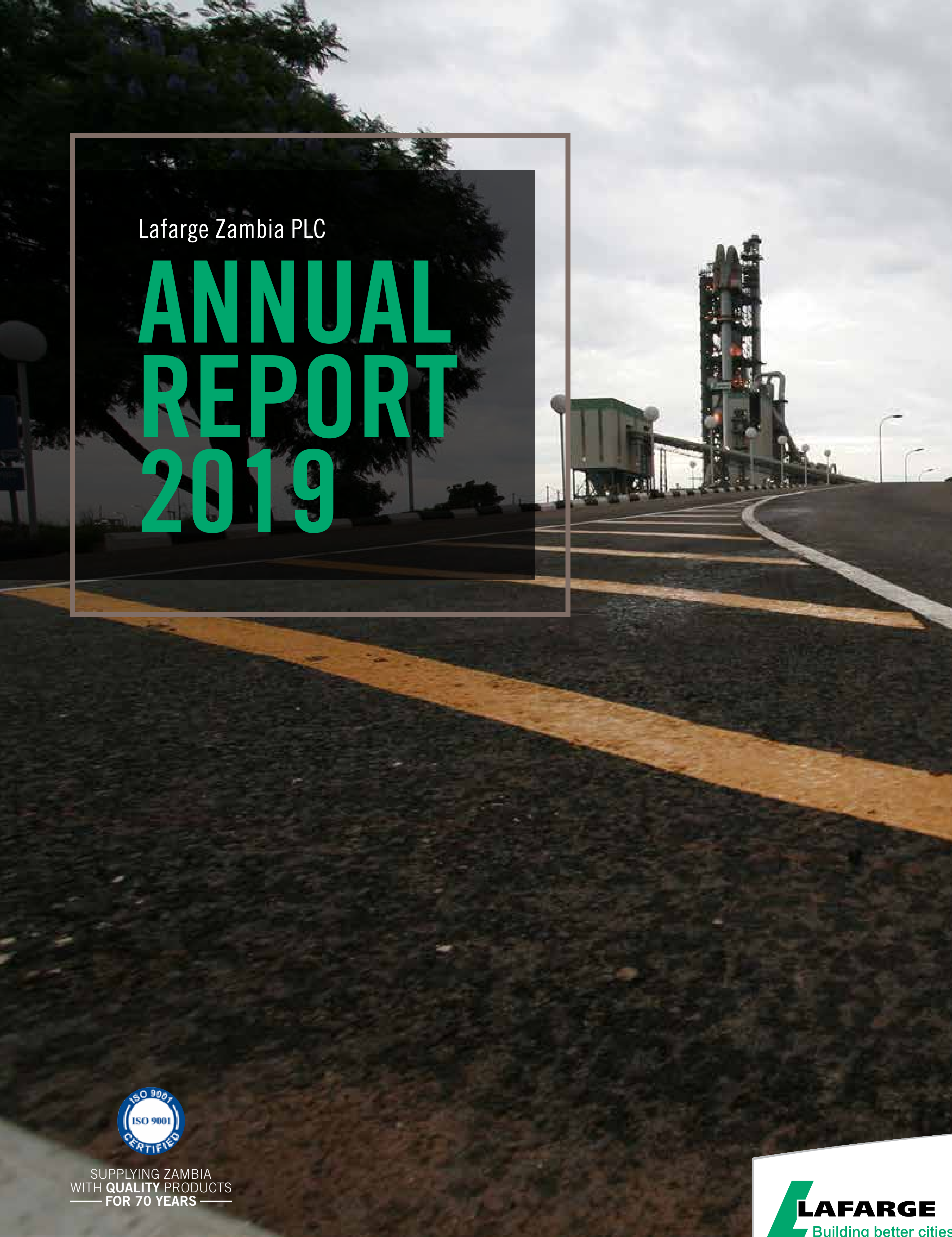
Lafarge Zambia PLC

ANNUAL REPORT 2019



SUPPLYING ZAMBIA
WITH **QUALITY** PRODUCTS
FOR 70 YEARS

LAFARGE
Building better cities™

A member of
LafargeHolcim

2019 Awards

- Lafarge Holcim - Golden Award - Infrastructure Zambia
- Zambia Institute of Marketing - Most creative outdoor advertisement of the year.
- Zambia Institute of Marketing - Most creative television advertisement of the year.

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Lafarge Zambia PLC,
a member of LafargeHolcim,
is a leading Zambian construction
and building solutions company.

LAFARGE ZAMBIA
AT A GLANCE

DEVELOPING OUR EMPLOYEES:

7,024 MAN-HOURS SPENT ON TRAINING

SUPPORTING OUR COMMUNITIES:

K389,000 IN DIRECT COMMUNITY INVESTMENT

HEALTH & SAFETY MATTERS MOST:

0 FATALATIES AT OUR PLANTS AND ON THE ROAD

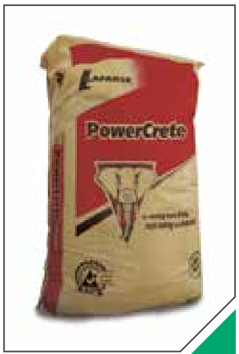
LAFARGE ZAMBIA IS PART OF THE GLOBAL LAFARGEHOLCIM GROUP, OPERATING IN:

80 COUNTRIES AT

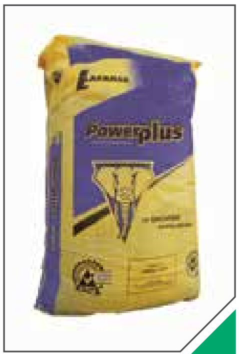
2300 SITES WITH

75,000 EMPLOYEES

QUALITY PRODUCTS FOR
ANY APPLICATION

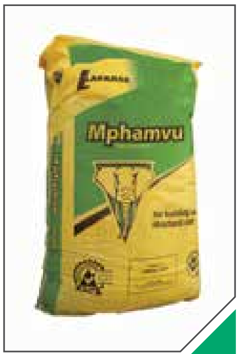


Mining



Special Projects

Block Making



General Purpose

Mass Concrete

There's nothing that you can't build.
Putting commercial transformation into action.

SUPABLOCK
A BLOCK YOU CAN TRUST!

We're helping Zambia build stronger and more beautiful homes with Supablock, Zambia's first block that is ZABS-approved and consistent in size. It's available throughout Zambia at approved Supablock outlets. We continue to manufacture the country's most trusted cement products. They remain the preferred choice for any application: from a family home or a shopping mall to an airport or a school.

BINASTORE

Binastore, our retail innovation launched in 2017, aims to be the most convenient access point for building materials and cement.

binastore
BUILDING SOLUTIONS PARTNER

MAJOR
INFRASTRUCTURE PROJECTS

Continued prestigious infrastructure projects are all supplied by Lafarge Zambia 2019:

MUSONDA FALLS
HYDRO POWER STATION
MWENSE

ZESCO
SUBSTATION
MPIKA

NOVARE MALL
GREAT NORTH ROAD

PINNACLE MALL
KABULONGA, LUSAKA

2019
IN REVIEW

"This milestone could not have been made possible if it wasn't for the commitment and dedication of our shareholders, employees and contractors, who have supported the company for over 70 years whose dedication I acknowledge. I would also like to thank our loyal customers for trusting in us to build their dream homes."

MUNA HANTUBA
CHAIRMAN

CHAIRMAN'S REVIEW

I hereby present the 2019 Lafarge Zambia Plc (Lafarge) results on behalf of the Board. In 2019, Lafarge celebrated 70 years of building dreams in Zambia, a history that is forever interwoven in the construction of some of our nation's most iconic projects and buildings. This milestone could not have been made possible if it wasn't for the commitment and dedication of our shareholders, employees and contractors, who have supported the company for over 70 years whose dedication I acknowledge.

2019 was characterized by a challenging macro-economic environment due to several factors including a depreciating local currency, high inflation rate, and low electric power supply leading to drastic load shedding. As almost 50% of Lafarge Zambia's costs are in foreign currency, the depreciation of the Kwacha had a large impact on the production cost.

The low liquidity on the money market as well as high interest rates, further squeezed expenditure, leading to the domestic market contracting compared to 2018. These challenges, which were not only in the manufacturing sector, were felt across the entire economy which resulted in a drop of the Gross Domestic Product (GDP) rate to 2% for the year. However, the foreign market, specifically the Democratic Republic of Congo (DRC) recorded an increase in road construction and mining activities during the year.

Despite all these economic challenges, Lafarge Zambia managed to turn out a resilient industrial performance. In 2019, volume and price were pressured in the first half of the year and only increased in the second half of the year, leading to the Company recording a loss before tax of 24 million. Basic and diluted earnings per share for the year were low compared to 2018. This led to the Directors' recommendation that no dividend be declared for the year ending 31 December 2019.

The Company's share price was fluctuating throughout the year, ending with a closing share price of ZMW 1.95 per Share. The Company is committed to several actions in the coming year that will better reflect in the share price.

The Company remains committed to maintaining shared, valued partnerships with our communities, through community-centric initiatives and partnerships, despite having a constrained budget. In 2019, the major activities undertaken included the building of community schools across the country with support from Zambia Open Community Schools and the construction of low-cost decent houses for the vulnerable in Lusaka, Kabwe and Ndola with support from Habitat for Humanity Zambia. In addition, we held a successful sixth edition of the Lafarge Lusaka Marathon which attracted 3000 runners from more than 16 countries.

Looking forward, the Company is well-positioned to benefit from the improvements in the domestic and regional economies. The Company has a strong base of values and principles which have served it well over the years and will maintain its focus on improved customer service, industrial excellence, sustained cost control, and good corporate citizenship. The Company recognizes the competitive environment it is operating in and continues to implement appropriate strategies to enhance its growth and profitability. Demand for cement is expected to remain constant given the focus to complete existing investments in infrastructure projects, power generation and mining before the General Elections in 2021. Furthermore, the continued pace of development in the regional markets should support growth in export activity.

Finally, I wish to express our gratitude to our suppliers and customers for their loyalty and support over the 70 years that the company has been operating in Zambia. In addition, I would also like to thank our shareholders for their continued confidence in Lafarge

MUNA HANTUBA
CHAIRMAN

CHIEF EXECUTIVE OFFICER'S REVIEW

"2019 has been a turnaround year focusing on cash cost and commercial transformation under the umbrella of culture change; we now engage with our people on a weekly and monthly basis that includes all staff from the CEO to our shop floor leaders to discuss, meet and get feedback."

JIMMY J KHAN

CHIEF EXECUTIVE OFFICER

CHIEF EXECUTIVE OFFICER'S REVIEW

Having celebrated 70 years of operations in Zambia in 2019, Lafarge Zambia (Lafarge) is taking step changes to develop a stronger safety culture and more stringent practices and standards in line with the Ambition "0", 2025 Health and Safety Strategy. This is evident in the partnership with our heavy vehicles and transport partners who are now GPS enabled and monitored. To date, the company has not had a single road fatality, a KPI that we are indeed very proud of; as our aspiration at Lafarge is to conduct business with zero harm to our employees, contractors, communities, customers and all third parties dealing with us.

Reaching this level of excellence permeates into all aspects of our business, which is evident from the fact that Lafarge Zambia PLC is continuously the highest quality provider with the lowest standard deviation of cement quality in the country. Furthermore, as part of our continued focus on health programs, the Company implemented Occupational Health Risk Assessments to further minimize occupational health risks to our employees and contractors. Annually, doctors are brought on site to conduct medical and physical checkups creating on line profiles to help employees actively manage their health as they grow with our business.

The challenging macro-economic environment, due to a depreciating local currency, new competitors, high inflation rate and low supply of electrical power due to continued load shedding, led to dramatic challenges and increase in the company's operational costs. Low demand in the first half of the year necessitated the shutdown of Ndola line 1 through to the end of the year on destocking. For both plants, performances were optimized through more efficient use of resources and the continued implementation of the Cement Industrial Framework (CIF) program. Power interruptions continued to affect the plants through scheduled kiln stoppages to accommodate ZESCO's load shedding schedules.

The Company's turnover for the year was K1, 110,153 thousand (2018: K1, 141,800 thousand) resulting in a 3% decrease from 2018. Following, the stringent actions taken during the first six months, Lafarge Zambia has been brought back to profitability in quarter four. The Company's financial structure remained resilient with no external debt, despite the many challenges faced in the operating year. 2019 has been a year for internal communication as there has been a culture of engagement on a weekly and monthly basis that includes all staff from the CEO to our shop floor leaders to discuss, meet and get feedback. Valuable changes have been made in 2019 to reduce the cash cost of our plants, by becoming commercial and more dynamic via a culture of success and fun. The Company further provided support that focused on education, mainly through the partnership with Zambia Open Community Schools. In relation to Health, our focus was mainly through the Lafarge Lusaka Marathon. Finally in Infrastructure, it was through the construction of houses for the most vulnerable, in partnership with Habitat for Humanity Zambia. In 2019 Lafarge Zambia won the LafargeHolcim Middle East and Africa Corporate Social Responsibility (MEA-CSR) Golden award, under the infrastructure segment. The award is a testimony of the good social investment that the company is making in the community to promote shared value.

The road ahead will be a challenging one, but Lafarge Zambia has rapidly adapted to these challenges and is very positive about the future of our company.

I wish to thank our customers for their loyalty, employees and contractors for their diligence, commitment and hard work. I would also like to thank the Lafarge Group for its assistance, the Board for its guidance, shareholders for their confidence and all stakeholders for their loyal support. I look forward to 70 more years of being Zambia's favourite cement manufacturer.

JIMMY J KHAN
CHIEF EXECUTIVE OFFICER

MEET THE BOARD

THE BOARD

FROM LEFT TO RIGHT: Mwelwa Chibesakunda, Dr Frank Munthali, Jimmy J Khan, Chibuye Ngulube, Muna Hantuba and Ahmed Khalifa.

MEET THE
EXECUTIVE COMMITTEE

THE EXECUTIVE COMMITTEE

FROM LEFT TO RIGHT: Thecra Milambo, Mangiza Phiri, Obed Nkandu, James Kirkpatrick, Jimmy J Khan, Ahmed Khalifa, Victor Maambah, Peter Robson and Chibuye Ngulube.

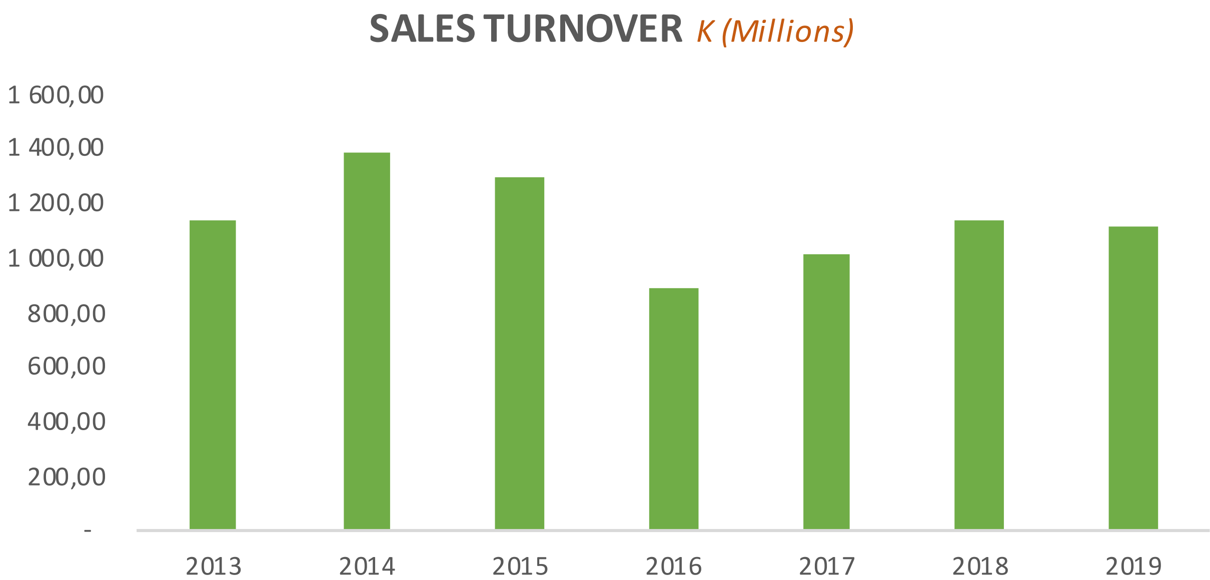
2019 FINANCIAL HIGHLIGHTS

TURNOVER
1,110 million

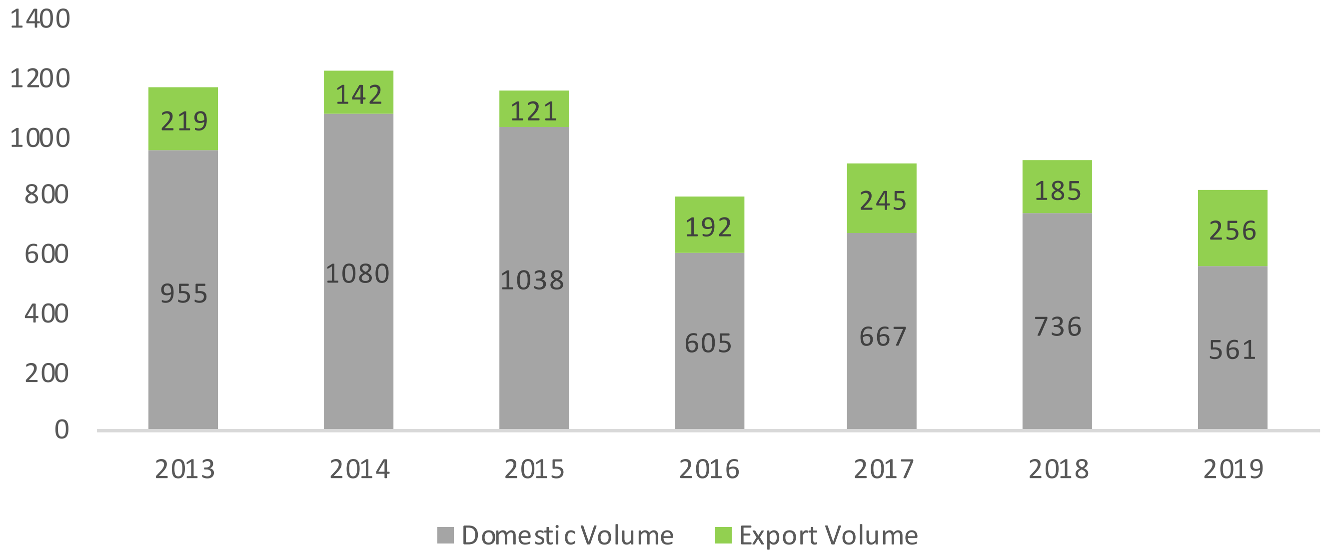
LOSS BEFORE TAX
24 MILLION

LONG TERM DEBT
0 MILLION

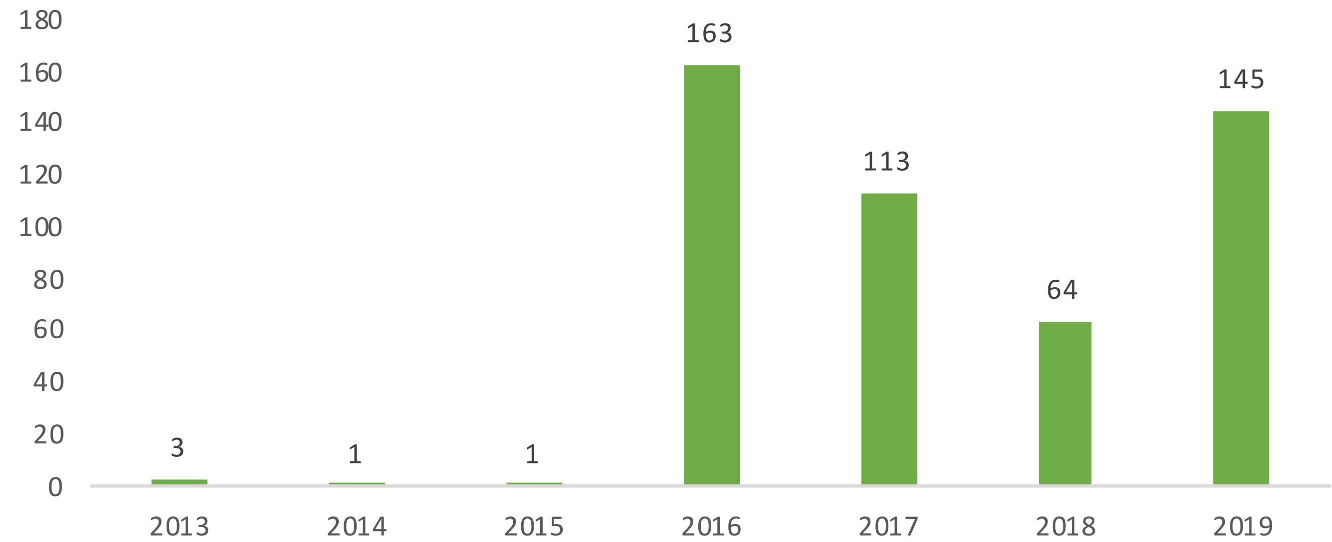
EARNINGS PER SHARE
-0.06



CEMENT SALES *Tonnes (Thousand)*



CLINKER EXPORT SALES *Tonnes (Thousand)*



ABOUT
LAFARGE ZAMBIA

MAJOR MILESTONES

1949 Chilanga Cement, the Company that would one day become Lafarge Zambia, is founded.

1951 Cement production commences at Chilanga plant, with the first major project being the supply of cement to the construction of the Kariba Dam wall.

1969 A second plant is commissioned in Ndola.

1995 The Lusaka Stock Exchange is founded and Chilanga Cement becomes its first company to be listed.

2001 Chilanga Cement is acquired by the Lafarge Group.

2003 The flagship general-purpose cement brand, Mphamvu, is launched.

2007 The company's name is changed to Lafarge Cement Zambia, making history with Zambia's largest-ever bond issuance of ZMW 200-million.

