

**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: Charles Mjumphi – Company Secretary

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**APPROVAL**

The captioned Announcement has been approved by:

- i. the Lusaka Securities Exchange (“**LuSE**”)
- ii. the Securities and Exchange Commission of Zambia (“**SEC**”)
- iii. ZCCM Investment Holdings Plc (“**ZCCM-IH**”)

**RISK WARNING**

The 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: 27 September 2024**



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

**DIRECTORS' INTERIM UNAUDITED FINANCIAL RESULTS FOR ZCCM INVESTMENTS HOLDINGS PLC AND ITS SUBSIDIARIES ("THE GROUP") FOR THE SIX MONTHS PERIOD ENDED 30<sup>TH</sup> JUNE 2024**

**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", "ZCCM", "the Company", "We" or "Our") 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 2024.

**CHIEF EXECUTIVE OFFICER'S COMMENTARY**

I am pleased to share ZCCM-IH's financial results for the first half of 2024, which highlight several key strategic developments. A major highlight is our new partnership with Delta Mining Limited, focusing on Mopani Copper Mines Plc. Additionally, Konkola Copper Mines Plc (KCM) has successfully completed all necessary formalities, leading to Vedanta's release of USD250 million. This marks the final step in the implementation agreement, resulting in KCM's removal from the liquidation process. Following this, a new Board has been appointed, and Vedanta has officially taken over the operations of KCM.

Other developments in the portfolio include the resumption of remedial work at Kasenseli, which has restarted following resolution of outstanding issues with some key stakeholders. Following this development, Zambia Gold Company Limited is set to begin its operations, including exploration and trial mining, in the 4<sup>th</sup> quarter of 2024.

The first half of the year delivered strong financial results at the Group level, with a profit of ZMW 55.32 billion (USD 2.17 billion) compared to a loss of ZMW 2.41 billion (USD 125.84 million) for the six-month period ended 30<sup>th</sup> June 2023 (Refer to the financial performance section for details).

Despite the Group's overall profit, the Company reported a loss of ZMW 4.74 billion (USD 185.94 million) for this period, compared to a profit of ZMW 551.49 million (USD 28.80 million) during the same period in 2023. In response, ZCCM-IH will implement a disciplined capital allocation strategy, aimed at balancing short-term returns with long-term investments. The company will also focus on reducing costs through an organizational review, as well as innovation and modernization of its operations.

On a positive note, the Kansanshi Royalty model has continued to perform well, generating a total royalty income of ZMW564 million (USD23 million) in the first half of the year. These funds will be applied on strategic initiatives to seek growth opportunities in the mining and energy sectors, aiming to enhance the value and quality of our portfolio. One such strategic initiatives is in the energy sector where; we have committed to investing a total of USD50 million in Maamba Energy Limited's 300MW Phase II Project. The total project cost is estimated at USD 400 million and will take up to 24 months to complete.

## STRUCTURE OF THE ZCCM-IH GROUP

The ZCCM-IH Group consists of the following Ten (8) companies:

<b>Name</b>	<b>Shareholding</b>
Kariba Minerals Limited	100.00%
Ndola Lime Company Limited (in liquidation)	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)	71.40%
Zambia Gold Company Limited	51.00%

The Company also has other interests in the undernoted companies:

<b>Name</b>	<b>Shareholding</b>
Rembrandt Properties Limited	49.00%
Mopani Copper Mine PLC	49.00%
Central African Cement Limited	49.00%
Maamba Energy 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	22.28%
NFCA Africa Mining PLC	15.00%
Chibuluma Mines PLC	15.00%
Chambishi Metals PLC	10.00%
Copper Tree Mineral Limited	15.58%
Nkana Alloy Smelting Company Limited	10.00%

