, a voluntary charitable association of CEC employees
"MW"	Megawatt(s), a unit of power equal to one million watts
"NAV"	Net asset value
"Net Asset Value Per Share" or "NAV per share"	CEC shareholders' equity, as determined by deducting liabilities from assets, divided by the weighted average number of CEC shares in issue
"PACRA"	the Patents and Companies Registration Agency of Zambia, established pursuant to section 3 of the Patents and Companies Registration Agency Act No. 15 of 2010 as amended
"PAT"	profit after tax
"PBT"	profit before tax
"Person"	a natural individual or body corporate with legal capacity
"Power Dynamos or PDFC"	Power Dynamos Football Club
"PSA"	Power Supply Agreement (between CEC and each of its customers)

"Register"	means the register of Certificated Shareholders maintained by CEC and the sub-register of Dematerialised Shareholders maintained by the Transfer Secretary
"ROA"	Return on Assets
"ROE"	Return on Equity
"RTA"	Road Traffic Accident
"RTAFR"	Road Traffic Accident Frequency Rate
"RTI"	Road Traffic Incident
"SADC"	the Southern African Development Community, a 16-member inter-governmental organisation whose goal is the furtherance of socio-economic cooperation and integration, and political and security cooperation
"SAPP"	the Southern African Power Pool, an arrangement for, *inter alia*, co-operation in matters of electricity generation and distribution between member states, including Zambia
"SEC"	the Securities and Exchange Commission Zambia, a statutory body established under the Securities Act
"SENS"	Securities Exchange News Service of the LuSE
"Shareholders"	registered holders of CEC Shares
"Shares"	ordinary shares of CEC with a par value of ZMW0.01 each in the authorised and issued share capital of the Company
"SHE"	Safety, Health and Environment
"SNEL"	Société Nationale d'Électricité, the national power utility of the DRC
"Solar PV"	Solar photovoltaic, a power system designed to supply usable solar power by means of photovoltaics
"Transfer Agent" or "Transfer Secretary"	Corpserve Transfer Agents Limited (Registration number 74349), a company registered in Zambia
"UK"	United Kingdom
"USD" or "$"	United States Dollars
"VFL"	Visible Felt Leadership
"Volts"	a standard unit used to measure the force of an electric current
"VSAT"	Very Small Aperture Terminal
"Zambia"	the Republic of Zambia
"ZCCM"	Zambia Consolidated Copper Mines Limited
"ZCCM-IH"	ZCCM Investments Holdings Plc (Registration number 771), a company registered in Zambia
"ZECI"	Zambian Energy Corporation (Ireland) Limited (Registration number 414474) a company registered in Ireland
"ZEMA"	Zambia Environmental Management Agency
"ZESCO"	ZESCO Limited, the national power utility of Zambia
"ZMW"	Zambian Kwacha, the legal tender of Zambia
"ZRA"	The Zambia Revenue Authority, the state revenue collector of Zambia

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Notes

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