2008 To satisfy the growing market demand, a new plant is commissioned at Chilanga.

2010 A new cement brand, Powerplus, is launched to cater to the needs of the heavy construction industry.

2011 SupaSet, a fast-setting cement aimed at block makers and concrete product manufacturers, is launched

2013 The Mapepe Aggregates Plant is commissioned.

2014 Two more cement brands are launched: RoadCem for road construction and WallCrete for masonry applications.
- Lafarge Zambia's first concrete laboratory is commissioned.
- Achievement of Lusaka Stock Exchange Free Float Compliance Programme.
- Name change to Lafarge Zambia Plc

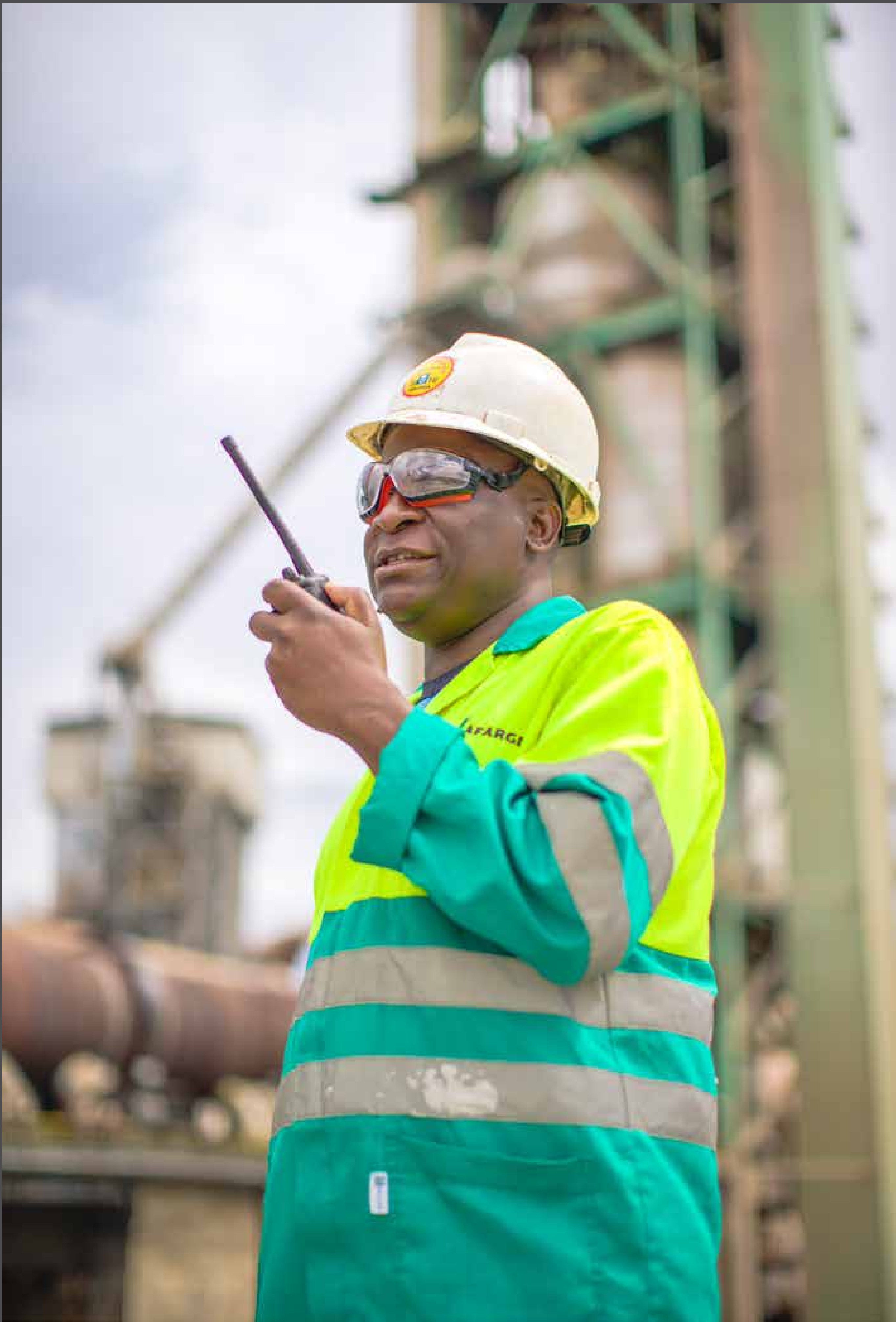
2015 PowerCrete, a specialised cement product for the mining industry, is launched.
- The Lafarge Foundation is established
- Following the historic global merger, Lafarge Zambia Plc becomes a member of the LafargeHolcim Group.

2016 Kumanga franchise launched, allowing customers to be sole distributors of Lafarge products.

2017 Kumanga franchise's name changes to Binastore, allowing customers to be sole distributors of Lafarge products and other building materials

2018 Lafarge Zambia Chilanga plant installs a chemical shoot for waste incineration under the Geocycle brand, which promotes a zero-waste future

2019 Lafarge Zambia Plc celebrates 70 years of building dream homes and infrastructure in Zambia. We owe our best efforts to our employees, customers, stakeholders and shareholders, who have supported us, believed in us, trusted us, and walked with us for the past seven decades.



OUR PRESENCE IN ZAMBIA

70 years of operating in Zambia.
Supplier of choice by main construction projects in Zambia and the region.

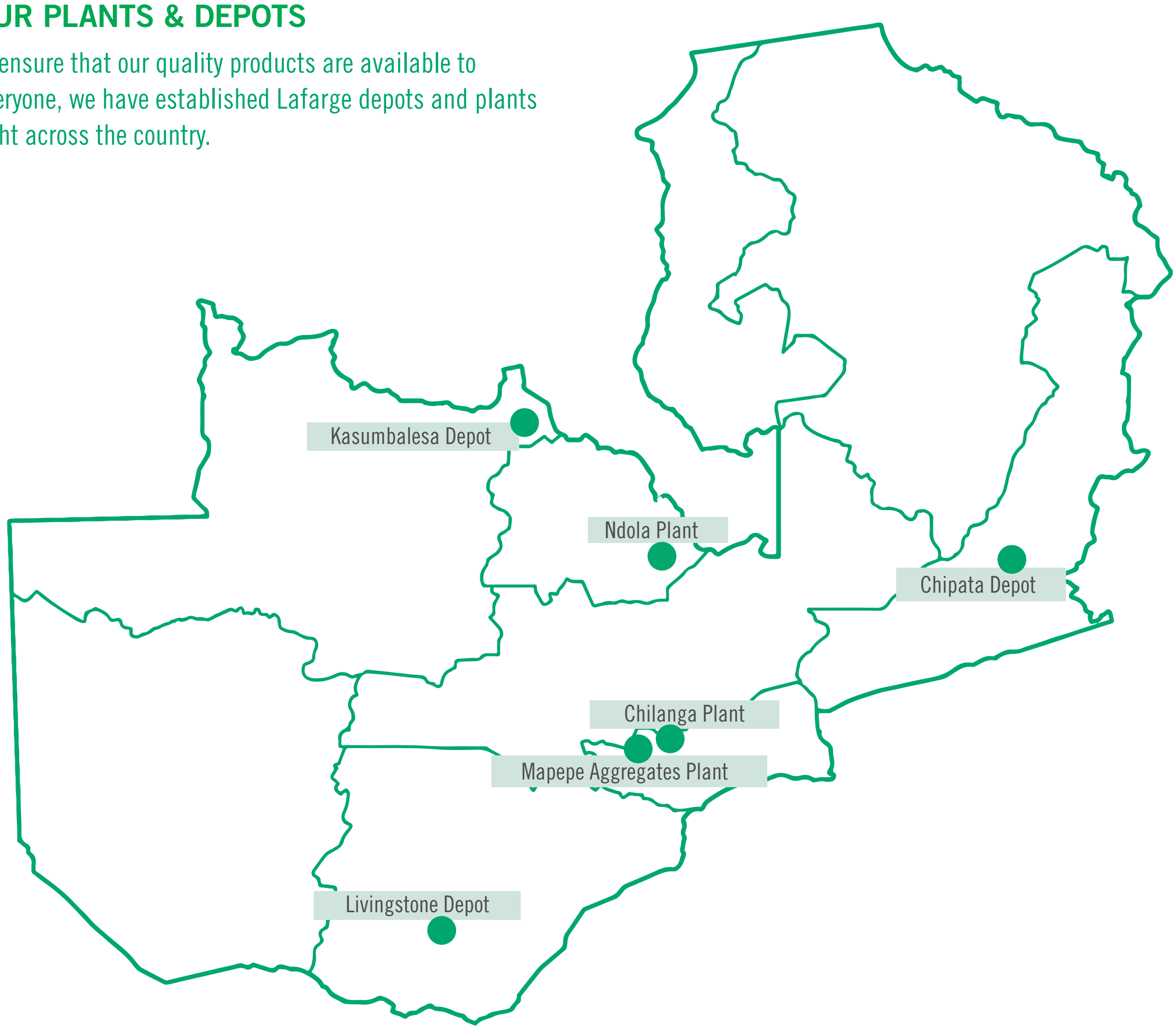
Chilanga cement plant,
with a cement capacity of 950 000 tonnes per annum

Ndola cement plant,
with a capacity of 550 000 tonnes per annum

Widest product range on the market

OUR PLANTS & DEPOTS

To ensure that our quality products are available to everyone, we have established Lafarge depots and plants right across the country.



INNOVATION
IN GROWTH

We will deliver our growth targets thanks to our focus on providing innovative and sustainable solutions to our customers and capturing the full value of our differentiated products and services in our pricing.

Innovation is key to creating superior value for our customers and driving profitable growth across our company. Our focus on innovation is a reflection of our commitment to put end-users and customers at the heart of everything we do.

This goes beyond new products and services; by understanding what our customers do, listening to them and responding quickly with solutions, we aim to make Lafarge Zambia their partner of choice.

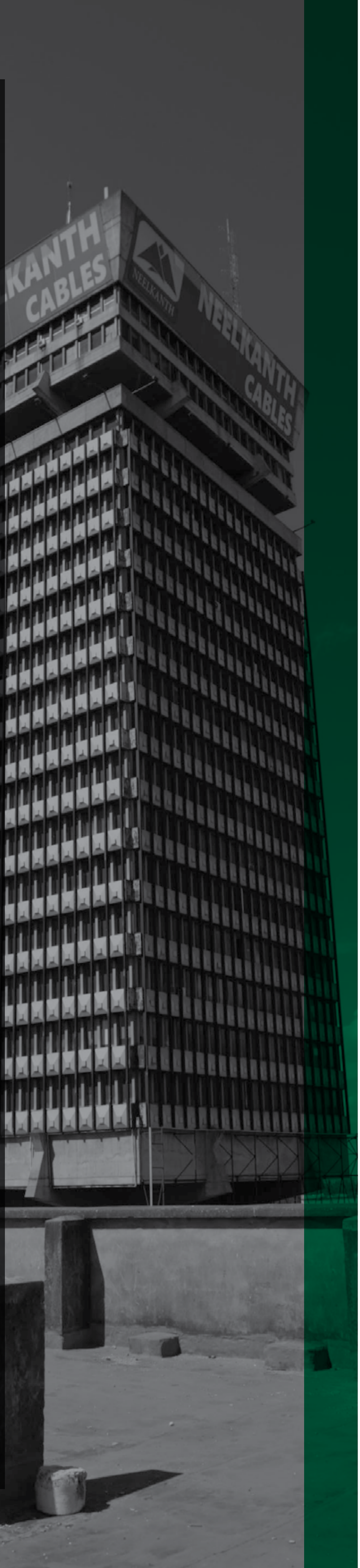
We have an extensive innovation pipeline and we are continuously working on a number of significant and distinctive developments, focusing on sustainable construction.

To successfully differentiate ourselves and create a competitive advantage, we are strengthening collaboration with our partners. This is particularly relevant in infrastructure, where we are building partnerships using our sectoral expertise, access to innovative solutions and world-class execution.

With retail representing more than 50% of our volumes, a critical additional differentiating factor is our ability to promote innovative retail models, leverage digital solutions, the strength of our brands and the quality of our products and services.

Our culture of innovation enables us to always be ahead of the game and the competition, setting the benchmark with premium products and tailored services that offer solutions to the market's most pressing needs.

In 2019, we committed to create differentiation through innovative products and solutions under the pillar of Commercial Transformation. We are currently working on a number of significant and distinctive product developments, including innovations that contribute to lowering our carbon footprint, as well as our suppliers' carbon footprints.



A CUSTOMER-FOCUSED
STRATEGY

In alignment with the LafargeHolcim Group's vision, Lafarge Zambia has established a set of strategic priorities to put our customers first and focus on innovation in products, construction solutions and industrial processes.

1. Create an attractive environment for our people through modern services such as Lafarge Supablock.
2. Serve the building needs of individuals and retail customers through new retail approaches.
3. Achieve operational excellence through continuous improvement.
4. Be the preferred partner for building and infrastructure.
5. Engage our resources for best returns and cash generation.
6. Getting closer to our customers allows us to meet their needs with increased speed, precision and creativity.

Our goal is to be leaders in our field and recognised as the partner of choice in construction, whether for an individual home, commercial building or the largest infrastructure project. We use our scale and expertise to continue to improve whilst co-creating solutions with our customers and nurturing long-term relationships..

COMMITTED TO BUILDING A
BETTER FUTURE IN EACH SEGMENT

Mphamvu 32,5N: A solid foundation

Mphamvu 32,5N is Zambia's leading general-purpose cement, developed to suit a wide range of applications. From domestic building to major construction projects, Mphamvu is cost-effective and technically suitable for a wide range of building applications. Mphamvu is a firm favourite of the individual home builder due to its superior quality and how easily the concrete can be mixed, placed and finished with minimal loss.

Mphamvu 32,5N:
A solid foundation

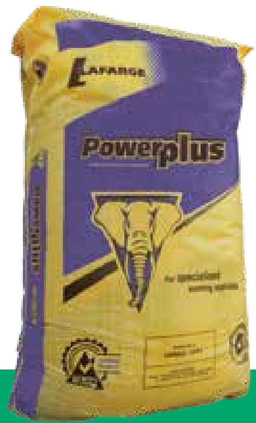
SupaSet 42,5R: Rapid strength

SupaSet is a rapid setting, early-strength cement that is ideal for block-making and concrete processes. Its fast drying rate and two-day strength makes it the product of choice for block makers

SupaSet 42,5R:
Rapid strength

Powerplus 42,5N: Special Projects

We provide solutions to meet the specific needs of heavy construction projects, including bridges, railways, stadiums and airports. Powerplus 42,5N is an Ordinary Portland Cement used for specialised building applications where high-strength concrete is required for commercial and architectural structures.



Powerplus 42,5N:
Special Projects

PowerCrete 42,5R: Underground Mining

PowerCrete 42,5R is a cement product designed for applications in the mining industry. For ease of handling in mining environments, PowerCrete is packaged in 25kg bags and has a plastic inner lining that makes it water resistant - providing greater workability in underground mining conditions.

PowerCrete 42,5R:
Underground Mining

Powerbuild 42.5N Mass Concrete Applications

We possess expertise to engage in co-design for a wide range of products. Powerbuild is designed for mass concrete applications, such as foundations for large buildings.

Powerbuild 42.5N:
Mass Concrete Applications

Quality gap: Despite having developed SupaSet, a top class block-making cement, there was still a distinct lack of quality in the actual blocks that users had access to. Many Zambians were building their projects with blocks that were uneven, brittle and made with cement products not suitable for block manufacturing.

In 2017 we set about developing and launching the following solution that helped to bridge the gap observed, so that Zambians choosing to build can truly build better cities in partnership with Lafarge Zambia.

BRIDGING THE QUALITY GAP, BLOCK BY BLOCK

Concrete block-making is a thriving industry in our country, providing employment opportunities for thousands of Zambians. However, the industry also has many challenges when it comes to consistent quality and conforming to standards.

To help meet these challenges, Lafarge Zambia launched SupaBlock in August 2017 - a new franchise network specifically for block makers. This franchise enables approved block makers to partner with Lafarge Zambia to produce certified concrete blocks that conform to the set standards by the Zambia Bureau of Standards (ZABS) ZS007.

Through the partnership, franchisees have access to world-class quality control at the Lafarge Zambia concrete laboratory, ensuring the blocks are of superior strength and consistent size and shape. SupaBlock franchisees are supported by Lafarge Zambia with marketing, sales and technical support and have the opportunity to tap into the wide network of Binastore retail shops to sell their products.

binastore
BUILDING SOLUTIONS PARTNER

BINASTORE - BUILDING SOLUTIONS PARTNER

Access to quality building materials can transform communities. That's why we are always looking for new and innovative ways to get Lafarge products into the hands of more people.

A wide range of products

In addition to Lafarge cement, Binastore also stocks all the quality building products needed by individual home builders.

The highest standards of service

Customer service is at the core of Binastore's business. Knowledgeable in-store staff are on hand to give advice and help customers find the right product for every job. Every store is also equipped with a health and safety booklet that guides them through their daily operations.

Supporting our franchisees

Every Binastore franchisee enjoys access to great marketing, business support and the knowledge needed to run their franchise successfully. We also fully modernise your store, as we believe in our franchisees being proud enough to hand over their businesses as a succession plan to their children.

For a zero-waste future

GEOCYCLE

Geocycle is a LafargeHolcim initiative launched in 2017 in Zambia. Waste is an important societal challenge that requires smarter, more sustainable and economically-feasible answers.

Geocycle is a dedicated waste management brand that aims to provide sustainable waste management solutions to the industrial, service, municipalities and the agricultural sectors. Our waste management solutions achieve superior environmental performance to alternative solutions.

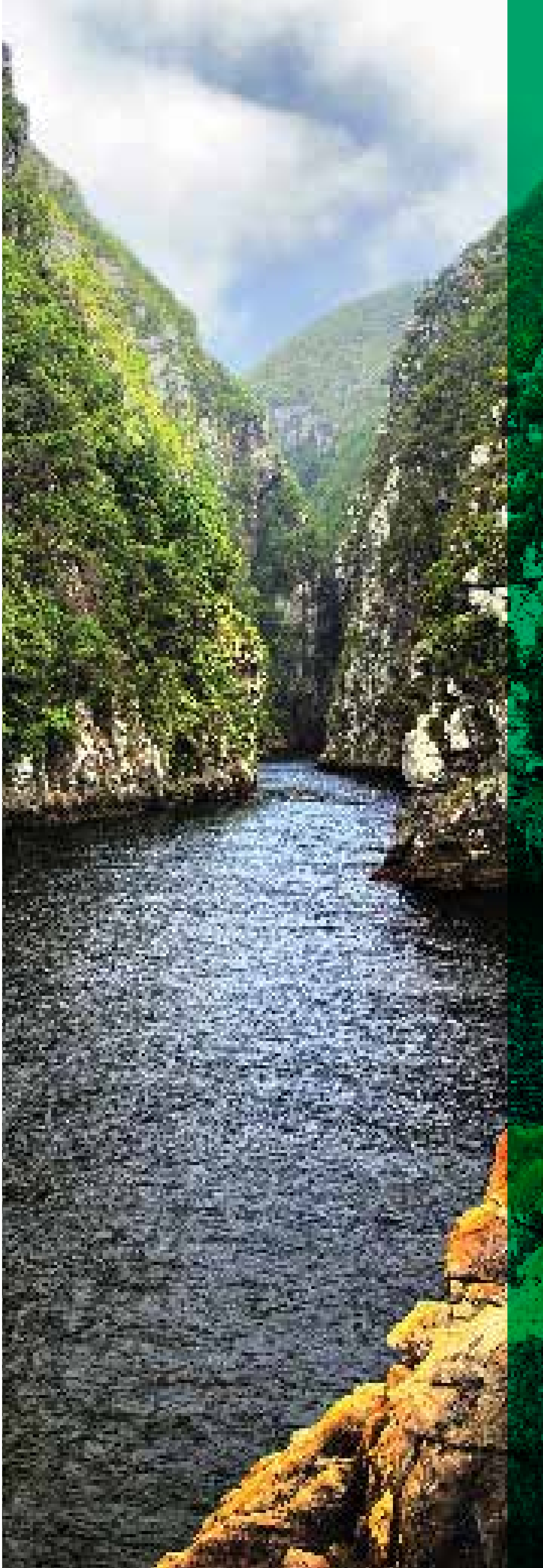
We contribute to a regenerative, circular economy. We are the partner with the expertise, technology and proven track record to solve your community's waste challenge

Through co-processing, Geocycle is contributing to the attainment of Sustainable Development Goals. This is embedded in the LafargeHolcim Sustainability Policy and results are shared in our annual Sustainability Reports.

Given the benefits accrued through Geocycle, LafargeHolcim contributes to meeting in particular the following Sustainable Development Goals:

- Goal number 1 - "Good Health and Well-being" by ensuring proper waste management.
- Goal number 2 - "Clean Water and Sanitation" by ensuring that hazardous waste is properly treated and does not contaminate drinking water.
- Goal number 3 - "Affordable and Clean Energy" by using some types of waste as alternative fuel to fossil fuels.
- Goal number 4 - "Climate Action" by ensuring complete destruction of waste, thereby avoiding emission of green house gases.

Our promise is clear: Day by day, we work relentlessly to bring Zambia closer to A ZERO WASTE FUTURE.



BUILDING ZAMBIA

THE PREFERRED PARTNER FOR BUILDING INFRASTRUCTURE

Our ability to deliver innovative and targeted solutions, together with world-class materials, has made us the preferred infrastructure partner on a number of projects in 2019. These include:

- Specialized hospital in Petauke
- Novare Mall – Great North Road
- Pinnacle Mall - Kabulonga, Lusaka
- Kafulafuta toll plaza
- Itezhi –Tezhi Road
- Itezhi –Tezhi power plant
- Micheal Chilufya Sata toll plaza
- Kitwe to Chingola dual carriageway road project

We continue to contribute to the development of infrastructure as we are the preferred supplier for:

- 750MW Kafue Gorge Lower power plant
- Lusaka L400 urban roads project phase 3
- Decongesting Lusaka urban roads
- Lusaka specialized hospital
- Protea Hotel - Bonanza
- Kashikishi to Chiyengi road
- Kenneth Kaunda and Ndola airports
- Isoka Chinsali and Chinsali Nakonde roads
- Ndola urban roads - C400
- Kitwe to Ndola dual carriageway road - Copperbelt Province
- Kitwe to Chingola dual carriageway road project
- Kawambwa to Mushota road


LEVY


LAFARGE

EMPLOYEE GROWTH
& DEVELOPMENT

As part of the LafargeHolcim Group, we believe our people are the key enablers to executing the company strategy and, therefore, employee growth and development is very important to our organization. We, as a business, support and invest in various employee training programmes to enhance existing skills and encourage the acquisition of new knowledge. We always aspire to build and sustain a learning organisation that is focused on achieving sustainable transfer of knowledge, skills and behaviours.

Talent growth, knowledge sharing and innovation are a priority in achieving positive changes to organisational performance. We offer best practice learning experiences from within the organisation and other Lafarge business units to be able to respond to our immediate and long-term business imperatives.

In 2019, Lafarge Zambia invested in a total of **7 024 man-hours** in training for both the technical and support functions. The various developmental and upskilling interventions were aimed at building technical competencies to keep abreast of the new cement industry trends. A deliberate focus was placed on leadership capability building and other soft skills at different levels within the business.

TECHNICAL TRAINING

The LafargeHolcim learning model places a focus on experiential learning, which emphasises learning on the job both within the business unit and in other operations within the group. This gives our employees exposure to learning best practice skills from top-performing cement plants across the globe.

In Zambia, the cement industry is still in its developing stage and, as a result of this, in some instances talent may not readily be available. It is for this reason that Lafarge Zambia continues to invest in a number of technical training programmes to enhance the skills of existing employees.

Some of the upskilling interventions covered in 2019 included MEA – Shutdown Management Training (local); CIP Be Ready Foundation & Building Foundations (local); Train the Trainer – Forklift Operations & Certification; QSO Quarry Planning Software - Regional Workshop (Kenya); XRF Calibration (South Africa); MMS Implementation Training (local); Kiln Refractories (Kenya); Kiln Coach Training (local); TIS Post Training Awareness (local); CIP- Be Ready Launch; Kiln Coach Training (Kenya); High Level Control Training (Egypt); Forklift Refresher (local); Locomotive Operations (local); Scaffold Erecting (local); MEA - Maintenance Managers Workshop (local); ISO 1400 Lead Auditor Training (South Africa); Basic Drilling and Blasting (Zimbabwe); Sustaining Performance X 4 (local); MEA - Silo Cleaning (local); Sustaining Performance (local); Kiln Mechanics (South Africa); Stack Measurement (Kenya); CAPEX Project Management (Egypt); MEA Perform together to Win (local); Sustaining Performance (local); Process Engineers Key Roles (local); MEA Virtual Reality Walk By Inspection (local).

HEALTH, SAFETY AND THE ENVIRONMENT

Health and safety remained an overarching value for the business during 2019. Notable training sessions during the course of 2019 included MEA Environmental Reporting (Kenya) and First Aid Refresher (local).

Under Geocycle, the Geocycle A-cert Assessor Training (South Africa) and Geocycle on-boarding sessions were also conducted.