## FINANCIAL PERFORMANCE

### ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30<sup>TH</sup> JUNE 2024

	30 June 2024 ZMW'000	30 June 2023 ZMW'000
<b>Revenue</b>	<b>2,370,492</b>	<b>7,115,004</b>
<b>Gross loss</b>	<b>(301,672)</b>	<b>(561,783)</b>
Investment expense	(3,859,125)	-
<b>Operating profit/(loss)</b>	<b>(4,832,608)</b>	<b>(1,666,487)</b>
Net finance cost	(534,146)	(1,749,567)
Gain recognised from investment in investee company	42,315,105	-
Share of profit of equity accounted investees	19,234,156	1,228,724
<b>Profit/(loss) before tax</b>	<b>56,182,507</b>	<b>(2,187,330)</b>
Income tax	(858,641)	(222,217)
<b>Profit/(loss) for the period</b>	<b>55,323,866</b>	<b>(2,409,547)</b>
<b>Earnings per share (ZMW)</b>	<b>344.05</b>	<b>(14.98)</b>

### ABRIDGED COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30<sup>TH</sup> JUNE 2024

	30 June 2024 ZMW'000	30 June 2023 ZMW'000
<b>Revenue</b>	<b>862,456</b>	<b>1,084,608</b>
Investment expense	(3,859,125)	-
<b>Operating (loss)/profit</b>	<b>(3,749,073)</b>	<b>889,911</b>
Net finance cost	(130,260)	(115,654)
<b>(Loss)/profit before tax</b>	<b>(3,879,333)</b>	<b>774,257</b>
Income tax	(858,641)	(222,768)
<b>Profit for the period</b>	<b>(4,737,974)</b>	<b>551,489</b>
<b>Earnings per share (ZMW)</b>	<b>(29.46)</b>	<b>3.43</b>

**ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION FOR THE SIX MONTHS PERIOD ENDED 30<sup>TH</sup> JUNE 2024**

	<b>30 June 2024 ZMW'000</b>	<b>30 June 2023 ZMW'000</b>
<b>Assets</b>		
Non-Current Asset	51,990,806	35,462,967
Current Assets	4,814,005	12,845,880
<b>Total Assets</b>	<b>56,804,811</b>	<b>48,308,847</b>
 <b>Equity and Liabilities</b>		
Shareholders' Funds	46,958,242	6,507,038
Non-Current Liabilities	8,525,737	30,339,782
Current Liabilities	1,320,832	11,462,027
<b>Total Equity and Liabilities</b>	<b>56,804,811</b>	<b>48,308,847</b>

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**ABRIDGED COMPANY STATEMENT OF FINANCIAL POSITION FOR THE SIX MONTHS PERIOD ENDED 30<sup>TH</sup> JUNE 2024**

	<b>30 June 2024 ZMW'000</b>	<b>30 June 2023 ZMW'000</b>
<b>Assets</b>		
Non-Current Asset	45,496,060	21,705,749
Current Assets	4,537,115	4,488,171
<b>Total Assets</b>	<b>50,033,175</b>	<b>26,193,920</b>
 <b>Equity and Liabilities</b>		
Shareholders' Funds	44,739,301	25,733,633
Non-Current Liabilities	4,080,757	44,497
Current Liabilities	1,213,117	415,790
<b>Total Equity and Liabilities</b>	<b>50,033,175</b>	<b>26,193,920</b>

**ABRIDGED GROUP STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED  
30TH JUNE 2024**

	<b>30 June 2024 ZMW'000</b>	<b>30 June 2023 ZMW'000</b>
Net cash used from operating activities	(392,591)	(2,852,797)
Net cash inflow from investing activities	401,434	1,281,703
Net cash inflow from financing activities	751,483	2,149,825
<b>Increase in cash and cash equivalents</b>	<b>760,326</b>	<b>578,731</b>
Cash and cash equivalents at the beginning of the period	(126,471)	(81,060)
<b>Cash and cash equivalents at the end of the period</b>	<b>633,855</b>	<b>497,671</b>

**ABRIDGED COMPANY STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30TH  
JUNE 2024**

	<b>30 June 2024 ZMW'000</b>	<b>30 June 2023 ZMW'000</b>
Net cash inflow/(used) from operating activities	497,945	(808,369)
Net cash inflow from investing activities	221,438	1,184,450
Net cash used from financing activities	(267,235)	-
<b>Increase in cash and cash equivalents</b>	<b>452,148</b>	<b>376,081</b>
Cash and cash equivalents at the beginning of the period	53,478	45,587
<b>Cash and cash equivalents at the end of the period</b>	<b>505,626</b>	<b>421,668</b>

**ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY**

	<b>30 June 2024 ZMW'000</b>	<b>30 June 2023 ZMW'000</b>
<b>Balance at 1 January</b>	<b>(5,690,634)</b>	<b>7,908,807</b>
Profit/(loss) for the period	55,323,865	(2,409,547)
<b>Other comprehensive (loss)/income and reserves</b>	<b>(2,674,989)</b>	<b>1,007,778</b>
<b>Balance at 30 June</b>	<b>46,958,242</b>	<b>6,507,038</b>

**ABRIDGED COMPANY STATEMENT OF CHANGES IN EQUITY**

	<b>30 June 2024 ZMW'000</b>	<b>30 June 2023 ZMW'000</b>
<b>Balance at 1 January</b>	<b>37,422,019</b>	<b>24,679,853</b>
(Loss)/profit for the period	(4,737,974)	551,489
<b>Other comprehensive income and reserves</b>	<b>12,055,256</b>	<b>502,291</b>
<b>Balance at 30 June</b>	<b>44,739,301</b>	<b>25,733,633</b>

## 1. FINANCIAL PERFORMANCE HIGHLIGHTS

### (I) Group Performance

The Group's net profit increased to ZMW 55.32 billion (USD 2.17 billion), a significant improvement compared to the net loss of ZMW 2.41 billion (USD 125.84 million) in 2023. This turnaround is largely attributed to USD1.1 billion capital investment by International Resources Holding RSC Ltd ("IRH"), through its wholly owned subsidiary, Delta Mining Limited ("Delta"), for a 51% interest in Mopani Copper Mines plc ("MCM") and the formation of a strategic partnership with ZCCM-IH which has resulted to:

- A significant one-off gain of ZMW42.3 billion (USD1.66 billion) has been recognized from ZCCM-IH's investment in the Mopani asset, reflecting a major improvement in the asset's valuation following recent developments.
- The share of profit from equity-accounted investees increased significantly to ZMW 19.2 billion (USD 744.81 million), compared to ZMW 1.23 billion (USD 64.17 million) in 2023, mainly due to the significant profit recorded by Mopani of ZMW 35.17 billion (USD 1.38 billion) in this period, compared to six months ended 30 June 2023 of ZMW 4.02 billion loss (USD 209.87 million loss) due to the Glencore/Carlisa loans of USD1.7 billion that have been settled via the Amendment, Restatement, and Consolidation (ARCA) Agreement signed by IRH/Delta and ZCCM-IH following finalization of the Mopani' Strategic Equity Transaction.
- An investment expense of ZMW 3.86 billion (USD150 million) has been recognized in 2024, which was not present in the previous period. The USD 150 million is a partial consideration for the write-down of the Mopani debts to Glencore. Details of this transaction were issued by the Company on 21<sup>st</sup> March 2024 following Shareholder approval and subsequent completion of the Mopani transaction.

Overall, total assets increased by 17.6% during this period, primarily driven by the rise in non-current assets. This increase is mainly attributable to the gain recognized from the reclassification of Mopani from a subsidiary to an associate and the inclusion of the Mingomba asset recorded during the period.

Shareholders' equity saw a remarkable surge of 621.6% for the six months ended June 30, 2024, compared to the previous period ended June 30, 2023. This impressive growth is largely due to Mopani's financial restructuring and substantial capital investment from Delta.

### (II) Company performance

Despite the profit recorded at the Group level, the Company posted a loss of ZMW 4.74 billion (USD 185.94 million) for this period, compared to a profit of ZMW 551.49 million (USD 28.80 million) in the same period of 2023. This significant decline is primarily attributed to a large investment expense as stated above, and a decrease in revenue, driven by the reclassification of Mopani from a subsidiary to an associate.

Total assets have nearly doubled, reflecting an overall increase of 90.9%. This growth is driven primarily by the substantial increase in non-current assets, indicating significant capital investments in Mopani and other investments.

The significant increase in total liabilities from ZMW 460.3 million (USD26.3 million) in June 2023 to ZMW 5.3 billion (USD 216.83 million) in June 2024 is mainly due to the Glencore loan of USD 150.44 million recorded during the period.

