

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

**ISSUER**



**ZCCM INVESTMENTS HOLDINGS PLC ("ZCCM-IH")**

[Incorporated in the Republic of Zambia]

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

**SPONSOR**



**STOCKBROKERS ZAMBIA LIMITED**

**Stockbrokers Zambia Limited**

[Founder Member of the Lusaka Securities Exchange]

[Regulated and licensed by the Securities and Exchange Commission of Zambia]

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**APPROVAL**

The captioned Notice or Announcement has been approved by:

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

**RISK WARNING**

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

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

**ISSUED: 14 June 2021**



## ZCCM INVESTMENTS HOLDINGS PLC

[Incorporated in the Republic of Zambia]

Company registration number: 771

Share Code: ZCCM-IH

ISIN: ZM0000000037

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

### ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2019

#### INTRODUCTION

In compliance with the requirements of the Securities Act No. 41 of 2016, ZCCM Investments Holdings Plc ("ZCCM-IH Plc") announces the provisional financial statements results of the Company and its subsidiary (Collectively referred to as the "the Group") for the nine-month period ended 31 December 2019.

#### CHANGE OF FINANCIAL YEAR END

The financial year end of the Group was changed from 31 March to 31 December in order to comply with the provisions of Section 71 of the Public Finance Management Act and align to the majority shareholder's financial year end. Accordingly, the current financial statements are prepared for nine (9) months from 1 April 2019 to 31 December 2019 and as a result, the comparative figures stated in the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and the related notes are not comparable.

#### STRUCTURE OF THE ZCCM-IH GROUP

The ZCCM-IH Group consisted of the following eight (8) subsidiary companies as at 31 December 2019:

Name	Shareholding
ZCCM-IH	Parent Company
Ndola Lime Company Limited	100%
Kariba Minerals Limited	100%
Misenge Environmental and Technical Services Limited	100%
Mushe Milling Limited	100%
Nkandabwe Coal Mine Limited	100%
Kabundi Resources Limited	100%
Limestone Resources Limited	100%
Investrust Bank Plc	71.4%

The Company also had other interests in the undernoted companies:

<b>Name</b>	<b>Shareholding</b>
Rembrandt Properties	49.00%
Central African Cement Company Limited	49.00%
Maamba Collieries Limited	35.00%
Copperbelt Energy Corporation Plc	24.10%
Konkola Copper Mines Plc	20.60%
Kansanshi Mining Plc	20.00%
CEC Africa Investments Limited	20.00%
Lubambe Copper Mine Plc	20.00%
CNMC Luanshya Copper Mines Plc	20.00%
Copper Tree Minerals Limited	15.58%
NFCA Africa Mining Plc	15.00%
Chibuluma Mines Plc	15.00%
Chambishi Metals Plc	10.00%
Mopani Copper Mines Plc	10.00%
Oranto Oil Block	10.00%
Nkana Alloy Smelting Company Limited	10.00%

#### **ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<b>Audited Nine Months to 31 Dec 2019 ZMW'000</b>	<b>Audited 12 Months to 31 Mar 2019 ZMW'000</b>
<b>Revenue</b>	<b>62,432</b>	<b>76,670</b>
<b>Gross profit</b>	<b>9,417</b>	<b>45,166</b>
<b>Operating loss</b>	<b>(155,385)</b>	<b>(580,284)</b>
Net finance income	139,074	5,829
Share of profit of equity accounted investees	420,348	973,213
<b>Profit before tax</b>	<b>404,037</b>	<b>398,758</b>
Income tax (expense)/credit	(22,871)	49,105
<b>Profit from continuing operations</b>	<b>381,166</b>	<b>447,863</b>
Loss from discontinued operations	<b>(73,979)</b>	-
<b>Profit for the year</b>	<b>307,187</b>	<b>447,863</b>
<b>Earnings per share (k)</b>	<b>1.91</b>	<b>2.79</b>
<b>Basic and diluted earnings per share (k)</b>	<b>1.91</b>	<b>2.79</b>

