

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

ISSUER



CHILANGA CEMENT PLC [“formerly LAFARGE ZAMBIA PLC”]
[Incorporated in the Republic of Zambia]

Company registration number: 304
Share Code: Chilanga Cement
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: August 31, 2022

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 (formerly Lafarge Zambia plc) announces the unaudited results for the half year ended 30 JUNE 2022.

Half Year Key Figures

- Sales revenue at K803 million for the period down by 16% compared to 2021.
- Profit before tax up by 10% at K134 million compared to K122 million in 2021.
- Closing cash position at K98 million compared to K192 million in 2021.

Half Year Company Highlights

- The business has recorded a 10% increase in profit before tax for the period compared with the same period last year. This is despite a notable reduction in overall demand in the country and export markets having a challenge with foreign currency access. We continue to leverage our superior quality to offer the best to our customers.
- The stable currency and operating environment mitigated some of the costs in view of the fuel increases experienced in the first half of the year.
- In the period under review, The Company concluded the Mandatory Tendering Offer to the minority shareholders. The Mandatory offer by Huaxin to the minority shareholders of Chilanga Cement opened on 12 May 2022 and closed on 13 June 2022 at an offer price of K13.38 per share. At the close of the Offer period on 13 June 2022, a total of 12,375,420 shares were tendered for sale to Huaxin via the Form of Acceptance. This level of acceptance represents 24.74 % of the 50,013,468 target shares that were the subject of the mandatory offer or 6.19% of the total shareholding in the Company.

Condensed Financial Statements For The Period Ended 30th June 2022

Condensed Statement of Comprehensive Income for the period ended 30 June	2022	2021
	ZMW'000	ZMW'000
Revenue	802, 850	961, 475
Profit before interest and tax	136, 615	124, 877
Investment income	1, 194	240
Finance costs	(3, 578)	(3, 422)
Profit before tax	134, 231	121, 695
Income tax (expense)	(50, 823)	(62, 943)
PROFIT/ (LOSS) FOR THE PERIOD	83, 408	58, 752
Profit attributed to:		
Equity holders of the parent	67, 719	44, 064
Minority interest	15, 689	14, 688
Basic and diluted earnings per share (Kwacha)	0.42	0.29

Condensed Statement of Financial Position as at 30 June	2022	2021
	ZMW'000	ZMW'000
Net assets employed		
Property, plant and equipment	1, 403, 828	1, 413, 761
Right of Use Assets	-	3, 824
Intangible assets	345	384
Net current assets	437, 577	376, 024
	1, 841, 750	1, 793, 993
Liabilities due after one year		
Provision for Environmental Liabilities	39, 483	33, 691
Lease Liabilities	-	2, 699
Deferred Tax	192, 999	212, 005
	1, 609, 268	1, 545, 598
Financed by		
Share Capital	10,002	10,002
Reserves	1, 599, 266	1, 535, 596
	1, 609, 268	1, 545, 598

Condensed Statement of Cashflow for the period ended 30 June	2022	2021
	ZMW'000	ZMW'000
Net cash from operating activities	(59, 495)	85, 007
Net cash used in Investing activities	(7, 443)	(12, 981)
Net cash generated (utilised) in financing Activities	(4, 053)	(152, 567)
(Decrease)/ increase in cash and cash equivalents	(56, 480)	(90, 691)
Cash and cash equivalents at beginning of the year	154, 515	283, 140
Cash and cash equivalents at end of June	98, 035	192, 449

Statement of Changes in Equity as at 30 June

	Share capital	Property revaluation reserve	Retained earnings	Total
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
Balance at 1 January 2022	10, 002	453, 897	1, 061, 961	1, 525, 860
Profit for the half year	-	-	83, 408	83, 408
Balance at 30 June 2022	10, 002	453, 897	1, 145, 369	1, 609, 268