## 2. KEY OPERATIONS AND STRATEGIC UPDATES

### (I) Mopani Copper Mines Plc

Shareholders are referred to the announcements ZCCM-IH released on the Stock Exchange News Service ("SENS") of the Lusaka Securities Exchange ("LUSE") on 10th November 2023, 30 November 2023, 22 December 2023, 1 February 2024 and 23 February 2024, including the Transaction circular (the "Circular") released on 2 February 2024 incorporating a notice of Extraordinary General Meeting ("EGM") to consider the Transaction relating the up to USD1.1 billion capital investment by International Resources Holding RSC Ltd ("IRH"), through its wholly-owned subsidiary, Delta Mining Limited ("Delta"), for a 51% interest in Mopani Copper Mines plc ("MCM") and the formation of a strategic partnership with ZCCM-IH. The investment will be comprised:

- USD620 million in new equity capital,
- USD100 million in settlement of existing third-party letters of credit at the time of the completion of the transaction, and
- USD380 million of shareholder loans.

So far IRH, through Delta, has invested a total of USD620 million, consisting of a USD400 million payment to Glencore to restructure the USD1.7 billion Glencore debt, and an equity investment of USD220 million directly injected into Mopani.

Additionally, the remaining equity funding of USD400 million is expected to be disbursed over the next three years. This investment is expected to bolster Mopani's financial position and supporting its growth initiatives.

Shareholders are referred to the announcements dated 21 March 2024, and the circular under section 8.21 relating to the structure of the USD 150 million Glencore Payment Covenant which was a partial consideration for the write down of the MCM debt to Glencore. In order to make the payment to Glencore and complete the transaction, ZCCM-IH made an upfront payment of USD15 million and entered into a loan facility with the Government of the Republic of Zambia through the Ministry of Finance and National Planning ("GRZ") pursuant to which the GRZ is to make available to ZCCM-IH an aggregate loan of USD135 million plus a further amount equal to the aggregate interest that ZCCM-IH is required to pay to Glencore under the payment covenant. The GRZ loan is interest free, has a repayment moratorium of five (5) year and the GRZ have the option to convert the value of its loan into equity in the capital of ZCCM-IH, subject to the approval of ZCCM-IH's shareholders in accordance with Section 10 of the LUSE Listing Rules.

### (VI) Maamba Energy Limited

In the energy sector, ZCCM-IH has since committed to participating in the debt financing of Maamba Energy Limited 300MW Phase II Project. The total project cost is estimated at USD 400 million and will take up to 24 months to complete. USD 300 million will be financed by a consortium of lenders.

ZCCM-IH will contribute USD 15 million towards the debt portion in form of loan that will have a tenor of 10.25 years from construction start inclusive of a moratorium of 1.25 years. The interest rate will be nine (9%) per cent per annum. The balance of USD 100 million will be provided in the form of equity by the Shareholders; Nava Bharat Singapore Pte Limited ("NBS") and ZCCM-IH in proportion to their respective shareholding in MEL of 65 per cent and 35 per cent respectively. This means that NBS will contribute USD 65 million and ZCCM-IH will contribute USD 35 million.



## **(II) Investrust Bank Plc (“Investrust”)**

On April 2, 2024, the Bank of Zambia (“BOZ”) took possession of Investrust Bank Plc (“Investrust”). The possession of Investrust by BOZ was necessitated by its insolvency. On 24 April 2024, the Bank of Zambia terminated all interests of shareholders in Investrust.

## **(III) Konkola Copper Mine Plc**

On 25th July 2024, the Lusaka High Court ordered the withdrawal of the winding up petition effectively vacating the Provisional liquidator, reinstating the Board of Directors, and ending the KCM liquidation. The winding-up petition has been successfully terminated, marking a pivotal step in resolving years of legal challenges. This termination has allowed the management control of KCM to be fully returned to Vedanta Resources, the majority shareholder.

