

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
Authorized by: Charles Mjumphi – 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. ZCCM Investment Holdings Plc (“ZCCM-IH”)

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: 6 June 2024



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 YEAR ENDED 31 DECEMBER 2023

INTRODUCTION

In compliance with the requirements of the Securities Act No. 41 of 2016, ZCCM Investments Holdings PLC ("ZCCM-IH PLC" or "the Company") announces the financial statements results of the Company and its subsidiaries (Collectively referred to as the "the Group") for the year ended 31 December 2023.

STRUCTURE OF THE ZCCM-IH GROUP

The ZCCM-IH Group consists 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 (In liquidation)	100.00%
Kabundi Resources Limited	100.00%
Limestone Resources Limited	100.00%
Investrust Bank PLC (In possession by the Bank of Zambia))	71.40%
Zambia Gold Company Limited	51.00%

The Company also has other interests in the undernoted companies:

Name	Shareholding
Rembrandt Properties	49.00%
Central African Cement Limited	49.00%
Maamba Collieries Limited	35.00%
Copperbelt Energy Corporation PLC	31.07%
Konkola Copper Mines PLC	20.60%
Kansanshi Mining PLC	20.00%
CNMC Luanshya Copper Mines PLC	20.00%
Lubambe Copper Mines PLC	20.00%

Mingomba Mining Limited	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 Petroleum Limited	10.00%
Nkana Alloy Smelting Company Limited	10.00%

ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited 31 Dec 2023 ZMW'000	Audited 31 Dec 2022 ZMW'000
Revenue	11,747,105	11,920,429
Gross loss	(3,559,228)	(2,749,922)
Operating loss	(2,104,964)	(3,314,561)
Net finance cost	(2,267,838)	(1,807,093)
Share of profit of equity accounted investees	2,261,209	1,603,143
Loss before tax	(2,111,593)	(3,518,511)
Income tax expense	(1,206,049)	(248,019)
Loss for the year from continuous operations	(3,317,642)	(3,766,530)
Loss from discontinued operations	(758,181)	(19,003)
Loss for the year	(4,075,823)	(3,785,533)
Earnings per share (ZMW)	(25.35)	(23.54)
Basic and diluted earnings per share (ZMW)	(25.35)	(23.54)

ABRIDGED COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited 31 Dec 2023 ZMW'000	Audited 31 Dec 2022 ZMW'000
Investment income	2,128,699	4,916,309
Revenue from contracts with customers	23,180	778
Operating profit	3,067,198	4,054,286
Net finance income	2,979,315	440,763
Profit before tax	6,046,513	4,495,049
Income tax expense	(1,205,034)	(236,321)
Profit for the year	4,841,479	4,258,728
Earnings per share (ZMW)	30.11	26.48
Basic and diluted earnings per share (ZMW)	30.11	26.48

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

	Audited 31 Dec 2023 ZMW'000	Audited 31 Dec 2022 ZMW'000
Assets		
Property, plant, and equipment	248,857	12,484,907
Exploration and evaluation asset	51,437	51,437
Intangible assets	14,393,945	3,148,325
Investment property	208,598	200,751
Investments in associates	10,090,940	15,174,862
Financial assets at fair value through profit or loss	3,019,500	1,252,400
Trade and other receivables	1,628,837	2,931,539
Environmental Protection Fund	7,060	94,433
Deferred tax assets	-	122,852
Inventories	38,299	4,921,366
Trade and other receivables	339,169	762,831
Assets classified as held for sale	23,626,388	2,103,761
Term deposits	4,450,451	5,340,202
Cash and cash equivalents	360,356	329,173
Total assets	58,463,837	48,918,839
Equity and liabilities		
Capital and reserves	(5,690,634)	7,908,807
Borrowings	-	27,476,859
Deferred tax liability	751,833	-
Retirement benefits	17,381	182,940
Provisions for environmental rehabilitation	112,751	1,221,068
Borrowings	-	864,411
Overdraft	-	688,120
Trade and other payables	312,756	7,451,177
Provisions	44,243	487,689
Current income tax liabilities	238,553	190,143
Retirement benefits	-	139,131
Liabilities associated with assets classified as held for sale	62,676,954	2,308,494
Total equity and liabilities	58,463,837	48,918,839