ANTI – CORRUPTION

Integrity is a non-negotiable value at Lafarge Zambia. With the support from the LafargeHolcim Group, the following were conducted; anti-bribery and corruption training, third-party due diligence, fair competition law and conflict of interest training.

LEADERSHIP TRAINING

The LafargeHolcim Group develops talent through mentoring, coaching and team effectiveness practices. LafargeHolcim believes in investing in the development and nurturing of future leaders in order to achieve better business results through increased productivity and improved decision-making.

In 2019, Lafarge Zambia continued to focus on building its leadership capability and coaching skills for managers. The notable leadership training sessions conducted include LIFE Coaching Programme (supervisors and managers), Perform Together to Win for the plant leadership teams, Leadership Seminar (Switzerland) and the Senior Managers Development Workshop (Switzerland). Other employee development interventions conducted during the year were employee career discussions and GROW coaching sessions in Ndola and Chilanga for selected trainees.

The Cement Industrial Framework (CIF) walk-by inspection training sessions and Active Management Behaviours (AMB) coaching sessions were also conducted on an on-going basis throughout the year.

STEP UP - BUILDING OUR TALENT PIPELINE

LafargeHolcim realized a need to ensure the long-term supply of employees for key positions within the company as a result of a shortage of the right skill sets in the cement industry.

'Step Up', which is a graduate trainee programme for the Lafarge Middle East and Africa region, was launched as an intervention to build a strong talent pipeline. It was designed to give a strong start to LafargeHolcim employees and, at the same time, allowing development of regional talent from day one - demonstrating a long-term commitment to the Middle East and Africa.

Lafarge Zambia recruited seven graduate trainees in 2019, covering both industrial and non-industrial functions. The Graduate Development Programme gives an opportunity for graduates to gain practical work experience and develop critical skills in the areas of their career interests, within a leading environment and with world-class practices.

In addition, Lafarge Zambia recognises the need to contribute to the development of manpower in the country as a responsible corporate citizen. The company recognizes the importance of providing opportunities for students and recent graduates to gain practical work experience under the support and guidance of experienced employees in their respective fields, through internships and student attachments. In 2019, 20 interns were recruited on a 12 month trainee basis into various functions of the business.

HEALTH, SAFETY, ENVIRONMENT AND SECURITY

HIGHLIGHTS

Health and safety are core values of all areas of our operations. We conduct our business in a manner that creates a healthy and safe environment for all stakeholders - our employees, contractors, communities and customers - built on a sound health and safety culture.

We believe in visible leadership and personal accountability for health and safety at all levels of our organization. Our commitments are, among others: to conduct our business with a goal of zero harm; to provide safe and secure working conditions for employees and contractors; to maintain a global health and safety management system designed to continuously improve our performance and actively minimize risk in our business; to comply with applicable legal, regulatory, industry and corporate requirements; to communicate openly with all stakeholders on relevant health and safety issues; and to educate all employees and contractors when to stop any unsafe work.

Some of our key achievements and highlights for 2019 are as follows;

HEALTH AND SAFETY IMPROVEMENT PLANS

Each year, we come up with five key health and safety focus areas which we call, Health and Safety Improvement Plans (HSIP). We focus on making improvements in at least five areas to promote the health and safety of our employees, contractors, communities and visitors.

These five 2019 focus areas were:

1. ROAD SAFETY - DRIVER TRAINING

We focused on improving the defensive driving skills of all our contracted drivers. This has helped in reducing the number of road traffic accidents. Furthermore, to sustain the improvements made, we have been awarding those drivers that achieve and sustain the best driving performance (such as defensive driving skills, fatigue management, smooth acceleration, gentle braking, etc.) with a five star award.

2. OCCUPATIONAL HEALTH RISK ASSESSMENT

Each job has specific demands, conditions and hazards - whether chemical, biological, physical, ergonomic or psycho-social. Workers should be protected from any occupational health risks that they could be exposed to. This can be achieved through a risk management process that involves risk analysis, risk assessment and risk control practices.

In this regard, we conducted an occupational health risk assessment program to re-assess the health hazards that our workers may be exposed to, as they carry out day-to-day activities.

3. MEDICAL EMERGENCY PREPAREDNESS AND RESPONSE (LAFARGE PARTICIPATED IN 2019 INTER-COMPANY FIRST AID COMPETITION)

In our quest for continuous improvement, we ran training sessions for medical emergency preparedness and response. This included a 30-day emergency medical technician programme, which ran in July 2018 and was organised by ATA South Africa for 18 employees from both the Ndola and Chilanga cement plants. Further to this training, a series of first aid courses were held with the Chamber of Mines Council for First Aid.

For the first time, Lafarge Zambia participated in the Inter-Company First Aid competition, which is an annual event organized by the Chamber of Mines Council for First Aid. As new entrants, Lafarge Zambia went with two teams - Chilanga and Ndola. The competition was hosted by Kansanshi Mining Plt at Kabitaka Primary School in Solwezi.

The event was attended by the Minister of Mines and Mineral Development, the Honorable Richard Musukwa. The competition hosted 19 teams drawn from different mining companies and contractors. Speaking at the event, the Minister emphasized the need for zero tolerance to mining accidents.

Although neither of the Lafarge teams were awarded a trophy, it was still a valuable experience for our employees to exercise their skills in dealing with medical emergencies. The platform gave the team motivation to perform better in 2020. The competition ended with Mopani Copper Mines - Nkana Security winning the trophy.

4. ENERGY ISOLATION - GROUP LOCKOUT STATION INSTALLATION AND USE

LOTOTO is a safety practice that protects employees and visitors from uncontrolled hazardous energy that may escape from machines or equipment during isolation or servicing. The lock and tag not only creates a barrier that prohibits usage, but it also creates awareness for employees so they know not to go near the machinery or equipment on lockout.

In 2019, new group lockout stations were installed that will help improve efficiency and ensure visibility of units under lockout.

5. RAIL SAFETY

Another focus for 2019 was on improving the rail system - looking specifically at inspection, equipment maintenance and training for more locomotive drivers.

ENVIRONMENT

In our quest to continue improving dust-monitoring and control, we invested in three successive environmental monitoring programmes, namely:

1. GRAVIMAT AND FW300 (DUST-MEASURING SYSTEM) TRAINING

The company purchased dust-measuring equipment and conducted the training for effective use. A cross-functional training session was done which included process, electrical, automaton, health, safety and environment teams from both the Ndola and Chilanga plants. These teams were trained on the use and calibration of a gravimat machine for dust sampling FW300 for dust monitoring on site.

With the training done, both plants will be able to effectively monitor and control the amount of dust being emitted into the atmosphere and ensure that ZEMA standards are met.

2. AIR EMISSIONS CONTROL PROGRAM

In March 2019, dust collector DC01 for the main kiln was overhauled at a cost of K1.469-million. This involved the replacement of all the old filter bags. A total of 2268 bags were replaced. We then had a kiln shutdown in May for maintenance of the main units in the plant. This also included an overhaul of the cooler dust collector DC20 at the cost of K1.345-million.

3. FOG CANON INSTALLATION PROJECT

A fog canon (water mist machine) was procured for dust suppression during loading activities at a cost of K193 170. Plant and community ambient air monitoring is being done on a monthly basis by an independent consultant.

TREE PLANTING

Most often, we plant trees to provide shade and beautify our landscapes. Trees are vital for the balance of the ecosystem and they provide a range of benefits, such as:

- Helping to consume carbon dioxide (which slows down climate change), filtering the air of toxic gases, as well as lowering dust levels in the atmosphere.
- Helping to reduce noise pollution due to their ability to act as noise barriers.
- Attracting clouds which encourages rain - their leaves release water vapor into the atmosphere which later condenses and falls back to the ground in the form of precipitation.
- Providing food and medicine for human beings.

Lafarge Zambia strongly recognizes the importance of tree-planting and we planted numerous trees in February 2019 at the Chilanga factory. We are committed to planting more trees in the future by partnering with the local communities, and also continuing to work with the relevant government departments.

MAKE ZAMBIA CLEAN, GREEN AND HEALTHY CAMPAIGN

Lafarge Zambia is working in line with the presidential pronouncement by His Excellency, the President of the Republic of Zambia, Edgar Chagwa Lungu, at the relaunch of the Make Zambia Clean, Green and Healthy Campaign. Lafarge has been participating in the national clean-ups on every last Friday of the month, to allow employees to also participate in their respective community services on the last Saturday of every month.

In August 2019, Lafarge Zambia partnered with the police service to clean up the surroundings at the police station. In November 2019, we partnered with the local council, under the area councillor Mr Daniel Muhammad Mutete, to clean the surrounding environment around our operations. We have also been assisting Chilanga District Council with mobile equipment for these clean-ups every last Saturday of each month.

ROAD SAFETY

At Lafarge, we value the services of our truck drivers and it is for this reason that we invest so much in them to ensure that they attain the required skills and knowledge on how to be the safest drivers. Their efforts are not ignored and appreciation is shown every month by awarding the best three truck drivers.

Recently, we introduced the Drivers' Safety Club - an award where any driver that has been in the green for three months will be given a different coloured shirt that differentiates them from the rest of the drivers. These five-star drivers can proudly wear their shirts knowing that they are part of the Drivers' Safety Club.

During this period, these safe drivers will receive the following incentives:

- Take part in the important road safety meetings concerning driver welfare and management.
- Join excom members for lunch at the staff canteen and exchange notes during the same period.
- Preferential loading - these drivers will be given priority to load at the packing plant.
- Road safety ambassadors - they will lead by example in this regard and be given opportunities to teach their fellow drivers during pep talks or inductions.
- A certificate of appreciation will be issued to be signed by the CEO of Lafarge Zambia.

We will be rewarding four drivers every month and after three months, they qualify for the Drivers' Safety Club.

LAFARGE SECURITY DEPARTMENT

We remain committed to conducting business with a goal of zero harm, which includes the securing of our employees, contractors and company properties.

To this effect, Lafarge Zambia has contracted Gardaworld to help address security risks affecting our operations.

Gardaworld security contractor is mandated to;

1. Conduct alcohol tests on every person entering our premises.
2. Conduct security searches on all vehicles leaving the company premises.
3. Conduct security patrols within and around our company premises.


LAFARGE


LAFARGE

Lafarge Zambia's approach to corporate social responsibility (CSR) is that of creating shared value within our Communities. We have four pillars that guide our CSR initiatives, namely; education, health, environment & diversity, and infrastructure. However, at the core of our foundation is the belief that health and safety is our overarching value.

Other Corporate Social Responsibility initiatives pursued in 2019 include:

1. LAFARGE LUSAKA MARATHON

For more than six years, Lafarge Zambia has been sponsoring the Lafarge Lusaka Marathon. Established in 2012, the marathon is a corporate social responsibility initiative by Lafarge Zambia Plc, in partnership with the Zambia Amateur Athletics Association (ZAAA).

The 2019 marathon was attended by the President of the Republic of Zambia Edgar Chagwa Lungu and the First Lady Esther Lungu.

2. EDUCATION AND INFRASTRUCTURE

For Lafarge Zambia, education and infrastructure are key to the development of the country. Thus, any programmes related to education of the youth are highly recommended. With regards to infrastructure, Lafarge aims to provide safe, sustainable solutions to issues such as access to safe drinking water and sanitation, as well as to improvements in health and school facilities. Lafarge in partnership with Zambia Open Community Schools, supported the following educational facilities with infrastructure development:

- Chitongo Community School
- Gamela Community School
- Kaili Community School
- Kalalasaka Community School
- Chinsanshi Community School

3. HEALTH

Lafarge Zambia continues to actively promote health across the country and in 2019, we partnered with Habitat for Humanity Zambia to work on the following projects:

- Makululu decongesting and upgrading project - This saw Kabwe Council donating 150 plots to the people of Makululu. Lafarge Zambia, in partnership with Habitat for Humanity Zambia, supported the construction of simple, low-cost but decent housing in the area. Over 50 houses have been built under this project so far.
- Working with other partners, we were able to build 12 houses for vulnerable people in Mapepe, Linda, and Bauleni.

4. ENVIRONMENT

In line with our 2022 strategy **"Building for Growth"**, the company has seen a reduction in our plant's carbon footprint. In addition, the LafargeHolcim Group has also embarked on a waste processor initiative that treats two million tonnes of plastic waste, predominantly in emerging countries where the problem is most urgent. Locally, Lafarge Zambia has embarked on a monthly housekeeping initiative in line with the Keep Zambia Clean campaign, which aims to make our cities, villages and public spaces clean. In order to improve the health standards of all our people. Every month, a mandatory cleaning campaign is held in the communities around our operations at both our Ndola and Chilanga plants.

Through an environmental awareness project with Youth in Action for Sustainable Development, Lafarge donated metal bins to schools. Similarly, Lafarge Zambia donated metal bins for all the bus stops in the district as part of the Keep Zambia Clean campaign.

5. DIVERSITY

Zambia has a rich and diverse culture that includes many vibrant and colorful cultural ceremonies. In 2019, Lafarge Zambia donated to the hosting of traditional ceremonies through:

- The Busoli Royal Establishments
- Cuundu Cultural Fund

Other donations made in 2019 include:

- Partnership with Zambia Sugar for the Lubombo road project in Mazabuka.
- Sponsorship of the Push Women Awards.
- Partnership with the Office of the Vice President to donate cement to Kasaka Women's Club.
- Contribution towards the celebration of national events, in partnership with the Office of the District Commissioner in Chilanga and Ndola.
- Donation of quarry dust for landscaping of the administration offices of the Chilanga District Commissioner.
- Sianda Primary School infrastructure development project, in partnership with the Office of the Vice President.
- Contributed cement towards the construction of the computer lab at Chiwala Primary School.
- Contributed cement towards the infrastructure project at Itawa Secondary School.
- Contributed cement towards the school infrastructure project at Alliance Française Lusaka.

2019 ANNUAL
FINANCIAL STATEMENTS

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PROFILE OF THE BOARD OF DIRECTORS

MUNA HANTUBA
Non-executive Chairman

Zambian national - Muna is the non-executive chairman of the Board of Directors at Lafarge Zambia. He was elected to the board in 2003 and holds an MBA from Stirling University in Scotland, as well as a Bachelor of Economics from the University of Zambia. Muna is currently the Group Chief Executive Officer (CEO) of African Life Holdings Ltd. He has over 25 years of experience in the financial services sector. He began his career with Meridian Bank Zambia Limited in 1986 and joined the Anglo American Corporation where he headed the corporate services department. He left Anglo American in 2000 to join African Life Financial Services Zambia Limited as their CEO until his departure in December 2015.

Muna is a past chairman of the Securities and Exchange Commission, and a past president of the Economics Association of Zambia. He is a director on the various subsidiaries of the African Life Holdings Group and also a member of the Zambia Association of Chambers, Commerce. He serves on other corporate boards, including REIZ Plc, CEC Plc, Southern Sun Ridgeway Ltd Lusaka, Sanlam Life Insurance Zambia Ltd, and Anglo Exploration Limited.

JIMMY J KHAN
Chief Executive Officer

American national - Jimmy is the Chief Executive Officer (CEO) of Lafarge Zambia and was elected to the board in 2019. Jimmy holds a Bachelor of Science in Finance/Accounting and Computer Information Systems from Virginia Tech University in the United States of America. He is formerly the managing director of Lafarge Mauritius.

His career with Lafarge spans 11 years and his previous roles within the group have included country business process manager, audit manager and human resources manager, amongst others. His experience with Lafarge has taken place in Mauritius, the Seychelles, Nigeria, France and North America. Jimmy has been engaged in reviewing the organisation's structure and optimising efficiency, launching new products, creating a culture of communication and performance, as well as reorganising the management system. He has experience in managing a wide range of overseas missions in countries such as the United Kingdom, Brazil, China, Greece, South Africa and Saudi Arabia, to name a few.

AHMED KHALIFA
Chief Financial Officer

Egyptian national - Ahmed is the Chief Financial Officer (CFO) of Lafarge Zambia and was elected to the board in 2019. Ahmed holds a Bachelor of Commerce from Alexandria University in Egypt.

Ahmed has a diversified career portfolio, having worked as treasurer and risk manager at Mansour Group, and CFO at Orascom Rail Constructions and Amer Group. His career with Lafarge spans five years. He has proven financial experience in providing executive leadership in the continuous evaluation of the short- and long-term strategic financial objectives, as well as offering solutions to enhance the financial performance of a company through business opportunities. Until his Zambian appointment, Ahmed was the country CFO for LafargeHolcim Jordan.

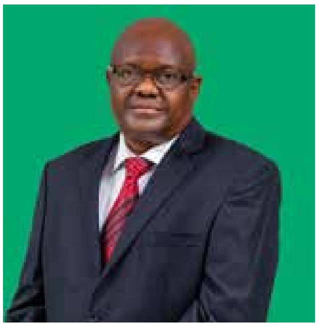
MARK O'DONNELL
Non-executive Board Member

Zambian national - Mark is a non-executive member of the Board of Directors and the Chairman of the Audit and Risk Committee of Lafarge Zambia. He was elected to the board in 2008.

He is the Managing Director of Union Gold Group as well as a member of the Institute of Directors. He was chairman of the Tourism Council of Zambia in 2013. He has also held the position of managing director of ERZ Holdings - one of Zambia's largest companies with interests in engineering, manufacturing and spare parts.

In 1996, Mark started his own company, called O'Donnell Holdings, with investments in tourism, manufacturing and trading. The company was later merged into Union Gold Zambia Limited.

Mark has served on several boards including Madison Life, Care for Business, Zambia Animal Wildlife Association, the Lusaka Stock Exchange (LuSE) and the Zambia Bureau of Standards (ZABS).



DR FRANK MUNTHALI

Non-executive Board Member

Zambian national - Frank is a member of the Board of Directors of Lafarge Zambia and was elected to the board in 2019. He is a chartered accountant and chartered administrator who has attained numerous qualifications. Frank is a fellow of the Association of Chartered Certified Accountants (ACCA), a fellow of the Zambia Institute of Chartered Accountants (ZICA), an associate of Institute of Chartered Secretaries and Administrators (Governance Institute) and he holds a Masters degree in Business Administration.

He has worked for various organizations, including Mulungushi Investments Ltd (ZCCM), Moores Rowland Chartered Accountants, Koppa Mining Services and Supplies Limited, The Road Transport and Safety Agency (RTSA), Zambia Cooperative Federation (ZCF) and FM Chartered Accounts, where he is currently working as a consultant in finance and corporate governance.

He has served on many boards, including the Health Professions Council of Zambia, Examination Council of Zambia, Electoral Commission of Zambia, Mukuba Hotel Ltd, Zambia Institute of Chartered Accountants. He is currently serving on the boards of Premium Medical Services Ltd, Human Rights Commission, Zambia Open University and The Zambia Institute of Mass Communication.

MWELWA CHIBESAKUNDA

Non-executive Board Member

Zambian national - Mwelwa is the Managing Partner of Chibesakunda & Co. - a law firm that is recognised as one of Zambia's premier commercial practices and based in Lusaka, with 29 years of experience in mergers, acquisitions, banking and commercial law transactions. Whilst working for the Attorney General's Chambers from 1991 to 1996, he worked in the Director of Public Prosecutions, Civil Litigation and International Law and Agreements departments. He advised both government and governmental agencies on various national and international commercial transactions. He worked as a partner heading the banking department at Corpus Legal Practitioners from 1996 to 2006.

Mwelwa has also served on several boards, including Afgri, Agriculture and Commercial Society of Zambia, Lusaka International School, Hybrid Poultry Limited, Verino Agro Industries Limited and Agrican Grey.

PIERRE DELEPLANQUE

Executive Board Member and area manager for East & South Africa

French national - Pierre holds a diploma from Grenoble Ecole de Management. He was appointed to the board in 2018. Before his appointment, he was the LafargeHolcim area manager for emerging Europe since October 2015.

Pierre began his career with Lafarge in 1989 and has held a series of management positions, including spells as CFO in Venezuela and the Philippines. In 2005, he was appointed Chief Executive Officer of a new BU in Ecuador. In January 2008, he was made project leader for the post-merger integration of Orascom. Later that year, he relocated to Greece as the managing director of Heracles GCC. He was appointed chairman of the Hellenic Cement Association in 2014.

PROFILE OF THE EXECUTIVE COMMITTEE

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His career with Lafarge spans 11 years and his previous roles within the group have included country business process manager, audit manager and human resources manager, amongst others. His experience with Lafarge has taken place in Mauritius, the Seychelles, Nigeria, France and North America. Jimmy has been engaged in reviewing the organisation's structure and optimising efficiency, launching new products, creating a culture of communication and performance, as well as reorganising the management system. He has experience in managing a wide range of overseas missions in countries such as the United Kingdom, Brazil, China, Greece, South Africa and Saudi Arabia, to name a few.

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THECRA MILAMBO
Human Resources and Communications Director

Zambian national, Thecra has been a member of the Executive Committee of Lafarge Zambia Plc since 2014 and responsible for Human Resources, Communications & Corporate Affairs. Thecra holds a Bachelor of Arts in Public Administration from the University of Zambia.

She began her career as a Human Resources lecturer at Evelyn Hone College. She then joined Unilever Zambia in the Human Resources Development and worked in various roles in Zimbabwe and Malawi. Prior to joining Lafarge Zambia, Thecra worked as Cluster Human Resources Business Partner under Nestle covering Malawi, Zambia and Zimbabwe. At Nestle she was involved in the start-up of the Nestle Zambia Business. This involved registration of the Company, hiring of staff, set up of the local office and establishing company procedures.

Thecra is passionate about talent development, especially working with young professionals. Throughout her career she has devoted time to ensuring young people are given a chance to get a good start to their careers. For the last 6 years, Thecra has led the development and implementation of the Human Resources Strategy for Lafarge Zambia. After the merger in 2015, as a member of the Regional HR round table, she worked with the Regional Human Resources Head to establish and develop regional policies.

CHIBUYE MBESUMA NGULUBE
General Counsel and Company Secretary

Zambia National - Chibuye is a member of the Executive Committee of Lafarge Zambia Plc since December 2019. Chibuye is a practicing lawyer with over 10 years' experience in the legal fraternity. She started her career in 2010 when she worked for H.H Ndhlovu and Co under the guidance of Mr Hlazo Ndhlovu (State Counsel). Chibuye holds a Bachelor of Law from the University of Zambia and was admitted to the Zambian Bar in 2012 and began her practice at Theotis Mataka and Sampa legal practitioner as an Associate Advocate.

In January 2014, Chibuye was appointed as the Head of Litigation at Victoria Dean Advocates where she obtained vast knowledge on mergers and acquisition inter alia. In September 2019, she was appointed as Litigation Manager at Lafarge Zambia Plc and 8 months into the job, compliance was added to her role thereby making her the Litigation and Compliance Manager.

JAMES KIRKPATRICK
Chilanga Plant Manager

British national - James has been a member of the Executive Committee of Lafarge Zambia Plc since November 2017 and is responsible for the Chilanga plant. James holds a Master's in Chemical and Bioprocesses Engineering from the University of Surrey.

He has significant experience in managing cement plants, having worked in the United Kingdom, Canada, Iraq, Tanzania, Malawi and South Africa. Until his appointment, James was the industrial talent and career manager for LafargeHolcim Middle East Africa (MEA).

PETER J ROBSON
Ndola Plant Manager

British national - Peter has been a member of the Executive Committee of Lafarge Zambia Plc since January 2019 and is responsible for the Ndola plant. Peter holds a HND in Structural Engineering from Darlington Technical College in the United Kingdom.

He has significant experience in managing cement plants, having worked more than 40 years in the cement industry in the United Kingdom, France, Nigeria and Uganda. Until his appointment, Peter was the plant manager at Mfamosing plant in Nigeria.