**ABRIDGED COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<b>Audited Nine Months to 31 Dec 2019 ZMW'000</b>	<b>Audited 12 Months to 31 Mar 2019 ZMW'000</b>
<b>Investment income</b>	<b>171,163</b>	<b>180,624</b>
<b>Operating profit / (loss)</b>	<b>17,096</b>	<b>(319,576)</b>
Net finance income	96,927	(123,835)
<b>Profit/(loss)/ before tax</b>	<b>175,601</b>	<b>(269,950)</b>
Income tax (expense)/ credit	<b>(22,166)</b>	<b>162,426</b>
<b>Profit/(loss) for the year</b>	<b>153,435</b>	<b>(107,524)</b>
<b>Earnings per share (k)</b>	<b>0.95</b>	<b>(0.67)</b>
<b>Basic and diluted earnings per share (k)</b>	<b>0.95</b>	<b>(0.67)</b>

**ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION**

	<b>Audited 31 Dec 2019 ZMW'000</b>	<b>Audited 31 Mar 2019 ZMW'000</b>
<b>Assets</b>		
Property, plant and equipment	299,125	187,268
Intangible assets	648	8,532
Investment property	167,970	251,230
Investments in associates	11,855,067	10,276,405
Goodwill	119,818	-
Financial assets at fair value through profit or loss	-	584
Inventories	52,057	104,681
Trade and other receivables	729,685	1,153,236
Assets held for sale	1,127,333	-
Deferred tax assets	564,304	601,589
Term deposits	274,960	754,438
Cash and cash equivalents	56,816	74,480
<b>Total assets</b>	<b>15,247,783</b>	<b>13,412,443</b>
<b>Equity and liabilities</b>		
Share capital and reserves	12,629,831	11,025,116
Bank overdraft	2,641	-
Borrowings	-	104,357
Deferred tax liabilities	238,185	245,455
Trade and other payables	738,912	1,553,171
Liabilities associated with assets classified as held for sale	1,191,270	-
Provisions	83,118	127,590
Retirement benefits	34,669	34,180
Provisions for environmental rehabilitation	119,253	145,460
Current tax liabilities	209,904	177,114
<b>Total equity and liabilities</b>	<b>15,247,783</b>	<b>13,412,443</b>

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**ABRIDGED COMPANY STATEMENT OF FINANCIAL POSITION**

	<b>Audited</b> <b>31 Dec 2019</b> <b>ZMW'000</b>	<b>Audited</b> <b>31 Mar 2019</b> <b>ZMW'000</b>
<b>Assets</b>		
Property, plant and equipment	88,439	85,819
Intangible assets	648	671
Investment property	167,970	157,606
Investments in subsidiaries	147,317	69,987
Investments in associates	10,746,818	9,703,369
Assets held for sale	387,110	-
Trade and other receivables	719,855	842,664
Term deposit	273,717	727,554
Cash and cash equivalents	54,359	26,276
<b>Total assets</b>	<b>12,586,233</b>	<b>11,613,946</b>
<b>Equity and liabilities</b>		
Capital and reserves	9,484,935	8,661,948
Borrowings	-	103,271
Deferred tax liabilities	2,688,472	2,306,727
Trade and other payables	52,271	77,342
Provisions	83,118	127,590
Retirement benefits	7,971	5,513
Provisions for environmental rehabilitation	55,258	112,905
Current tax liabilities	214,208	218,650
<b>Total equity and liabilities</b>	<b>12,586,233</b>	<b>11,613,946</b>

**ABRIDGED GROUP STATEMENT OF CASH FLOWS**

	<b>Audited</b> <b>Nine Months</b> <b>to</b> <b>31 Dec 2019</b> <b>ZMW'000</b>	<b>Audited</b> <b>12 Months to</b> <b>31 Mar 2019</b> <b>ZMW'000</b>
Net cash flow from operating activities	190,389	(238,880)
Net cash used in investing activities	37,696	38,181
Net cash outflow on financing	(136,702)	(64,207)
<b>Increase in cash and cash equivalents</b>	<b>91,383</b>	<b>(264,906)</b>
Cash and cash equivalents at the beginning of the year	74,480	339,386
<b>Cash and cash equivalents at the end of the year</b>	<b>165,865</b>	<b>74,480</b>
<b>Included in the statement of financial position</b>	<b>54,175</b>	<b>74,480</b>
<b>Included in assets held for sale</b>	<b>111,688</b>	<b>-</b>
	<b>165,865</b>	<b>74,480</b>

