2024

ANNUAL REPORT

CHILANGA CEMENT PLC

CHILANGA CEMENT | A MEMBER OF HUAXIN

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The Corporate Social Responsibility Network Zambia (CSRNZ) Awards

- **CSR Award 2024 – Best Community Social Impact – Housing**
- **CSR Award 2024 – Environmental Education and Awareness Campaign**
- **CSR Award 2024 – Partnership of the Year (Corporate to Corporate Partnership with Nestle under the ECO unit brand)**

56th Zambia Federation of Employers - ZFE 2024 Annual General Meeting

- **1st Prize – Corporate Social Responsibility**
- **2nd Prize – Environmental Sustainability**
- **2nd Prize – Talent Development**

2024 Labour Day

- **1st Prize – Best Dressed Award**

Zambia International Trade Fair

- **Best Exhibit – Exporters**

2024 Manufacturers' Month Awards

- **Exhibitor of the Year – Best Stand and Stakeholder Engagement**

Zambia Bureau of Standards

- **In 2024, Chilanga Cement was recognised as being the first Zambian company to attain and consistently maintain product certification since 1976.**

NDOLA CEMENT PLANT

CHILANGA CEMENT PLANT

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CHILANGA CEMENT PLC AT A GLANCE

MAJOR MILESTONES

1949
Chilanga Cement, the company that would one day become Lafarge Zambia, then back to Chilanga Cement, is founded.

1951
Cement production commences at the Chilanga plant. The first major project is the supply of cement for the construction of the Kariba Dam wall.

1969
A second production plant was commissioned in Ndola.

1995
The Lusaka Stock Exchange was founded. Chilanga Cement was the first company to be listed.

2001
Chilanga Cement was acquired by the Lafarge Group.

2015
Following the historic global merger, Lafarge Zambia PLC becomes a member of the LafargeHolcim Group.

2018
Lafarge Zambia Chilanga plant installs a chemical chute for waste incineration under the Geocycle (now ECO Unit), which promotes a zero-waste future.

2020
Lafarge Zambia PLC partners with Afridelivery for cement purchases.

2021
Lafarge Zambia was acquired by Huaxin Cement Co. LTD.

2021
Lafarge Zambia reverted to its original name, Chilanga Cement PLC, to maintain the company's legacy.

A PROUD HERITAGE

Chilanga Cement was established in Lusaka, 1949, by the Northern Rhodesian Government and the Colonial Development Corporation which would later become the Commonwealth Development Corporation (CDC). Cement production at the Chilanga plant commenced in September 1951. The plant was upgraded in 1956 and 1967 with the installation of two more kilns.

In 1969, the Ndola plant kiln was commissioned, and in 1974 a second kiln was added. Chilanga Cement was privatised in October 1994 as part of the government's privatisation program aimed at enhancing the efficiency of state-owned companies. Chilanga Cement was the first company to be listed on the Lusaka Stock Exchange and it had the CDC as a majority shareholder.

In 2001, the CDC reorganised its cement operations in Southern Africa to form Pan African Cement Co. LTD (PAC) which owned shares in Chilanga Cement, Mbeya Cement in Tanzania, and Portland Cement in Malawi. In May 2001, Lafarge acquired PAC from the CDC. In 2007, Chilanga Cement changed its name to Lafarge Zambia.

In 2008, a new plant, which doubled the company's cement capacity, was commissioned at Chilanga.

In 2021, the majority shareholders of Lafarge Zambia (Pan African Cement and Financier LafargeHolcim) sold their 75% worth of shares to Huaxin (Hainan) Investment Co. LTD. In December 2021, the Lafarge Extraordinary General Meeting voted that the name Lafarge Zambia revert to Chilanga Cement to maintain the company's legacy built over 75 years.

CHILANGA CEMENT LIME PLANT IN NDOLA

HUAXIN CEMENT

Huaxin Cement Co. LTD was founded in 1907. Huaxin Cement is known as the Cradle of China's Cement Industry. It has made outstanding social and economic contributions both locally and internationally during its 118 years of operation. Huaxin Cement has an AAA credit rating. The brand Huaxin Fortress is a well-known trademark in China. Huaxin has more than 300 subsidiary companies globally and is involved in the integrated development of the entire industry chain in the fields of cement, concrete, aggregates, environmental protection, equipment manufacturing, engineering, and the development of new building materials.

Huaxin Cement has constructed many significant buildings like the Chinese state building, the Great Hall of the People and the obelisk, the Monument of the People's Heroes; key water conservancies projects such as Gezhouba, Three Gorges Dam, Danjiangkou Reservoir, and Qingtongxia on the Yellow River; hydropower stations such as Xiluodu and Baihetan on Jinsha River; and dozens of highways, railways, and railway bridges such as Beijing-Zhuhai Expressway, Qinghai-Tibet Railway, Wuhan Yangtze River Bridge, Nanjing Yangtze River Bridge, and Liuwu Bridge in Lhasa and Tibet on the snow-covered plateau.

Huaxin Cement has numerous cement plants in operation or under construction in various countries as part of their Belt and Road Initiative including Tajikistan, Cambodia, Tanzania, Uzbekistan, Kyrgyzstan, Zambia, Malawi, Nepal and South Africa, etc, with its total overseas investment exceeding USD 1 billion.

Huaxin focuses on cement, environmental protection, concrete, aggregate, equipment and engineering, and high-tech building materials.

SCOPE:
17 DOMESTIC AND
16 OVERSEAS OPERATIONS

ENVIRONMENTAL WASTE DISPOSAL CAPACITY:
16.32 MILLION TONNES

SUBSIDIARIES:
300+

CONCRETE PRODUCTION CAPACITY:
122 MILLION M^3

OPERATING INCOME:
RMB **33.7** BILLION

AGGREGATE PRODUCTION CAPACITY:
227 MILLION TONNES

CEMENT PRODUCTION CAPACITY:
127 MILLION TONNES

PACKING BAGS:
700 MILLION

OUR PRESENCE IN ZAMBIA

CHILANGA CEMENT HAS OPERATED IN ZAMBIA FOR **75 YEARS.**

OUR PRIMARY PLANT HAS A CEMENT CAPACITY OF **1.2 MILLION TONNES PER ANNUM.**

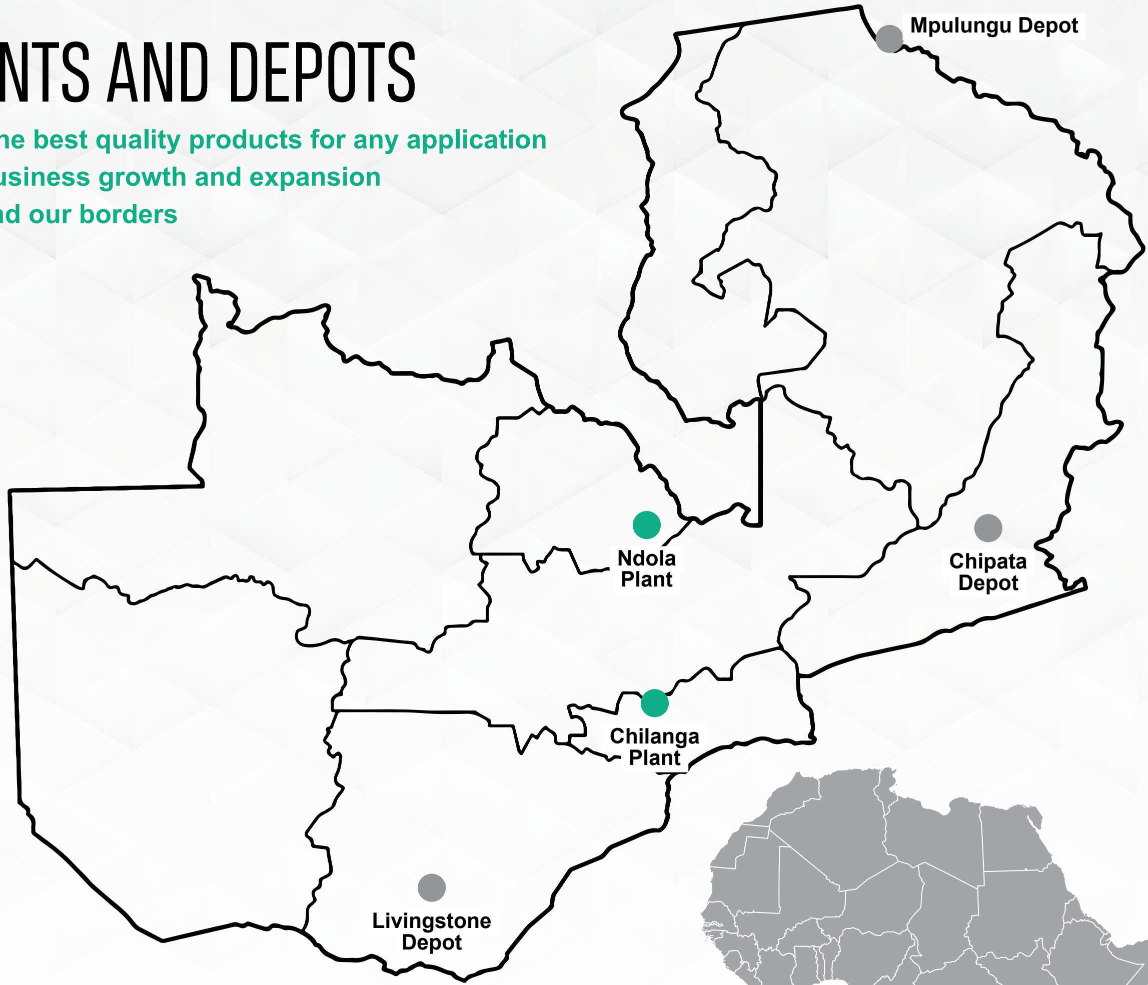
THE NDOLA PLANT HAS AN ADDITIONAL CAPACITY OF **550 000 TONNES PER ANNUM.**

CHILANGA CEMENT OFFERS THE **WIDEST PRODUCT RANGE** ON THE MARKET.

