

SENS ANNOUNCEMENT
(the “Notice” or “Announcement”)

ISSUER



CHILANGA CEMENT PLC [“CHILANGA”]
[Formerly Known as Lafarge Zambia Plc]
[Incorporated in the Republic of Zambia]

Company registration number: 120080000304
Share Code: CHILANGA
ISIN: ZM0000000011
Authorised by: Chibuye Mbesuma Ngulube – Company Secretary

SPONSOR



STOCKBROKERS ZAMBIA LIMITED

Stockbrokers Zambia Limited
[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
- ii. the Securities and Exchange Commission
- iii. Stockbrokers Zambia Limited

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: March 4, 2022

CHILANGA CEMENT PLC

(formerly Lafarge Zambia PLC)

AUDITED RESULTS FOR THE YEAR ENDED 31st DECEMBER 2021

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 ("LuSE"), Chilanga Cement Plc. announces the audited results for the year ended 31 DECEMBER 2021.

Full Year Key Figures

- Sales revenue at K2,114 million for the period up by 25% compared to 2020.
- Profit before tax at K423 million compared to K342 million in 2020.
- Cash generation of K155 million compared to K283 million in 2020.

Full Year Company Highlights

The Company has achieved outstanding results amidst the COVID 19 pandemic. The company faced many challenges including tight liquidity, high inflation and contraction in local market particularly in the first half of the year.

In 2021 the majority shareholders of Lafarge Zambia Plc (Pan African Cement Co. Ltd. and Financier Lafarge) sold their 75% in the Company to Huaxin (Hainan) Investment Co. Ltd., a company owned by Huaxin Cement Co. Ltd. (Huaxin), leading to the change of trading name of Lafarge Zambia Plc to Chilanga Cement Plc. The Company will sustain and improve the reputable legacy and quality of goods and services that have been built over a period of 72 years.

Huaxin is among the largest cement companies in China and in the world, with 115 years of experience in cement and a strong presence also in aggregates and ready-mixed concrete. With its skills and expertise Huaxin will support the Chilanga Cement Plc in reaching the next level of development.

The above mentioned transaction triggered a Mandatory Tendering Offer (MTO) to the 25% minority shareholders. As at the time of this publication, the final price and conditions of the offer have been circulated to the market. The MTO process is expected to close on or about the 25th April 2022 with the announcement of the results.

Mr. Chai, Chief Executive Officer of Chilanga Cement Plc said:

I would like to express my gratitude: to our customers for their business and loyalty; to our employees, contractors, and suppliers for their contribution to serving our customers with products and services; to all other stakeholders for their support; to Holcim for their diligent stewardship of the business in the past; to Huaxin for their support for the further development of the Company; and to the Members of the Board for their guidance throughout the past year with all its challenges.

Condensed Statement of Profit or Loss & Other Comprehensive Income for the period ended 31 December

	2021	2020
Kwacha Thousands	ZMW '000	ZMW '000
Revenue	2,113,725	1,693,146
Gross Profit	1,215,371	843,563
Operating Profit	424,130	341,724
Investment income	518	790
Other (losses)/ gains	713,955	71,954
Finance costs	(2,671)	(1,412)
Profit before tax	422,690	342,057
Income tax (expense)/credit	(131,600)	20,978
PROFIT FOR THE YEAR	291,090	363,035
Profit attributed to:		
Equity holders of the parent	218,318	272,276
Minority interest	72,772	90,759
Basic and diluted earnings/(loss) per share (from normal results for the year) (Kwacha)	1.46	1.81

Condensed Statement of Financial Position as at 31 December

	2021	2020
ZMW '000	ZMW '000	
Net assets employed		
Property, plant and equipment	1,427,619	1,415,894
Right of Use Assets	3,090	4,518
Intangible assets	363	401
Equity investment at fair value	-	26,221
Net current assets	329,272	433,047
	1,760,344	1,880,081
Liabilities due after one year		
Provision for Environmental Liabilities	39,483	27,899
Lease Liabilities	2,001	3,301
Deferred tax	193,000	212,005
	1,525,860	1,636,876
Financed by		
Share Capital	10,002	10,002
Reserves	1,515,858	1,626,874
	1,525,860	1,636,876

Condensed Statement of Cash Flow for the period ended 31 December

	2021	2020
	ZMW '000	ZMW '000
Net cash from operating activities	406,249	484,377
Net cash used in investing activities	(53,480)	(47,925)
Net cash generated (utilised) financing activities	(421,384)	(301,103)
(Decrease)/increase in cash and cash equivalents	(68,615)	135,349
Effect of foreign exchange rate changes	(60,010)	71,710
Cash and cash equivalents at beginning of the year	283,140	76,081
Cash and cash equivalents at end of December	154,515	283,140

Statement of Changes in Equity as at 31 December

	Share capital	Property revaluation reserve	Retained earnings	Total
Balance at 1 January 2020	10,002	464,495	1,093,342	1,567,839
Profit for the year	-	-	363,035	363,035
Deferred tax on revaluation	-	6,062	-	6,062
Interim dividend in respect of 2020	-	-	(300,060)	(300,060)
Amortisation of revaluation reserve	-	(17,319)	17,319	-
Balance at December 2020 as previously stated	10,002	453,238	1,173,636	1,636,876
Balance at 1 January 2021	10,002	453,238	1,173,636	1,636,876
Profit for the year	-	-	291,090	291,090
Deferred tax on revaluation	-	17,978	-	17,978
Final dividend in respect of 2020	-	-	(50,010)	(50,010)
Interim dividend in respect of 2021	-	-	(370,074)	(370,074)
Amortisation of revaluation reserve	-	(17,319)	17,319	-
Balance at 31 December 2021	10,002	453,897	1,061,961	1,525,860

By order of the board
Chibuye M. Ngulube
Company Secretary

**By Order of the Board
Chibuye Mbesuma Ngulube
Company Secretary**

Issued in Lusaka, Zambia on March 4, 2022

Lusaka Securities Exchange Sponsoring Broker



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First Issued on March 4 2022