

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

**ISSUER**



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

[Incorporated in the Republic of Zambia]

Company registration number: 771

Share Code: ZCCM-IH  
ISIN: ZM0000000037  
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: October 7, 2021**



**ZCCM INVESTMENTS HOLDINGS PLC**  
(Incorporated in the Republic of Zambia)

**DIRECTORS' INTERIM UNAUDITED FINANCIAL RESULTS FOR ZCCM INVESTMENTS HOLDINGS AND ITS SUBSIDIARIES ("THE GROUP") FOR THE SIX MONTHS PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

**INTRODUCTION**

In compliance with the requirements of the "Securities Act, No. 41 of 2016 of the Laws of Zambia" and the Listing Rules of the Lusaka Securities Exchange, ZCCM Investments Holdings Plc (ZCCM-IH) announces the interim unaudited financial results of the Company and its Subsidiaries (collectively referred to as the Group) for the six months' period ended 30<sup>th</sup> June 2021.

**STRUCTURE OF THE ZCCM-IH GROUP**

The ZCCM-IH Group consist of the following Ten (10) companies:

<b>Name</b>	<b>Shareholding</b>
Mopani Copper Mine Plc	100.00%
Ndola Lime Company Limited	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 Limited	51.00%

The Company also has other interests in the undernoted companies:

<b>Name</b>	<b>Shareholding</b>
Rembrandt Properties	49.00%
Central African Cement Limited	49.00%
Maamba Collieries Limited	35.00%
Konkola Copper Mines Plc	20.60%
Kansanshi Mining Plc	20.00%
Copperbelt Energy Corporation Plc	24.10%
CNMC Luanshya Copper Mines Plc	20.00%
Lubambe Copper Mines Plc	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%

## FINANCIAL PERFORMANCE

### UNAUDITED ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS AT 30<sup>TH</sup> JUNE 2021

	30 June 2021	30 June 2020
	ZMW'000	ZMW'000
<b>Revenue</b>	<b>8,286,253</b>	<b>61,983</b>
<b>Gross profit</b>	<b>847,182</b>	<b>3,643</b>
<b>Operating loss</b>	<b>(829,265)</b>	<b>(163,365)</b>
Net finance (cost)/income	(164,130)	327,342
Share of profit of equity accounted investees	1,475,600	354,647
<b>Profit before tax</b>	<b>482,205</b>	<b>518,624</b>
Income tax	(2,500)	(54,450)
Loss from discontinued operations	-	(25,242)
<b>Profit for the period</b>	<b>479,705</b>	<b>438,932</b>
<b>Earnings per share (ZMW)</b>	<b>2.98</b>	<b>2.73</b>
<b>Basic and diluted earnings per share (ZMW)</b>	<b>2.98</b>	<b>2.73</b>

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### UNAUDITED ABRIDGED COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS AT 30<sup>TH</sup> JUNE 2021

	30 June 2021	30 June 2020
	ZMW'000	ZMW'000
<b>Revenue</b>	<b>121,173</b>	<b>15,922</b>
<b>Operating profit/(loss)</b>	<b>26,380</b>	<b>(84,843)</b>
Net finance income	182,790	331,760
<b>Profit before tax</b>	<b>209,169</b>	<b>246,917</b>
Income tax	(731)	(53,680)
<b>Profit for the year</b>	<b>208,439</b>	<b>193,237</b>
<b>Earnings per share (ZMW)</b>	<b>1.30</b>	<b>1.20</b>
<b>Basic and diluted earnings per share (ZMW)</b>	<b>1.30</b>	<b>1.20</b>

**UNAUDITED ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2021**

	<b>30-June-21</b>	<b>30-June-20</b>
	<b>ZMW'000</b>	<b>ZMW'000</b>
<b>Assets</b>		
Non-Current Asset	63,156,060	17,681,116
Current Assets	9,666,116	2,581,012
<b>Total Assets</b>	<b>72,822,176</b>	<b>20,262,128</b>
<b>Equity and Liabilities</b>		
Shareholders' Funds	30,682,405	16,777,325
Non-Current Liabilities	36,810,124	366,022
Current Liabilities	5,329,647	3,118,781
<b>Total Equity and Liabilities</b>	<b>72,822,176</b>	<b>20,262,128</b>