WE ARE THE **SUPPLIER OF CHOICE FOR MOST MAJOR CONSTRUCTION PROJECTS** IN ZAMBIA AND THE SURROUNDING REGION.

OUR PLANTS AND DEPOTS

- **Building with the best quality products for any application**
- **Unchartered business growth and expansion**
- **Growing beyond our borders**



EXPORT AREAS: ZIMBABWE, MALAWI AND BURUNDI

OUR QUALITY PREMIUM PRODUCTS

MPHAMVU 32.5N General Application

Our flagship 32.5N cement, Mphamvu, is a household name in Zambia. It is a general-purpose, bagged cement. From domestic building to major construction projects, Mphamvu is cost effective and technically suitable for a wide range of applications. Its unique workability and quality, coupled with how easy is to mix, place, and finish with minimal waste, has made it the popular choice for individual home builders doing masonry work such as plastering, bricklaying, and flooring.

SUPASET 42.5R Fast Setting

Our 42.5R cement, SupaSet, is the bedrock on which key concrete infrastructure projects are built. SupaSet's rapid setting time and early strength have made it popular with small, medium, and large infrastructure contractors. SupaSet is the preferred choice for concrete product manufacturers who make concrete bridge culverts and concrete pipes.

POWERPLUS 42.5N Special Projects

To meet the specific needs of heavy construction projects including bridges, railways, stadiums and airports, contractors and builders can rely on Powerplus. This Portland cement's high strength is perfect for large commercial architectural structures.

POWERBUILD 42.5N Mass Concrete Applications

Powerbuild is designed for mass concrete applications such as the foundations of large buildings.

SUPABLOCK 42.5N For Quality Block & Bricks

Supablock is formulated with early strength characteristics for use in bricks and blockmaking. It is a premium brand with superior quality leading to high-grade bricks and blocks, which makes it an ideal choice for block makers.

PAWALIME Quicklime

Quicklime is a versatile substance that plays a significant role in industrial and agricultural processes. In production, it acts as a flux, removing impurities like phosphorus, sulphur, silica, and manganese from molten steel resulting in a stronger, purer final product.

REVIEW OF 2024

CHAIRMAN'S LETTER

Dear Shareholders,

2024 was certainly full of surprises – a fluctuating national economy, the El Nino-induced drought, and loadshedding. Despite these setbacks, Chilanga Cement came out strong, showcasing our trademark resilience in the face of adversity.

Expansion projects remained on schedule and on budget while health and safety protocols and employee wellness initiatives kept our staff happy and productive. 2024 also saw the launch of the new product PawaLime and the Launch of the quicklime kiln at the Ndola plant. On top of this, the Chilanga plant kiln remodeling and optimisation project increased Clinker production capacity from 2,200 tons to 2,800 tons per day.

Throughout the year, Chilanga Cement remained a market leader and the domestic market grew by 31%. This demand was driven in part by continued investment in both new mines and in the expansion of existing mines. The increased constituency Development Fund (CDF) has also promoted investment in infrastructure development and housing. Cement export sales to the region increased by 76% compared to 2023.

In 2024, both cement plants operated at maximum capacity. As such, it was business as usual, and shutdowns were restricted to essential stoppages only. Through hard work, determination, and ingenious planning, cement production in 2024 increased by 23%.

Further kiln upgrades are planned for the Ndola plant to be completed by the second quarter of 2025. We are on schedule, and it is full steam ahead. Once completed, our cement production capacity is set to double.

Rising costs and market fluctuation caused disruptions in 2024. Resilient as ever, Chilanga Cement combatted these issues, leading to a turnover increase from ZMW 2,023 million in 2023 to ZMW 2,720 million in 2024. Domestic sales remained satisfactory with price adjustments to help recover higher input costs. In 2024, production costs increased by 40%. Additionally, employee costs also increased by 24%. Chilanga Cement remains committed to being the preferred employer in the country.

The share price closed the year off at ZMW 25.50, an increase of ZMW 85% over the opening price. All this is made possible by you, our Shareholders, and your continued trust every day as well as the dedication of our employees.

In 2024, safety remained our core value. I am happy to report that no fatality incidents were recorded at either of the plants. Safety standards are also continually reviewed and the compliance of both contractors and suppliers is strictly enforced.

Our support also extended beyond the Company, and we continued to partner with stakeholders to create and sustain socioeconomic development and improve lives while still delivering acceptable returns to our shareholders. Over 30 projects were supported in 2024 through our corporate social responsibility focusing on Health, Environment, Housing, Education, Art, and Tradition.

The environment was another key focus in 2024. Emission controls were improved at both plants. Further improvements in these areas will take place at the Ndola plant once the kiln project is completed. Numerous other initiatives helped improve the environment including tree planting, recycling, and outreach programs orchestrated through ECO Unit, our waste management solution.

Chilanga Cement under the Huaxin Group remains well-placed to benefit from Zambia's economic development. Our upgrades and forward focus will ensure that the Company can service both international and domestic markets for years to come. The Company will also continue to investigate all opportunities to improve inefficiencies, reduce costs, and secure input materials so that customer requirements are met, and shareholder returns are maximised.

Finally, on behalf of Chilanga Cement, I wish to give my heartfelt thanks to our suppliers, shareholders, and customers for their loyalty, support, and continued confidence in the Company.

We will do great things together.

Here's to achieving our goals in 2025.

Mr. Muna Hantuba
CHAIRMAN

CHIEF EXECUTIVE OFFICER'S LETTER

Dear Shareholders,

I am honoured to present Chilanga Cement's annual report for the financial year ended 31st December 2024. The Company operated in a challenging environment this year, caused by macro economic challenges, currency fluctuation, unpredictable fuel prices, increased logistics costs, and El Nino-induced drought, which led to load-shedding and high electrical costs. Nonetheless, through hard work and careful planning with a focus on maximising output, we remained resolute in 2024, and the Company showed improvements in almost all fields.

As always, safety remained a key priority for us. It is pleasing to note that despite the level of activity caused by the Chilanga plant optimisation expansion project and the Ndola kiln upgrade project, no fatality incidents were recorded.

In 2024, domestic cement demand increased by 31% due to increased infrastructure development projects by the government through Private Public Partnerships (PPP) and Constituency Development Fund (CDF), as well as the recapitalisation of some mines. Our focus remained to satisfy both the domestic and export markets, our cement exports increased by 76% compared to 2023. The Chilanga plant kiln remodelling project played a role in this increase. The Clinker production capacity per day improved from 2,200 tonnes to 2,800 tonnes.

2024 also marked the start of the Ndola kiln upgrade. The upgrade is projected to be completed by Q2 2025 and will effectively double the Ndola plant's capacity.

This year also saw a new quicklime plant added at the Ndola plant which led to the launch of our new product, PawaLime. Chilanga Cement's quicklime offering is steadily gaining traction in the market.

I am also happy to inform you that our operations at the Chilanga plant are now fully sustainable with continued investment in the plant equipment. When the Ndola plant's upgrade is complete, emissions will be reduced even further.

The company continued to prioritise preventive maintenance at all facilities which have improved the reliability of equipment and minimised disruption, allowing for the continued production of cement to satisfy our markets.

As I mentioned, rising costs and external pressures resulted in operational costs being high throughout the year. Undeterred, we forged onwards, which brought us out on top despite the difficulties.

Operating profit increased by 14% to ZMW 738 million and profit before tax increased by 16%. This was achieved through prudent cost management strategies and exploring new local and export markets. Likewise, profit after tax increased by 27%, a satisfactory result, given the challenges faced by the Company during the year.

In 2024, the Company continued to invest in the community, through contributions spent on projects relating to health, the environment, education, and infrastructure, as well as housing. We believe as Chilanga Cements grows the community should grow with it, and our CSR programs will continue to focus on areas that have an overall impact on the community.

We remain committed to growing with the community and investing more to improve collective community welfare. We will continue to operate like this into 2025 and beyond. Opportunities will be pursued to reduce base costs, make things more efficient, and optimise cash flow and resources.

Many African economies are set to grow over the next two years. The Company is well-positioned to benefit from this growth. We are also looking forward to the anticipated demand that will result from the resuscitation of mines and the further investment in infrastructure and housing through PPP and CDF projects.

All in all, 2024 was a year not without its challenges, but at Chilanga Cement overcoming challenges is our strength. We will keep driving the Company onward into a brighter and better tomorrow.

I would also like to thank our employees for their continued hard work and for embracing the well-celebrated diversity in the company and achieving results. I'm proud of our employees for keeping our people and communities safe.

