

27 March 2024

CCC Merger Inquiry Notice No. 14 of 2024

Notice of Inquiry into on the Proposed Acquisition by JCHX Mining Management Co., Ltd of Lubambe Copper Mines Limited

It is hereby notified in terms of Article 26(6) of the COMESA Competition Regulations (the “**Regulations**”) that the COMESA Competition Commission (the “**Commission**”), after receiving a notification in terms of Article 24 of the Regulations regarding the proposed acquisition by JCHX Mining Management Co., Ltd (“**JCHX**” or the “**acquiring undertaking**”) of 80% shareholding in Lubambe Copper Mines Limited (“**LCML**” or the “**target undertaking**”) and intends to embark on an inquiry in terms of Article 26 of the Regulations.

The proposed transaction entails Konnoco (B) Inc. selling its 80% shareholdings in Lubambe Copper Mines Limited to Sundimo Mining Investment Limited, a wholly owned subsidiary of Conest Resources Limited which in turn is a wholly owned subsidiary of JCHX Mining Management Co., Ltd.

The parties submitted that the acquirer, JCHX, is a mining service provider that focuses on engineering, mine construction, underground development, contract mining, and research & development in non-ferrous, ferrous and chemical industries. JCHX Mining has mining operations globally including its mining operations in the Common Market through its subsidiaries in Zambia and Democratic Republic of Congo (“**DRC**”).

The parties submitted that the Target Business, LCML, is a private limited company incorporated in Zambia which is licensed to mine copper under the LCML Licence. LCML is owned by Konnoco (B) Inc and ZCCM Investment Holdings Plc.

According to the parties, following the closing of the proposed transaction, LCML will enhance its copper production. LCML will also benefit from the acquiring firm’s technical knowledge in the mining industry thereby improving its overall efficiency. The economy will in this regard benefit from increased foreign currency inflows, local and regional suppliers will benefit from the continued and growing business of the Mine.

The Commission will, in accordance with the provisions of the Regulations, determine, among other things, whether the Proposed Transaction is likely to substantially prevent or lessen competition within the Common Market and whether the Proposed

Transaction is or would be contrary to the public interest as provided for under Article 26 of the Regulations.

In view of this, the Commission hereby gives notice to all interested stakeholders, including competitors, suppliers and customers of the parties to the proposed transaction to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: mdebessay@comesacompetition.org. All written representations should be sent to the Commission not later than **17 April 2024**.

Should you wish to seek further details and/or clarification on any aspect of this letter or if you need any assistance, you may contact **Mr. Mengistu Debessay, Senior Analyst, Competition Division** on +265 111 772 466 or via email at mdebessay@comesacompetition.org.

All written representations submitted to the Commission will be treated with the strictest confidentiality and will only be used for the purpose of this inquiry.