OBED NKANDU

Supply Chain Director

Zambian national - Obed has been a member of the Executive Committee of Lafarge Zambia Plc since April 2019 and is responsible for procurement and logistics. Obed holds a Master of Science in supply chain management from the University of Bolton.

He has significant experience in supply chain management with expertise in sourcing, negotiation, logistics, business transformation and project management. He gained experience by leading copper and zinc mining firms, as well as various business units within the LafargeHolcim group. He has worked on missions in India, Spain, Nigeria, Egypt, Morocco, Algeria, Kenya, Uganda and South Africa. His previous roles with the LafargeHolcim Group include procurement manager, logistics manager, business process expert for Middle East and Africa, logistics director and logistics excellence at Group Logistics in Switzerland.

VICTOR MAAMBAH

Security, Health, Safety and Environment Director

Zambian national - Victor joined Lafarge Zambia in April 2014 as head of health and safety. Prior to that, Victor worked at Konkola Copper Mines Plc, where he was part of the corporate health, safety and environment (HSE) team. His current role entails leading the development of the long-term HSE vision and strategy.

Victor has over 15 years of experience in HSE field work gained from varying and challenging environments, such as underground copper mines, open pits, concentrators, smelters and refining plants. Victor has worked in India and has also travelled widely to lead Health & Safety Management Systems (HSMS) mission audits in other countries, such as Namibia, South Africa, Malawi, Democratic Republic of Congo and Zimbabwe. Victor has a mechanical background and also holds a Bachelor of Science in Occupational Health and Safety.

MANGIZA PHIRI

Sales Director

Zambian national - Mangiza has been a member of the Executive Committee of Lafarge Zambia Plc since February 2019 and is responsible for sales and customer service. Mangiza holds a Master of Business Administration from Stellenbosch University.

Mangiza has diverse experience in financial services and in cement, with 10 of those years spent at Lafarge Zambia. Before joining Lafarge, he worked for Standard Chartered Bank in the corporate banking division. He has held several positions in the Lafarge Zambia commercial function, leading sales, strategy and marketing. Until his appointment to the Executive Committee, Mangiza was aggregates and ready-mix director.

GIOVANNI MURIALDO
Marketing Director

Swiss national - Giovanni was a member of the Executive Committee of Lafarge Zambia Plc from December 2017 to December 2019 and was responsible for commercial business strategy. Giovanni holds a Master of Science in Industrial Engineering from the Swiss Federal Institute of Technology.

Giovanni has a diversified career portfolio having held senior positions in various LafargeHolcim Group regional areas, including Middle East, Europe, Asia and Latin America. Until his appointment, Giovanni was the executive assistant to the area manager of the Middle East.

Resigned on 31st December 2019

HARRIET KAPAMPA KAPEKELE
Legal Counsel and Company Secretary

Zambian national - Harriet was a member of the Executive Committee from 2009 to November 2019. She began her career at Corpus Globe Legal Practitioners and later joined PricewaterHouseCoopers in 2008.

She has been with Lafarge Zambia since 2009 as a company secretary and legal counsel. Harriet holds a Bachelor of Law from the University of Zambia and was admitted to the Zambian Bar in 2005.

Resigned on 30th November 2019

RAPHAEL MUSONDA CHIPOMA
Chief Financial Officer

Zambian national - Raphael was a member of the Executive Committee of Lafarge Zambia Plc from April 2018 June 2019, responsible for providing leadership and coordination in financial strategy, planning, control and reporting, treasury and taxation.

Raphael has over 20 years of senior financial leadership experience in leading firms in the energy sector, including BP Africa and Puma Energy across a number of countries in sub-Saharan Africa. He has also worked as the finance director at the global logistics company, Impala Terminals, as well as at the medical devices company, Stryker South Africa.

Raphael holds a Master of Business Administration from Oxford Brookes University and is a fellow of the ACCA and ZICA.

Resigned on 30th June 2019

NOTICE OF THE
28TH ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting of the members of Lafarge Zambia Plc will be held will be held at 09:00 hours on Thursday 9th April 2020 at Radisson Blu Hotel, Lusaka to transact the following business:

1. To approve the minutes of the 27th Annual General Meeting held on 3rd April 2019;
2. To receive and consider the Annual Financial Statements for the year ended 31 December 2019, including the Directors' Report and Report of the Auditor;
3. To consider, and if thought fit, not declare a dividend;
4. To consider and adopt the recommendation for the re-appointment of Deloitte & Touche (Zambia) as Auditors for the year ending 31 December 2020 and authorise the Directors to fix their remuneration.
5. To introduce the Directors and Company Secretary appointed in 2019; and
6. To transact other competent business of which due notice has been given.

Proxy

A member entitled to attend and vote at the meeting is entitled to appoint any person or persons (whether a member of the Company or not) to attend and, on a poll, vote in his/her stead. Proxy forms must be lodged at the registered office of the Company at least 48 hours before the meeting. A proxy form is attached in this report.

By order of the Board

Chibuye Mbesuma Ngulube
General Counsel and Company Secretary
Lafarge Zambia Plc
Head Office, Farm no. 1880
Kafue Road, Chilanga
PO Box 32639, Lusaka

16 March 2020

Board of Directors: M. Hantuba (Non-executive chairman), M. Chibesakunda (Non-executive director), F. Munthali (Non-executive director), M. O'Donnell (Non-executive director), P. Deleplanque (Executive director), J. Khan (Chief executive officer) A. Khalifa (Chief financial officer)

Transfer Secretaries: Sharetrack Zambia Spectrum House, Stand 10 Great East Road, Jesmondine, Lusaka, P.O. Box 37283, Lusaka Zambia, Tel: +260 211 374791-374794, Fax: +260 211 374 781, Email: sharetrack@scs.co.zm, Website: sharetrackzambia.com

Registered office: Farm no. 1880, Kafue Road, Chilanga, PO Box 32639, Lusaka, Zambia, Tel: +260 211 367 400 / 367 600, Email: enquiries.zambia@lafargeholcim.com , Website: www.lafarge.co.zm

Auditor: Deloitte & Touché

Principal Bankers: Citibank Zambia Limited, Indo Zambia Bank Limited, Standard Chartered Bank Zambia Plc

FORM OF PROXY

LAFARGE ZAMBIA PLC

Chibuye Mbesuma Ngulube
General Counsel and Company Secretary
Lafarge Zambia Plc
Head Office
Farm no. 1880, Kafue Road, Chilanga
PO Box 32639, Lusaka, Zambia

28th Annual General Meeting

I/We ....

of ....

being a member of Lafarge Zambia Plc hereby appoint

....

of ....

or failing him/her THE CHAIRMAN OF THE MEETING as my/our proxy and/or representative, to vote at his/her discretion for me/us and on my/our behalf at the 28th Annual General Meeting of the members of the Company, to be held at the Radisson Blu Hotel, Lusaka, Zambia on 9th April 2020 at 09:00hrs and at every adjournment thereof

AS WITNESS my/our hand(s) this............................ day of 2020

Signature .... Number of shares held ....

Witness ....

NOTE: A member entitled to attend and vote at this meeting may appoint another person (whether a member of the Company or not) to attend, speak and vote in his/her stead. This form of proxy should be signed and returned so as to reach the Company Secretary at the registered office at least 48 hours before the meeting..

cut here

Proxy Form:
for the year ended 31 December 2019

fold here

AFFIX STAMP

Chibuye Mbesuma Ngulube
General Counsel and Company Secretary
Lafarge Zambia Plc
Head Office
Farm no. 1880, Kafue Road, Chilanga
PO Box 32639, Lusaka, Zambia.

REPORT OF THE DIRECTORS

for the year ended 31st December 2019

The Directors are pleased to present the report and the audited financial statements for Lafarge Zambia Plc for the year ended 31 December 2019.

ACTIVITIES

The business of the Company is the manufacture and sale of cement and aggregates products. The registered address of Lafarge Zambia Plc is Stand 1880 Kafue Road Chilanga, Lusaka, Zambia.

FINANCIAL RESULTS

Turnover for the year was **K1,110,153** thousand (2018: K1,141,800 thousand) resulting in a 3% decrease from 2018. Net Finance costs were **K11,131** thousand (2018: K2,045 thousand). Exchange gains arising mainly from the translation into Kwacha of US dollar denominated receivables, payables and cash balances amounted to **K756** thousand for the year (2018: K9,721 thousand gain) which was mainly due to the continued depreciation of the Kwacha in 2019.

Loss before tax was **K23,990** thousand (2018 profit: K104,309 thousand). This was driven by the decrease in turnover,one off asset adjustments of K25,248 thousand as explained in detail in note 14 and inventories written off of some K13 million. In addition, costs increased due to the devaluation of the Kwacha and rise in inflation during the year. After providing for a taxation credit of **K11,651** thousand (2018: taxation credit of K90,589 thousand), loss after tax was **K12,339** thousand (2018: K194,898 thousand profit).

The Company had no medium or long term obligations to financial institutions as at 31 December 2019 (2018: Nil).

DIRECTORS

The Directors who held office during the year were:

Mr. M. Hantuba	Chairman		
Mr. J. Khan	Chief Executive Officer	Appointed	19 February '19
Mr. R. Chipoma	Chief Financial Officer	Resigned	11 June 2019
Mr. A. Khalifa	Chief Financial Officer	Appointed	26 September '19
Mr. M. Chibesakunda	Non-Executive Director		
Mrs. D. Mulwila	Non-Executive Director	Resigned	03 April 2019
Mr F. Munthali	Non-Executive Director	Appointed	03 April 2019
Mr. S. M. O'Donnell	Non-Executive Director		
Mr P. Deleplanque	Non-Executive Director		

DIRECTORS' INTERESTS

None of the Directors had a material interest in any significant contracts concluded during the year. The number of shares held by the Directors of the Company as at 31 December 2019 was:

	2019 K'000	2018 K'000
Mrs. D. Mulwila (Resigned)	**18 500**	18 500
Mr. Frank Munthali (Appointed)	**2 203**	-
Mr. M. Hantuba	**2000**	2000
Mr. M. Chibesakunda	**1500**	1500

DIVIDENDS

No interim dividend was proposed and paid during the year (2018: Nill). At the next Annual General Meeting, the Directors will not propose a dividend for the year ended 31 December 2019 (2018: K0.25).

PROPERTY, PLANT AND EQUIPMENT

The principal changes to Property, plant and equipment related to the following additions:

	2019	2018
	K'000	K'000
Capital work in progress	**57 007**	47 732
Vehicles, leasehold, furniture and fittings	**-**	6 114
	57 007	53 846

During the year assets with a value of **K18,732** thousand (2018: K76,330 thousand) previously in capital work in progress were completed and commissioned. The assets were transferred to the relevant class of assets.

EQUITY INVESTMENTS

The Company owns 14% of the issued ordinary equity capital of Mbeya Cement Company Limited, incorporated and operating in Tanzania. The company did not declare an interim dividend in 2019 (2018: nil).

SHARE CAPITAL

The authorised Share Capital of the Company is **K12,300,000** (2018: 12,300,000) consisting of:

	Number of shares
Ordinary shares of K0.05 each	240 000 000
Non-cumulative redeemable preference shares at K0.10 each	3 000 000
	243 000 000

The issued Capital comprises 200,039,904 Ordinary Shares with a par value of K10,001,995 held as follows:

	Number of shares	%
Pan African Cement Limited	100 219 992	50,10%
Financiere Lafarge	49 806 997	24,90%
Public (institutions and individuals)	26 159 497	13,08%
LuSE Central Share Depository Limited	23 853 418	11,92%
	200 039 904	100.00%

The Lusaka Stock Exchange Central Share Depository Limited holds shares in its capacity as nominee for approximately **3,428 shareholders**. Other than the shareholdings listed above, the Directors are not aware of any individual shareholding that exceeds 3% of the issued share capital. Under the Articles of Association the unissued share capital of the Company is controlled by the Directors.

The Company has complied with the minimum float requirements of the listing rules of the Lusaka Stock Exchange Corporate Governance Code for Listed and Quoted Companies.

EMPLOYEES

The average number of employees during each month of the year was:

	2019	2018
January	**406**	406
February	**404**	409
March	**405**	402
April	**404**	401
May	**400**	423
June	**395**	422
July	**416**	424
August	**414**	424
September	**417**	429
October	**412**	407
November	**408**	403
December	**404**	400

The total remuneration paid to employees during the year was **K153,187** thousand (2018: K140,306 thousand) and has been charged to profit or loss as follows:

	2019 K'000	2018 K'000
Cost of sales	**93 075**	82 363
Operating expenses	**60 112**	57 943
	153 187	140 306

EXPORTS

The value of goods exported by the Company during the year was **K513,614 thousand** (2018:K303,812 thousand).

DONATIONS

The Company supports various charitable organizations in Zambia through cash and cement donations as well as volunteering work. In 2019 the Company spent **K389 thousand** (2018: K798 thousand) on various corporate social responsibility projects. No donation was of a political nature.

HEALTH AND SAFETY

The Company has a formal health and safety policy that has been approved by the Board and is designed to ensure a safe working environment. The policy is implemented through safety committees and through a joint participative effort between management and the workforce.

Health and Safety is LafargeHolcim's overarching value and every activity performed has this value embedded in it. Health and Safety standards are regularly reviewed and updated to ensure that improvements conform to LafargeHolcim Group policies and worldwide best practice.

ENVIRONMENT

The Company has a formal environmental policy, approved by the Board, which prescribes the procedures and practices to be followed to achieve minimum environmental impact. The Company is licensed by the Zambia Environmental Management Agency (ZEMA) which monitors and regulates its performance. Lafarge Zambia Plc, as a member of the LafargeHolcim Group, also complies with the LafargeHolcim Group's 2030 plan which is aimed at implementing the Group's Sustainability strategy thereby contributing to the attainment of United Nations Sustainable Development Goals.

DEVELOPMENTS IN THE INDUSTRY AND MARKET

The Company operated in a market faced with tight liquidity, rising costs due to the increase in power tariff, fuel costs and depreciation of the Kwacha. The domestic prices of cement also reduced in 2019 compared to 2018 putting pressure on the margins and turn over. The market however, experienced a price recovery in Q4 of 2019. The Company continues to focus on market development with a special focus on Burundi, DR Congo and Malawi for cement and clinker sales.

RELATED PARTY TRANSACTIONS

The Directors confirm full and adequate disclosures of all related party transactions entered during the year with all the related parties and the subsequent year end balances at 31 December 2019. See details included under note 20 to the financial statements.

LEGISLATIVE DEVELOPMENTS

During the year, the Securities and Exchange Commission (SEC) introduced (Internal Control Framework Reporting for Issuers of Registered Securities) guidelines, 2019 became effective. The Board confirms that a gap analysis has been performed in line with the Act and that the report has been shared with the Securities and Exchange Commission in line with the guidelines.

The Board has reviewed the Companies Act, 2017 and confirm that, all requirements of the Act have been complied with.

To the best of their knowledge, the Directors confirm that the Company have complied with the Factories and Public Health Act including but not limited to the Occupational Health and Safety Act 2010, Mines and Minerals Development Act of 2015, the Factories Act No. 44, Public Health Act and the Environmental Management Act 2011.

SUBSEQUENT EVENTS

The Directors are not aware of any material events or transactions post year end which requires adjustments or disclosure in the financial statements for the year ended 31 December 2019.

AUDITORS

Messrs Deloitte & Touche were appointed as the Company's external auditor during the year and their term of office comes to an end at the next Annual General Meeting. A resolution proposing their re-appointment as auditors and authorising the Directors to determine their remuneration will be put to the Annual General Meeting.

By order of the Board.

Chibuye M. Ngulube
Company Secretary
Lusaka, Zambia

LAFARGE ZAMBIA PLC

STATEMENT ON CORPORATE GOVERNANCE

for the year ended 31 December 2019

Lafarge Zambia Plc (the "Company" or "Lafarge Zambia") places high standards to corporate governance and is committed to the principles of openness, integrity and accountability. The ultimate goal is to ensure the long term value and success of the Company in the interest of various stakeholder groups. This includes continuous improvement to decision-making processes and management systems through legal, organization and ethical directives as well as measures to enhance transparency.

The Directors and employees of Lafarge Zambia Plc strive to ensure that the Company is managed in an efficient, accountable, responsible and moral manner. The Board of Directors endorses the Lusaka Stock Exchange (LuSE) Corporate Governance Code for listed and quoted companies (the "Code") and believes that, in all material respects, the Company complied with the principles of the Code throughout the year under review.

BOARD OF DIRECTORS

The Board currently comprises seven directors, including four independent non-executive directors. The Board composition is balanced so that no individual or small group can dominate decision making. The depth of experience and diversity of the board ensures that robust and forthright debate occurs on all issues of material importance to the Company.

The Company aims to achieve a balanced relationship between management and control by keeping the roles of the Chairman and Chief Executive Officer ("CEO") and Managing Director ("MD") separate and that no individual has dominant control over decision-making. The Chairman is an independent, and non-Executive Director appointed by the shareholders.

The Board is responsible to shareholders for strategy and direction, review of management decisions, monitoring of operational performance and management, risk management processes and formulation of policies, setting of authority levels and the selection of new directors.

The Board is also responsible for the integrity and quality of communication with stakeholders, including employees, regulators and shareholders.

The Board follows a risk management framework and is responsible for the review of risk management processes in the Company and ensures that board policies and decisions on risk are properly implemented.

The Lafarge Zambia Plc board meets formally at least four times annually and the company's Articles of Association makes provision for decisions to be taken between meetings through written resolutions, where necessary. Four meetings were convened in 2019.

BOARD COMMITTEES

The Board is assisted in the discharge of its responsibilities by subcommittees. The committees operate under approved mandates and terms of reference which define their functions and responsibilities. These committees are accountable to the Board, with the exception of the executive committee of Management which reports to the managing director. Minutes of sub-committee meetings are available to board members. Senior management staff are invited to attend meetings where appropriate.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee assists the Board in the discharge of its duties relating to financial reporting and performance, reviewing external audit reports, internal control system and compliance, and the effectiveness of accounting and management information systems. For practical reasons the Board has decided that the members of the Audit Committee will also discharge the functions of the Board Risk Committee, as opposed to having a separate Board Risk Committee. The Committee reviews and evaluates the nature, extent and categories of risks facing the Company, probability of the risks occurring and mitigating actions and reporting on them to the Board.

RETIREMENT AND ELECTION OF DIRECTORS

All Directors with the exception of Managing Directors are subject to retirement and re-election on rotational basis with one third of the board being elected annually. This is in accordance to Article 76 (A) of the Company's Articles of Association.

BOARD EVALUATION

The Board carried out a self-assessment of its performance during the year and the Board will continue to implement appropriate actions to enhance its performance.

COMPANY SECRETARY

The Company secretary is responsible for implementing and sustaining high levels of corporate governance and keeps abreast of legislation, regulations and corporate governance developments which may impact on the Company.

RECORD OF DIRECTORS' ATTENDANCE

In accordance with the Companies Act, 2017, listing rules of the Lusaka Stock Exchange, the Securities Act No.41 of 2016, the record of directors' attendance and meetings held during year 2019 is available for inspection.

The meetings of the Board were presided over by the chairman. Written notices of board meetings, along with the agenda and other management reports were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded by the company secretary, circulated and approved at subsequent board meetings:

(i) Board Meetings

The Board held 4 meetings during the 2019 financial year. The following table shows membership and the attendance of Directors at the Board meetings held in 2019 financial year:

	26/2	3/6	28/08	6/12	Total
Mr. M. Hantuba	√	√	√	√	4
Mr. J. Khan	√	√	√	√	4
Mr. M. Chibesakunda	√	x	√	x	2
Mr. M. O'Donnell	√	√	√	√	4
Mrs. D. Mulwila	√	N/A	N/A	N/A	1
Mr. R. Chipoma	√	√	N/A	N/A	2
Mr. A. Khalifa	N/A	N/A	N/A	√	1
Mr. F. Munthali	N/A	√	√	√	3
Mr P. Deleplanque	x	x	x	x	0

√ Present X - Absent

(ii) Audit and Risk Management Committee

	26/2	27/8	4/12	Total
Mr. M. Chibesakunda	√	√	x	2
Mr. A. Khalifa	N/A	N/A	√	1
Mr. R. Chipoma	√	N/A	N/A	1
Mr. J. Khan	√	√	√	3
Mr. M. O'Donnell	√	√	√	3

√ Present X - Absent

There was no meeting of the Nominations Committee scheduled during the year.

DIRECTORS' COMPENSATION

The disclosure of Non executive Directors' fees and remuneration is made in Note 20 of the financial Statements. The number of shares held by the Directors have been disclosed in the Report of the Directors.

ORGANIZATIONAL ETHICS AND BUSINESS INTEGRITY

The issue of good governance and ethical conduct is critical to counter party and investor perceptions of a listed company. Lafarge Zambia Plc strives to ensure that the Company's integrity and professional conduct is beyond reproach at all times. While it is probably impossible to achieve a perfect result, the Company attempts to limit the cost of unethical behaviour to the Company's stakeholders. The Code of Business Conduct binding for the entire Company is part of the internal regulation to enforce ethical behaviours amongst its employees.

The Company has adopted a code of conduct formulated by the Group and LuSE. Lafarge Zambia Plc has a firm approach in dealing with any inappropriate or fraudulent behaviour of management or staff, suppliers or customers.

EXECUTIVE COMMITTEE OF MANAGEMENT

The executive committee of management headed by the Chief Executive Officer is empowered and responsible for implementing the strategies and policies determined by the Board, managing the business and affairs of the Company, prioritizing the allocation of technical and human resources, and establishing best management practices.

MANAGEMENT REPORTING

The Company has established management reporting procedures which include the preparation of annual strategic plans, mid-term plans, plant development plans and budgets. Actual results are reported monthly against approved budgets and revised forecasts and compared to the prior year.

LEGAL COMPLIANCE

Lafarge Zambia Plc is committed to ensuring compliance in all its operations. The Compliance Function, which falls under the Legal department, promotes a principles-based culture of integrity that respects not only the letter of the law but also the spirit underlying these principles. While management determines the culture of the organization, the role of the Compliance Function is to assist management to develop compliance-minded leaders/employees and promote and foster a foundation of integrity in its business practices.

To achieve the above, the compliance function conducts various trainings within the organization in collaboration with the LafargeHolcim Group Compliance. In 2019 the compliance function conducted, among others, the following trainings:

1. Mandatory anti-bribery and corruption e-learning
2. Mandatory face-to-face fair competition training for highly exposed employees
3. Face to face training on Third Party due diligences; and
4. Conflict of interest training

All these programmes are aimed at ensuring that Lafarge Zambia Plc and Third Parties dealing with it are in compliance with all applicable laws and act with utmost integrity.

CODE OF CONDUCT

Integrity is at the heart of all our actions at Lafarge Zambia Plc. The Company firmly believes that integrity is consistent with organization success. The Company's Code of Business Conduct defines what integrity means for the business, offers guidance and provides examples to help employees when confronted with challenging situations in their daily work. The Company strives to create an environment where honesty and accountability flourish and compliance is a central focus. The Company's Code of Business together with the Company's policy is sufficient to ensure the business is conducted with integrity.

The key areas covered include:

- Health and Safety;
- Diversity, fairness and respect;
- Protection of the Company's assets;
- Protection of the environment;
- Conflicts of interest;
- Information systems, email and social media;
- Anti-corruption, gifts and hospitality; and
- Dealing with competitors, suppliers and customers.

INTERNAL AUDITORS

Lafarge Zambia Plc has an independent internal audit function designed to add value to the Company and improve its operations and financial performance. The Internal Audit function is formally defined and generally seeks to assure the Board and management on the effectiveness of the governance, risk management and control processes that management has put in place. The Internal Audit prepares annual internal audit plans in consultations with management in line with the internal audit risk assessment and consistent with the Company's objectives. The Internal Audit plan for the year is approved by the Audit Committee.