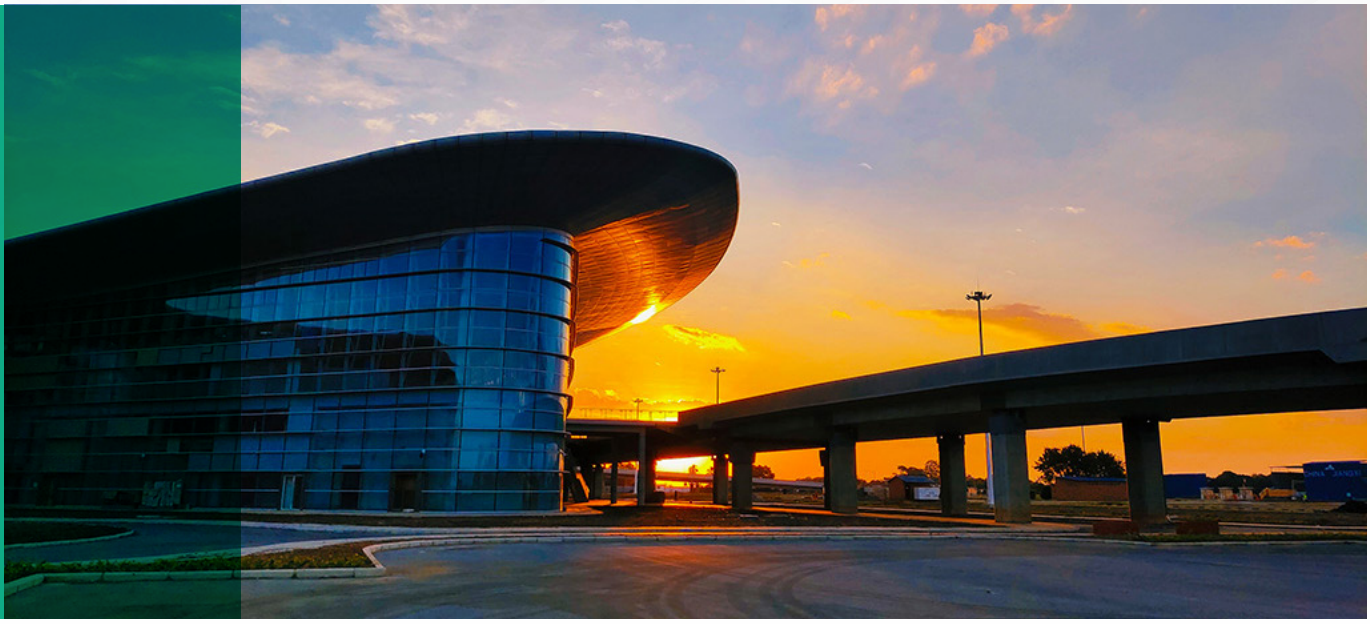
Thank you for all your support over the years.

Mr. Jianping Chai
MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

MEET THE LEADERSHIP TEAM

LEFT TO RIGHT

Top: Ms. Ma, Mr. Chai, Mr. Lesa
Middle: Mr. Xu, Mr. Zhao, Mr. Maambah
Bottom: Mrs. Ngulube, Mr. Chen



OUTREACH

CHILANGA CEMENT PLANTS 600 FRUIT TREES

In celebration of Zambia's 60th Independence Anniversary, Chilanga Cement, in partnership with CSR Network Zambia, hosted a tree planting initiative at Mwembeshi Secondary School on October 17, 2024. The event, which saw the planting of 300 fruit trees, was attended by several distinguished guests including government officials, local leaders, and members of the community. A week before the event, 300 fruit trees were planted at five beneficiary schools in Ndola.

The initiative forms part of Chilanga Cement's broader commitment to environmental sustainability and the fight against climate change.

Chilanga Cement Chief Executive Officer, Mr. Jianping Chai, highlighted the company's long-standing role in Zambia's development, saying, "As we plant these trees, we are also planting the seeds of knowledge, hope, and environmental responsibility. These trees will stand as a long-lasting reminder of our shared commitment to a greener and more sustainable future."

Mr. Chai also mentioned Chilanga Cement's continued efforts in supporting local schools and infrastructure projects, furthering the company's legacy in Zambia.

Speaking on behalf of the Minister of Education, Mr. Douglas Siakalima, Mr. Mateke Vimbi the Assistant Director of the National Science Center, emphasized the importance of collective action in addressing climate change, "Today, as we commemorate 60 years of independence, we are reminded of how essential it is for every citizen and every organisation to play their part in safeguarding our environment. The trees we plant today represent life and the promise of a sustainable future."

Echoing these sentiments, Chilanga Member of Parliament, Hon. Sipho Hlazo, acknowledged the crucial role of tree planting in combating climate change, "The act of planting a tree is symbolic, it signifies our collective responsibility in the fight against climate change. By planting trees today, we are taking a crucial step toward addressing this crisis."

The initiative also received support from Chilanga District Education Board Secretary, Dr. Mirriam Namezi, who emphasized the need to engage young people in environmental conservation, "By planting trees today, we are investing in a future that is healthier and more sustainable. The trees we plant will offer shade, sustenance, and beauty."

CSR Network Executive Director, Mr. Lee Muzala, praised the partnership with Chilanga Cement, noting that the trees were like "seeds of hope and resilience" that will benefit the school and community for years to come.

The tree-planting initiative stands as a testament to the power of partnership and collective responsibility in building a sustainable and prosperous future.

CHILANGA CEMENT'S ANNUAL CUSTOMER APPRECIATION DINNER AND NEW PRODUCT LAUNCH

Chilanga Cement held its annual customer appreciation dinner at Twangale Park on March 15, 2024. The event was attended by customers from Zambia, Zimbabwe, Malawi, and Burundi. The customers were filled with gratitude as they were honored with various awards. A few lucky customers even walked away with a fully paid seven-day vacation to China.

The evening commenced with a warm welcome from the Chief Executive Officer, Mr. Jianping Chai, who expressed heartfelt appreciation to all attendees. Mr. Chai emphasized the pivotal role of customers in the company's success. He also unveiled a groundbreaking new product tailored exclusively for block makers, called Supablock. This innovative product promises quick setting times and superior quality, underscoring Chilanga Cement's commitment to meeting customer needs through innovation.

"To our concrete product manufacturers (CPM), I'm delighted to share that our plant team has developed a special, innovative cement tailored specifically for block making: Supablock. This premium brand has a quick setting time and superior quality and will be exclusively distributed to you, block makers, and not be resold in the open market," Mr. Chai explained.

A local customer representative, Mr. Mayungo Kakula of Royal Gene, extended gratitude to the Chilanga Cement management for their exceptional service and unwavering dedication to excellence. His remarks highlighted the profound impact of Chilanga Cement's reliability and professionalism on local businesses, setting the stage for continued success in 2024 and beyond.

The event concluded with closing remarks from Mr. Xianyu Chen, Executive Assistant (Supply Chain & Commercial), who expressed gratitude for the overwhelming support and partnership demonstrated by the customers. Mr. Chen emphasized the significance of the shared journey and reiterated Chilanga Cement's commitment to continued collaboration, innovation, and success.

The Customer Appreciation Dinner 2024 was a testament to Chilanga Cement's unwavering commitment to customer satisfaction and partnership. As the company looks ahead to a bright and prosperous 2025, it remains steadfast in its dedication to excellence and looks forward to further strengthening relationships with valued customers and partners.

CHILANGA CEMENT'S FIGHT AGAINST CHOLERA

On January 19, 2024, Chilanga Cement generously donated 500 litres of domestic chlorine and five 10,000 litre PVC tanks, valued at over ZMW 260,000, to the Chilanga Town Council. This contribution aimed to support the local government in its efforts to combat cholera.

During the handover briefing, Mr. Jianping Chai, the Chief Executive Officer of Chilanga Cement, emphasized that health and safety were the company's core values. He stated that the wellbeing of the Chilanga community and the nation as a whole was of paramount importance to everyone at Chilanga Cement.

Mr. Chai reaffirmed the company's unwavering commitment to the health and safety of the community, highlighting that only a healthy nation can build a better tomorrow. He expressed gratitude to the government and frontline staff nationwide for their efforts in fighting the disease, expressing hope that the nation would emerge stronger and more unified.

"With this contribution, we aim to provide the Chilanga District and the nation with the necessary tools to combat this pandemic vigorously. We are confident that we will emerge from this as a stronger and more unified nation. Our hearts go out to those affected, and we appreciate the healthcare workers, local communities, and the government on the front lines working to contain this outbreak," Mr. Chai said.

Receiving the donation on behalf of the Chilanga District Council, Mr. Champion Tembo, the Chilanga District Chairperson, expressed gratitude for the consistent commitment shown by Chilanga Cement towards improving the livelihoods of the people in Chilanga District by giving back to community.

"These 500 cases of chlorine will be distributed to the most affected areas of our district, such as Namalombwe ward, specifically in the Kazimva catchment, by the Department of Health. The water tanks will be strategically placed in Namalombwe ward (Maloni market, Madalitso, Pangabodi, Handamana compound) and Chilongolo ward (Makeni pwd compound)," Mr. Tembo explained.

Mr. Tembo also called on other stakeholders to emulate Chilanga Cement's generosity by contributing to the fight against cholera.

Meanwhile, Chilanga District Health Director Dr. Yvette Nampungwe thanked Chilanga Cement for the donation and for collaborating with the Chilanga District Council to combat cholera in the region.

The Chilanga Area Member of Parliament Mr. Sipho Hlazo and the Chilanga District Commissioner Mr. David Sheleni, were also present to receive the donation.