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**UNAUDITED ABRIDGED COMPANY STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2021**

	<b>30-June-21</b>	<b>30-June-20</b>
	<b>ZMW'000</b>	<b>ZMW'000</b>
<b>Assets</b>		
Non-Current Asset	12,230,647	11,807,148
Current Assets	1,723,199	912,849
<b>Total Assets</b>	<b>13,953,846</b>	<b>12,719,997</b>
<b>Equity and Liabilities</b>		
Shareholders' Funds	10,015,213	9,505,909
Non-Current Liabilities	3,423,278	2,838,236
Current Liabilities	515,355	375,852
<b>Total Equity and Liabilities</b>	<b>13,953,846</b>	<b>12,719,997</b>

**UNAUDITED ABRIDGED GROUP STATEMENT OF CASH FLOWS AS AT 30<sup>TH</sup> JUNE 2021**

	<b>30-June-21</b> <b>ZMW'000</b>	<b>30-June-20</b> <b>ZMW'000</b>
Net cash flow from/(used) operating activities	2,838,677	(184,381)
Net cash (used)/Inflow from investing activities	(2,927,930)	176,149
<b>Increase in cash and cash equivalents</b>	<b>(89,253)</b>	<b>(8,232)</b>
Cash and cash equivalents at the beginning of the year	225,582	54,175
<b>Cash and cash equivalents at the end of the period</b>	<b>136,329</b>	<b>45,943</b>

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**UNAUDITED ABRIDGED COMPANY STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30<sup>TH</sup> JUNE 2021**

	<b>30-June-21</b> <b>ZMW'000</b>	<b>30-June-20</b> <b>ZMW'000</b>
Net cash flow (used)/from operating activities	14,563	(120,423)
Net cash Inflow/(used) from investing activities	(63,209)	116,782
<b>Increase in cash and cash equivalents</b>	<b>(48,646)</b>	<b>(3,641)</b>
Cash and cash equivalents at the beginning of the year	120,758	54,359
<b>Cash and cash equivalents at the end of the year</b>	<b>72,112</b>	<b>50,718</b>

**UNAUDITED ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30<sup>TH</sup> JUNE 2021**

	<b>30-June-21</b>	<b>30-June-20</b>
	<b>ZMW'000</b>	<b>ZMW'000</b>
<b>Balance as at 1 January</b>	<b>21,075,617</b>	<b>12,983,636</b>
Profit for the year	479,705	438,932
<b>Other comprehensive income</b>	<b>9,127,083</b>	<b>3,407,822</b>
Dividend payment	-	(53,065)
<b>Balance as at 30 June</b>	<b>30,682,405</b>	<b>16,777,325</b>

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**UNAUDITED ABRIDGED COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30<sup>TH</sup> JUNE 2021**

	<b>30-June-21</b>	<b>30-June-20</b>
	<b>ZMW'000</b>	<b>ZMW'000</b>
<b>Balance at 1 January</b>	<b>9,674,487</b>	<b>9,561,545</b>
Profit for the year	208,439	193,237
<b>Other comprehensive Loss</b>	<b>132,287</b>	<b>(195,808)</b>
Dividend payment	-	(53,065)
<b>Balance as at 30 June</b>	<b>10,015,213</b>	<b>9,505,909</b>

## 1. FINANCIAL PERFORMANCE HIGHLIGHTS

The Group recorded a turnover of ZMW8.3 billion for this period compared to ZMW62 million reported during the six-month period to 30<sup>th</sup> June 2020. The significant increase is largely on account of acquisition of Mopani Copper Mines Plc (Mopani) during the period. The revenue from Mopani accounts for 97% of the total revenue for the period.