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**ABRIDGED COMPANY STATEMENT OF CASH FLOWS**

	<b>Audited Nine months to 31 Dec 2019 ZMW'000</b>	<b>Audited 12 Months to 31 Mar 2019 ZMW'000</b>
Net cash flow from operating activities	93,439	(80,596)
Net cash used in investing activities	37,915	(334,341)
Net cash outflow on financing	(103,271)	103,271
<b>Increase in cash and cash equivalents</b>	<b>28,083</b>	<b>(311,666)</b>
Cash and cash equivalents at the beginning of the year	26,276	337,942
<b>Cash and cash equivalents at the end of the year</b>	<b>54,359</b>	<b>26,276</b>

**ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY**

	<b>Audited 9 Months to 31 Dec 2019 ZMW'000</b>	<b>Audited 12 Months to 31 Mar 2019 ZMW'000</b>
<b>Balance at 1 April</b>	11,025,116	8,771,841
Profit for the period	307,187	447,863
<b>Other comprehensive income</b>	1,297,528	2,038,573
Dividend paid	-	(233,161)
<b>Balance at 31 December/ March</b>	<b>12,629,831</b>	<b>11,025,116</b>

**ABRIDGED COMPANY STATEMENT OF CHANGES IN EQUITY**

	<b>Audited Nine months to 31 Dec 2019 ZMW'000</b>	<b>Audited 12 months to 31 Mar 2019 ZMW'000</b>
<b>Balance at 1 April</b>	8,661,948	5,790,154
Profit/ (loss) for the period	153,435	(107,524)
<b>Other comprehensive income</b>	669,552	3,212,479
Dividend paid	-	(233,161)
<b>Balance at 31 December/ March</b>	<b>9,484,935</b>	<b>8,661,948</b>

## **1. FINANCIAL PERFORMANCE**

The Group reported a profit for the nine-month period of ZMW307 million (USD23 million) (March 2019: ZMW448 million (USD40 million)). The 31% decrease in profitability was mainly due to the fact that the previous period is accounting for 12 months as compared to 9 months for the current period. Furthermore, there was a decrease in share of profit of equity accounted investee companies on account of the impairment of receivables by associate companies such as Kansanshi Mining Plc and Copperbelt Energy Corporation Plc.

The Company reported a profit for the year of ZMW153 million (USD12 million) (March 2019: loss ZMW108 million (USD10 million)), mainly due to exchange gains on foreign denominated assets and reduced administrative costs such as impairment of financial assets accounted at fair value through profit or loss, loans and receivables.

The Group and Company's retained earnings as at 31 December 2019 were positive at ZMW2,191 million (USD179 million) (March 2019: ZMW 1,857 million (USD155 million)) and ZMW978 million (USD79 million) (March 2019: ZMW825 million (USD68 million)) respectively. The increase in retained earnings is attributed to recorded Group and Company record profits in this period of ZMW307 million (USD23 million) and ZMW153 million (USD12 million) respectively.

Group total assets increased by 14% to ZMW15.2 billion (USD 1.2 billion) as at 31 December 2019 from ZMW13.4 billion (USD1.1 billion) as at 31 March 2019. This is mainly attributed to an increase in values of investments in associates from ZMW 10.3 billion (USD956 million) as at 31 March 2019 to ZMW 11.9 billion (USD).

## **2. DIVIDEND**

The Directors will recommend a final dividend payout of ZMW53,064, 601.26 (USD2,391,590.11) in total ( K 0.33 per share (USD0.0149)).