CHILANGA CEMENT – A PLATINUM SPONSOR IN A FUNDRAISING GOLF TOURNAMENT

Chilanga Cement proudly participated as a platinum sponsor in a prestigious fundraising golf tournament held at State House with the President of the Republic of Zambia as the Guest of Honor. This event, hosted by the First Lady, Mrs. Mutinta Hichilema and the Association of Ministers' Spouses (AOMS), was a significant occasion aimed at raising funds to support various noble causes.

Although our CEO, Mr. Jianping Chai, could not attend due to prior commitments, he sent his best wishes and expressed deep gratitude on behalf of our Board of Directors, management, and the entire Chilanga Cement team. We were honored to be part of this important initiative, which aligns closely with our values and commitment to community development.

A contingent of junior golfers from the Chilanga Golf Club also participated in the golf tournament, demonstrating that golf can be an inclusive sport that positively impacts society.

Funds raised at the tournament will benefit a network of outreach initiatives sponsored by the AOMS. The AOMS has made remarkable progress with initiatives that focus on empowering women, supporting youth, and promoting early childhood education. Their mission to build or refurbish shelters for needy mothers in each of Zambia's ten provinces deeply resonated with us. In 2023, Chilanga Cement supported the AOMS by donating 1,000 bags of cement to the Mutinta Hichilema Autism and Special Needs Centre in Kabwe.

During the golf tournament, the First Lady visited the Chilanga Cement stand and expressed her gratitude for our ongoing support.

As a company that has been deeply rooted in the Zambian community since 1949, we understand the importance of giving back and supporting initiatives that drive social and economic development. Our sponsorship of the golf tournament is a testament to our commitment to partnering with organisations like AOMS that tirelessly work to uplift and empower those in need. The golf tournament was more than just a game of golf; it symbolized our collective effort to bring about positive change in society and celebrate unity, compassion, and a shared vision of a brighter future for all Zambians.

We are proud to stand alongside AOMS and other stakeholders in supporting vital initiatives like this event. Through collaboration and dedication, we believe we can achieve remarkable progress and make a lasting impact on many lives.

We extend our heartfelt thanks to the First Lady, AOMS, and all participants for making this event possible. Chilanga Cement looks forward to witnessing the positive changes this project will bring to our beloved nation.

> The golf tournament was a great success.

CHILANGA CEMENT'S ANNUAL GOLF DAY

Chilanga Cement's 13th Annual Golf Day once more brought together sports enthusiasts, corporate partners, and key stakeholders to celebrate another day of community upliftment through golf. The event, held on Friday, September 27, 2024, focused on fostering partnerships that strengthen local communities and support the growth of sports in Zambia.

This year, the event also raised funds for the Junior Golf Academy, a vital initiative that nurtures not only young golfing talent but also supports the overall development of Zambia's youth.

The tournament took on even greater significance as it addressed growing concerns around the rising rates of alcohol and substance abuse among young people. The academy serves as a positive outlet, encouraging physical, emotional, and cognitive growth, and offering an alternative path for youth development.

Hon. Elvis Nkandu, Minister of Youth, Sports, and Arts, in his message delivered by Raphael Mulenga, Acting General Secretary of the Sports Council of Zambia, emphasized the government's commitment to supporting initiatives like the Junior Golf Academy. He highlighted that, sports, particularly for the youth, are powerful tools for character-building and creating opportunities that go beyond the game itself. He expressed appreciation for Chilanga Cement's long-standing dedication to corporate social responsibility, commending the company's efforts in supporting the surrounding communities through such initiatives.

Chilanga Cement's Board Chairman, Mr. Muna Hantuba, echoed similar sentiments, emphasizing the importance of investing in the future of golf through junior development programs. He humorously shared his own experiences on the course that day, underscoring the spirit of sportsmanship and unity that the event promoted. Mr. Hantuba expressed gratitude to the event organisers, sponsors, and participants, while also recognising the rising talent within Zambia's golfing community, which continues to make strides at both local and international levels.

Mrs. Chibuye Mbesuma Ngulube, President of the Chilanga Golf Club, expressed pride in the continued transformation of the club's grounds from a former quarry to a beautiful golf course, highlighting the value of vision and perseverance. She also noted the success of the recent Junior Golfer Open, organised in early September, and how it reflected the club's commitment to developing the next generation of athletes.

The Chilanga Cement Annual Golf Day continues to serve as a prime example of the power of collaboration, sportsmanship, and giving back to society, with a vision towards a brighter future for Zambia's youth.

CONSTRUCTION OF THE MUTINTA HICHILEMA AUTISM AND SPECIAL NEEDS CENTRE

Chilanga Cement is proud to have contributed cement for the construction of the Mutinta Hichilema Autism and Special Needs Centre in Kabwe, a centre that aims to transform the lives of affected children.

This state-of-the-art centre, championed by the First Lady, Mrs. Mutinta Hichilema, will provide a comprehensive range of health and education services, including therapy sessions and educational programs tailored to meet the unique needs of individuals with autism and special needs.

We believe that every individual deserves access to quality healthcare and education, regardless of their abilities. Our commitment to giving back to the community through our robust corporate social responsibility initiatives is unwavering, and we are proud to be part of this life-changing project.

During the handover ceremony, Mrs. Mutinta Hichilema expressed her heartfelt gratitude to Chilanga Cement and our cooperating partners for their generous support, signifying our impact in the community through CSR initiatives.

Meanwhile, the Minister of Education, Mr. Douglas Syakalima, represented by Permanent Secretary Ms. Noriana Muneku, commended the First Lady for her tireless efforts in supporting children with autism and special needs and further thanked Chilanga Cement for the donation.

At Chilanga Cement, we are committed to making a positive impact on the lives of those in need. Our sponsorship of the Mutinta Hichilema Autism and Special Needs Centre is a testament to our dedication to creating a more inclusive and supportive environment for individuals with autism and special needs.

Together we can build a better tomorrow, today.

EMPLOYEE GROWTH & DEVELOPMENT

The year 2024 was a dynamic and productive period for our Human Resources Department, marked by meaningful initiatives aimed at employee development, wellness, recognition, and cultural celebrations. Our various activities and achievements throughout the year showcased our commitment to fostering a thriving, engaged, and healthy workforce.

EMPLOYEE WELLNESS ACTIVITIES

Employee wellness remained a cornerstone of our HR agenda in 2024. The following key initiatives were undertaken to promote health and wellbeing:

WELLNESS DAYS

Employees participated in health talks on topics such as mental health, stress management, and nutrition. Health screenings for blood pressure, diabetes, and cholesterol levels were offered. Included in these wellness days were group physical activities, including aerobics and yoga. Fitness challenges encouraged active participation from all employees. These events enhanced health awareness and contributed to a more vibrant and informed workforce.

NDOLA FITNESS SQUAD

Ndola employees participated in the Fitness Squad marathon and related activities.

This promoted physical health, team bonding, and overall employee wellbeing.

LEARNING OPPORTUNITIES AND SKILLS DEVELOPMENT

In 2024, Chilanga Cement took significant strides to nurture talent and foster growth through learning and development initiatives.

STUDENT ATTACHMENTS

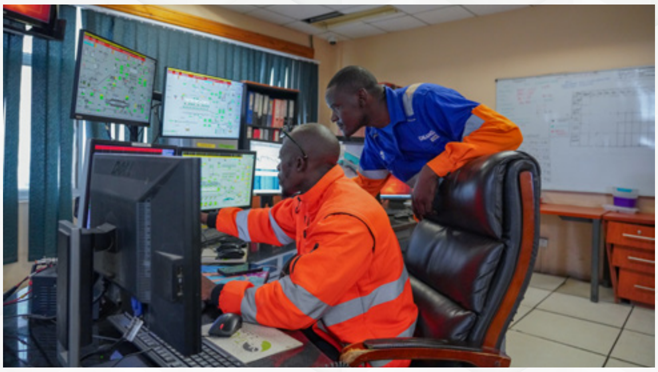
A robust student attachment program allowed young talent to gain hands-on experience, aligning with the organisation's commitment to community and youth development. Over ten students were hosted across various departments throughout the year.

STEP-UP INTERNSHIP PROGRAM

Interns serving under the 2023 Step Up Program continued with their experience in 2024. The internships were a resounding success, exemplifying the company's commitment to nurturing young talent and fostering career development. The interns demonstrated exceptional capabilities, making significant contributions across departments. Their performance culminated in 50% of the company's new hires being sourced directly from this talent pool.

INTRODUCTION OF THE CHILANGA CEMENT TRAINING INITIATIVE

A new training initiative was launched, dedicated to promoting peer-to-peer learning. The initiative aims at pairing junior employees with experienced leaders, facilitating knowledge transfer, career guidance, and skills enhancement. This initiative was launched to streamline and enhance skills development across the organisation. This program focused on leadership development, technical upskilling, and soft skills training to prepare employees for future challenges.



PROFESSIONAL MEMBERSHIPS AND SUBSCRIPTIONS

In 2024, the company prioritised continuous professional development by supporting employees through professional memberships and subscriptions. This initiative ensured that employees stayed updated on industry standards, enhanced their expertise, and contributed significantly to organisational growth.

TRAINING

Over the past year, the Learning and Development (L&D) team has implemented a range of initiatives designed to enhance employee skills and organisational resilience. These activities focused on equipping employees with critical knowledge, fostering professional growth, and addressing evolving business needs. These included but were not limited to Change Management Training; Building employee resilience and adaptability to navigate organisational transitions effectively; as well as practical training for Technical staff such as Hot Works, Real Time Kinematics (RTK), Defensive Driving and, Maintenance Training.

