

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: ZM00000000037
Authorised by: Chabby Chabala – Company Secretary

SPONSOR



Stockbrokers Zambia Limited

[Founder Member of the Lusaka Securities Exchange]

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

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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: 23 February 2022



ZCCM INVESTMENTS HOLDINGS PLC

(Incorporated in the Republic of Zambia)

AUDITED ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

INTRODUCTION

In compliance with the requirements of the Listing Rules of Lusaka Securities Exchange, ZCCM Investments Holdings Plc ("ZCCM-IH or the Company") announces the audited abridged financial statements results of the Company and its subsidiaries (Collectively referred to as the "the Group") for the year ended 31 December 2020.

CHANGE OF FINANCIAL YEAR END

ZCCM-IH with effect from 1st April 2019, changed its financial year end from 31st March to 31st December to comply with the provisions of section 71 of the Public Finance Management Act No. 1 of 2018. The prior period runs for nine (9) months from 1st April 2019 to 31st December 2019, whilst the current period covers twelve (12) months from 1st January 2020 to 31st December 2020 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 cashflow and other related notes are not comparable.

STRUCTURE OF THE ZCCM-IH GROUP

The ZCCM-IH Group consist of the following nine (9) companies:

Name	Shareholding
Mopani Copper Mine Plc	100.00%
Ndola Lime Company Limited (in liquidation)	100.00%
Kariba Minerals Limited	100.00%
Misenge Environmental and Technical Services Limited	100.00%
Mushe Milling Limited	100.00%
Kabundi Resources Limited	100.00%
Limestone Resources Limited	100.00%
Investrust Bank Plc	74.10%
Zambia Gold Company Limited	51.00%

The Company also has other interests in the undernoted companies:

Name	Shareholding
Rembrandt Properties Limited	49.00%
Central African Cement Limited	49.00%
Consolidated Gold Company of Zambia	45.00%
Maamba Collieries Limited	35.00%
Konkola Copper Mines Plc (Provisional liquidation)	20.60%
Kansanshi Mining Plc	20.00%
Copperbelt Energy Corporation Plc	24.10%
CNMC Luanshya Copper Mines Plc	20.00%
Lubambe Copper Mine Ltd	20.00%
NFCA Africa Mining Plc	15.00%
Chibuluma Mines Plc	15.00%
Chambishi Metals Plc	15.00%
Copper Tree Mineral Limited	15.58%
Oranto Oil Block	10.00%
Nkana Alloy Smelting Company Limited	10.00%

ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	31 Dec 2020	31 Dec 2019 (9 months)
	ZMW'000	ZMW'000
Revenue	113,088	62,432
Gross profit	55,740	9,417
Operating loss	(579,590)	(155,385)
Net finance income	944,878	139,074
Share of profit of equity accounted investees	1,487,537	420,348
Profit before tax	1,852,825	404,037
Income tax expense	(221,737)	(22,871)
Profit/(loss) from discontinued operations	500,399	(73,979)
Profit for the year	2,131,487	307,187
Earnings per share (ZMW)	13.26	1.91
Basic and diluted earnings per share (ZMW)	13.26	1.91

ABRIDGED COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	31 Dec 2020	31 Dec 2019 (9 months)
	ZMW'000	ZMW'000
Revenue from contracts with customers	3,695	-
Gross profit	695	-
Investment income	226,169	171,163
Operating (loss)/profit	(174,194)	17,096
Net finance income	955,040	158,505
Profit before tax	780,846	175,601
Income tax expense	(212,415)	(22,166)
Profit for the year	568,431	153,435
Earnings per share (ZMW)	3.54	0.95
Basic and diluted earnings per share (ZMW)	3.54	0.95

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

	31 Dec 2020	31 Dec 2019
	ZMW'000	ZMW'000
Assets		
Property, plant and equipment	187,727	299,125
Goodwill	-	119,818
Intangible assets	749	648
Investment property	183,917	167,970
Investments in associates	19,351,000	11,855,067
Financial assets at fair value through profit or loss	292,000	-
Inventories	55,728	52,057
Trade and other receivables	1,295,594	729,685
Deferred tax assets	661,277	564,304
Assets held for sale	1,307,400	1,127,333
Term deposits	194,369	274,960
Cash and cash equivalents	181,209	56,816
Total assets	23,710,970	15,247,783
Equity and liabilities		
Capital and reserves	20,899,212	12,629,831
Borrowings	161,370	-
Deferred tax liabilities	519,877	238,185
Trade and other payables	174,388	738,912
Liabilities associated with assets classified as held for sale	1,423,669	1,191,270
Bank overdraft	10,034	2,641
Provisions	121,177	83,118
Retirement benefits	13,194	34,669
Provisions for environmental rehabilitation	173,522	119,253
Current tax liabilities	214,527	209,904
Total equity and liabilities	23,710,970	15,247,783