## **3. SIGNIFICANT DEVELOPMENTS**

ZCCM-IH's investments were steered towards the mining sector. Thus, three core strategies were employed targeted at driving portfolio growth which were:

- Pursuit of the royalty model in order to introduce new revenue stream;
- Realignment of the portfolio to achieve more focus in mining and mining related activities; and
- Development of turnaround strategies for loss making subsidiaries.

## **4. OUTLOOK**

Looking into the future, the mining sector is generally expected to face challenges during early to mid-2020 due to depressed commodity prices and disruption in international trade caused by the Novel Coronavirus (COVID-19) pandemic.

Despite these challenges, ZCCM-IH is committed to enhance value creation for its shareholders. Thus, ZCCM-IH will continue to diversify within the mining sector to mitigate slumps that may be experienced in some metals at a particular time while taking advantage of surges occurring in other metals during the same time.

**By Order of the Board**  
**Chabby Chabala**  
**Company Secretary**

**Issued in Lusaka, Zambia on 14 June 2021**

Lusaka Securities Exchange Sponsoring Broker	
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**First Issued on 14 June 2021**



## APPENDICES

### US DOLLAR ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	31-Dec- 19	31-Mar-19
	USD'000	USD'000
<b>Revenue</b>	<b>4,687</b>	<b>6,848</b>
<b>Gross profit</b>	<b>707</b>	<b>4,034</b>
<b>Operating loss</b>	<b>(11,664)</b>	<b>(51,831)</b>
Net finance income	10,440	521
Share of profit of equity accounted investees	31,555	86,926
<b>Profit before tax</b>	<b>30,331</b>	<b>35,616</b>
Income tax	(1,717)	4,386
<b>Profit for continuing operations</b>	<b>28,614</b>	<b>40,002</b>
<b>Profit for discontinued operations</b>	<b>(5,554)</b>	<b>-</b>
<b>Profit for the year</b>	<b>23,060</b>	<b>40,002</b>
<b>Earnings per share (USD)</b>	<b>0.14</b>	<b>0.25</b>
<b>Basic and diluted earnings per share (USD)</b>	<b>0.14</b>	<b>0.25</b>

### US DOLLAR ABRIDGED COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	31-Dec- 19	31-Mar-19
	USD'000	USD'000
<b>Investment income</b>	<b>12,849</b>	<b>16,133</b>
<b>Operating profit/(loss)</b>	<b>1,283</b>	<b>(28,543)</b>
Net finance income	11,899	4,433
<b>Profit/(loss) before tax</b>	<b>13,182</b>	<b>(24,110)</b>
Income tax	(1,664)	14,508
<b>Profit/(loss) for the year</b>	<b>11,518</b>	<b>(9,602)</b>
<b>Earnings per share (USD)</b>	<b>0.07</b>	<b>(0.06)</b>
<b>Basic and diluted earnings per share (USD)</b>	<b>0.07</b>	<b>(0.06)</b>

**US DOLLAR ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019**

	<b>31-Dec-19</b>	<b>31-Mar-19</b>
	<b>USD'000</b>	<b>USD'000</b>
<b>Assets</b>		
Non-Current Asset	1,066,794	976,391
Current Assets	138,250	123,892
<b>Total Assets</b>	<b>1,205,044</b>	<b>1,100,283</b>
<b>Equity and Liabilities</b>		
Shareholders' Funds	1,017,413	904,440
Non-Current Liabilities	22,799	58,071
Current Liabilities	164,832	137,772
<b>Total Equity and Liabilities</b>	<b>1,205,044</b>	<b>1,100,283</b>

**US DOLLAR ABRIDGED COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019**

	<b>31-Dec-19</b>	<b>31-Mar-19</b>
	<b>USD'000</b>	<b>USD'000</b>
<b>Assets</b>		
Non-Current Asset	934,511	855,568
Current Assets	76,540	97,175
<b>Total Assets</b>	<b>1,011,051</b>	<b>952,743</b>
<b>Equity and Liabilities</b>		
Shareholders' Funds	788,777	710,577
Non-Current Liabilities	197,218	198,945
Current Liabilities	25,056	43,221
<b>Total Equity and Liabilities</b>	<b>1,011,051</b>	<b>952,743</b>