EMPLOYEE MOTIVATION

Acknowledging and rewarding hard work remained a key focus in 2024. Initiatives to motivate employees ensured that they continued to work hard.

CHINA TRIP

The company sent a delegation of ten employees to China to participate in the Huaxin Overseas Regional 10th Anniversary Celebration on January 23, 2024. The visit aimed at integrating Chilanga Cement employees into the Huaxin overseas business family as well as celebrating multi-cultural diversity. This trip included visits to industry-leading facilities, providing international exposure and insights into global best practices.

CEO, REGIONAL, AND GROUP AWARDS

Exceptional employees were recognised and awarded during the Annual League of Legends Awards ceremony. Employees were awarded as follows: Group Award (six employees); Regional Award (twenty-four employees); and CEO's Award (fifty employees).

ZAMBIA FEDERATION OF EMPLOYERS AWARDS

In April 2024, at the Zambia Federation of Employers Awards, Chilanga Cement took home the 1st Prize for Corporate Social Responsibility, the 2nd Prize for an Internship/Apprenticeship Program, and the 2nd Prize in the Environmental Policy category. These awards were dedicated to the employees, and special recognition was extended to the employees that made these awards possible.

LABOUR DAY AWARDS

Chilanga Cement joined the rest of the country in commemorating Labour Day. A total of twelve employees from the three business sites received awards in four categories namely Most Outstanding Performance; Most Innovative; Most Improved; and Most Safety Conscious. The Chilanga Team also won awards for Best Dressed Corporate Personnel.

CULTURAL CELEBRATIONS

Cultural and national events served as platforms for unity and team spirit.

WOMEN'S DAY CELEBRATIONS

Events included inspirational talks, wellness activities, and recognition of women leaders within the organisation. The women of Chilanga Cement joined the rest of the district in celebrating International Women's Day by participating in a march. They were also treated to a Women's lunch.

YOUTH DAY CELEBRATIONS

The youth of Chilanga Cement joined the youth of Chilanga District in celebrating International Youth Day by participating in a special march.

INDEPENDENCE DAY CELEBRATIONS

Employees across all locations came together to honour the nation's history through cultural performances, speeches, and team-building activities. The celebrations in 2024 were a good opportunity for cultural exchange and promoted diversity and inclusion. Staff wore Zambian attire and were treated to a special lunch that included traditional food and traditional entertainment. In addition, the company hosted the first ever departmental cultural showcase.

The Human Resources Department in 2024 demonstrated a steadfast commitment to building a thriving, engaged, and resilient workforce. By prioritising wellness, fostering learning, celebrating achievements, and embracing cultural diversity, we have set a strong foundation for continued growth and success in the years to come.

We look forward to 2025 with renewed energy and a stronger commitment to our employees' holistic development and wellbeing.

HEALTH AND SAFETY

In 2024, Chilanga Cement continued to perform well according to Health and Safety metrics.

Our focus on practical training, Visible Felt Leadership (VFL), hazards and near miss reporting, and closures have kept our Injury Severity Rate (ISR) at 0 for many years.

At Chilanga Cement, Health and Safety is a condition of employment. It forms part of our ethos and goes beyond mere rules and procedures. Health and Safety here is a way of life and a human right.

We will continue to invest in both hard and soft controls in our operations.

ECO UNIT – OUR WASTE MANAGEMENT SOLUTION

Zambia has committed to reduce GHG emissions by 25% before the year 2030. One of the key steps to achieve this is by compelling cement companies to increase the use of alternative fuels in the production of ordinary Portland cement. Currently, 800 to 1000 kgs of CO_2 is emitted into the atmosphere for every tonne of ordinary Portland cement produced which negatively affects our atmosphere.

Our waste management brand, ECO Unit has continued our sustainability agenda through increased use of carbon neutral alternative fuels such as sawdust and agricultural waste in order to reduce the amount of coal consumed in cement production thereby greatly reducing CO_2 emissions.

Following the signing of the Singapore and Zambia MOU to collaborate on carbon credits aligned with Article 6 of the Paris Agreement, the private sector will play a pivotal role in driving sustainable development, which is why ECO Unit has taken steps to be the key driver for low carbon transition in Zambia.

ECO Unit has extended its services to over a hundred companies including industrial & service companies, municipalities, NGOs and the agricultural sector to ensure compliance with the Extended Producer Responsibility law. Our resolve is to rethink waste for a sustainable future.

CULTIVATING SYNERGIES IN WASTE MANAGEMENT

Over the past six years, ECO Unit has engaged in corporate-to-corporate partnerships to amplify its impact on sustainability.

To commemorate Plastic Free July 2024, we joined hands with Manja Pamodzi, National Breweries and British American Tobacco Zambia for a Kanyama community clean up where we collected and disposed of non-recyclable plastic waste.

Additionally, ECO Unit has taken deliberate steps to partner with key players in the hospitality industry such as Twangale Resort and Spur due to the large volume of plastic waste that these and similar places produce. This initiative is part of our ongoing commitment to environmental stewardship and our belief that effective, collective action can bring about real, positive change in the fight against plastic pollution.

GREEN PRACTICES IN THE WORKPLACE AND THE COMMUNITY

In 2024, ECO Unit continued with internal awareness activities to promote plastic waste management solutions and further the company's commitment to environmental stewardship. Twenty-two ECO Ambassadors were selected from the various divisions in Chilanga Cement and tasked to ensure that neither plastic nor paper waste leave the plant.

By engaging employees directly in waste management practices, the program sought to raise awareness about the importance of responsible plastic disposal and recycling and to reduce further impact.

> We are committed to raising awareness about the importance of responsible plastic disposal and recycling.

PROMOTING ENVIRONMENTAL STEWARDSHIP IN THE EDUCATION SECTOR

Inspiring a plastic-free mindset in schools is essential for fostering environmental stewardship and raising awareness about the detrimental effects of plastic waste. To achieve this, educational programs play a key role in empowering students to act against plastic pollution.

In collaboration with ECO Unit, we partnered with Parklands Secondary School and Chudleigh House School to educate students on the importance of environmental sustainability and waste sorting. These efforts aimed to inspire the next generation to adopt responsible waste management practices, ensuring that waste is sorted at the source. The impact of these initiatives extends beyond the schoolyard. With over 4200 households connected to the students, the ripple effect of this program will hopefully reach entire communities, reinforcing sustainability practices.

SOCIAL RESPONSIBILITY

ECO Unit has taken deliberate steps towards educating various industries on the importance of adopting sustainable waste management practices, taking advantage of platforms created by organisations such as the Zambia Association of Manufacturers. These platforms attract hundreds of companies from different manufacturing fields, and using them, ECO Unit has managed to offer sustainable disposal solutions to various industries resulting in a safer environment and reduced disposal costs.

As part of our corporate social responsibility agenda, ECO Unit has over the years embarked on an awareness campaign in various sectors ranging from schools, hospitality, and those working with fast-moving consumer goods (FMCG) over the importance of sustainable practices in waste management.

Additionally, continuous participation in discussions relating to proper waste management has played a key role in determining the roles that stakeholders such as Chilanga Cement have in the implementation of statutory instruments relating to waste management.

GIVING PURPOSE TO EXPIRED AND COUNTERFEIT MATERIALS

In a proactive step to address potential health risks that arise from the consumption of food products that do not meet established safety and quality standards, ECO Unit has partnered with organisations that are mandated to foster consumer confidence by disposing of substandard products through coprocessing.

These partnerships demonstrate ECO Unit's deliberate steps to handling hazardous materials. By harnessing the high temperatures in the cement kilns, the harmful products are repurposed ensuring that there is no threat to consumers.

These collaborative models, incorporating law enforcement, regulators and stakeholders in the industry, exemplify our effective approach to tackling complex challenges, serving as a testament to the mutual benefits derived by society and the environment.

OUR COMMUNITY IMPACT – GROWTH AND SHARED VALUES

In 2024, Chilanga Cement reinforced its unwavering commitment to local communities, driven by a shared vision to enhance the environment in which we operate. We believe that fostering strong, synergistic relationships with the people we serve is the cornerstone of long-term, sustainable partnerships.

Building on our legacy, this year we proudly supported impactful projects in the areas of health, education and skills development, infrastructure, and housing.

> These initiatives reflect our dedication to creating tangible, lasting improvements that empower communities and contribute to shared prosperity.

HEALTH

Aligned with our Corporate Social Responsibility (CSR) policy and our commitment to health, education, and infrastructure development, Chilanga Cement has remained steadfast in fostering strong community partnerships.

In 2024, Chilanga Cement donated 1200 bags of cement towards the road construction project at Kitwe Teaching Hospital, enhancing accessibility to the health facility.

Further cement donations included 500 bags to Ndola Teaching Hospital, building on our initial contribution of 1000 bags in 2023, to support the completion of critical infrastructure projects.

Additionally, Chilanga Cement contributed 600 bags of cement for the construction of the first-ever community health centre in Dyakanani Village, located in Chief Mshawa's area, to improve access to healthcare services in rural communities.

Lastly, 100 bags of cement were donated to the Zambia Police Service's Gender Division for the construction of sanitary facilities at the police training center in Sodela, demonstrating our support for institutions that play a vital role in public service and safety.