Vedanta has committed to a substantial investment in reviving KCM's operations, planning to inject approximately USD1.2 billion for a period of five years. This includes significant investments in enhancing copper production and advancing the Konkola Deep Mining Project. To date KCM has received USD 250 million from Vedanta to settle partial outstanding debts with Zambian creditors as part of their efforts to stabilize operations

KCM is currently implementing a Scheme of Arrangement, which is designed to restructure the company's obligations and improve overall operations.

These developments underscore our commitment to restoring KCM to its full operational potential and maintaining our focus on long-term growth and sustainability.

## **3. OUTLOOK**

ZCCM-IH will continue to position itself to capitalize on more profitable and sustainable opportunities within the mining and energy sectors. This approach aligns with ZCCM-IH's strategy, which is focused on investments in mining, energy, and related areas.

- Raising both short and long-term capital to support mining and energy investments within the group.
- Implementation of more predictable alternative income streams such as the royalty model.
- Cost containment and cash optimization initiatives.
- Continued implementation of the turnaround plans to improve efficiencies, productivity, and growth in subsidiary companies.
- Portfolio optimization and divestment from non-viable and non-mining related investments.

**By Order of the Board**

**Charles Mjumphi**

**Company Secretary**

**Issued in Lusaka, Zambia on 1 September 2024**

## APPENDICES

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

USD'000	30 June 2024	30 June 2023
<b>Revenue</b>	<b>93,026</b>	<b>371,586</b>
<b>Gross loss</b>	<b>(11,839)</b>	<b>(29,339)</b>
<b>investment expense</b>	<b>(150,446)</b>	-
<b>Operating loss</b>	<b>(189,649)</b>	<b>(87,033)</b>
Net finance cost	(20,962)	(91,372)
<b>Gain recognised from investment in investee</b>	<b>1,660,593</b>	-
Share of profit of equity accounted investees	754,816	64,171
<b>Profit/(loss) before tax</b>	<b>2,204,799</b>	<b>(114,235)</b>
Income tax	(33,696)	(11,605)
<b>Profit/(loss) for the period</b>	<b>2,171,103</b>	<b>(125,840)</b>
<b>Basic and diluted earnings per share (USD)</b>	<b>13.50</b>	<b>(0.78)</b>

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

USD'000	30 June 2024	30 June 2023
<b>Revenue</b>	<b>33,846</b>	<b>56,644</b>
<b>Investment expense</b>	<b>(150,446)</b>	-
<b>Operating (loss)/profit</b>	<b>(147,127)</b>	<b>46,476</b>
Net finance cost	(5,112)	(6,040)
<b>Profit before tax</b>	<b>(152,239)</b>	<b>40,436</b>
Income tax	(33,696)	(11,634)
<b>(Loss)/profit for the year</b>	<b>(185,935)</b>	<b>28,802</b>
<b>Basic and diluted earnings per share (USD)</b>	<b>(1.16)</b>	<b>0.18</b>

**US DOLLAR ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION FOR THE SIX MONTHS PERIOD ENDED 30TH JUNE 2024**

USD'000	30 June 2024 USD'000	30 June 2023 USD'000
<b>Assets</b>		
Non-Current Asset	2,129,463	2,026,096
Current Assets	197,174	733,921
<b>Total Assets</b>	<b>2,326,637</b>	<b>2,760,017</b>
<b>Equity and Liabilities</b>		
Shareholders' Funds	1,923,332	371,765
Non-Current Liabilities	349,202	1,733,395
Current Liabilities	54,103	654,857
<b>Total Equity and Liabilities</b>	<b>2,326,637</b>	<b>2,760,017</b>

**US DOLLAR ABRIDGED COMPANY STATEMENT OF FINANCIAL POSITION FOR THE SIX MONTHS PERIOD ENDED 30TH JUNE 2024**

	30 June 2024 USD'000	30 June 2023 USD'000
<b>Assets</b>		
Non-Current Asset	1,863,447	1,240,109
Current Assets	185,833	256,421
<b>Total Assets</b>	<b>2,049,280</b>	<b>1,496,530</b>
<b>Equity and Liabilities</b>		
Shareholders' Funds	1,867,451	1,470,233
Non-Current Liabilities	167,142	2,542
Current Liabilities	49,687	23,755
<b>Total Equity and Liabilities</b>	<b>2,049,280</b>	<b>1,496,530</b>