ABRIDGED COMPANY STATEMENT OF FINANCIAL POSITION

	Audited 31 Dec 2023 ZMW'000	Audited 31 Dec 2022 ZMW'000
Assets		
Property, plant, and equipment	110,624	90,471
Intangible assets	14,260,690	3,377
Investment property	208,598	200,751
Investment in subsidiaries	282,384	405,051
Investments in associates	11,240,080	16,256,411
Financial assets at fair value through profit or loss	3,019,500	1,252,400
Trade and other receivables	4,586,471	958,162
Deferred tax assets	-	258,966
Inventories	-	16,427
Trade and other receivables	288,268	173,829
Term deposits	4,411,330	5,340,202
Cash and cash equivalents	61,137	45,586
Assets classified as held for sale	-	145,700
Total assets	38,469,082	25,147,333
Equity and liabilities		
Capital and reserves	37,422,019	24,679,852
Deferred tax liability	618,059	-
Retirement Benefit Obligations	17,381	9,275
Provisions for environmental rehabilitation	54,498	39,357
Borrowings	-	-
Trade and other payables	78,288	121,005
Provisions	41,461	108,686
Current income tax liabilities	237,376	189,158
Total equity and liabilities	38,469,082	25,147,333

ABRIDGED GROUP STATEMENT OF CASH FLOWS

	Audited 31 Dec 2023 ZMW'000	Audited 31 Dec 2022 ZMW'000
Net cash flow generated from operating activities	(83,727)	1,463,062
Net cash flow used from investing activities	533,274	(1,113,001)
Net cash outflow from financing activities	(207,812)	(698,833)
Decrease in cash and cash equivalents	241,735	(348,772)
Effects of translation and exchange rate changes on cash and cash equivalents	(277,193)	(68,389)
Cash and cash equivalents at the beginning of the year	(81,060)	336,101
	(116,518)	(81,060)
Included in the statement of financial position	360,356	(358,947)
Included in assets held for sale	(476,874)	277,887
	(116,518)	(81,060)

ABRIDGED COMPANY STATEMENT OF CASH FLOWS

	Audited 31 Dec 2023 ZMW'000	Audited 31 Dec 2022 ZMW'000
Net cash flows from operating activities	(368,710)	4,766,330
Net cash flows used in investing activities	379,990	(4,761,256)
Net cash flows used in financing activities	-	(1,135)
Decreased in cash and cash equivalents	11,280	3,939
Effect of movement in exchange rates on cash held	4,271	(39,851)
Cash and cash equivalents at the beginning of the year	45,586	81,498
Cash and cash equivalents at the end of the period	61,137	45,586

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

	Audited	Audited
	31 Dec 2023	31 Dec 2022
	ZMW'000	ZMW'000
Balance at 1 Jan	7,908,807	12,808,905
Loss for the year	(4,075,823)	(3,785,533)
Other comprehensive income	(8,700,010)	(1,029,340)
Dividend paid	(723,608)	(85,225)
Balance at 31 Dec	(5,590,634)	7,908,807

ABRIDGED COMPANY STATEMENT OF CHANGES IN EQUITY

	Audited	Audited
	31 Dec	31 Dec
	2023	2022
	ZMW'000	ZMW'000
Balance at 1 Jan	24,679,852	24,732,194
Profit for the year	4,841,479	4,258,728
Other comprehensive income	8,624,296	(3,225,845)
Dividend paid	(723,608)	(85,225)
Balance at 31 Dec	37,422,019	24,679,852

1. FINANCIAL PERFORMANCE

In 2023, the Group faced financial challenges, with post-tax losses increasing from ZMW3,786 million (US\$222.03 million) in 2022 to ZMW4,076 million (US\$198.59 million). This was primarily due to the underperformance of Mopani Copper Mine Plc, which reported a significant loss of ZMW8.97 billion (US\$436.94 million). Mopani's lower copper production and operational issues were key contributors to this decline.