EDUCATION AND TRAINING

At Chilanga Cement, we are committed to empowering communities and creating a lasting impact in the education sector. In 2024, we supported various initiatives aimed at improving educational infrastructure and fostering community development. These include:

- The donation of 95 bags of cement to complete a school project at the Divine Mercy Mission School.
- Contributing 100 bags of cement to St. Joseph's School to facilitate the completion of a school project.
- Donating and planting 600 trees for Ndola and Mwembeshi Schools as part of a campaign celebrating Zambia's 60th Independence Anniversary in partnership with the CSR Network of Zambia.
- Donating 100 bags of cement to Homes of Joy Girls' Orphanage to support the construction of an ablution block, a project led by Round Table Zambia.
- Contributing 100 bags of cement to Mushili Hillside Secondary School for the construction of a wall.
- Donating 100 bags of cement to Westwood Primary School for the rehabilitation of dilapidated school floors.
- Providing a cash donation of ZMW 20,000 to House of Chiefs to support stakeholders and various policies.
- Donating 200 bags of cement to Itawa Combined School for the construction of a wall.
- Contributing 100 bags of cement to Chifubu UCZ Community School to support the construction of a 1x3 classroom block.

These initiatives demonstrate our unwavering dedication to fostering growth and development within our communities through education and infrastructure support.

INFRASTRUCTURE AND HOUSING

We recognize that quality infrastructure plays a vital role in uplifting communities. In partnership with the Zambia Police Service, we enhanced operations at the Chilanga Police Station by providing and installing a 5kVA solar power system. This initiative underscores our commitment to fostering reliable public services through sustainable energy solutions.

We also donated cement to the Zambia Flying Doctors to assist with the rehabilitation of old airstrips used during their operations.

We further continued our partnership with the Republic of Zambia's Department of Resettlement under the office of the Vice President with the building of the resettlement smart village, Malundu in Monze District. In 2024, Chilanga donated another 1000 bags of cement towards the construction of IDP climate-resilient houses.

DIVERSITY

At Chilanga Cement, we remain steadfast in our commitment to fostering community engagement and celebrating Zambia's rich cultural heritage. In 2024, we continued our longstanding tradition of supporting the Cuundu Cultural Fund, an initiative that underpins numerous traditional ceremonies across the nation and recognises the vital role they play in preserving and promoting our diverse heritage.

Additionally, we expanded our efforts to include direct support for specific cultural initiatives:

- We contributed to the completion of an ablution block at Mbeza Royal Establishment, enhancing the event's infrastructure and participant experience.
- Our support facilitated the construction of the main arena for Lwiindi Gonde Traditional Ceremony creating a space where traditions can be celebrated for years to come.
- We provided a cash donation of ZMW 240,000 to Chakwela Makumbi Traditional Ceremony. We also supported the painting of the main arena, ensuring the space reflected the vibrancy and significance of the occasion.

Through these contributions, Chilanga Cement reaffirms its dedication to preserving Zambia's cultural diversity and strengthening ties within the communities we serve.

EVERYDAY INVOLVEMENT

In 2024, Chilanga Cement proudly continued its tradition of contributing to the celebration of various national events such as Youth Day, Women's Day, Labour Day, and Independence Day. We partnered with local district administration offices to reinforce our commitment to community growth and prosperity. Our active engagement in these initiatives underscores our role as a key partner in the progress of the communities we serve.

Additionally, Chilanga Cement made significant contributions to national initiatives, including donations to the Ministry of Infrastructure, Housing and Urban Development, and the Ministry of Labour and Social Security. These contributions supported the National Skills, Productivity, and Jobs Summit, reflecting our commitment to promoting skills development and employment opportunities in Zambia.

STEP-UP – GRADUATE TRAINEE PROGRAM

At Chilanga Cement, we remain committed to building a better tomorrow today by investing in the growth and development of young talent. The Step-up Graduate Trainee Program continues to address the increasing demand for skilled professionals in the cement industry and the broader labour market in Zambia and beyond.

Through Step-up, Chilanga Cement empowers graduates to kickstart their careers with a strong foundation, equipping them with practical work experience and critical skills in a world-class environment. The program underscores our commitment to developing a sustainable talent pool while ensuring that participants are exposed to best practices and are guided by experienced professionals in their respective fields.

In addition to the graduate trainee program, Chilanga Cement fosters the development of Zambia's future workforce through structured internship and student attachment programs. These initiatives provide students and recent graduates with hands-on industry experience, helping them bridge the gap between academic knowledge and professional skills. As a responsible corporate citizen, Chilanga Cement remains dedicated to contributing to the growth of Zambia's human capital and creating opportunities for the next generation of leaders.

PROFILE OF THE BOARD OF DIRECTORS

Mr. Muna Hantuba
Non-Executive Chairman

Zambian national, Mr. Hantuba is the Non-Executive Chairman of the Board of Directors of Chilanga Cement. He was elected to the Board in 2003. He holds an MBA from Stirling University in Scotland and a BA (Econ) from the University of Zambia.

Mr. Hantuba is currently the Group CEO of African Life Holdings LTD since 2016. He has over thirty-three years' experience in the financial services sector. He began his career with Meridian Bank Zambia LTD in 1986. He then joined the Anglo-American Corporation where he headed corporate services. He left the Anglo-American Corporation in 2000 to join African Life Financial Services Zambia LTD, a company that manages institutional funds including the Saturnia Regna Pension Trust Fund.

In the past, Mr. Hantuba was also Chairman of the Securities and Exchange Commission and a former president of the Economics Association of Zambia. He is the director of various subsidiaries of the African Life Holdings Group, and a member of the Zambia Chamber of Commerce and Industry. He also serves on other corporate boards including Menel Management Services, Southern Sun Ridgeway, Goviex Uranium, Kaleya Smallholders Company, Sanlam Life Insurance Zambia LTD, Kanona Power Company LTD, and Anglo Exploration LTD among others.

Mr. Gang Xu
Non-Executive Board Member

Chinese national, Mr. Xu holds BA degrees in Corporate Finance and Safety Engineering, as well as an MA in Business Administration. He specialises in project investment, business strategy and development, organisational structure, cement industry processing and safety management, sales, marketing, and commercial activities.

Mr. Xu's experience spans twenty-five years, and prior to his appointment as Vice President and General Manager of the Overseas Business Unit (BU) of Huaxin Cement, he served as Head of Growth & Innovation, and as Strategy and Marketing Director for the Yunnan BU arm of Huaxin. He also served as Commercial Director for the Guizhou, Chongqing, and Yunnan BUs, and as Integration Manager and Strategy Manager for Lafarge Shui On Cement Co. LTD. Additionally, he has worked as a safety engineer, safety manager, and process manager for Beijing Shunfa Cement Plant.

Mr. Qian Chen

Non-Executive Board Member

Chinese national, Mr. Chen is a Non-Executive Member of the Board of Directors of Chilanga Cement. He was elected to the Board in 2022.

Mr. Chen holds a BA in World Economics, an MA in Business Administration, and is a Chinese Certified Public Accountant and a Fellow Member of Chartered Global Management Accountant.

His experience spans twenty-four years, and prior to his appointment as Vice President and Chief Financial Officer (CFO) of Huaxin, he served as the Deputy Chief Financial Officer of Huaxin. Before joining Huaxin, he successively acted as a Senior Auditor for PricewaterhouseCoopers, a Senior Consultant for Monitor Consulting Group, as the Chief Financial Officer for Sika Group China, the Chief Financial Officer for IMI Critical Engineering Greater China, the Korea Chief Financial Officer for CIF Bureau Veritas China, and the Chief Financial Officer for Terminix Group China.

Mr. Jianping Chai

Chief Executive Officer

Chinese national, Mr. Chai is the Chief Executive Officer for Chilanga Cement since December 2021 and was elected to the Board in 2021.

Mr. Chai holds a BA in Inorganic Non-Metallic Materials from Wuhan University of Technology, and an MA in Industrial Engineering from Huazhong University of Science and Technology.

His career with Huaxin spans thirty-eight years. His previous roles within the group have included manufacturing positions all the way up to plant manager, as well as senior leadership roles in operational and staff functions including cement, aggregates, concrete, ECO Unit (formally Geocycle), group human resources, and administration.

Before coming to Zambia, Mr. Chai was General Manager for New Building Materials.

Dr. Frank Munthali

Non-Executive Board Member

Zambian national, Dr. Munthali is a Non-Executive Member of the Board of Directors of Chilanga Cement. He was elected to the Board in 2019. Dr. Munthali is a chartered accountant and chartered administrator who has attained numerous qualifications. He is a Fellow of the Association of Chartered Certified Accountants (ACCA), a Fellow of the Zambia Institute of Chartered Accountants (ZICA), and an Associate Member of the Institute of Chartered Secretaries and Administrators (now the Governance Institute). He holds an MBA and a DBA from the Binary University of Malaysia.

He is currently the CEO and consultant at FM Consulting Services LTD, where he is responsible for corporate governance, risk management, strategic management, and finance. He has 26 years post qualification experience in finance, accounting, auditing (both internal and external), corporate governance, risk management, and strategic management.

He has worked for various organisations including Coopers & Lybrand Chartered Accountants, Mulungushi Investments LTD (ZCCM), Moores Rowland Chartered Accountants, Koppa Mining Services and Supplies LTD, the Road Transport and Safety Agency (RTSA), and Zambia Cooperative Federation (ZCF).

He has served on numerous boards including The Health Professions Council of Zambia, Examination Council of Zambia, Mukuba Hotel LTD, Zambia Institute of Chartered Accountants, various human rights commissions, and Zambia Open University.