EXTERNAL AUDITORS

External auditors are appointed by the shareholders and are subject to re-appointment at the Company's Annual General Meeting. The Company periodically rotates external auditors to ensure independence of the auditors is sustained. The current auditors are Deloitte & Touche. External Audits with support of management ensure that value adding and independent audits are undertaken.

INTERNAL CONTROL

The control systems are designed to safeguard the Company's assets, maintain proper accounting records and ensure the reliability of management and financial information produced by the Company. Control systems are based on established LafargeHolcim policies and procedures and are implemented by trained personnel, with an appropriate segregation of duties. The Internal Control management cycle with full support from the LafargeHolcim Group Internal Control is in place and is executed annually to confirm the effectiveness and efficiency of the control environment.

Management acknowledges its responsibility for Internal Control through the Annual Certification process as part of the group's compliance with the SIX Swiss Exchange in Zurich and Euronext in Paris. The Company's ultimate holding company, LafargeHolcim, is a foreign entity which is listed on the SIX Swiss Exchange in Zurich and Euronext in Paris. The Group is required to comply with both the Swiss and French laws which require that management of listed entities certify that they have evaluated the effectiveness of internal controls within the Group.

The Board of Directors with the support of the Audit Committee, ensures the existence and assesses the design and the effectiveness of the Internal Control System, including risk management, and forms an impression of the state of compliance within the Company. The Company Executive Committee monitors the proper implementation of internal controls, their effectiveness and efficiency.

The continuous process to mitigate business risks better through improving the effectiveness and efficiency of internal controls is part of the management cycle and each county/entity performs the following actions:

- Prepares a specific annual action plan on internal controls,
- Reports status updates on this action plan to Group Internal Control,
- Assesses annually the existence and the effectiveness of internal controls in accordance with instructions provided by Group Internal Control.

The implementation of this action plan is followed by relevant senior management. These procedures contribute to the annual internal control assessment performed by Group Internal Control. The Internal Auditor ensures that Lafarge Zambia complies with these procedures consistently.

STATEMENT OF RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS

The Companies Act, 2017 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its financial performance. It also requires the Directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. They are also responsible for safeguarding the assets of the Company. The Directors are further required to ensure the Company adhere to the corporate governance principles or practices contained in Part VII's Sections 82 to 122 of the Companies Act, 2017.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies Act, 2017.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, and for such internal controls as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error. In addition, the Directors are responsible for preparing the Directors report.

The Directors are of the opinion that the financial statements set out on pages 64 to 94 give a true and fair view of the state of the financial affairs of the Company and of its financial performance in accordance with International Financial Reporting Standards and the Companies Act, 2017. The Directors further report that they have implemented and further adhered to the corporate governance principles or practices contained in Part VII, Sections 82 to 122 of the Companies Act, 2017.

The Directors have made an assessment of the ability of the Company to continue as a going concern and have no reason to believe that the business will not be a going concern for at least twelve (12) months from the date of this statement.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial framework described above.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of Lafarge Zambia Plc, set out on page 13 to 47, were prepared by the Chief Financial Officer and the Finance Manager, both qualified Chartered Accountants, under the supervision of the Audit Committee and were approved by the Board of Directors on 10 March 2020 and signed on its behalf by:

M. HANTUBA
DIRECTOR

J. KHAN
DIRECTOR

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LAFARGE ZAMBIA PLC

OPINION
We have audited the financial statements of Lafarge Zambia Plc ("the Company"), set out on pages 64 to 94 which comprise the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Lafarge Zambia Plc, as at 31 December 2019, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS"), and in the manner required by the Companies Act, 2017.

BASIS FOR OPINION
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Revised July 2016), parts 1 and 3 of the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (Revised July 2018) and other independence requirements applicable to performing audits of financial statements in Zambia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole,

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
Equity investment in Mbeya Cement Company Limited The Company owns 14% of the issued ordinary equity capital of Mbeya Cement Company Limited, a related company incorporated and operating in Tanzania. The Company has designated the investment in Mbeya Cement Company Limited as at fair value through statement of profit or loss upon initial recognition. This financial asset is designated upon initial recognition on the basis that it is part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Company. The Company used a discounted free cash flow (DCF) valuation methodology to determine the fair value of the investment of Mbeya Cement Company Limited. DCF method involves forecasting free cash flows (FCF) that will accrue to shareholders and discounting them at an appropriate discount factor. Refer to note 17. We considered this as a key audit matter as the fair value determination is subject to estimation uncertainty, as it is dependent upon the cashflow forecasts and discount rate.	We performed the following procedures to assess the appropriateness of the valuation: • We evaluated the appropriateness of the discounted free cash flow (DCF) valuation methodology to determine the fair value of the equity investment; • We reviewed the reasonableness of the cash flow forecasts by comparing budget to actual balances over the past 3 years. We also reviewed prior year growth rates and compared to projections made; • We reviewed overall economic and business environment of Tanzania and company performance in the current year to support the cash flow forecasts; • We engaged valuation experts to review the reasonableness of the discount rate used; and • All inputs of estimation used in the determination of the discount rate was independently verified with reliable third party sources. We determined that the fair value recorded by the entity is appropriate and no impairment of the investment is required.

ADJUSTMENTS TO PROPERTY, PLANT AND EQUIPMENT	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
The entity undertook a full asset verification exercise during the year under review. The last full asset verification was undertaken in 2014, but no formal report was produced. The results of this 2019 verification exercise revealed that there were asset adjustments of K25 million against the fixed assets. As at 31 December 2019, the fixed assets net book value (NBV) was at K1.5 billion before the adjustment of K25 million. The total adjustments accounted for 2% of the recorded asset value. The Company could not determine the exact periods to which these assets could have been rendered non existent or non usable and therefore have accounted for the entire adjustment in the 2019 financial statements in line with the requirement of International Accounting Standards 8 *Accounting Policies, Changes in Accounting Estimates and Errors* paragraph 44, where timing of the adjustment proves impractical. This matter was considered a key audit matter.	We performed the following audit procedures: • We reconciled the book value of assets to the General Ledger and Trial Balance; • We held discussions with the key management personnel to get an understanding of the details included in the verification report. We corroborated this by physically verifying the sites where these assets were located to confirm their non-existence. Furthermore, we assessed the information produced by the entity for completeness and accuracy; • We obtained and assessed the schedule of assets proposed to be adjusted and obtained explanations regarding the reasons for adjustments; • We held discussions with management to understand the judgements applied to determine the period to effect the adjustment in the financial statements; • We selected a sample of assets from the register to the floor to confirm existence. We also reviewed and confirmed a sample of assets in the asset register are properly tagged, and are in good working condition and are in use. This included discussions with plant controllers. Similarly, we also selected a sample of assets from the Floor to the register to confirm completeness of asset register; • We corroborated management's assessment of impractibility by analysing information obtained from discussions with key personnel in stores and at the plants; and We concur with managements chosen accounting treatment for the adjustments as being 2019 adjustments, in line with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. We further are in support of disclosures made in the financial statements under note 14 being adequate to provide context of the adjustments that have been passed.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Directors are responsible for the other information. The other information comprises the Directors' Report, as required by the Companies Act, 2017, which we obtained prior to the date of this auditor's report, the statement on Corporate Governance, the statement of responsibility for annual financial statements and the five year financial record shown in the appendix. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained on the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation and fair presentation of the financial statements which give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2017 and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The Companies Act, 2017 requires that in carrying out our audit, we consider the adequacy of the accounting records, other records and registers required by the Acts for purposes of the audit. We confirm that these have been properly kept in accordance with the Act.

Further, Section 259(3) of the Companies Act, 2017 requires that in carrying out our audit, we consider and report that:

- There is no relationship, interest or debt which we have with and in the Company; and
- There are no serious breaches of corporate governance principles or practices by the Directors. This statement is made on the basis of the corporate governance provisions as enshrined in Part VII - corporate governance section of the Companies Act, 2017.

In accordance with Section 8 (63) of the Lusaka Stock Exchange Listing rules, we report that the Company has not fully complied with the requirements of section 8.63 (b) - (l) and (n) with regards disclosure of Director's remuneration.

Deloitte & Touche

DELOITTE & TOUCHE
CHARTERED ACCOUNTANTS

ALICE JERE TEMBO
AUDIT PARTNER
PC NO: AUD/F000433

Date: 11 March 2020

LAFARGE ZAMBIA PLC

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	2019 K'000	2018 K'000
Revenue	5	**1 110 153**	1 141 800
Cost of sales		**(634 254)**	(565 859)
Gross profit		**475 899**	575 941
Selling and distribution expenses		**(235 577)**	(207 905)
Marketing expenses		**(8 848)**	(8 661)
Administration expenses	6	**(246 187)**	(265 122)
Operating (loss) profit		**(14 713)**	94 253
Investment income		**874**	1 975
Other gains and losses	7	**980**	10 126
Finance costs	9	**(11 131)**	(2 045)
(Loss) Profit before tax	11	**(23 990)**	104 309
Income tax credit	12	**11 651**	90 589
(Loss) profit for the year		**(12 339)**	194 898
Other comprehensive income		**-**	-
Total comprehensive (loss) income for the year		**(12 339)**	194 898
Basic and diluted (loss) earnings per share (with exceptional corporate tax credit) (Kwacha)	13	**(0.06)**	0.97
Basic and diluted (loss) earnings per share (from normal results for the year) (Kwacha)	13	**(0.06)**	0.37

LAFARGE ZAMBIA PLC

STATEMENT OF FINANCIAL POSITION

at 31 December 2019

ASSETS	NOTES	2019 K'000	2018 K'000
Non-current assets			
Property, plant and equipment	14	**1 467 630**	1 500 623
Right of Use Assets	15	**6 939**	-
Intangible assets	16	**439**	477
Equity investment at fair value	17	**25 266**	25 266
Total non current assets		**1 500 274**	1 526 366
Current assets			
Inventories	18	**188 805**	207 590
Trade receivables	19.1	**73 861**	126 332
Other receivables	19.2	**144 945**	99 250
Amounts due from related companies	20	**61 380**	21 517
Bank and cash balances	21	**76 081**	72 163
Current tax asset	12	**115 746**	121 317
Total current assets		**660 818**	648 169
Total assets		**2 161 092**	2 174 535
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	22.1	**10 002**	10 002
Revaluation reserve	22.2	**464 495**	479 363
Retained earnings	22.3	**1 119 685**	1 159 160
Total equity		**1 594 182**	1 648 525
Non-current liabilities			
Provision for environmental liabilities	23	**24 917**	22 536
Lease Liabilities	25	**4 816**	-
Deferred tax liabilities	26	**2 17 553**	259 687
Total non-current liabilities		**247 286**	282 223
Current liabilities			
Trade payables	27.1	**91 830**	85 497
Other payables	27.2	**168 285**	137 612
Retirement benefit plans	24	**52**	82
Lease Liabilities	25	**2 472**	-
Amounts due to related companies	20	**56 985**	20 596
Total current liabilities		**319 624**	243 787
Total liabilities		**566 910**	526 010
Total equity and liabilities		**2 161 092**	2 174 535

The responsibilities of the Company's Directors with regard to the preparation of the financial statements are set out on page 8. The financial statements on pages 64 to 94 were approved for issue by the Board of Directors on 10th March 2020 and were signed on its behalf by:

M. HANTUBA
DIRECTOR

J. KHAN
DIRECTOR

LAFARGE ZAMBIA PLC

STATEMENT OF CHANGES IN EQUITY

at 31 December 2019

	Share capital K'000	Revaluation reserve K'000	Retained earnings K'000	Total K'000
Balance at 1 January 2018	**10 002**	**502 237**	**996 954**	**1 509 193**
Profit for the year	-	-	194 898	194 898
Deferred tax on revaluation	-	(5 555)	-	(5 555)
Final dividend in respect of 2017	-	-	(50 010)	(50 010)
Amortisation of revaluation reserve	-	(17 319)	17 319	-
Balance at 31 December 2018	**10 002**	**479 363**	**1 159 160**	**1 648 525**
Balance at 1 January 2019	**10 002**	**479 363**	**1 159 160**	**1 648 525**
Loss for the year	-	-	(12 339)	(12 339)
Deferred tax on revaluation	-	8 006	-	8 006
Final dividend in respect of 2018	-	-	(50 010)	(50 010)
Amortisation of revaluation reserve	-	(22 874)	22 874	
Balance at 31 December 2019	**10 002**	**464 495**	**1 119 685**	**1 594 182**

LAFARGE ZAMBIA PLC

STATEMENT OF CASH FLOW

for the year ended 31 December 2019

	NOTES	2019 K'000	2018 K'000
Cash flow from operating activities			
(Loss) Profit before tax		**(23 990)**	104 309
Adjustments for:			
Gain on disposal of property, plant and equipment	7	**(224)**	(265)
Fair value adjustment on equity investment	7	**-**	(140)
Interest expense	9	**11 131**	2 045
Interest income	11	**(874)**	(1 975)
Impairment of tangible assets (net)	14	**25 248**	-
Capital Work In Progress reversals	14	**-**	23 043
Reduction in inventory obsolencense		**(1 288)**	(4 555)
Impairment of trade receivables	19.1	**5 533**	4 223
Impairment of other receivables		**-**	4 071
Increase in provision for environmental rehabilitation		**2 381**	3 135
Provision for retirement benefit plans		**243**	243
Depreciation and amortization of non-current assets		**64 017**	68 005
Amortization of right of use assets		**1 072**	-
Unrealised (gains) and losses		**(8 798)**	1 174
Amounts receivable from tax overpayments in prior years		**-**	74 642
Net cash flows from operating activities before movements in working capital		**74 451**	277 955
Movements in working capital:			
Decrease (increase) in inventories		**20 073**	(38 690)
Decrease (increase) in trade receivables		**46 938**	(44 780)
Increase in other receivables		**(45 695)**	(129 524)
(Increase) decrease in amounts due from related companies		**(39 863)**	51 167
Increase in trade payables		**6 333**	32 144
Increase in other payables		**30 673**	16 103
Increase (decrease) in amounts due to related companies		**36 389**	(51 448)
Cash generated from operations		**129 299**	112 927
Income taxes paid	12	(16 905)	(40 415)
Income taxes refunds from incentives granted received	12	-	46 582
Retirement benefits paid	24	(273)	(419)
Interest paid		(11 131)	(2 041)
Net cash generated by operating activities		**100 990**	116 634
Cash flow from investing activities			
Interest income		**874**	1 975
Purchase of property, plant and equipment	14	**(57 007)**	(53 846)
Proceeds from disposal of property, plant and equipment		**791**	265
Net cash used in investing activities		**(55 342)**	(51 606)
Cash flow from financing activities			
Repayment of lease liabilities		**(518)**	-
Dividend paid to owners of the Company		**(50 010)**	(50 010)
Net cash used in financing activities		**(50 528)**	(50 010)
Net (decrease) increase in cash and cash equivalents		**(4 880)**	15 018
Cash and cash equivalents at beginning of the year		**72 163**	58 319
Effect of foreign exchange rate changes		**8 798**	(1 174)
Cash and cash equivalents at end of the year		**76 081**	72 163
Represented by:			
Comprising:			
Bank and cash balances	21	**76 081**	72 163

LAFARGE ZAMBIA PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

1.General Information

Lafarge Zambia Plc (the "Company") is a Company incorporated in the Republic of Zambia and is listed on the Lusaka Stock Exchange. The principal activity of the Company is the manufacture and sale of cement. The registered address of Lafarge Zambia Plc is Stand 1880 Kafue Road, Chilanga, Lusaka, Zambia.

2. Adoption of New and Revised Standards

2.1 New and amended IFRS Standards that are effective for the current year

2.1.1 Impact of initial application of IFRS 16 Leases

In the current year, the Company has applied IFRS 16 (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in note 3. The impact of the adoption of IFRS 16 on the Company's financial statements is described below.

The date of initial application of IFRS 16 for the Company is 1 January 2019.

(a) Impact of the new definition of a lease

The Company has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those contracts entered or modified before 1 January 2019. The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4. The Company applies the definition of a lease and related guidance set out in IFRS 16 to all contracts entered into or changed on or after 1 January 2019. In preparation for the first-time application of IFRS 16, the Company has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Company.

(b) Impact on Lessee Accounting

(i) Former operating leases

IFRS 16 changes how the Company accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16, for all leases (except as noted below), the Company:

(a) Recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments;
(b) Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss;
(c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses generally on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36. For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), the Company has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within 'administration expenses' in profit or loss.

(ii) Former finance leases

The main differences between IFRS 16 and IAS 17 with respect to contracts formerly classified as finance leases is the measurement of the residual value guarantees provided by the lessee to the lessor. IFRS 16 requires that the Company recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17. This change did not have a material effect on the Company's financial statements.

(c) Impact on Lessor Accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, IFRS 16 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sub-lease as two separate contracts.

The intermediate lessor is required to classify the sub-lease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17).

(d) Financial impact of the initial application of IFRS 16

The Company has recognised **K6.9** million of right-of-use assets and **K7.3** million of lease liabilities upon transition to IFRS 16. These leases were all entered in 2019. There have been no restatements that have arisen from the adoption of IFRS 16.

In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 9 Prepayment Features with Negative Compensation

The Company has adopted the amendments to IFRS 9 for the first time in the current year. The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the 'solely payments of principal and interest' (SPPI) condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, financial assets with prepayment features with negative compensation do not automatically fail SPPI.

Annual Improvements to IFRS Standards 2015–2017 Cycle Amendments to IAS 12 Income Taxes

The Company has adopted the amendments included in the Annual Improvements to IFRS Standards 2015–2017 Cycle for the first time in the current year. The Annual Improvements include amendments to the following applicable standard:

<u>IAS 12 Income Taxes</u>

The amendments clarify that the Company should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Company originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement

The Company has adopted the amendments of IAS 19 for the first time in the current year. The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

The paragraphs that relate to measuring the current service cost and the net interest on the net defined benefit liability (asset) have also been amended. The Company will now be required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, the amendments make it clear that for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under IAS 19:99 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

IFRIC 23 Uncertainty over Income Tax Treatments

The Company has adopted IFRIC 23 for the first time in the current year. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Company to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
    - If yes, the Company should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
    - If no, the Company should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

2.1.2 New and revised Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

IFRS 10 and IAS 28 (amendments)

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to IFRS 3

Definition of a business

Amendments to IAS 1 and IAS 8

Definition of material

Conceptual Framework

Amendments to References to the Conceptual Framework in IFRS Standards

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods, except as noted below:

Amendments to IAS 1 and IAS 8 Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted.

Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The amendments, where they actually are updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted.

3. Summary of Significant Accounting Policies

The principal accounting policies are set out below:

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

(b)Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values.

3.1 Revenue

3.1.1 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts and value added tax, during the year.

Revenue from the sale of goods is recognized upon transfer of control of promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.in exchange for those goods or services.

The Company derives its revenues primarily from manufacture and sale of cement and aggregates products.

3.1.2 Dividend income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be reliably measured).

3.1.3 Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.2 Leases

Policies applicable from 1 January 2019

The Company has applied IFRS 16 using the modified retrospective approach with effect from January 1, 2019. The Company elected to apply the practical expedient included in IFRS 16 and therefore retained its existent assessment under IAS 17 and IFRIC 4 as to whether a contract entered or modified before January 1, 2019 contains a lease.

At inception of a contract, the Company assesses a contract as, or containing, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether the contract involves the use of an identified asset, the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Company has the right to direct the use of the asset.

i. Company as a lessee

On initial application of IFRS 16, the Company recognised a lease liability measured at the present value of all the remaining lease payments, discounted using the lessee's incremental borrowing rate at January 1, 2019 whereas the Company has elected to measure right-of-use asset at its carrying amount as if IFRS 16 had been applied since the lease commencement date, but discounted using the lessee's incremental borrowing rate at January 1, 2019. The Company has elected not to recognise a lease liability and a right-of-use asset for leases for which the lease term ends within twelve months of January 1, 2019 and has accounted for these leases as short-term leases.

For new lease contracts, the Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee in the statement of financial position. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), variable lease payments that are based on consumer price index ('CPI'), the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments including due to changes in CPI or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the related right-of-use asset has been reduced to zero.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs.

Subsequent to initial recognition, right-of-use asset are stated at cost less accumulated depreciation and any impairment losses and adjusted for certain remeasurements of the lease liability. Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of right-of-use assets are determined on the same basis as those of the underlying property and equipment.

In the statement of financial position, the right-of-use assets and lease liabilities are presented separately.

When a contract includes lease and non-lease components, the Company allocates the consideration in the contract on the basis of the relative stand-alone prices of each lease component and the aggregate stand-alone price of the nonlease components.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of machinery that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policies applicable prior to 1 January 2019

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. For lessors lease income from operating leases is recognised in income on a straight line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

Leases of property, plant and equipment where the Company has substantially retained all risks and rewards of ownership are classified as finance leases. Finance leases are capitalised by the lessee at the lease's commencement at the lower of fair value of the leased property and present value of minimum lease payments. The Lessor recognises assets held under a finance lease in their statements of financial position and present them as a receivable at an amount equal to the net investment in the lease.

For a finance lease interest and depreciation is charged as expense in the periods in which they are incurred.

3.3 Foreign currencies

The financial statements of the Company are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of the Company are expressed in Zambian kwacha ('K'), which are the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements of the Company transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the date of the transaction. Differences arising on settlement or translation of foreign denominated monetary assets are recognized in profit or loss.

3.4 Retirement benefit costs

The Company's employees are members of a separately administered defined contribution pension scheme. Payments to the defined contribution retirement benefit plan are recognized as an expense when employees have rendered service entitling them to the contributions. The Company's contributions are charged to profit or loss as they become payable in accordance with the rules of the scheme

For fixed term contract employees, a gratuity is payable at the end of the contract period and is accrued as a provision and settled at the end of the contracted period. Contract periods range from one to two years

The Company contributes to the National Pension Authority Scheme (NAPSA) for its eligible employees as provided for by law. Membership is compulsory and monthly contributions by both employer and employees are made. The employer's contribution is charged to profit or loss in the year in which it arises.

3.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.5.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of Profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible another years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.5.2 Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences except to the extent that they arise from:

a. Initial recognition of goodwill; or
b. the initial recognition of an asset or liability in a transaction which:
    i. is not a business combination.
    ii. at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside profit or loss.

3.5.3 Current and deferred tax for the financial period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in profit or loss or directly in equity respectively.

3.6 Property, plant and equipment

Leasehold land and buildings is stated at cost; and plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period. The Company prepares a discounted cash flow annually to assess whether the carrying amount is materially different from the fair value. Where the difference of the carrying value and the fair value is not material the Company does not affect an adjustment to the carrying value.

Any revaluation increase arising on the revaluation of plant and equipment, and leasehold land and buildings is recognized in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising from the revaluation of such plant and equipment, and land and buildings, is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous evaluation of that asset.

Vehicles, furniture and fittings are stated at cost less accumulated depreciation and accumulated impairment losses. On the subsequent sale or retirement of revalued leasehold land and buildings, and plant and equipment, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings. A transfer is made from revaluation reserve to retained earnings when the asset is derecognized and as the asset is used by the entity based on the difference between depreciation based on the revalued carrying amount and the depreciation based on the asset's original cost.

Properties in the course of construction for production, supply or administrative purposes, are carried at cost less unrecognized impairment loss. Cost includes professional fees and other directly attributable costs to bring it to its present location and use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost or valuation of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and misrecognized in profit or loss. The rates of depreciation used are based on the useful lives as follows:

	Average Useful Life in Years
Other machines	10 – 20 years
Heavy machines and installations	20 – 30 years
Building and installations	30 – 35 years
Land and mineral reserves	Non Depreciable

3.7 Intangible assets
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The useful lives of the intangibles are between 10 to 25 years.

