



zccm-ih shareholders <zccm-ihshareholders@gmail.com>

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A. malyo, lahba, lilo, herya, tala, jama, musape, cheery, soto, kya, egona, mu, n'edu, basogola, tiza, mu, waa, se, mata, mu, kolaba, bila, se, fozwa, o, n'ima, e, k'ala, to, ry, d, m, baye, p, h'ia, s, k, p, a, christophe, d'nege, amos, lo, gwe, i, he, ya, m, i, agoro, pu, mo, ta, ta, p, ka, e, n'fo, o, h, r, g, o, ba, o, h, e, t, a, l, a, ba, l, o, n, a, l, o, n'f, i, h, o, r, p, o, r, t, a, o, h, j, e, t, a, n, o, i, m, b, i, k, i, t, a, m, b, o, y, o, s, m, b, e, r, o, m, a, g, a, m, b, w, e, w, m, p, h, i, i, i, m, b, a, t, a, h, i, o, n' i, m, b, e, n, y, b, e, d, e, p, h, a, n, d, e, b, a, r, d, p.

Dear Mr. KALUBA,

When the serious incidents at Ndola Lime were revealed in the Press in recent years, we contacted Director TAUSSAC to inform him of our questions and our concerns about these scandals. He told us that these were technical problems and that it was necessary to turn the page. He said that this was an invention of the opposition which did not verify its own allegations. So our group of shareholder did not investigate the matter further. ZCCM-IH was led at the time by former CEO Pius Kasolo and Chairman Cosmas Mwananshiku.

Few days ago, a member of our group discovered the parliamentary report on this matter « COMMITTEE ON PARASTATAL BODIES ON THE REVIEW OF OPERATIONS AND MANAGEMENT OF ZCCM INVESTMENT HOLDINGS AND ZAMBIA TELECOMMUNICATIONS COMPANY LIMITED », dated July 2019. This report was written under the direction of PF Committee Chairperson Peter DAKA.

The findings are staggering as they shed light on the real underbelly of the scandal.

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#### 8.8.9 Investigations through Interpol on the Procured Kiln

The Committee observes with serious concern the handling of the procurement process relating to the VK2 kiln at Ndola Lime Company. The Committee further observes that the turn of events where the company that supplied the equipment went into liquidation soon after the Kiln failed to operate appears to suggest that there was a syndicate to deprive the state. The Committee, therefore, strongly recommends that IDC should engage Interpol to pursue the matter in which over US\$ 7, 976,140, which was part of the recapitalisation project under the contract total sum of US\$ 100 million. The Committee further recommends that a forensic audit should be conducted with a view to bringing to book all the Zambian consultants and employees of NLC who may be found wanting in this transaction.

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Zambian parliamentarians have explicitly asked IDC to initiate the necessary prosecutions and bring the crooks to justice in July 2019.

We have not been informed of any proceedings against the Ndola Lime swindlers. As IDC representative on ZCCM-IH Board, did you initiate such a prosecution and forensic audit? If not, why did you not follow the recommendations of the parliamentary Committee? When do you plan to hunt the crooks?

ZCCM-IH lost more than \$120 million in this scandal, a considerable amount of money compared to its revenues. The credibility and probity of ZCCM-IH's Management and Board are at stake.

Moreover, your possible inaction in trying to recover some of the money lost is incomprehensible, especially since ZCCM-IH has few resources and we read that IDC had to borrow poor K5 million last January.

As a member of ZCCM-IH Board representing IDC, an institution named by the parliamentary Committee in its report, please do the right thing and do it quickly for the benefit of ZCCM-IH shareholders and in particular the Zambian people. I would like to remind you that beyond being a representative of IDC, it is your duty to safeguard the interests of our company and all its shareholders as a Director on the board of ZCCM-IH.

Finally, bad habits are reappearing. The delays of the publication of ZCCM-IH's balance sheets are unacceptable, the deadlines mentioned are not even met. Moreover, there is absolutely no explanation given to the shareholders. This is a serious discredit to the company, which does not even respect the rules of the regulatory authorities.

Yours sincerely,

Thierry CHARLES

Spokesperson of Minority Shareholders of ZCCM-IH