

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

[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: 16 January 2019



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

AUDITED FINANCIAL RESULTS OF THE GROUP FOR THE YEAR ENDED 31 MARCH 2018

In accordance with the requirements of the Securities Act No. 41 of 2016 and the Listing Requirements of the Lusaka Securities Exchange, ZCCM Investments Holdings Plc (ZCCM-IH Plc) announces the audited results of the company and its subsidiaries (collectively referred to as the Group) for the year ended 31 March 2018.

ABRIDGED GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Audited 2018 ZMW'000	Audited 2017 ZMW'000
Revenue	60,982	95,345
Gross loss	(17,487)	(14,516)
Operating profit	46,550	847,866
Net finance (cost)/income	(132,485)	585,646
Share of profit/(loss) of equity accounted investees	689,207	(189,233)
Profit before tax	603,272	1,244,279
Income tax credit/(expense)	241,287	(515,445)
Profit from continuing operations	844,559	728,834
Loss from discontinued operations	(1,610)	-
Profit for the year	842,949	728,834
Earnings per share (K)	5.25	4.53
Basic and diluted earnings per share (K)	5.25	4.53

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Audited 2018 ZMW'000	Audited 2017 ZMW'000
ASSETS		
Property, plant and equipment	143,164	144,842
Intangible assets	367	396
Investment property	64,473	61,157
Investments in associates	7,355,864	6,828,313
Financial assets at fair value through profit or loss	336,082	489,242
Inventories	37,026	44,124
Trade and other receivables	1,022,880	918,892
Deferred tax assets	497,609	415,548
Held-to-maturity investment securities	535,384	497,172
Cash and cash equivalents	<u>339,386</u>	<u>178,931</u>
TOTAL ASSETS	<u>10,332,235</u>	<u>9,578,617</u>
EQUITY AND LIABILITIES		
Capital and reserves	8,940,346	8,013,913
Borrowings	133,703	192,062
Deferred tax liabilities	256,072	425,529
Trade and other payables	488,989	375,954
Other provisions	139,785	143,548
Retirement benefits	32,422	49,567
Provisions for environmental rehabilitation	118,081	145,610
Current tax liabilities	<u>222,837</u>	<u>232,434</u>
TOTAL EQUITY AND LIABILITIES	<u>10,332,235</u>	<u>9,578,617</u>

ABRIDGED GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Audited 2018 ZMW'000	Audited 2017 ZMW'000
Net cash flow from operating activities	16,323	311,143
Net cash flow from/ (used in) investing activities	198,218	(105,079)
Net cash outflow on financing	(54,086)	(63,508)
Increase in cash and cash equivalents	160,455	142,556
Effect of movement in exchange rates on cash held	-	844
Cash and cash equivalents at the beginning of the year	178,931	35,531
Cash and cash equivalents at the end of the year	339,386	178,931

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Share capital	Share premium	Revaluation reserve	Translation reserve	Retained earnings	Total
Balance at 1 April 2016	1,608	2,089,343	260,015	5,828,379	146,883	8,326,228
Total comprehensive income						
Profit for the year	-	-	-	-	728,834	728,834
Other comprehensive income:						
Deferred tax on revaluation reserve	-	-	786	-	-	786
Currency translation – equity accounted investees	-	-	-	(1,122,104)	-	(1,122,104)
Amortisation of revaluation surplus	-	-	(15,138)	-	15,138	-
Defined benefit actuarial loss	-	-	-	-	(465)	(465)
Deferred tax on defined benefit actuarial loss	-	-	-	-	163	163
Share of associates' OCI	-	-	106	80,365	-	80,471
Total comprehensive income	-	-	(14,246)	(1,041,739)	743,670	(312,315)
Balance at 31 March 2017	1,608	2,089,343	245,769	4,786,640	890,553	8,013,913

Balance at 1 April 2017	1,608	2,089,343	245,769	4,786,640	890,553	8,013,913
Total comprehensive income						
Profit for the year	-	-	-	-	842,949	842,949
Other comprehensive income:						
Deferred tax on revaluation reserve	-	-	1,944	-	-	1,944
Currency translation – equity accounted investees	-	-	-	36,725	-	36,725
Amortisation of revaluation surplus	-	-	(726)	-	726	-
Defined benefit actuarial gain	-	-	-	-	1,959	1,959
Deferred tax on defined benefit actuarial gain	-	-	-	-	(686)	(686)
Share of associates' OCI	-	-	-	-	43,542	43,542
Total comprehensive income	-	-	1,218	36,725	888,490	926,433
Balance at 31 March 2018	1,608	2,089,343	246,987	4,823,365	1,779,043	8,940,346

Commentary

- The Group recorded turnover of K61 million (2017: K95 million). The decrease in turnover is attributed to low sales at Ndola Lime Company Limited due to increased competition in lime market as well as technical challenges which negatively affected the production and sales of lime and related products.
- The Group recorded an operating profit of K47 million (2017: K848 million). The decrease is mainly due to:
 - Ndola Lime Company Limited's (Subsidiary) continued loss-making position, which contributed an operating loss of K167 million (2017: K1, 152 million);
 - impairment of the investment in Konkola Copper Mines Plc amounting to K218 million; and
 - decrease in copper price participation income from K719 million (2017) to K360 million (2018).
- The Group recorded a positive share of profit from equity accounted investee companies of K 689 million (2017: loss K 189 million). This movement represents 464% increase.
- The Group reported a profit of K843 million (2017: K 729 million) representing 16% increase, driven by improved production volumes of copper in most of ZCCM-IH's investee companies and an upsurge in copper prices during the year. London Metal Exchange copper price increased by 14.8% to US\$ 6,724/ton (2017: US\$5,858/ton) during the year.
- The Group's total assets increased by 8% from K9, 579 million (2017) to K10, 332 million (2018) on account of increase in the net assets of investee companies whose performance continued to improve during the year.

Dividends

The Directors have proposed a final dividend of K0.61/share for the year ended 31 March 2018 to be tabled at the Annual General Meeting to be held on 28 January 2019.

By Order of the Board
Chabby Chabala
Company Secretary

Issued in Lusaka, Zambia on Wednesday 16th January 2019

Lusaka Securities Exchange Sponsoring Broker	
 STOCKBROKERS ZAMBIA LIMITED	<p>T +260-211-232456 E advisory@sbz.com.zm W www.sbz.com.zm</p> <p>Stockbrokers Zambia Limited (SBZ) is a founder member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia</p>

First Issued on 16 January 2019