Despite these difficulties, the Group's total assets grew from ZMW48.92 billion (US\$2.81 billion) in 2022 to ZMW58.46 billion (US\$2.30 billion) in 2023, though the value in US Dollars decreased due to currency depreciation. Liabilities also increased significantly, primarily due to the interest accrued on Mopani's loan from Glencore and the resulting foreign exchange losses.

Retained earnings were in a deficit of ZMW16.462 billion (US\$639.40 million) by the end of 2023, worsening from the previous year's deficit of ZMW11.44 billion (US\$561.56 million).

However, the Company itself reported an increase in profits, rising to ZMW4.84 billion (US\$235.90 million) in 2023 from ZMW4.25 billion (US\$249.78 million) in 2022, demonstrating resilience amidst broader financial challenges within the ZCCM-IH Group.

2. KEY OPERATIONS AND STRATEGIC DEVELOPMENTS

(i) Mopani Copper Mines PLC ("MCM")

Below is a summary of Mopani's financial performance which has been incorporated in the Groups Financial Statements:

Statement of Profit and Loss and Other Comprehensive - Mopani Copper Mine Plc		
ZMW'000	2023	2022
Revenue	11,552,419	11,854,038
Gross loss	(3,532,408)	(2,711,461)
Operating loss	(4,351,218)	(2,814,464)
Net finance cost	(4,616,657)	(2,238,476)
Loss before tax	(8,967,875)	(5,052,940)
Loss for the year	(8,967,875)	(5,052,940)

Statement of Financial Position - Mopani Copper Mine Plc		
	2023	2022
	ZMW'000	ZMW'000
Property, plant, and equipment, including intangible assets	15,646,610	15,384,497
Inventories	3,489,128	4,836,680
Trade and other receivables	2,691,333	2,616,620
Environmental protection fund	147,553	94,433
Cash and cash equivalents	58,367	159,584
Total assets	22,032,991	23,091,814
Equity and liabilities		
Capital and reserves	(40,916,634)	(14,981,992)
Borrowings	43,518,156	28,341,270
Trade and other payables	15,072,870	7,934,977
Bank overdraft	1,095,462	678,900
Provisions for environmental rehabilitation	3,263,137	1,118,659
Total equity and liabilities	22,032,991	23,091,814

Mopani Copper Mines plc (MCM) recorded a significant loss of ZMW 8.9 billion (US\$436.94 million) in 2023, up from ZMW 5.05 billion (US\$296.36 million) the previous year. This was due to decreased copper production, low equipment availability, delayed development, and multiple plant outages. In response, US\$35 million was invested in sustaining and expanding projects, with full commissioning of expansion projects expected by 2027. In March 2024, a strategic investment of US\$1.2 billion by International Resources Holding Limited (IRH), through its wholly-owned subsidiary Delta Mining Limited, was approved to enhance Mopani's financial and operational resilience.

(ii) Kansanshi Royalty Right

ZCCM-IH converted its 20% dividend rights in Kansanshi Mining Plc into a 3.1% life-of-mine royalty right, resulting in royalty income and VAT refunds totalling ZMW1.2 billion (US\$58.48 million) and ZMW170.74 million (US\$8.32 million), respectively.

(iii) Copperbelt Energy Corporation Plc (CEC)

ZCCM-IH increased its shareholding in Copperbelt Energy Corporation Plc (CEC) from 24.1% to 31.07%, driven by confidence in CEC's growth prospects, particularly in renewable energy.

(iv) Konkola Copper Mines Plc (KCM)

ZCCM-IH and Vedanta Resources Group have resolved their disputes by entering into a settlement agreement aimed at resetting their relationship. The necessary steps to withdraw the proceedings related to these disputes are currently being undertaken.

(v) Mingomba Mining Limited (MML)

Mingomba Mining Limited, a new partnership formed in 2023, is conducting a drilling program using Artificial Intelligence (AI) techniques in Chililabombwe. This will expedite orebody definition and subsequent mine development.

(vi) Investrust Bank Plc

ZCCM-IH holds a 71.4% stake in Investrust Bank Plc. The Bank of Zambia announced a takeover of Investrust on 2 April 2024, and trading of its shares was suspended. ZCCM-IH is monitoring the situation.