ABRIDGED COMPANY STATEMENT OF FINANCIAL POSITION

	31 Dec 2020	31 Dec 2019
	ZMW'000	ZMW'000
Assets		
Property, plant and equipment	79,052	88,439
Intangible assets	749	648
Investment property	183,917	167,970
Investments in subsidiaries	276,678	147,317
Investments in associates	20,666,806	10,746,818
Financial assets at fair value through profit or loss	292,000	-
Deferred tax assets	748,435	650,939
Trade and other receivables	1,256,579	719,855
Assets held for sale	392,357	387,110
Term deposits	194,369	273,717
Inventory	13,743	-
Cash and cash equivalents	120,639	54,359
Total assets	24,225,324	13,237,172
Equity and liabilities		
Capital and reserves	16,459,336	9,484,935
Borrowings	161,370	-
Deferred tax liabilities	7,099,183	3,339,411
Trade and other payables	102,551	52,271
Provisions	119,716	83,118
Retirement benefits	10,792	7,971
Provisions for environmental rehabilitation	66,595	55,258
Current tax liabilities	205,781	214,208
Total equity and liabilities	24,225,324	13,237,172

ABRIDGED GROUP STATEMENT OF CASH FLOWS

	31 Dec 2020	31 Dec 2019 (9 months)
	ZMW'000	ZMW'000
Net cash flow (used)/generated from operating activities	(183,930)	190,389
Net cash generated from investing activities	284,417	37,696
Net cash inflow/(outflow) from financing activities	158,655	(136,702)
Increase in cash and cash equivalents	259,142	91,383
Cash and cash equivalents at the beginning of the year	165,863	74,480
Cash and cash equivalents at the end of the period	425,005	165,863
Included in the statement of financial position:		
- Cash and bank	181,209	56,816
- Bank overdraft	(10,034)	(2,641)
- assets held for sale	253,830	111,688
	425,005	165,863

ABRIDGED COMPANY STATEMENT OF CASH FLOWS

	31 Dec 2020	31 Dec 2019 (9 months)
	ZMW'000	ZMW'000
Net cash (outflow)/inflow from operating activities	(124,291)	93,225
Net cash generated from investing activities	31,916	38,129
Net cash inflow/(outflow) from financing activities	158,655	(103,271)
Increase in cash and cash equivalents	66,280	28,083
Cash and cash equivalents at the beginning of the period/year	54,359	26,276
Cash and cash equivalents at the end of the period/year	120,639	54,359

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

	31 Dec 2020 ZMW'000	31 Dec 2019 ZMW'000
Balance at 1 Jan/April	12,629,831	11,025,116
Profit for the period/year	2,131,487	307,187
Other comprehensive income	6,190,959	1,297,528
Dividend paid	(53,065)	-
Balance at 31 Dec	20,899,212	12,629,831

ABRIDGED PROVISIONAL COMPANY STATEMENT OF CHANGES IN EQUITY

	31 Dec 2020 ZMW'000	31 Dec 2019 ZMW'000
Balance at 1 Jan/April	9,484,935	8,661,948
Profit/(loss) for the year	568,431	153,435
Other comprehensive income	6,459,035	669,552
Dividend paid	(53,065)	-
Balance at 31 Dec	16,459,336	9,484,935

1. QUALIFIED AUDIT OPINION

The financial statements for the year ended 31 December 2020 are qualified based on the following:

ZCCM-IH holds 71.47% shareholding in Investrust Bank Plc (the bank) which shareholding the Company decided to dispose of. In the Consolidated statement of financial position, the assets of the bank with a total balance of ZMW 1.258 billion have been presented as assets held for sale and liabilities with a total balance of ZMW 1.424 billion have been presented as liabilities associated with assets classified as held for sale. The Group's share of the bank's loss of ZMW 58 million has been included in the Group's profit and loss account as a loss from discontinued operations. The figures for Investrust Bank Plc included in these financial statements are unaudited and the External Auditors were not able to obtain sufficient audit evidence as to whether any adjustments to the said figures are necessary.

The financial statements/information of the Bank considered in the ZCCM-IH's consolidated financial statements are pending an audit by their auditors whose reports have not yet been furnished to the ZCCM-IH Group auditors. Therefore, the ZCCM-IH Group Auditors opinion in so far as it relates to the

amounts and disclosures included in respect of the Bank, is based solely on the unaudited information provided by the Management of the Bank.