3.8 Impairment of non financial assets, property plant and equipment, right of use assets and intangible assets
At the end of each reporting period the Company reviews the carrying amounts of its non financial assets, property plant and equipment, right of use assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment (if any). Where it is not possible to estimate the recoverable amount of an individual asset the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

An impairment is recognized immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment is treated as a revaluation decrease. Where an impairment subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment is recognized immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment is treated as a revaluation increase.been determined had no impairment been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment is recognized immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment is treated as a revaluation increase.

3.9 Inventories
Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the weighted average method and includes direct material cost and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

3.10 Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.11 Environmental liability
The Company records a liability for environmental costs when there is a present obligation, it is probable there will be an outflow of resources embodying economic benefits and the amount of the liability can be reliably determined. The Company is required to make contributions to the government for future rehabilitation work relating to its production activities. The contributions are based on an environmental assessment that is performed by environmental auditors. The Company records a liability for the future contributions to be made to the government based on the environmental disturbances incurred to date per the environmental auditor's assessment with a corresponding charge to profit or loss.

The company's production methods are mainly surface mining and the environmental disturbances predominantly relate to production of inventory. The contributions to the government are paid over a period of time and if the effect of the time value of money is material, the liability is discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the liability due to the passage of time is recognized in profit or loss. The liability recorded is reduced by the actual payments made to the government. Once the Company has made the contributions, it no longer has the obligation to perform the rehabilitation work.pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the liability due to the passage of time is recognized in profit or loss. The liability recorded is reduced by the actual payments made to the government. Once the Company has made the contributions, it no longer has the obligation to perform the rehabilitation work.

3.12 Financial instruments

3.12.1 Initial recognition and measurement

Financial instruments within the scope of IFRS 9 Financial Instruments: Revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

- All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the company have assessed the impact of this standard on the operations of the Company. This standard does not have a material impact on how the company recognises its provisions for doubtful debts and how it classifies its financial assets and financial liabilities.

3.12.2 Investments at fair value through profit and loss

The Company has designated an investment held in an associate company as at fair value through profit or loss upon initial recognition. This financial asset is designated upon initial recognition on the basis that it is part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Company.

The investment is recognized at fair value through profit and loss and is recorded in the Statement of Financial Position at fair value. Subsequent changes in the fair value of this financial instrument are recorded in net gain or loss on investment at fair value through profit or loss. Dividends earned on this investment are recorded separately as dividend revenue.

3.12.3 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables assets are subsequently carried at amortised cost using the effective interest method. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. Loans and receivables are included in current assets if they are expected to mature within 12 months of the reporting date. The Company's loans and receivables comprise cash and bank balances, trade and other receivables and amounts due from related companies.

3.12.4. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and deposits in banks, net of outstanding bank overdrafts.

All bank balances are assessed to have low credit risk at reporting date as they are held with reputable international banking institutions.

3.12.5. Loans and borrowings

Loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs. Subsequently, interest-bearing loans and borrowings are measured at amortized cost using the effective interest method. The Company's loans and borrowings comprise trade and other payables and amounts due to related companies.

3.12.6. De- recognition of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the DE recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

3.12.7 Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired based on the expected credit loss model. The Company has elected to use the provision matrix approach in arriving at the impairment of Trade receivables.

The Company has reviewed the expected credit losses and changes in those expected credit losses at reporting date to reflect changes in credit risk since initial recognition of the financial asset. In arriving at this assessment the Directors of the Company have taken into consideration the business model and economic conditions in which these assets are held.

3.13 Fair value measurement

The Company measures non-financial assets such as property, plant and equipment and financial assets such as investments in equities at fair value at reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

3.14 Value Added Tax

Expenses and assets are recognized net of the amount of value-added tax, except:

- When the value added tax incurred on a purchase of assessor services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of value added tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.15 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4.Critical Accounting Judgements and Key Sources of Estimation Uncertainty

4.1 Critical judgment in applying accounting policies

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.2.1 Estimates of asset lives, residual values and depreciation methods

Property, plant and equipment are depreciated over their useful lives taking into account residual values. Useful lives and residual values are assessed annually. Useful lives are affected by maintenance programs and future productivity. Future market conditions determine the residual values. Depreciations calculated on a straight-line basis which may not represent the actual usage of the asset. Refer Note 14 for the carrying amount of property, plant and equipment.

4.2.2 Fixed assets impairment review

Impairment tests on property, plant and equipment are only done if there is an impairment indicator. Future cash flows are based on management's estimate of future market conditions. These cash flows are then discounted and compared to the current carrying value, and, if lower, the assets are impaired to the present value of the cash flows. Impairment tests are based on information available at the time of testing. These conditions may change after year-end.

4.2.3 Receivables provision

The Company could not determine the exact periods to which adjustments to property plant and equipement related and judgement was made to account for the entire adjustment in the 2019 financial statements in line with the requirement of International Accounting Standards 8 Accounting Policies, Changes in Accounting Estimates and Errors paragraph 44, where timing of the adjustment proves impractical. Trade receivables are non-interest bearing and are generally on 30 to 60 days payment periods. The company measures the loss on trade receivables at an amount equal to lifetime Expected Credit Loss which is estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Trade receivables above 120 days are provided for based on estimated irrecoverable amounts from the sale of cement, determined by reference to past default experience.

4.2.4 Income taxes

The Company is subject to income taxes in the Republic of Zambia. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact on the income tax and deferred tax provisions in the period in which such determination is made. Refer note 12 and note 26 for the income tax balances.

4.2.5 Fair value of financial instruments

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligation

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 60 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

-1 The financial instrument has a low risk of default,
-2 The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
-3 The debtor has provided collateral against the debt.

(ii) Definition of default
The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
(a) significant financial difficulty of the debtor;
(b) it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or

(iv) Write-off policy
The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, there are court proceedings over the debt or when it becomes evident that the customer is not going to pay for other reasons.

(v) Measurement and recognition of expected credit losses
Trade receivables 90 days past due are provided for based on estimated irrecoverable amounts from the sale of cement and aggregates, determined by reference to past default experience and taking into account other forecast economic conditions. In determining the recoverability of the trade receivables the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Financial liabilities and equity

Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities
All financial liabilities are measured subsequently at amortised cost.

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses' line item in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the gross replacement cost, DCF and the EBITDA multiple model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 16 for the carrying amount of financial assets at fair value through profit or loss and the assumptions and estimates used to determine the fair value.

4.2.6 Revaluation of plant and equipment

The Company carries its plant and equipment at fair value, with changes in fair value being recognized in other comprehensive income. A valuation methodology based on a gross replacement cost model was used for the period ended 31 December 2016. The gross replacement cost was used to determine the open market value in accordance with the International Valuation Standards note 3 – Valuation of Plant and Machinery. The gross replacement method is defined as the estimated cost of acquiring a new or modern substitute asset having the same productive capacity as the existing asset, together with the associated expenses directly related to installation of the asset.

4.2.7 Provision for environmental costs

As part of the identification and measurement of assets and liabilities, the Company has recognized a provision for environmental obligations associated with the plant. In determining the carrying value of the provision, assumptions and estimates are made in relation to revision of discount rates, updated environmental cost estimates, changes to lives of operations, new disturbances and the expected timing of those costs. Refer note 22 for the carrying amount of provision for environmental costs.

4.2.8 Provision for obsolete inventory

The Company reviews is inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in profit or loss, the Company makes judgements as to whether there is any observable data indicating that there is any future saleability of the product and the net realizable value for such product. Accordingly, provision for obsolescence is made where the net realizable value is less than cost based on best estimates by the management, ageing of inventories and historical movement of the inventory.

4.2.9 Valuation of investment in Mbeya Cement Company Limited

The Company has designated the investment in Mbeya Cement Company Limited as at fair value through statement of profit or loss upon initial recognition. This financial asset is designated upon initial recognition on the basis that it is part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Company.

5. Revenue

Cement and clinker:	**2019 K'000**	2018 K'000
Local sales	**585 988**	825 613
Export sales	**513 614**	303 812
Aggregate (Local)	**10 551**	12 375
	1 110 153	1 141 800

The Company has a single reportable segment. The operations of the Company are located in only one geographic location, Zambia.

6. Administration expenses

	2019 K'000	2018 K'000
Depreciation	**65 053**	67 967
Staff costs	**60 112**	57 943
Other expenses	**47 981**	90 038
Management fees	**47 793**	49 174
Asset adjustments (note 14)	**25 248**	-
	246 187	265 122

7. Other gains and losses

Other gains and losses comprise the following:

Net exchange gain (note 8)	**756**	9 721
Gain on disposal of property, plant and equipment	**224**	265
Fair value gain on equity investment (note 16)	**-**	140
	980	10 126

8. Net exchange gains (losses)

The Zambian Kwacha depreciated against the US Dollar and other major convertible foreign currencies during the year. The impact of the depreciation of the Zambian Kwacha during the year is that the Company recorded exchange gains on its foreign currency denominated monetary assets.

The table below illustrates the movements in the US Dollar exchange rates during the period:

Currency		Mid – market exchange rate as at 1 January	Mid – market exchange rate as at 31 December	Movement during the year
US Dollar (1 US$ =)	**2019**	**K11.91**	**K14.02**	**18%**
US Dollar (1 US$ =)	2018	K10.01	K11.91	19%

9. Finance costs

	2019 K'000	2018 K'000
Finance lease charges	**(915)**	-
Interest expenses on borrowings	**(10 216)**	(2 045)
	(11 131)	(2 045)

10. Operating lease arrangements

In Zambia, the title of ownership or all lease hold land is held by the state.
The Company therefore makes use of the land on a 99 year non-cancellable lease.

	2019 K'000	2018 K'000
No longer than 1 year	**650**	650
Longer than 1 year and not longer than 5 years	**2 600**	2 600
Longer than 5 years	**29 032**	29 682
	32 282	32 932

11. (Loss) Profit before tax

(Loss) Profit before tax is stated after crediting:

Interest income	**874**	1 975
Gain on disposal of property, plant and equipment and after charging:	**224**	265
Staff costs	**153 187**	140 306
Depreciation and amortisation	**65 090**	68 005
Management and technical services expenses	**47 793**	49 174
Adjustments to property, plant and equipment	**25 248**	-
Pension schemes– defined contribution plans	**8 501**	8 615
Directors remuneration - for service as Directors	**909**	643
Donations	**389**	798

12. Income tax (expense)

	2019 K'000	2018 K'000
Current tax	**(22 477)**	(14 935)
Incentives relating to refunds on prior years corporate tax	**-**	121 224
Deferred tax (note 26)	**34 128**	(15 700)
Tax credit for the year	**11 651**	90 589

Income tax is calculated at 35% on domestic income and 15% on export income for the estimated assessable profit for the year. The movements during the year on the income tax account are as follows:

	2019 K'000	2018 K'000
Included under current assets:		
Arising during the year	**(22 477)**	(14 935)
Overpaid corporate tax in prior years	**-**	121 224
Recoverable in respect of prior year	**121 317**	21 195
Refund received toward unclaimed incentives	**-**	(46 582)
Tax paid during the year	**16 905**	40 415
Balance at end of the year included in current assets	**115 746**	121 317
The make up of the receoverable balance at the end of the year, is made up as follows:		
Balance from previous years unclaimed incentives	**74 642**	74 642
Balance from previous years on normal operations	**41 104**	46 675
	115 746	121 317
The total charge for the year can be reconciled to the accounting profit as follows:		
(Loss) Profit before tax	**(23 990)**	104 309
Tax on accounting profit at 35%	**(8 397)**	36 508
Accounting profit taxed at different rate	**2 215**	(16 109)
Overpaid corporate tax in prior years	**(5 469)**	(121 224)
Disallowed expenses	**-**	10 236
Tax expense for the year	**(11 651)**	(90 589)
Standard rate	**35%**	35%
Accounting profit taxed at different rate	**(26%)**	(13%)
Disallowed expenses	**0%**	7%
Effective tax rate before tax credit from prior years	**0%**	(87%)
Prior years tax credits	**(23%)**	(116%)
Effective tax rate after the tax credit from prior years	**(49%)**	(87%)

13. (Loss) earnings per share

	2019	2018
Basic and diluted (loss) earnings per share with corporate tax credits from prior years (Kwacha)	**(-0.06)**	0.97
Basic and diluted (loss) earnings per share from normal Company results for the year (Kwacha)	**(-0.06)**	0.37

(Loss) earnings per share is based on loss after taxation of **K12,339 thousand** (2018: K194,898 thousand), divided by the number of ordinary shares in issue during the year of **200,039,904** (2018: 200,039,904).

14. Property, plant and equipment

	Leasehold properties K'000	Plant and equipment K'000	Furniture and fittings K'000	Capital work in progress K'000	Total K'000
Cost or valuation					
At 1 January 2018	88 466	1 665 020	70 086	125 592	1 949 165
Additions	-	-	6 114	47 732	53 846
Transfer of projects	23 434	51 565	1 331	(76 330)	-
Reversal of CWIP	-	-	-	(23 043)	(23 043)
Disposals	-	-	(3 641)	-	(3 641)
At 31 December 2018	**111 900**	**1 716 585**	**73 890**	**73 951**	**1 976 327**
Cost	78 176	180 386	52 812	73 951	385 325
Valuation (2016)	33 724	1 536 199	21 079	-	1 591 002
At 31 December 2018	**111 900**	**1 716 585**	**73 890**	**73 951**	**1 976 327**
Additions	-	-	-	57 007	57 007
Transfer of projects	(838)	19 570	-	(18 732)	-
Disposals	-	-	(3 761)	-	(3 761)
Adjustment	-	(273)	67	-	(206)
Asset impairment and other adjustments	(3 891)	(56 484)	(12 655)	(107)	(73 147)
At 31 December 2019	**107 171**	**1 679 398**	**57 531**	**112 119**	**1 956 220**
Accumulated depreciation					
At 1 January 2018	17 686	337 004	56 687	-	411 377
Depreciation expense	3 679	57 583	5 653	1 052	67 967
Eliminated on disposal	-	-	(3 641)	-	(3 641)
At 31 December 2018	21 365	394 587	58 699	1 052	475 703
Depreciation expense	3 924	55 913	4 142	-	63 979
Eliminated on disposal	-	-	(3 195)	-	(3 195)
Asset impairment	(744)	(28 486)	(18 669)	-	(47 899)
At 31 December 2019	**24 546**	**422 014**	**40 977**	**1 052**	**488 588**
Carrying value At 31 December 2019	**82 625**	**1 257 384**	**16 554**	**111 067**	**1 467 630**
At 31 December 2018	90 535	1 321 998	15 191	72 899	1 500 623

Had the property, plant and equipment been measured on a historical cost basis their carrying amount would have been as follows:

				2019 K'000	2018 K'000
Cost	79 071	868 348	69 743	**1 017 162**	1 017 162
Accumulated depreciation	(24 981)	(195 577)	(66 359)	**(286 916)**	(232 571)
	54 090	672 771	3 384	**730 246**	784 591

In accordance with Section 220 of the Companies Act, 2017, the Register of Land and Buildings is available for inspection by members and their duly authorised agents at the Registered Records Office of the Company.

As at 31 December 2019, the Directors have reviewed the balances as reflected in the statement of financial position and are of the considered view that the amounts reflect the fair value of the assets as at the reporting date. Further, the useful lives are reviewed on an annual basis.

During the year, the Company concluded a full asset verification of its property, plant and equipment. Findings of this report revealed that the entity had assets worth K25 million that needed to be written off. This was made up of assets worth K7 million that had existed but become obsolete and no longer in a usable condition and K18 million of assets that could not be located.

This error was mainly as a result of the physical verification not being performed since 2014. Due to the nature of this error, it could not be established in which exact period these misstatements could have occurred. Assets that could not be verified, could not be allocated to the exact period in which they could have gone missing. The same applied with assets that were verified but were not in a usable condition. This being a capital intensive Company, regular verifications should have been performed to determine the condition and the existence of the asset in which case could not be ascertained and led to the findings that the said assets no longer existed or were not in a usable state.

The full K25 million has been written off in the current year. This is in line with the provisions of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The Company was unable to determine which periods these errors could have related to and as such provisions as per paragraph 44 were followed. This is because it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, and therefore we have recognised the write off in the current year profit and loss.

Due to the nature of assets and circumstances around this adjustment, it has proved impracticable for management to determine the period to which the write off of assets could be attributed to. This is due to the fact that the assets could have gone missing at any point in time and more especially that the last verification was done in 2014 for which no formal report was produced.

15. Right of use assets

Cost	**Motor vehicles K'000**	**Total K'000**
Additions	8 011	8 011
at 31 December 2019	**8 011**	**8 011**
Accumulated depreciation		
Depreciation expense	1 072	1 072
at 31 December 2019	**1 072**	**1 072**
Carrying value at 31 December 2019	**6 939**	**6 939**

16. Intangible assets

Mineral rights

The intangible assets relate to mining licenses purchased by the Company for the exploration and extraction of limestone. The licenses are measured initially at original purchase cost and amortized on a straight line basis, from the year of purchase by the Company, over their beneficial lives. The licenses have average useful life of 25 years.

License costs paid in connection with a right to mine for lime and shale in the allocated area are capitalized as an intangible asset and amortized over the term of the license once the legal right to perform mining activities has been acquired, unless the directors conclude that a future economic benefit is more likely than not to be realized. All other costs which include directly attributable employee remuneration, materials and fuel used, surveying costs, drilling costs and payments made to contractors are capitalized as part of property, plant and equipment.

Cost	2019 K'000	2018 K'000
Balance at beginning and end of the year	943	943
Accumulated amortisation and impairment		
Balance at beginning of the year	466	428
Amortisation expense	38	38
Balance at end of the year	504	466
Carrying value at end of the year	439	477

The amortization expense has been included in the line item, administration expenses in the statement of profit or loss.

17. Equity investment at fair value

The Company owns 14% of the issued ordinary equity capital of Mbeya Cement Company Limited, a related company incorporated and operating in Tanzania.

Opening balance	25 266	25 126
Fair value adjustment (note 7)	-	140
Closing balance	25 266	25 266

The current year fair value adjustment was an insignficant amount of less than K1,000 in absolute terms.

The Company has designated the investment in Mbeya Cement Company Limited as at fair value through statement of profit or loss upon initial recognition. This financial asset is designated upon initial recognition on the basis that it is part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Company.

The Company used a discounted free cash flow (DCF) valuation methodology to determine the fair value of the investment of Mbeya Cement Company Limited. DCF method involves forecasting free cash flows (FCF) that will accrue to shareholders and discounting them at an appropriate discount factor. FCF is calculated as net income; add depreciation and amortisation less changes in working capital. The DCF method therefore relates to the profitability and growth of the business being valued. The Directors of Lafarge Zambia Plc elected to use the DCF method to determine the fair value as it is considered to be the most technically accurate method of valuing of the business and represents management expectations for the future company revenues and profits.

Directors used the projected financials for Mbeya Cement Company Limited to derive at the projected future free cash flows. All company-specific information, including but not limited to, historical data - income and expenditure statement, statement of financial position of Mbeya Cement Company Limited, future profitability and cash flow projections and qualitative information on the company, were sourced from the management of the company and independently verified for reasonableness.

18. Inventories

	2019 K'000	2018 K'000
Raw materials and consumables	55 596	83 133
Stores and spares	53 275	62 664
Gross values	55 920	66 597
Provision for obsolete stock	(2 645)	(3 933)
Process goods	60 965	37 400
Cement	18 969	24 393
	188 805	207 590

During the year, expensed inventory amounted to K279,536 thousand (2018: K310,455 thousand) for inventories carried at net realizable value. This is recognised in cost of sales.

Total write off amounting to K13,060 thousand broken down as K5,520 thousand for paper bags and K7,540 thousand for spares.

19. Trade and other receivables

19.1 Trade receivables

Trade receivables principally comprise amounts receivable in respect of the sale of cement and clinker.

	2019 K'000	2018 K'000
Gross trade receivables	**101 981**	148 919
Less: Allowance for doubtful receivables	**(28 120)**	(22 587)
	73 861	126 332

The following tables detail the risk profile of trade receivables based on the Company provision matrix. As the Companys' historical credit loss experience shows significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer bases.

31 December 2019	**Not past due K'000**	**0-30 past due K'000**	**31-60 past due K'000**	**61-90 past due K'000**	**More than 90 days past due K'000**	**Total K'000**
Expected credit loss rate	0%	0%	0%	11%	55%	
Estimated total gross	2 922	31 950	16 971	5 410	44 728	101 981
Lifetime ECL	-	-	(1 358)	(1 558)	(25 204)	(28 120)
	2 922	**31 950**	**15 613**	**3 852**	**19 524**	**73 861**

31 December 2018	Not past due K'000	0-30 past due K'000	31-60 past due K'000	61-90 past due K'000	More than 90 days past due K'000	Total K'000
Expected credit loss rate	0%	0%	0%	0%	90%	
Estimated total gross carrying Amount at default	64 999	31 819	16 527	10 478	25 096	148 919
Lifetime ECL	-	-	-	-	(22 587)	(22 587)
	64 999	31 819	16 527	10 478	2 509	126 332

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9.

	2019 K'000
Balance as at 31 December 2018 under IFRS 9	**(22 587)**
Transfer to allowance for doubtful receivables	(5 533)
Balance as at 31 December 2019	(28 120)

19.2 Other receivables

	2019 K'000	2018 K'000
Value Added Tax receivable	**119 664**	81 903
Sundry receivables	**17 785**	2 934
Prepaid expenses	**5 842**	7 590
Employee loans	**1 654**	10 894
Impairment charge on prepayment and sundry receivables	**-**	(4 071)
	144 945	99 250

20. Related party transactions

LafargeHolcim Limited, the ultimate parent, is a company registered in Switzerland, owns 75% of the issued share capital of Lafarge Zambia Plc. through its owned subsidiaries, Financiere Lafarge, and Pan African Cement Limited.