The Group's share of profit in associate companies was ZMW1.48 billion (June 2020: ZMW354.7 million). This was due to profit recorded by investee companies in the copper Mining industry which experienced increased copper prices during this period. The copper prices recorded an average price of US\$ 9,200 per ton compared to US\$5,490 per ton recorded during the same period in 2020.

The Group's total assets increased to ZMW72.82 billion as at 30<sup>th</sup> June 2021 from ZMW20.26 billion as at 30<sup>th</sup> June 2020 due to the acquisition of Mopani Copper Mines Plc.

Overall, the Group recorded a 9% increase in profit after tax of ZMW479.7 million compared to ZMW438.7 million in the six-month period to 30<sup>th</sup> June 2021. This was due to an increase in share of profit from investee companies.

## 2. KEY OPERATIONS AND STRATEGIC DEVELOPMENTS

### Acquisition of Mopani Copper Mines Plc

During the period, ZCCM-IH reached an agreement with Glencore, representing Carlisa Investments Corp. ("Carlisa"), for the acquisition of the 90% stake in Mopani Copper Mines Plc ("the Acquisition"). The Acquisition of the 90% stake and voting rights belonging to Carlisa, was successfully executed on 31 March 2021. A total consideration of US\$1 was paid by ZCCM-IH. In addition, Mopani owed Shareholders more than USD 4.3 billion in shareholders loans. After a detailed analysis, this debt level was considered to be unsustainable, which meant that Mopani would not be able to meet debt repayments. ZCCM-IH, therefore, negotiated for the said loan to be written down to USD 1.5 billion. The US\$1.5 billion loan is guaranteed by ZCCM-IH.

This transaction has effectively transformed ZCCM-IH from giving it the potential ability to create substantial value for its shareholders today and well into the future. The transition from Carlisa was done successfully and normal operations have continued for both mining and processing. Mopani recorded fair financial performance for the period under review with actual revenue exceeding budget by US\$24m due to favorable prices, and higher than budget sales volumes propelled by high opening stocks. Mopani recorded a positive EBITDA of USD5.8 million for the period under review.

### Konkola Copper Mines Plc (KCM) Court proceeding

- **Lusaka Proceedings-** Following the decision of the Court of Appeal to confirm the decision of the High Court, the winding up proceedings remain stayed pending the Arbitration Proceedings in South Africa. ZCCM-IH has since filed an application before the Supreme Court seeking leave to appeal the decision by the Court of Appeal.
- **South African Proceedings-** The Arbitration proceedings (which are confidential as between the parties) are underway and yet to be resolved. Subsequent to the period under review and specifically on 7 July 2021 the Sole Arbitrator made a Partial Final Award which had the effect of staying the petition pending the hearing of the Arbitration.

### **Konkola Copper Mines Plc separation of Business Units**

During the period to 30<sup>th</sup> June 2021, KCM was split into two separate Business Units. The split was done by way of formation of two subsidiary companies, namely KCM Smelter Co Limited, and KCM Mineral Resources Limited, with two Separate Management structures and employee arrangements. Both companies are currently wholly owned by KCM.

### **Kansanshi Holdings Limited (KHL) Arbitration proceedings**

On 29<sup>th</sup> January 2021, the Arbitration Tribunal, issued a Partial Final Award in the arbitration, pursuant to which ZCCM-IH's defence was successful and various declarations granted in ZCCM-IH 's favour. Certain matters remain outstanding and will be addressed by the Tribunal in the final award.

## **3. SIGNIFICANT EVENTS SUBSEQUENT TO THE PERIOD UNDER REVIEW**

### **Security and Guarantee of US\$100 million KCM Trafigura Transactions**

Subsequent to the period under review, ZCCM-IH pledged US\$200 million worth of its shareholding in Kansanshi Mining Plc and executed a corporate guarantee in favor of Trafigura as security for a US\$100 million prepayment transaction to KCM by Trafigura. The prepayment carries an interest rate of Libor plus 7% and is repayable by KCM through copper deliveries to Trafigura on a monthly basis for a period of 18 months with a 6 month moratorium.