3. Outlook

ZCCM-IH remains focused on mining and mining-related investments, seeking partnerships that benefit the Zambian people and positioning itself to capitalize on opportunities in the mining sector.

By Order of the Board

**Charles Mjumphi
Company Secretary**

Issued in Lusaka, Zambia on 7 June 2024

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First Issued on 7 June 2024

APPENDICES

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

	31 Dec 2023	31 Dec 2022
	US\$'000	US\$'000
Revenue	572,356	699,145
Gross loss	(173,416)	(161,286)
Operating loss	(102,559)	(194,403)
Net finance income	(110,497)	(105,988)
Share of profit of equity accounted investees	110,173	94,026
Loss before tax	(102,883)	(206,365)
Income tax expenses	(58,762)	(14,547)
Loss from continuing operations	(161,645)	(220,912)
Loss from discontinued operations	(36,941)	(1,115)
Loss for the year	(198,586)	(222,027)
Earnings per share (US\$)	(1.23)	(1.38)
Basic and diluted earnings per share (US\$)	(1.23)	(1.38)

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

	31 Dec 2023	31 Dec 2022
	US\$'000	US\$'000
Investment income	103,717	288,347
Revenue from contracts with customers	1,129	46
Operating profit	149,444	237,788
Net finance income	145,162	25,851
Profit before tax	294,606	263,639
Income tax expenses	(58,713)	(13,860)
Profit for the year	235,893	249,779
Earnings per share (US\$)	1.47	1.55
Basic and diluted earnings per share (US\$)	1.47	1.55

US DOLLAR ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000
Assets		
Property, plant, and equipment	9,666	756,962
Exploration and evaluation asset	1,998	2,767
Intangible assets	559,064	189,407
Investment property	8,102	11,120
Investments in associates	391,934	840,596
Financial assets at fair value through profit or loss	117,278	69,375
Trade and other receivables	63,264	162,390
Environmental Protection Fund	274	5,231
Deferred tax assets	-	6,805
Inventories	1,488	295,855
Trade and other receivables	13,173	42,256
Term deposits	172,857	295,815
Cash and cash equivalents	13,996	18,234
Assets classified as held for sale	917,654	116,536
Total assets	2,270,748	2,813,349
Equity and liabilities		
Capital and reserves	(221,028)	541,639
Borrowings	-	1,522,053
Deferred tax liabilities	29,201	-
Retirement benefits	675	10,134
Provisions for environmental rehabilitation	4,379	67,640
Bank overdraft	-	38,118
Borrowings	-	47,883
Trade and other payables	12,148	412,750
Provisions	1,721	27,015
Current tax liabilities	9,265	10,533
Retirement benefits	-	7,707
Liabilities directly associated with assets classified as held for sale	2,434,387	127,877
Total equity and liabilities	2,270,748	2,813,349

US DOLLAR ABRIDGED COMPANY STATEMENT OF FINANCIAL POSITION

	31 Dec 2023	31 Dec 2022
	US\$'000	US\$'000
Assets		
Property, plant, and equipment	4,297	7,408
Intangible assets	553,888	198
Investment property	8,102	11,120
Investments in subsidiaries	10,968	22,437
Investments in associates	436,567	900,507
Financial assets at fair value through profit or loss	117,278	69,375
Trade and other receivables	178,140	53,076
Deferred tax assets	-	14,345
Inventory	-	830
Trade and other receivables	11,196	9,629
Term deposits	171,337	295,815
Cash and cash equivalents	2,375	2,525
Assets classified as held for sale	-	8,071
Total assets	1,494,148	1,395,336
Equity and liabilities		
Capital and reserves	1,453,479	1,369,440
Deferred tax assets	24,006	-
Retirement benefits	675	514
Provisions for environmental rehabilitation	2,117	2,180
Trade and other payables	3,041	6,703
Provisions	1,610	6,021
Current tax liabilities	9,220	10,478
Total equity and liabilities	1,494,148	1,395,336

*The Statement of Financial Position has been translated using the rate of K25.75/US\$.