He is currently serving on the boards of Zambia Airports Corporation LTD (formally National Airports) as its Vice Board Chairperson, Premium Medical Services LTD, and the Zambia Institute of Mass Communication (ZAMCOM).

Mr. Mangiza Phiri

Non-Executive Board Member

Zambian national, Mr. Phiri holds a BA in Accounting and an MBA from Stellenbosch University in South Africa. He was elected to the Board in March 2023. He is currently Regional Director for West Africa and Managing Director for Nigeria at Engie Energy Access focused on mini grids and solar home systems.

Mr. Phiri's experience spans twenty-one years, and prior to his appointment as Regional Director for West Africa, he held the positions of Managing Director for Engie Energy Access Zambia and Regional Director for Southern Africa. His career also includes eleven years working at Lafarge Zambia PLC where he held several positions including Commercial Director, Country Sales and Marketing Manager, and Strategy and Business Development Manager until his departure in 2020. He has also worked as a Credit Analyst and Relationship Manager for Standard Chartered Bank Zambia PLC gaining specific experience in credit and sales.

Mr. Mwelwa Chibesakunda

Non-Executive Board Member

Zambian national, Mr. Chibesakunda is a Non-Executive Member of the Board of Directors of Chilanga Cement. He was elected to the Board in 2008.

Mr. Chibesakunda is a lawyer and an advocate of the High Court and the Supreme Court of Zambia. He holds an LLM in International Commercial Law from the University of Bristol, an LLB from the University of Zambia, and a Legal Practitioners License from the Law Practice Institute.

Mr. Chibesakunda is currently the Managing Partner of Chibesakunda & Company, a DLA Piper Africa-associated firm that he founded in 2006. The firm is recognised as the premier provider of legal services in Zambia. He has over thirty-four years' law practice experience in Zambia. Mr. Chibesakunda commenced his legal practice at the Ministry of Justice as the Director of Public Prosecutions in the Attorney General's Chambers from 1991 to 1996. He has also headed the International Law and Agreements Department, which advised the government on international commercial transactions. From 1996 to 2006 he worked as a partner at Corpus Legal Practitioners before leaving to establish Chibesakunda & Company in 2006.

He has served on several boards including Afgri, Agricultural and Commercial Show, Society of Zambia, Lusaka International Community School, Hybrid Poultry LTD, Verino Agri Processing Industries LTD, African Grey Insurance LTD, Teal Zambia LTD, Lubambe Mine LTD, Upepo Energy LTD, and Maamba Collieries LTD.

PROFILE OF THE EXECUTIVE COMMITTEE

Mr. Jianping Chai
Chief Executive Officer

Chinese national, Mr. Chai is the Chief Executive Officer of Chilanga Cement since December 2021 and was elected to the Board in 2021.

Mr. Chai holds a BA in Inorganic Non-Metallic Materials from Wuhan University of Technology, and an MA in Industrial Engineering from Huazhong University of Science and Technology.

His career with Huaxin spans thirty-eight years. His previous roles within the group have included manufacturing positions up to plant manager as well as senior leadership roles in operational and staff functions including cement, aggregates, concrete, ECO Unit (formally Geocycle), group human resources, and administration.

Before coming to Zambia, Mr. Chai was General Manager for New Building Materials.

Mr. Ezron Lesa
Chief Financial Officer

Zambian national, Mr. Lesa is the Chief Financial Officer of Chilanga Cement since 2022.

Mr. Lesa is a qualified chartered accountant with the Chartered Institute of Management Accountants UK (CIMA) and is a member of the Zambia Institute of Chartered Accountants. He has over fifteen years' experience in the financial functions of the mining and manufacturing industry.

Before his appointment, Mr. Lesa held the positions of Financial Controller, Plant Controller, and Head of Plant Controller. Before joining Chilanga Cement in 2017, Mr. Lesa worked in the mining sector in differing roles ranging from Accounts Payables Accountant, Cost Accountant, Group Insurance Analyst, and Company Financial Accountant.

Ms. Yuqiu Ma

Executive Assistant to the CEO

Chinese national, Ms. Ma has served as the Executive Assistant to the CEO, overseeing the CEO's office, since 2021. In November 2024, her role was expanded to include additional responsibilities pertaining to Human Resources and Communications. She is now a member of the Executive Committee of the Company. She holds an MA in Chemistry from the University of Miami and has over twenty-two years' experience in strategy and business development.

Ms. Ma has held key roles in several multinational companies including Caltex Oil & Gas Co LTD, where she specialized in market research and analysis; Wolf HVAC Group (Germany) where she was responsible for power and heating business development in China; and Plasco LTD, where she served as Regional Sales & Marketing Manager for East Africa.

She joined Holcim Group in 2004, taking on various management roles in strategy, business development, commercial projects, and eco-business operations in China. In 2014, she was transferred to Holcim Asia Pacific as the Regional Quality and Project Manager. In 2015, she became a Senior Consultant for LafargeHolcim Group's business integration in China. After the integration, she was appointed Innovation Business Development Manager at Huaxin Cement.

Ms. Thecra Milambo

Human Resources and Communications Director

Zambian national, Ms. Milambo was member of the Executive Committee of Chilanga Cement responsible for human resources, communications, and corporate affairs. She resigned in August 2024.

Ms. Milambo holds a BA in Public Administration and Industrial Psychology from the University of Zambia.

She has held several positions in multinational organisations like Unilever, Nestlé, and Lafarge. She started her career with Unilever Zambia as a Human Resources Assistant Manager. Thereafter, she became Training Manager for Unilever Zimbabwe, then Head of Human Resources for Unilever Malawi. In 2010, Ms. Milambo joined Nestlé Zambia as the Country Human Resources Business Partner. She was promoted to the position of Cluster Human Resources Business Partner in 2013.

Ms. Milambo is passionate about talent development and working with young professionals. Throughout her career, she has ensured that young people are given an opportunity to kickstart their careers. For the last ten years, Ms. Milambo worked to develop and implement the Human Resources Strategy for Chilanga Cement. After the merger between Lafarge and Holcim in 2015, and as a member of the Regional HR round table, she worked with the Regional Human Resources Head to establish and develop regional policies.

Mrs. Chibuye Mbesuma Ngulube

General Counsel and Company Secretary

Zambian national, Mrs. Ngulube has been a member of the Executive Committee of Chilanga Cement since December 2019. Mrs. Ngulube is a practicing lawyer with over fifteen years' experience. She started her legal career in 2010 and holds a BA (Law) from the University of Zambia and was admitted to the Zambian Bar in 2012. She worked for various law firms before joining Chilanga Cement in 2017.

In 2019, Mrs. Ngulube was promoted to the position of General Counsel and Company Secretary. In 2020 she took on the additional role of Area Compliance Officer for the Indian Ocean, East, and South Africa thereby putting her in charge of overseeing the compliance of fourteen countries.

In addition to her roles at Chilanga Cement, Mrs. Ngulube has acted as an accredited arbitrator since 2022, further broadening her expertise in dispute resolution and legal advisory services. Following the recent change in the company's shareholding, Mrs. Ngulube continues to serve as General Counsel and Company Secretary of Chilanga Cement. She also provides legal advisory support to Portland Cement, our sister company based in Malawi.

Mr. Xianyu Chen

Executive Assistant (Supply Chain and Commercial)

Chinese national, Mr. Chen has been a member of the Executive Committee of Chilanga Cement since January 2022.

He holds an MBA. Mr. Chen began his career in 1997. He joined Huaxin in 2021. Mr. Chen has over twenty-seven years' experience in the cement industry in sales, marketing, and supply chains.

Before he joined Huaxin, he worked as General Manager for the cement branch of Sichuan Logistics LTD, as Area Sales Director for Yunnan Branch Lafarge China, as a Supply Chain Manager, Key Account Development Manager, and Area Sales Manager for Chonging Branch Lafarge China, as Deputy General Manager for Sichuan Guan'an Cement LTD (part of Tenghui Group), and as the Marketing Manager for the Tenghui Group. Since joining Huaxin, he worked as an Executive Assistant (Sales) in their overseas BU, before being transferred to Zambia to function as an Executive Assistant (Supply Chain and Commercial) for Chilanga Cement.

Mr. Victor Chewe Maambah

Head of Health, Safety, Environment, and Security

Zambian national, Mr. Maambah joined Chilanga Cement in April 2014 as Head of Health and Safety. In 2017, he was appointed as the Head of Health, Safety, and Environment (HSE), and in 2019 this role was expanded to include Security. Mr. Maambah began his career as a Mechanical Technician with Tanzania Zambia Railways (TAZARA) LTD in 2001. After this, he became the Health, Safety, and Environmental Officer for Anglo American's Smelting and Refining arm where he served from 2003 to 2004. In 2005, he was promoted to Head of Health, Safety, and Environment in Smelting and Refining. In 2010, Mr. Maambah worked as a Systems (HSE) Implementation Officer at Sterlite Industries in India. Later, he was promoted to the role of Corporate Head of Health and Safety for Konkola Copper Mines.

Mr. Maambah is currently pursuing further studies in Sustainable Health and Environmental Sciences. He holds a British International Diploma in Occupational Safety and Health. He also possesses an Advanced Certificate from the Chartered Institute of Purchasing and Supply (CIPS), and an Advanced Certificate in Heavy Equipment Repairs (HER).