The Company has balances with, and has transacted with the following related Lafarge Group companies:

	Country of incorporation	Relationship
LafargeHolcim Limited	Switzerland	Ultimate Parent
Bamburi Cement Limited	Kenya	Fellow subsidiary
Lafarge Spain	Spain	Fellow subsidiary
Lafarge Building Materials MEA	Egypt	Fellow subsidiary
Lafarge Cement Malawi Limited	Malawi	Fellow subsidiary
Lafarge Cement Zimbabwe Limited	Zimbabwe	Fellow subsidiary
Lafarge Industries South Africa (Proprietary) Limited	South Africa	Fellow subsidiary
LafargeHolcim Middle East and Africa	Egypt	Fellow subsidiary
LafargeHolcim East Africa	Kenya	Fellow subsidiary
Lafarge North America	U.S.A	Fellow subsidiary
Lafarge South Africa	South Africa	Fellow subsidiary
Lafarge Singapore	Singapore	Fellow subsidiary
Lafarge UK	United Kingdom	Fellow subsidiary
Lafarge Egypt	Egypt	Fellow subsidiary
Lafarge Mauritius	Mauritius	Fellow subsidiary

The following balances were outstanding at the end of the reporting period:

	2019 K'000	2018 K'000
Amounts due from related companies:		
Lafarge Cement Zimbabwe Limited	**42 323**	12 152
Lafarge Cement Malawi Limited	**10 580**	2 062
LafargeHolcim Technical Center AFR	**4 494**	22
LafargeHolcim Limited	**2 447**	2 292
LafargeHolcim Middle East and Africa	**867**	1 519
LafargeHolcim East Africa	**643**	1 537
Lafarge South Africa	**26**	1 933
	61 380	21 517
Amounts due to related companies:		
Lafarge S.A	**31 354**	13 848
Holcim Group services	**9 024**	1 275
LafargeHolcim Middle East and Africa	**5 048**	1 078
Lafarge North America	**3 486**	-
Lafarge UK	**2 790**	-
Lafarge Industries South Africa (Proprietary) Limited	**1 796**	61
Lafarge Singapore	**1 771**	755
Lafarge MEA Building Materials Limited	**1 079**	322
Lafarge Malawi	**464**	13
Lafarge Cement Zimbabwe Limited	**173**	-
Lafarge MEA Building Materials S.A.E	**-**	2 712
Lafarge Holcim Reunion	**-**	297
Lafarge Beocinska Fabrika Cementa	**-**	148
OneIndia Business Service Centre	**-**	49
HERACLES General Cement Company S.A	**-**	25
Lafarge Egypt	**-**	13
	56 985	20 596

Sale of goods:
The financial effects of transactions with the related parties were as follows:

Lafarge Cement Zimbabwe Limited	**53 497**	12 152
Lafarge Cement Malawi Limited	**20 894**	2 292
	74 391	14 444
Management and technical services expenses:		
LafargeHolcim Limited	**47 793**	49 174

Terms and conditions of transactions with related parties
Outstanding balances at the year-end are unsecured and interest free and settlement is in cash except when otherwise stated.
The remuneration of Directors and other key management during the year was as follows:

	2019 K'000	2018 K'000
Salaries and other short-term employment benefits	**12 900**	16 523

The Chief Executive Officer and three other senior management are seconded from LafargeHolcim Group. The remuneration of these Executive Directors is paid out of the Group and has not been separately disclosed.

Non Executive Directors' Remuneration:	**2019 K'000**	2018 K'000
In connection with the management of the Company as directors	**909**	643
Director's fees analysed as follows:		
Mr. Muna Hantuba	**257**	190
Mr. Mark O'Donnell	**242**	124
Mr. Mwelwa Chibesakunda	**193**	-
Mr. Frank Munthali (Appointed during the year)	**136**	-
Mrs. Dorothy Mulwila (Resigned during the year)	**81**	155
	909	643

The remuneration of Directors and key executives are determined having regard to the individual performance and market trends.

21. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments maturity in less than 90 days as at the year end.

Bank and cash balances	**2019 K'000**	2018 K'000
Bank and cash balances	**76 081**	62 163
Fixed deposits	**-**	10 000
	76 081	72 163

Bank overdraft
As at the end of 31 December 2019, the Company did not make use of its overdraft facility held with Citi Bank Zambia Limited. The facility available to the Company is K24 million (2018: K24 million).

22.Shareholders Equity

22.1 Share capital

	2019 K'000	2018 K'000
Authorized		
240 000 000 ordinary shares of 5 ngwee each	**12 000**	12 000
3 000 000 7% non-cumulative redeemable preference shares of 10 ngwee	**300**	300
	12 300	12 300
Issued and fully paid		
200 039 904 ordinary shares of 5 ngwee each	**10 002**	10 002
Shareholding:	**%**	%
Pan African Cement Limited	**50.10**	50.10
Financiere Lafarge	**24.90**	24.90
LUSE Central share depository	**11.92**	11.92
Public (Institutions and individuals)	**13.08**	13.08
	100.00	100.00

LafargeHolcim owns a 75% stake in Lafarge Zambia Plc through two of its subsidiaries namely Pan African Cement Limited and Franciere Lafarge.

22.2 Revaluation reserve

Revaluation reserves arise from the periodic revaluation of property and equipment and represent the excess of the revalued amount over the carrying value of the property and equipment at the date of revaluation. Deferred tax arising in respect of the revaluation of property has been charged directly against the revaluation reserves in accordance with International Financial Reporting Standard (IAS) 12: Income Taxes.

The reserve may, at the discretion of the Directors, be used in the business of the Company or be invested in such investments as the directors consider appropriate.

22.3 Retained earnings

The retained earnings represent all accumulated net income netted by all dividends paid to shareholders. Retained earnings are part of equity on the statement of financial position and represent the portion of the business's profits that are not distributed as dividends to shareholders but instead are reserved for reinvestment.

23. Provision for environmental liabilities

	2019 K'000	2018 K'000
At beginning of the year	**22 536**	19 401
Current year charge	**2 381**	3 135
	24 917	22 536

The Company provides for costs of restoring a site where a legal or constructive obligation exists.

The environmental provision represents the best estimate of the expenditure required to settle the obligation to rehabilitate environmental disturbances caused by operations.

In compliance with the Mines and Minerals Development Act of 2015, the Company has made cash contributions in the sum of USD986,798 (equivalent of K9,680,488) to the Enviromental Protection Fund over a period of five years based on annual audits conducted by Mines Safety Department. The fund establised by the Mines and Minerals Act is controlled by Mines Safety Department under the Ministry of Mines and Minerals Development. A bank guarantee of USD 15 million has been put in place to meet the requirements of this Act.

The amount deposited with the fund is refundable to the Company when the mine site is rehabilitated and certified by the Mines Safety Department as compliant with the Act.

24. Retirement benefit plans

	2019 K'000	2018 K'000
At beginning of the year	82	258
Current year charge	243	243
Paid during the year	(273)	(419)
At end of year	52	82

The total costs charged to profit or loss of **K243 thousand** (2018: K243 thousand) represent provisions made for gratuities related to certain non-unionised and unionised staff.

The Company operates a defined contribution pension scheme for certain of its employees. The scheme is funded by contributions from both the Company and its employees, and is managed by Minet Zambia Limited (formerly AON Zambia Limited). This defined contribution plan is funded by a specified percentage contribution from payroll costs charged to profit or loss. There were no outstanding contributions as at 31 December 2019 (2018: nil). Refer to note 11 for pension contributions for the year.

The assets of the scheme are held separately from those of the Company in funds under the control of the trustees.

25. Lease liabilities

	2019 K'000	2018 K'000
(a) Analysed as:		
Non-current	4 816	-
Current	2 472	-
	7 288	-
(b) Maturity analysis:		
Less than one year	2 472	-
Later than one year but not later than two years	2 473	-
Later than two years but not later than five years	5 746	-
	10 691	-
Less: future finance charges	(3 403)	-
	7 288	-
(c)The movement for the year is as follows:		
At the beginning of the year	-	-
Additions during the year	7 806	-
Repayments during the year	(518)	-
Net obligations under finance lease	7 288	-

The Company enters into finance leasing arrangements. The average term of finance leases entered into is 10 years. Unguaranteed residual dues of assets leased under the finance leases at the balance sheet date are estimated at K Nil.

The interest rate inherent in the leases is fixed/variable at the contract date for all of the lease term.

The interest rate inherent in the leases is fixed/variable at the contract date for all of the lease term. The Directors consider that the fair value of the leases is equal to their carrying values as reflected in the balance sheet.

In the previous year, the Company only recognised lease liabilities in relation to leases that were classified as 'finance leases' under IAS 17 - Leases.

26. Deferred tax liabilities

The following are the major deferred tax liabilities (assets) recognised by the Company and their movements during the year:

2018	Accelerated capital allowances K'000	Revaluation surplus K'000	Provisions and other K'000	Total K'000
At beginning of year	(16 726)	270 436	(15 278)	238 432
Charge to profit or loss	(2 310)	-	18 010	15 700
Charge to equity	12	6 431	(888)	5 555
	(19 024)	276 867	1 844	259 687
2019				
At beginning of year	(19 024)	276 867	1 844	259 687
Charge to profit or loss	(6 686)	-	(21 973)	(28 659)
Charge to equity	(5 469)	(8 006)	-	(13 475)
	(31 179)	268 861	(20 129)	217 553

27. Trade and other payables

Trade payables principally comprise amounts outstanding in respect of trade purchases and ongoing costs while other payables include pay as you earn, dividend payables and customer advance payment.

27.1 Trade payables

The Directors consider that the carrying amount of trade payables approximates their fair value due to their short term nature.

The average credit period for purchases is 60 days. No interest is charged on the trade payables. The Company has risk management policies in place to ensure that all payables are paid within the credit timeframe.

27.2 Other payables

	2019 K'000	2018 K'000
Dividend payable	**80 287**	45 637
Sundry accruals (i)	**53 422**	66 306
Employee related liabilities (ii)	**15 841**	12 554
Advances from Cement customers	**13 925**	-
Sundry payables	**4 810**	13 115
	168 285	137 612
(i) Sundry accruals		
Other operational accruals	**34 297**	40 337
Withheld Value Added Tax	**8 405**	11 584
Plant maintenance accruals	**6 442**	7 442
Utilities accruals	**4 278**	6 943
	53 422	66 306
(ii) Employee related liabilities		
Employee related liabilities include leave pay accruals as follows:		
Balance at the beginning of the year	**3 819**	3 277
Movement during in the year	**905**	542
Balance at the end of the year	**4 724**	3 819

28. Commitment, Contingent Liabilities and Assets

Commitments

The eleventh schedule of Mines and Minerals (Environmental) Regulation of 1997 requires that the Company will make contributions for five years to the Environmental Protection Fund (EPF). The amount of the contribution is determined by the declared cost of decommissioning site restoration upon site closure and also upon the Environment management performance category as deemed by Mines Safety Department.

The contributions are in two parts (i) a 10% lump sum for Lusaka Plants and 20% lump sum for the Ndola plant calculated as a percentage of estimated closure costs depending on the category of the plant, and (ii) the balance in form of a Bank Guarantee, Letter of Credit, or Insurance Bond acceptable to the Minister of Mines and Mineral Development.

The Company in January 2019 obtained a bank guarantee amounting to **USD15 million** for the remaining site restoration costs in line with the operational guidelines of the environmental protection fund (EPF).

Competition and Consumer Protection Commission (CCPC) fine

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent in its operations. As a result, the Company is involved in various litigation, arbitration and regulatory proceedings, both in Zambia and in other jurisdictions in the ordinary course of its business. The Company has formal controls and policies for managing legal claims. Based on professional legal advice, the Company provides and/or discloses amounts in accordance with its accounting policies. At year end, the Company had several unresolved legal claims.

During the ordinary course of business the Company is subject to threatened or actual legal proceedings. All such material cases are periodically reassessed, with the assistance of external professional advisers where appropriate, to determine the likelihood of the Company incurring a liability. In those instances where it is concluded that it is more likely than not that a payment will be made, a provision is established to the Director's best estimate of the amount required to settle the obligation at the relevant reporting date. In some cases it will not be possible to form a view, either because the facts are unclear or because further time is needed to properly assess the merits of the case.

On the 14 December 2017, the Company received a decision from the Board of the Competition and Consumer Protection Commission ("CCPC") which imposed a fine of 10% of its relevant annual turnover for the alleged excessive pricing, discrimination and abuse of loyalty discounts in contravention with section 16(2)(f) and 16(1) of the Competition and Consumer Protection Act, Number 24 of 2010 (''Act'').

The Company has since filed an appeal against this decision before the Competition and Consumer Tribunal. As at the reporting date the issue had not been resolved between the Company and CCPC.

In view of the uncertainty surrounding this matter, and on the basis of legal advice obtained, and the fact that an economic outflow of funds is neither probable nor likely at this stage, the Directors have concluded that no provision is required in the financial statements as at 31 December 2019.

29. Financial instruments

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern and maintain healthy ratios while maximizing the return to stakeholders through the optimization of its equity. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future developments of the business.

The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings as disclosed on the statement of changes in equity.

Gearing

The Company's finance department reviews the capital structure on a regular basis. As part of this review the cost of capital and the risks associated with each class of capital are considered. The Company has an overdraft facility with Citi Bank Zambia Limited, Stanbic Bank Zambia Limited and Standard Chartered Bank Zambia Plc valued at US$2 million each to meet its working capital requirements.

Categories of financial instruments

Financial assets	2019 K'000	2018 K'000
Financial assets at amortised cost		
- Trade receivables	**73 861**	126 332
- Amounts due from related parties	**61 380**	21 517
- Other receivables	**17 785**	2 934
- Bank and cash balances	**76 081**	72 163
Financial assets at fair value through other comprehensive income(FVOCI)		
Investment in unquoted shares	**25 266**	25 266
Total financial assets	**254 373**	248 212
Financial liabilities		
Liabilities at amortised cost		
- Trade payables	**91 830**	85 497
- Other payables	**10 032**	16 675
- Amounts due to related parties	**56 985**	20 596
- Retirement benefits	**52**	82
Total financial liabilities	**158 898**	122 850

Financial risk management objectives

The Company's finance department which co-ordinates access to the domestic money markets monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk interest rate risk and price risk), credit risk, and liquidity risk. The Company does not enter into trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company negotiates with commercial banks to transact at favourable rates to manage its exposure to interest rate and foreign currency risk.

There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies. Hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters as approved by the Board of Directors.

The Company is exposed to foreign exchange risk which arises primarily with respect to trade receivables, bank and cash balances which are denominated in US Dollars. Foreign exchange risk also arises from supplier payments denominated in US Dollars, South African Rand and Euros.

Below is the Kwacha equivalent of the financing assets and liabilities that are denominated in foreign currencies.

	2019 K'000	2018 K'000
Assets		
US dollar denominated	**17 345**	49 167
Euro denominated	**2 424**	8 888
South African Rand denominated	**272**	447
	20 041	58 502
Liabilities		
US dollar denominated	**27 636**	10 347
Euro denominated	**35 597**	15 396
South African Rand denominated	**5 038**	1 478
CHF denominated	**13 393**	7 856
GBP denominated	**3 072**	-
	84 736	35 077

Interest rate risk management
The Company is not exposed to significant risk of changes in the market interest rate as the Company's main financial instruments have fixed rate of return or charge. The company in this regard manages and monitors daily funding requirements to anticipate funding requirements and the Company to source inexpensive financing alternatives when such funds are needed.

Liquidity risk management
The Company manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cashflows and matching the maturity profile of financial assets and liabilities. The company's objective is to ensure as far as possible it will always have sufficient cash to meet its liabilities under normal or stressed conditions without incurring unacceptable losses to risking damage to the Company's reputation.

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and liabilities. The table is based on the undiscounted contractual maturities of the financial assets and liabilities.

Year ended 31 December 2019	**1 – 3 months K'000**	**3 months to 1 year K'000**	**1 – 5 years K'000**	**Total K'000**
Liabilities				
Trade payables	89 438	2 392	-	91 830
Other payables	10 032	-	-	10 032
Retirement benefit plans	-	52	-	52
Amounts due to related parties	-	56 985	-	56 985
	99 469	**59 429**	**-**	**158 899**
Year ended 31 December 2018				
Liabilities				
Trade payables	83 105	2 392	-	85 497
Other payables	16 675	-	-	16 675
Retirement benefit plans	-	82	-	82
Amounts due to related parties	-	20 596	-	20 596
	99 780	**23 070**	**-**	**122 850**

Credit risk management

Credit risk management refers to the risk that counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk in respect of trade and other receivables and amounts due from related parties. The Company's policy is to closely monitor the creditworthiness of all its debtors by reviewing their ability to pay as well as their continued operations and transactions with the company on regular basis.

The company has established a credit policy under which each new customer is analyzed for creditworthiness before standard payment and delivery terms are offered. Credit limits are set for each customer who represent the maximum amount each customer is allowed to collect on credit; these limits are reviewed regularly. Customers with a high risk rating have an option of either cash transactions or providing collateral.

To measure the expected credit losses, the company uses the provision matrix. Trade receivables have been grouped based on the days past due. Trade receivables are written off when there is no reasonable expectation of recovery, indicators that there is not reasonable payment plan with the company or no active trading with the company.

The Company's maximum exposure to credit risk is analyzed below:

	2019 K'000	2018 K'000
Trade receivables	**73 861**	126 332
Other receivables	**17 785**	2 934
Amounts due from related parties	**61 380**	21 517
Bank and cash balances	**76 081**	72 163
	229 107	222 946

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise unlisted equity securities in Mbeya Cement in Tanzania.

Impairment of financial assets at amortised cost

The closing loss allowances for trade receivables as at 31 December 2019 reconcile to the opening loss allowances as follows:

	2019 K'000
Balance at 1 January 2018 as restated under IFRS 9	**(18 363)**
Increase in credit loss allowance through recognised through profit and loss during the year	(4 223)
Balance at 31 December 2018 - IFRS 9	**(22 586)**
Increase in credit loss allowance through recognised through profit and loss during the year	(5 533)
As at 31 December 2019 - IFRS 9	**(28 119)**

30. Subsequent events

There are no significant events after the reporting date which would require adjustments or disclosure in these financial statements.

FIVE YEAR FINANCIAL RECORD					
('000 tons)	**2019**	2018	2017	2016	2015
			Restated	Restated	
Cement production	**816**	945	887	831	1 164
Cement sold					
Domestic	**561**	736	667	605	1 038
Export	**256**	185	245	192	121
Clinker exports	**145**	64	113	163	1
	961	984	1 025	960	1 160
Aggregates	**143**	194	172	164	257
K'000					
Statement of comprehensive income					
Turnover	**1 110 153**	1 141 800	1 008 232	889 673	1 296 410
Profit before tax	**(23 990)**	104 309	57 511	127 985	483 748
Income tax expense	**11 651**	90 589	(38 573)	(50 589)	(161 078)
Profit for the year	**(12 339)**	194 898	18 938	77 396	322 670
Earnings per share - K	**(0,06)**	0,97	0,09	1,61	2,12
Net assets employed					
Property, plant and equipment	**1 475 008**	1 506 100	1 538 303	1 583 011	1 470 962
Equity investment at fair value	**25 266**	25 266	25 126	24 171	32 386
Net current assets	**341 194**	404 464	205 831	212 987	221 373
	1 841 468	1 930 830	1 769 260	1 820 169	1 724 721
Liabilities due after one year					
Provision for environmental liabilities	**24 917**	22 536	19 401	15 388	13 009
Retirement benefits	**52**	82	258	228	519
Lease Liabilities	**4 816**				
Deferred tax liabilities	**217 553**	259 687	238 432	233 341	408 540
	1 594 130	1 648 525	1 511 169	1 571 212	1 302 653
Financed by Share capital	**10 002**	10 002	10 002	10 002	10 002
Reserves	**1 584 180**	1 638 523	1 501 167	1 561 210	1 292 651
	1 594 182	1 648 525	1 511 169	1 571 212	1 302 653

LAFARGE ZAMBIA PLC

MINUTES OF THE
27TH ANNUAL GENERAL MEETING

HELD ON 03RD APRIL 2019 AT TAJ PAMODZI HOTEL, LUSAKA

PRESENT:

Mr M Hantuba - Chairman
Mr J Khan - CEO & Managing Director
Mr M O'Donnel - Director
Mrs D Mulwila - Director
Mr R Chipoma - CFO
Mrs C Ngulube - Acting Company Secretary
Members as attached
Proxies as attached

1. WELCOME REMARKS AND CONSTITUTION OF MEETING

1. The Chairman welcomed all shareholders and directors present and called the meeting to order. Upon confirmation of the quorum by the Company Secretary, the Chairman declared the Annual General Meeting (AGM) open at 09:10 hours.
2. Safety briefing was given by Lafarge Zambia Plc.'s (Lafarge) Health and Safety Director Victor Maambah.
3. Apologies and Proxies
   i. Apologies were received from two Directors: Mr Mwelwa Chibesakunda and Mr Pierre Deleplanque.
   ii. Proxies: A total of thirty seven (37) proxies were received.

2. NOTICE OF THE MEETING

1. The Chairman noted that the Notice of the AGM did not obey the 21 days notice required by the Company's Act No. 10 of 2017. He consequently apologised and attributed the delay to circumstances beyond the Company's control.
2. The Chairman went on to explain that, notwithstanding the fact that short notice of the meeting was given to the shareholders by Lafarge, the Company's Act provides that where a meeting of the company is convened with a shorter period of notice than that required by law, full notice shall be deemed to have been given if it is so agreed by a majority in number of the members having a right to attend the meeting and vote on the resolution concerned, being a majority.
3. The Chairman went on to allow for the vote to establish if the majority of the shareholders present at the meeting and having a right to vote were in agreement to deem the short notice as full notice of the AGM.
4. The Auditors were asked to read on page 44 of the Annual Report and advise on the number of shares the company has. The Auditors confirmed the shareholding as 200,039,904.
5. In light of the above, the Chairman stated that the majority of the people present at the meeting fell within LuSE Central Share Depository Limited and, as such, the yes's would carry the day.
6. The Chairman asked if there were any members who objected to the short notice in question and, if not, the motion would be carried and the said short notice would be deemed as full as full notice.

7. There was no objection from the members and the notice was consequently deemed to be full notice and adopted

- Proposed: Mr Mmembe BB
- Seconded: Mr Boyd Tembo

3. ADOPTION OF AGENDA

1. The Agenda was subsequently adopted as circulated.

- Proposed: Mr Frank Munthali
- Seconded: Mr Daniel Sikalundu

4. MINUTES OF THE 26th ANNUAL GENERAL MEETING

1. Minutes were confirmed as the correct recording of the proceedings for the 26th AGM of the Company, subject to the following corrections

   i. Spelling of names.

   ii. Removal of names of shareholders that were not in attendance of the 26th Annual General Meeting, but appeared as present in the shareholder attendance register appearing on pages 95 and 96 of the 2018 Annual Report.

   iii. Inclusion of missing names of shareholders that were in attendance of the 26th Annual General Meeting, but not appearing in the shareholder attendance register appearing on pages 95 and 96 of the 2018 Annual Report.

Resolution: By show of hands it was resolved that the minutes of the 26th Annual General Meeting be approved as corrected above:

- Proposed: Mr Matthew K Hara
- Seconded: Mr Ezekiel Ngulube

5. MATTERS ARISING FROM THE MINUTES OF THE 26th ANNUAL GENERAL MEETING

1. There were a number of matters arising from the minutes of the 26th Annual General Meeting as follows:

   i. A shareholder questioned what strategy has been put in place as the CEO indicated that sales will be taken care of through a strategy. The chair responded that the CEO and CFO would address this in their presentations.

   ii. Another shareholder expressed anguish in the fact that the share prices took a nose dive and that they were at 1.90 ngwee when he checked recently. The CFO stated that there's need to enhance shareholders value so that they are involved and he hoped that shareholders will start to see the true value of the shares.

   iii. Mr Frank Munthali made reference to an inquiry he made in the last meeting concerning the CEO and CFO being part of Audit and Risk Committee and added that since the CEO and CFO are not active members in the meeting, then there are only two members of the Audit Committee. Further, he aired his concerns of how the absence of one member could prove dangerous as only one member will be present. The chair responded that the nominations committee has been looking into this and a process of appointing a third member has already begun.

2. There were no further matters arising from the minutes of the 26th Annual General Meeting.

6. ADOPTION OF THE ANNUAL REPORTS INCLUDING THE CHAIRMAN'S REVIEW, DIRECTOR'S REPORT AND THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018.