2. **FINANCIAL PERFORMANCE**

The Group reported a profit for the year of ZMW 2.132 billion (2019: ZMW 307 million), mainly due to the following:

- Increase in the Group's share of profit in associated companies to ZMW 1.487 billion from ZMW 420 million recorded in December 2019. This is mainly due to the increase in the profitability of some investee companies in the mining sector such as Maamba Collieries Limited, CNMC Luanshya Copper Mines Plc, Non-Ferrous Corporation Africa Mining Plc and Kansanshi Mining Plc.
- Exchange gains recorded from revaluation of the Group's foreign denominated assets.

The Group's total assets increased from ZMW 15.25 billion to ZMW 23.71 billion due to increased values of investments in associates and exchange gains arising from translation of US Dollar denominated investments.

3. **OUTLOOK**

The Group will continue with the implementation of its Strategic Plan to enhance value creation for its shareholders. In addition, the Group will benefit from high levels of copper prices due to a surge in demand. ZCCM-IH in line with its Strategic plan will also focus on commodity diversification by improving production of other minerals such as Gold, Manganese and Amethyst among others. Exploring of value addition initiatives will also remain key on the agenda of ZCCM-IH going forward.

By Order of the Board

Chabby Chabala
Company Secretary

Issued in Lusaka, Zambia on Wednesday, 23 February 2022

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First Issued on , 23 February 2022

APPENDICES

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

	31 Dec 2020	31 Dec 2019 (9 months)
	US\$'000	US\$'000
Revenue	6,070	4,687
Gross profit	2,992	707
Operating profit	(31,109)	(11,664)
Net finance income	50,717	10,440
Share of profit of equity accounted investees	79,845	31,555
Profit before tax	99,453	30,331
Income tax expense	(11,902)	(1,717)
Profit/(loss) from discontinued operations	26,859	(5,554)
Profit for the year	115,410	23,060
Earnings per share (US\$)	0.72	0.14
Basic and diluted earnings per share (US\$)	0.72	0.14

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

	31 Dec 2020	31 Dec 2019 (9 months)
	US\$'000	US\$'000
Revenue from contracts with customers	198	-
Gross profit	37	-
Investment income	12,140	12,849
Operating (loss)/profit	(9,350)	1,283
Net finance income	51,263	11,899
Profit before tax	41,913	13,182
Income tax expense	(11,402)	(1,664)
Profit for the year	30,511	11,518
Earnings per share (US\$)	0.19	0.07
Basic and diluted earnings per share (US\$)	0.19	0.07

US DOLLAR ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

	31 Dec 2020	31 Dec 2019
	US\$'000	US\$'000
Assets		
Property, plant and equipment	15,709	23,379
Goodwill	-	8,588
Intangible assets	140	135
Investment property	15,397	14,643
Investments in associates	914,768	956,164
Financial assets at fair value through profit or loss	13,804	-
Inventories	4,989	4,815
Trade and other receivables	61,246	52,298
Deferred tax assets	31,260	40,445
Assets held for sale	61,804	80,798
Term deposits	9,188	19,707
Cash and cash equivalents	8,566	4,072
Total assets	1,136,871	1,205,044
Equity and liabilities		
Capital and reserves	1,003,953	1,017,413
Borrowings	7,628	-
Deferred tax liabilities	24,576	17,071
Trade and other payables	8,244	52,959
Liabilities associated with assets classified as held for sale	67,300	85,380
Bank overdraft	474	189
Provisions	5,728	5,957
Retirement benefits	624	2,484
Provisions for environmental rehabilitation	8,203	8,547
Current tax liabilities	10,141	15,044
Total equity and liabilities	1,136,871	1,205,044

US DOLLAR ABRIDGED PROVISIONAL COMPANY STATEMENT OF FINANCIAL POSITION

	31 Dec 2020	31 Dec 2019
	US\$'000	US\$'000
Assets		
Property, plant and equipment	6,733	7,237
Intangible assets	58	53
Investment property	14,563	13,707
Investments in subsidiaries	13,079	11,546
Investments in associates	976,969	874,341
Financial assets at fair value through profit or loss	13,804	-
Deferred tax assets	35,380	46,654
Trade and other receivables	59,402	51,593
Assets held for sale	18,548	29,060
Term deposits	9,188	19,618
Inventory	738	-
Cash and cash equivalents	5,703	3,896
Total assets	1,154,165	1,057,705
Equity and liabilities		
Capital and reserves	787,049	788,777
Borrowings	7,628	-
Deferred tax liabilities	335,595	239,341
Trade and other payables	4,848	3,746
Provisions	5,659	5,957
Retirement benefits	510	571
Provisions for environmental rehabilitation	3,148	3,960
Current tax liabilities	9,728	15,353
Total equity and liabilities	1,154,165	1,057,705