## **4. OUTLOOK**

The Group will continue with the implementation of its Strategic Plan to enhance value creation for its shareholders. The Group will benefit from the strong copper price outlook for the second half of this year due to falling inventories and rising premiums in the top consumer China. In addition, the company will also get value from the expected good copper price 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 Thursday, October 7, 2021**

<b>Lusaka Securities Exchange Sponsoring Broker</b>	
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**First Issued on October 7, 2021**

## APPENDICES

### US DOLLAR UNAUDITED ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30<sup>TH</sup> JUNE 2021

	30 June 2021	30 June 2020
	USD'000	USD'000
<b>Revenue</b>	<b>368,606</b>	<b>3,370</b>
<b>Gross profit</b>	<b>37,686</b>	<b>198</b>
<b>Operating loss</b>	<b>(36,889)</b>	<b>(8,881)</b>
Net finance (cost)/income	(7,301)	17,796
Share of profit of equity accounted investees	65,641	19,281
<b>Profit before tax</b>	<b>21,450</b>	<b>28,195</b>
Income tax	(111)	(2,960)
Loss from discontinued operations	-	(1,372)
<b>Profit for the period</b>	<b>21,339</b>	<b>23,863</b>
<b>Earnings per share (USD)</b>	<b>0.13</b>	<b>0.15</b>
<b>Basic and diluted earnings per share (USD)</b>	<b>0.13</b>	<b>0.15</b>

### US DOLLAR UNAUDITED ABRIDGED COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30<sup>TH</sup> JUNE 2021

	30 June 2021	30 June 2020
	USD'000	USD'000
<b>Revenue</b>	<b>5,390</b>	<b>866</b>
<b>Operating (loss)/profit</b>	<b>1,173</b>	<b>(4,613)</b>
Net finance income	8,131	18,036
<b>Profit before tax</b>	<b>9,305</b>	<b>13,424</b>
Income tax	(33)	(2,918)
<b>Profit for the year</b>	<b>9,272</b>	<b>10,505</b>
<b>Earnings per share (USD)</b>	<b>0.06</b>	<b>0.07</b>
<b>Basic and diluted earnings per share (USD)</b>	<b>0.06</b>	<b>0.07</b>

**US DOLLAR UNAUDITED ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION FOR THE SIX MONTHS ENDED 30<sup>th</sup> JUNE 2021**

	<b>30-June-21</b>	<b>30-June-20</b>
	<b>USD'000</b>	<b>USD'000</b>
<b>Assets</b>		
Non-Current Asset	2,791,551	972,359
Current Assets	427,251	85,733
<b>Total Assets</b>	<b>3,218,802</b>	<b>1,058,092</b>
<b>Equity and Liabilities</b>		
Shareholders' Funds	1,356,188	890,126
Non-Current Liabilities	1,627,039	28,665
Current Liabilities	235,575	139,301
<b>Total Equity and Liabilities</b>	<b>3,218,802</b>	<b>1,058,092</b>

**US DOLLAR UNAUDITED ABRIDGED COMPANY STATEMENT OF FINANCIAL POSITION FOR THE SIX MONTHS ENDED 30<sup>th</sup> June 2021**

	<b>30-June-21</b>	<b>30-June-20</b>
	<b>USD'000</b>	<b>USD'000</b>
<b>Assets</b>		
Non-Current Asset	667,887	649,048
Current Assets	76,167	50,180
<b>Total Assets</b>	<b>744,054</b>	<b>699,228</b>
<b>Equity and Liabilities</b>		
Shareholders' Funds	569,963	522,547
Non-Current Liabilities	151,312	156,020
Current Liabilities	22,779	20,661
<b>Total Equity and Liabilities</b>	<b>744,054</b>	<b>699,228</b>