1. The Chair introduced the new CEO and CFO to the shareholders and they each gave a brief background about themselves

2. The CEO and the CFO then presented the operational and financial performance of the Company respectively, for the year ended 31st December 2018. Highlights included the following:

i. The CFO began by expressing how much of an honour it was to stand before the actual owners of the company.

ii. The CFO then gave key financial highlights and informed the meeting of the percentages and figures that relate to net sales, which increased by 13%, profit before tax, banks & cash balances as well as earnings per share for the year ended 2018.

iii. The CFO made a comparison between the profits before tax in 2017, which were 58 000 000 while in 2018, the Company made 104 000 000. He pointed out that one of the factors that affected the Company positively was the significant increase in sales and our investment income, finance costs and other gains and losses which gave Lafarge a positive return.

iv. The CFO further highlighted that, despite the factors that affected the business positively, the price of fuel and coal went up and this resulted in our selling and distribution prices going up as well - which impacted us negatively.

v. With regards to the 2018 cashflow bridge, the CFO indicated that the reduction in working capital was due to economic difficulties that included among others; our failure to pay suppliers and suppliers failure to pay us.

vi. In conclusion, the CFO closed by highlighting that the cash and cash equivalents for 2018 were 72 000 000.

vii. The CEO provided some key highlights and developments of 2018 and he began with a safety journey brief. He indicated that that the Company recorded zero fatalities, either on the road or in any of the plants.

viii. The CEO explained that we had a strong operational performance increase of 7-8% as cement production went up from 887kt in 2017 to 945kt in 2018. Lafarge also produced a record breaking clinker production at Ndola in December 2018.

ix. The CEO also acknowledged that our commercial differentiation is accelerating as new competition in the cement market calls for new ways to sell and we commend premium products i.e. Binastore or special products already gives us an edge.

x. The CEO was proud to inform the meeting that Lafarge has embarked on a graduate trainee and intern programme which started in 2018. This programme targets 30 talented individuals who undergo robust rotations with exposure to multiple functions.

xi. With regards to Corporate Social Responsibility (CSR), the CEO explained that this remains a focus as substantial contributions were made through donations in 2018. He expressed that there is a strong commitment from employees to volunteer for any CSR activities.

xii. The CEO explained that plant performance had improved thanks to concerted efforts from shop-floor to management with a production increase of 58 000 tonnes in 2018.

xiii. The CEO also spoke of our strategy: from product supplier to solution provider in retail and expressed that Binastore is not visible enough, but he assured the meeting that soon it is going to be visible as this is an opportunity for us to start giving back to our community.

xiv. The CEO explained that in 2018, we continued to supply the most technically-demanding projects in Zambia, including Kenneth Kaunda International Airport and Kafue Gorge Lower Hydropower Plant while reminding the meeting that we are still the preference of choice as this is evident from our multiple projects.

xv. The CEO expressed that as Lafarge, we are committed to creating shared value in our communities - supporting, empowering, improving education, infrastructure, health programs, and championing diversity. He shared some key highlights from 2018 which included our contribution of over K798 000 in direct community investment, directed proceeds from the Lafarge Lusaka Marathon to charities such as Chilanga Mother of Mercy Hospice, Cheshire Homes in Kabulonga and Chawama, used proceeds from Chilanga Golf day to fund charities and a junior golf academy as well as mobilisation of people to help our communities.

xvi. The CEO closed by giving an outlook of 2019 and assured the meeting that we are the preferred choice of cement in a growing sector. He noted that Lafarge is the best in class quality and production as we enjoy a standard deviation on quality of less than 1.2 points. He also noted that we will continue to develop export markets with premium Zambian cement.

xvii. A shareholder was moved by the rotation of graduate trainees and applauded the company for its efforts. He further expressed that there should be widespread presence of our products via Binastores as cement should be at the doorstep of every shareholder.

xviii. A shareholder inquired on how much market share we had and what we were doing to protect our market share with so many players. The CEO explained that from estimates we have 30% market share and we hope to reach 35%. He further stated that we have a capacity share of about 27% and, to keep this, a lot of changes have been made to the business (i.e sales representatives are in the field 3.5 days a week pushing for sales and we aim on creating more depots).

xix. A shareholder congratulated the company on its performance but stressed that last year's marathon was scandalous. She advised the company to consider the modalities of taking part in these events in terms of cheating, accidents etc. In response to this, the CFO expressed that they were shocked by the reports of last year. All those issues saddened management and they don't want people to feel unsafe at our events. He promised that the majority of what went wrong has been addressed and areas where we failed have been looked at.

xx. Mr Boyd Tembo commented on a remark that the CEO passed during his presentation when he mentioned that Lafarge is looking to employ "able-bodied individuals" and asked what the company's policy on equal employment opportunities is. The CEO apologised for the misunderstanding as he did not mean able-bodied in terms of physical abilities but he was referring to the talent an individual possesses.

xxi. A shareholder thanked management for its performance and asked that in future, the fonts on the slides should be bigger as they were too small. He was advised that the font will be dealt with in future.

xxii. Mr Charles Sakala raised a concern that there is no cement in Lilanda and a Lafarge branded container is being presented for hire as opposed to it being utilised.

xxiii. Mr Greenwell Mulambia inquired on the spreading of the marathon to other towns as some shareholders, including him, are based on the copperbelt. The CEO stated that we focus a lot on our core market which is Lusaka, however, he acknowledged that it is an area of concern.

xxiv. A shareholder stated that our cement is not visible on the market and the new entrant is aggressive.

xxv. Mrs Tamara Muhone asked management to look into the fact that, in Katuba,our cement is invisible. She also stated that there is a Binastore but it is not working.

xxvi. A shareholder asked if the company could consider sponsoring the Zambia national football team (Chipolopolo). He was advised that it would be looked into.

xxvii. Mr Geoffrey Malimba noted that capacities seemed intact but he contended the fact that Lafarge is present across the country. He expressed his concern, particularly for Western, Luapula and Central provinces as there are no depots or existence of a factory. He further stated that the problem did not lie in production but in our distribution system. He then encouraged management that our market doesn't only lie in Lusaka and, as such, let cement be seen everywhere.

xxviii. Mr Shonga advised the meeting that he last visited the plant in 1971 and there are a lot of minerals around Lafarge. He asked if we will change to mine other minerals.

xxix. Another shareholder expressed that, whenever he goes to purchase cement, he is never offered WallCrete. He asked if we have special shops where this product is sold. The CEO explained that these products were made for niche markets, however, the comment was noted. He didn't want to over-promise but he stated that it is one of our targets.

xxx. In response to all the comments on visibility, the CEO responded by encouraging shareholders who felt that our cement is not visible in their areas to call our offices and we will find a way to get to them. Further, he stated that in most circumstances, you advertise to raise awareness and it is expensive. In terms of advertising, it's a debate but people already know our products. As such he emphasized that we need to improve and produce more cement.

1. The Annual Report and Financial Statement for the year ended 31st December 2018, including the Chairman's Review, Directors' Report and Report of the Auditor having been circulated earlier were accordingly adopted

Resolution: By show of hands it was resolved that the minutes of the 26th Annual General Meeting be approved as corrected above:

- Proposed: Mr Anthony Kasuba
- Seconded: Mr Oliver Kaocha

7. ADOPTION OF THE ANNUAL REPORTS INCLUDING THE CHAIRMAN'S REVIEW, DIRECTOR'S REPORT AND THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018.

1. The Chairman noted that there was no interim dividend declared for the financial year ended 31st December 2018.

2. The Directors' recommendation for a final dividend of K0.25 per share for the year ended 31st December 2018 was presented to the Members.

Resolution: By show of hands it was resolved that the final dividend proposed by the directors of K0.25 per share be approved.

- Proposed: Mr Anthony Kasuba
- Seconded: Mr. Brian Mmembe

3. The Chairman urged Members to ensure that they updated their details with the Company Secretary or the Transfer Secretary to facilitate smooth and expedient payment of dividends.

8. REMUNERATION OF DIRECTORS

1. Members were informed that Executive Directors don't get paid for sitting on the board; while the Non-Executive Directors get paid to sit on the board.

2. Members received a proposal from Management for Directors' fees for the year 2019 to be maintained in line with 2018.

Resolution: By show of hands it was resolved that Directors' fees for the year ending 31st December 2019 be maintained at those in 2018

- Proposed: Mr. Simon Chiputa
- Seconded: Mr. Faston Mtambo

9. APPOINTMENT AND REMUNERATION OF THE AUDITOR

1. The members were informed that there is a restriction on the number of years for which a firm can audit a company. It was noted that this was Deloitte's second year and they are still within time.

2. A Statutory Instrument set a minimum amount payable to Auditors and these fees were negotiated down to fees considered equitable. Recently, another Statutory Instrument further lowered the fees.

3. As recommended by the Directors, the reappointment of Deloitte & Touche as Auditors of the Company for the year ending 31st December 2019 at the remuneration to be fixed by the Directors was presented to the members.

Resolution: By show of hands it was resolved that Deloitte & Touche be reappointed and that the directors be authorised to fix the remuneration for the year.

- Proposed: Mrs Beauty Hamumba
- Seconded: Mr. Boyd Tembo

10. ELECTION OF DIRECTORS

1. In accordance with Article 76 (A) of the Company Articles of Association, one third of the directors were scheduled to retire by rotation at each annual general meeting. The following directors, being those who have served the longest since their current appointment, were due for retirement by rotation

    i. Mr Mwelwa Chibeskunda, who served since 5th April 2017.
    ii. Ms Dorothy Mulwila, who served since 5th April 2017.

2. It was noted that Pan African Cement exercised its rights to appoint directors in accordance with Article 73(B) of the Articles of Association of the Company and respectively re-appointed Mr Mwelwa Chibesakunda.

3. Pursuant to Article 73(A), a notice in writing was signed by 25 Members entitled to vote at the Meeting, which stated their intention of such Members to propose a resolution for consideration by the Members of their appointment as minority shareholder representative on the Lafarge Board of Directors, was lodged with the Company Secretary by Mr Frank Munthali and Mr Anthony Kasolo.

2. It was noted that a notice signed by the said nominees, Mr Frank Munthali and Mr Anthony Kasolo, of their willingness to be appointed was duly registered with the Company Secretary.

2. Before the voting process commenced; both candidates were given the floor to briefly introduce themselves and present their manifestos.

2. The voting was conducted by poll and Frank Munthali won the election with 72 votes while Anthony Kasolo had 63 votes.

11. ANY OTHER BUSINESS

1. Mr Brian Mmembe inquired on whether it was possible to package our cement into smaller packages. The CEO explained that 25 kg packages are the future, but it depends on the market and how people accept it.

2. Mr Shonga asked when the next site visit will be for shareholders as he was last at the plant in 1971. The CEO advised that arrangements will be made and communication will be sent out soon.

3. Mr Charles Sakala expressed disappointment in the team for putting together unsatisfactory gift packs which he felt lacked multiple items (i.e. t-shirts). He was advised that the marketing team would put together something better next time.

4. A shareholder requested to be updated on the case in which Lafarge Zambia Plc was fined 91 000 000 by the Competition and Consumer Protection Commission (CCPC). The chair informed the meeting that he couldn't comment on this as it is still being deliberated in court. He, however, advised that they are convinced that the company did not offend the CCPC.

5. A shareholder asked the company could look into handling logistics and other logistical expenses for the AGM in the future. The Chairman advised that the company will not be able to meet such needs as this will increase costs and reduce the dividend.

6. Some Shareholders expressed that next time notices should be sent out on time. The Chairman apologised for this delay once more.

7. A shareholder noted that the map of Zambia used in the Annual Report was an outdated one as it didn't show Muchinga province. This was noted and an update will be made.

8. A recommendation was made by a shareholder for Lafarge to consider generating its own power. The CEO advised that investigations are being conducted on alternative sources and, if this does not work, then we can absorb ourselves through prices.

9. Some Shareholders sought to learn more about the Binastores. The CEO explained that Binastores are outlets through which we've devised a plan to provide the know-how, management systems and help shop owners manage their businesses.

10. A Shareholder asked about when they will receive their share certificate. The Chairman advised that they could not collect but instead, they could check the depository for their names to have sight of the certificates

There being no other business, the Chairman declared the meeting closed at 12:26 Hrs

Signed: .... Date: ....

BOARD CHAIRMAN

Signed: .... Date: ....

COMPANY SECRETARY


LAFARGE
6070

SHAREHOLDERS

ATTENDANCE REGISTER

NAME	NUMBER OF SHARES
ABRAHAM KAMPALALA KATONGOLA (REV)	2,000
ABRAHAM KATONGO MUSONDA	1,000
ABRAHAM MWANZA	1,172
AGGAI NZONZO	2,363
ALBERT SOMANJE	1,000
ALBERT YABOKA	1,000
ALEXANDER CHIMANGA	1,000
ALOYSIUS BANDA	1,000
ANNA KAELA CHAONGOPA ZULU	286
ANNA MOCHABI MUBUKWANU	32,117
ANTHONY KUNDA KASOLO	1,756
BEAUTY CEMBE HANG'UMBA	1,000
BELLINGTONE BESA	1,000
BERNADETTE KAPEMBWA	16,625
BERNADETTE MARIGERITA MUMBA	2,280
BERNARD CHALI	1,100
BILLY CHOLA	1,600
BOYD TEMBO	10,000
BRIAN BARNABAS MMEMBE	239
BWALYA DAVIES CHABULA	284
CASFORD THOMAS KASAWALA	2,000
CATHERINE C C CHELLAH	1,000
CATHLEEN CHUMA SOSOPI	116
CAVMONT GUARANTEE TRUST COMPANY PENSIONS TRUST SCHEME	451
CELLINE CHISHIMBA CHENGO	1,118
CHANDA SAVIOUR CHISHIMBA	1,000
CHARITY NKONJERA NYIRONGO	7,042
CHARLES SOLIDI SAKALA	1,559
CHISENGA MWAANGA	1,188
CHISENGA MWAANGA	500
CHRISTABEL CHANDA LUBINDA MUTUNA	274
CLIVE MASAKAMIKA TINDI	274
DAISY MWANSA LUPUPA	3,100

NAME	NUMBER OF SHARES
DANIEL MUKUPO	2,000
DANIEL SIKALUNDU	66
DAVISON NGOSA CHIMBA	1,000
DENNIES MWAANDU	1,000
DORIS NAKANYIKA	34
DOROTHY CHISANGA	1,000
DOROTHY DALE MASOZI MHANGO	2,100
EDGAR CHISHIMBA	2,000
EDWARD MUTAFELA LUBINDA	4,000
EDWARD YUKU	900
EDWIN DANSTON MUKWASA	103
EILEEN MULEYA CHIKANTA	249
ELLENA KABWE	500
ERNEST LINESI SAKALA	5,000
ERNEST MUNDIA	76
ESTHER MILAMBO BANDA	500
EUGENE LISWANISO MUYANGANA	35
EXIDAH CHISANGA	1,000
EZECKIA NGULUBE	2,000
FASTON MTAMBO	2,000
FELICIA JOVY MBEWE MULUDYANG	3,000
FININSIGHT ZAMBIA LIMITED	1,000
FLORA JEAN CHANDA	1,150
FLORENCE PHIRI MWENDA	1,000
FRANK MUNTHALI	2,203
FULILWA QUEENIE TANDIE MABO	2,000
GEOFFREY MUMBA KANSWE	40
GEOFFREY MUWELA MALIMBA	1,000
GEORGE LUPASHA MWAMBA	6,000
GIBSON NZABUKA SILUWELA	2,000
GREENWELL DELUXE MULAMBYA	1,000
HAMALAMBO NGONYA RECENT	129
HARRISON BRIGHTON KASUMBA	1,000

NAME	NUMBER OF SHARES
HENRY KABASO CHISHA	2,000
HILDA HARLEY KAFUMUKACHE MUSUNSA	1,000
IDAH NZIMA	1,000
IGNATIUS CHISANGA	1,209
IMBWILI INVESTMENTS LIMITED	4,797
JACK KALUMBA	1,000
JAMES MULONGOTI	3,000
JAMES MWENDA	1,000
JEAN KAOKA KALISILIRA	2,100
JOBRITH ABRAHAM MUTEMBO	630
JOHN MUBANGA MULWILA	15,500
JOHN SICHINGA	1,000
JOSEPH MWENYA CHENGO	2,000
JOSEPHINE KASONDE SHUPIWE CHISHA	38
JOSHUA HIKACENGA CHIZYUKA	4,000
JULIUS AARON KACHA CHONGWE	1,000
KAELA KENNEDY SIAME	151
KANGWA MUKUKA MUTIMUSHI	3,000
KANTIBHAI KHEMCHANDBHAI PATEL	2,175
KAPUKI JULIANA MULUDYANG RASMUSSEN	2,000
KENNEDY KALOMBWANA CHIBIYA	76
KENNEDY MUSOZYA	5,000
KWAIT PHIRI	1,162
KWELEKA LUBASI	799
LASS MUFUZI	1,000
LAZAROUS SALIMU	1,000
LIAK SIAME	1,200
LILIAN MALAMBO DIMUNA	1,000
MABLE LUKWESA NG'ANDU	1,000
MACHAEL ELIAS ZIMBA	1,001
MADISON PENSION TRUST FUND	186,752
MAIMBOLWA LUBASI	1,000
MALUMO MUTANUKA NGALAMA	1,000

NAME	NUMBER OF SHARES
MARTHA SIMUKONDA	668
MARTIN PETER NG'ANDU	2,000
MARY CHANDA TUKOMBE CHITANDA	1,000
MARY ESTERE KALWA	1,675
MATAA MUNDIA MUKELABAI	7,518
MATHEW KASONKHOLA HARA	500
MATTHEWS MULENGA	1,000
MATTHEWS NKHOMA	2,366
MAURICE NAKALONGA MUBAMBA	1,000
MAYABA MUSHALWAYO	50
MBUMWAE SILUMESI	948
MICHAEL MTONGA	1,025
MICHEAL CHITI MWANGO	1,000
MODDY MULONGO MUZEMBO	111
MONDE LISHOMWA LISULO	1,000
MONICA SAKALA LUNGU	38
MOSES MAKWAYA	1,000
MULENGA KASONDE AND ALEXANDRINAH MULENGA SOTELI	1,000
MULWILA DOROTHY AGNES KAYEYI	18,500
MURIEL MUWAIKA SYACUMPI	1,000
MUSONDA TREVOR SELWYN MWAMBA	6,770
MUTALE DELORES CHILANGWA CHISELA	1000
MUTINTA MUCHANGA (DR)	783
MWELWA CHIBESAKUNDA	1,500
MWILA DANIEL MUTIMUSHI	3,000
NAPSA STAFF PENSION SCHEME DC	111,590
NOEL MUMBA LISHIMPI	1,000
NORBERT MFUNI	572
NYIRONGO GRIFFIN KAFWIMBI	7,057
OBINO NKANDU MASUWA	1,000
OCKLEY MULENGA MANJONI	343
OLIPA NYAZAMBE LUNGU	503
OLIVER CHIBOMBA	1,500

NAME	NUMBER OF SHARES
OLIVER KAOCHA	1,000
PATRICK SELETA NGOMA	2,000
PATSON KAKUBO	1,034
PAUL ERIC MACHONA	1,000
PINAL GOLIATH MUHONE	1,500
RACKSON CHITANDA	1,000
RICHARD CHANDA	1,000
ROSEMARY KWALE CHAAMPITA	1,000
ROYSON MABUKU MUKWENA (PROF)	146
SACHILA LOUISE MARJORIE MADDEN JERE (ADMIN FOR THE LATE SIMON MANFRED JERE)	1,500
SAMSON DAKA	240
SHAPA ESTHER	108
SICHINGA MERCY LUKUNDO LENGANJ SIAME	2,000
SIKANYIKA PATRICK KANYENDA	40
SILUMELUME KUFUNDUKA MUBUKWANU	15,221
SIMON CHIPUTA	2,000
SIWA NAWA	430
SKEVAH PHIRI	1,000
STANISLAUS MALAMA NYONI	1,100
STOCKBROKERS ZAMBIA LIMITED	2,276
TAMARA NKUNIKA	1,041
TAMARA MUHONE	8,000
TANGU AUDREY NYIRONGO	980
THANDIWE FOLOTIYA MWIKO	1,000
THOMAS CHIRWA	1,158
THOMAS DEEDEE CHIRWA	201
TSIBU BBUKU	10,000
VIYESO CHIBALE - PROXY FOR BWALYA HOPE MWICHE	116
WEBSON CHANDA MUMBA	30
WEBSON CHANDA MUMBA	2,000
WILCLIFF NGOLWE CHIPETA	1,000
WILLIAM BONIFACE SHONGA (BRIG GEN)	50
WILLIAM KAJILA CHIPOYA	45

NAME	NUMBER OF SHARES
WILSON MUTAMBO	2,970
ALLAN LUNGU - PROXY FOR MADISON TRUST FUND	186,752
MUKWANYA HAMAYANGWE - PROXY FOR PRIMA REINSURANCE	19,231
MUKWANYA HAMAYANGWE - PROXY FOR EXILDAH LUMBWE	2,000
CHILEKA MWIINGA - PROXY FOR DAISY BUUMBA HAMWEENE	227
TRUST MUSUNGA - PROXY FOR AFLIFE MANAGED PENSION SCHEMES	
MUMBA MUSUNGA - PROXY FOR AFLIFE MANAGED PENSION SCHEMES	
OBED NKANDU - PROXY FOR AFLIFE MANAGED PENSION SCHEMES	
GOLDEN SUNSET PENSION FUND	9,179
SANLAM LIFE INSURANCE (Z) LTD	10,468
SATURNIA REGNA PENSION TRUST FUND	3,493,663
KONKOLA COPPER MINE PENSION TRUST SCHEME	813,773
INDENI PENSION TRUST SCHEME	77,730
BARCLAYS BANK STAFF PENSION TRUST FUND	539,515
CEC PENSION TRUST SCHEME	160,324
STANBIC BANK PENSION TRUST FUND	199,541
SUN INTERNATIONAL PENSION TRUST SCHEME	21,432
LAFARGE CEMENT ZAMBIA PLC PENSION TRUST SCHEME	124,110
STANDARD CHARTERED BANK PENSION TRUST FUND	363,753
SANDVIC MINING PENSION SCHEME	84,613
NATIONAL BREWERIES PENSION TRUST SCHEME	20,581
SCZ INTERNATIONAL LIMITED PENSION TRUST	14,346
CAVMONT BANK ZAMBIA PENSION TRUST SCHEME	23,794
BUYANTANSHI PENSION TRUST FUND	35,334
DIAMOND INSURANCE ZAMBIA PENSION TRUST SCHEME	2,000
AIRTEL ZAMBIA STAFF PENSION FUND	41,995
UTI ZAMBIA LIMITED STAFF PENSION TRUST SCHEME	4,548
YOUNG AND RUBICAM PENSION TRUST SCHEME	4,234
LUBAMBE COPPER MINES PENSION TRUST SCHEME	46,548
ECOBANK ZAMBIA LIMITED PENSION TRUST SCHEME	8,550
ZANACO PLC DC PENSION TRUST SCHEME	98,109
ZAMBIA SUGAR PENSION TRUST FUND	365,479
CATHERINE MUHONE	

NAME	NUMBER OF SHARES
CHILIMA C CHISELE	
CHIPO MAMBWE	
CLAIRE CHIBESAKUNDA	
CYNTHIA MTONGA	
DANIEL KAWINA	
ELLEEN M CHIGANTA	
ESTHER SHAWA	
GETRUDE BUYUNGWE	
HERSCHEL SAKALA	
JENNIPHER PHIRI	
JOEL MASOCHA	
JOSHUA MILAMBO	
KERRY KANGWA	
MASAUTSO MBAMEMA	
MAYBIN TEMBO	
MKOMELA BANDA	
MUKUKA MAPEMBA	Stock Brokers Zambia
PAMELA KANDO	Stock Brokers Zambia
PATRICIA MUHONE	
ROSE CHISHA	
SARAH SYACUMIA	
THOMAS DAKA	
VICTOR CHEWE MAAMBAH	
VWAMBANJI SIKANYIKA	
WIZA SIKAZWE	

Head Office
Farm No.1880, Kafue Rd,
PO Box 32639, Lusaka, Zambia
Tel: +260 211 367 400 / 600
Fax: +260 211 367 634
E-mail: enquiries.zambia@lafargeholcim.com
www.lafarge.co.zm / www.lafargeholcim.com

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