Mr. Jun Zhao

Chilanga Plant Manager

Chinese national, Mr. Zhao, has been a member of the Executive Committee of Chilanga Cement since January 2022. He holds a college degree. He began his career in 1992. He joined Huaxin in 2004.

Since then, he has worked as a Mechanist at Lichuan Cement Plant, a Mechanical Supervisor, a Deputy Secretary for the Youth League Committee, a Deputy Director of the finishing workshop, a Deputy Director of the firing workshop, a Control Room Operator, a Shift Supervisor at Enshi Company, a Deputy Production Manager, a Production Manager, a Clinker Operating Manager, a Deputy General Manager of Production for Hefeng Company, a Deputy General Manager of Production for Fengxian Company, an Executive General Manager for Jingzhou Company, and as an Assistant Deputy Director of Process for their Overseas BU.

Mr. Maosheng Xu

Ndola Plant Manager

Chinese national, Mr. Xu, has been a member of the Executive Committee of Chilanga Cement since January 2022. He holds an undergraduate degree.

He began his career in 2007. Since then, he has worked as an Intern Mechanic at Huaxin, a Mechanical and Equipment Supervisor at Huaxin Tibet, Assistant to the Head of the Project Department, Assistant to the Head of the Technology Department, Assistant to the Head of the Maintenance Department for Huaxin Tibet Phase II's 2000T/D Clinker Production Expansion Project, a Production Manager at Huaxin East BU, Deputy Head, and Head of Maintenance at Huaxin Yangxin. Before being appointed as the Ndola Plant Manager, he also worked as Ndola Deputy Plant Manager.

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd Annual General Meeting (AGM) of the Members of Chilanga Cement PLC. Will be held at 09:00 hours on the 28th of March, 2025. The AGM proceedings will be conducted physically at Intercontinental Hotel, Lusaka and electronically on the e-AGM Platform via the link provided below:

https://eagm.corpservezambia.com.zm/eagm

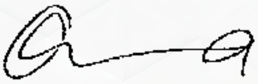
The following business shall be transacted at the AGM:

1. To approve the Minutes of the 32nd Annual General Meeting held on 28th March, 2024;
2. To receive and consider the Annual Financial Statements for the year ended 31st December, 2024, including the Directors' Report and Report of the Auditor;
3. To consider, and if deemed fit, declare a final dividend for the year 2024 following the interim dividend previously declared by the Board for the first half of the year 2024;
4. To consider and adopt the recommendation for the re-appointment of EY Zambia as External Auditors for the year ending 31st December, 2025 and authorize the Board of Directors to fix their remuneration; and
5. 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 (whether a Member of the Company or not) to attend and, on a poll, to vote in his/her stead. Proxy forms are obtained from the Company Secretary and must be lodged at the Registered Office at least 48 hours before the Meeting.

By order of the Board



Chibuye Mbesuma Ngulube
Company Secretary
Chilanga Cement PLC
Head Office, Farm no. 1880
Kafue Road, Chilanga
P.O. Box 32639, Lusaka
Tel: +260 211 367 400 / 367 600
Enquiries.zambia@huaxincem.com
3 March 2025

Board of Directors:
J. Chai – Executive Director, M. Hantuba – Non-Executive Chairman, M. Chibesakunda – Non-Executive Director, F. Munthali – Non-Executive Director, M. Phiri – Non-Executive Director, Q. Chen – Non-Executive Director, G. Xu – Non-Executive Director

Transfer Secretaries:
Corpserve Transfer Agents Limited, 6 Mwaleshi Road, Olympia Park, Lusaka, Zambia
Cell numbers: 0762716221, 0771881287, 0952490298, 0950968435 Email: info@corpserveregistrars.com

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

Auditor: EY Zambia

Principal Bankers: Citibank Zambia Limited, Indo Zambia Bank Limited, Standard Chartered Bank Zambia PLC.

PROXY FORM
CHILANGA CEMENT PLC

CHIBUYE MBESUMA NGULUBE
General Counsel and Company Secretary
Chilanga Cement PLC
Head Office
Farm no. 1880, Kafue Road, Chilanga
PO Box 32639, Lusaka, Zambia

33RD ANNUAL GENERAL MEETING

I/We ....

of...

being a member of Chilanga Cement 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 33rd Annual General Meeting of the members of the Company will be held virtually on https://eagm.corpservezambia.com.zm/eagm/ and physically at Intercontinental Hotel, Lusaka, Zambia on Friday, 28th March 2025 at 9:00 AM and at every adjournment thereof.

AS WITNESS my/our hand(s) this..day of..2025.

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.

PROXY FORM:

for the year ended 31 December 2024

fold here

FIX STAMP

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

NATIONAL HEROES STADIUM

KARIBA DAM

FINANCIAL STATEMENTS AND REPORT 2024

CHILANGA CEMENT PLC

FOR THE YEAR ENDED 31 DECEMBER 2024

Chilanga Cement PLC

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors are pleased to present the report and the audited financial statements for Chilanga Cement PLC as at December 2024.

ACTIVITIES

The primary business of the Company is the manufacturing and sale of cement products. The registered address of Chilanga Cement PLC is Farm 1880 Kafue Road Chilanga, Lusaka, Zambia.

FINANCIAL RESULTS

Total Revenue for the period was **K2,719,535 thousand** (2023: K2,023,952 thousand) representing an increase of 34% compared to 2023.

Profit before tax was **K 743,314 thousand** (2023: Profit of K639,722 thousand). This was mainly driven by strict cost management measures and increased sales volumes due to strategies undertaken by the Company.

Net Finance costs were **K 13,001 thousand** (2023: K7,398 thousand). Exchange gains arising mainly from the translation into Kwacha of US dollar denominated receivables, payables and cash balances amounted to **K11,136 thousand** for the year (2023: K159,119 thousand gain) which was mainly due to the depreciation of the Kwacha in 2024 which has resulted in gains from foreign currency denominated monetary assets.

DIRECTORS

The Directors who held office during the year were:

Mr. Munakupya Hantuba *Reappointed on 29 March 2022*	Chair/Non-Executive Director
Mr. Jianping Chai *Appointed on 26 November 2021*	Chief Executive Officer
Mr. Mwelwa Chibesakunda *Reappointed on 29 March 2022*	Non-Executive Director
Mr. Mark O'Donnell *Resigned on 28 March 2024*	Non-Executive Director
Dr. Frank Munthali *Reappointed on 29 March 2022*	Non-Executive Director
Mr. Gang Xu *Appointed on 6 August 2022*	Non-Executive Director
Mr. Qian Chen *Appointed on 6 August 2022*	Non-Executive Director
Mr. Mangiza Phiri *Appointed on 29 March 2023*	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 2024 was:

	2024	2023
	K'000	K'000
Dr. F. Munthali	**2,203**	2,203
Mr. M. Hantuba	**3,445**	3,445
Mr. M. Chibesakunda	**1,500**	1,500
Mr. M. Phiri	**2,500**	2,500

DIVIDENDS

An interim dividend of K1.5 per share was proposed and paid for the financial year 2024 (2023: K1). At the next Annual General Meeting, the Directors will propose a final Dividend of K2 per share (2023: K1.5) making the sum total of K3.5 per share for the year ended 31 December 2024.

RELATED PARTY TRANSACTIONS

The Directors confirm full and adequate disclosures of all related party transactions entered into during the year with all the related parties and the resultant balances at 31 December 2024. See details included under Note 16 to the financial statements.

SHARE CAPITAL

The authorised Share Capital of the Company is 243,000,000 **shares** (2023: 243,000,000 shares) 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 200,040,457 Ordinary Shares with a par value of K10,002,023 held as follows:

		2024
	Number of shares	%
Huaxin (Hainan) Investment Co., Ltd	**157,399,036**	78.69
Public (institutions and individuals)	**5,088,981**	2.54
Lusaka Clearing and Settlement Agency	**37,552,440**	18.77
	200 040 457	100.00

The Lusaka Clearing and Settlement Agency 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.

In order to comply with the minimum float requirements of issued shares as per the Listing Rules of the Lusaka Stock Exchange, the Company has floated the excess stock acquired following the Mandatory Trade Offer which the Company announced on 12 May 2022 . The said excess stock is available for purchase by interested third parties.

EMPLOYEES

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

	2024	2023
January	**459**	416
February	**467**	411
March	**483**	399
April	**446**	412
May	**432**	411
June	**437**	438
July	**435**	442
August	**433**	458
September	**424**	449
October	**418**	450
November	**418**	453
December	**411**	459

The total remuneration paid to employees during the year was **K196,460 thousand** (2023: K158,815 thousand) and has been charged to profit or loss as follows:

	2024	2023
	K'000	K'000
Cost of sales	**107,126**	107,596
Adminstration expenses	**59,206**	42,706
Selling and distribution	**10,899**	4,839
Marketing	**19,229**	3,674
	196,460	158,815

EXPORTS

The value of export sales by the Company during the year was **K1,178,219 thousand** (2023: 870,444 thousand). The increase was due to the Zimbabwe cement export market opening up.

DONATIONS

The Company supports various charitable organisations in Zambia through various materials and cement donations as well as volunteering time. In 2024 the Company spent **K 2,045 thousand** (2023: K482 thousand). No donation was of a political nature.

PROPERTY, PLANT AND EQUIPMENT

The Company continues to invest in it's operations, capital expenditure for the year 2024 was **K280,083 thousand** (2023: K124,770 thousand).

During the year, assets with a value of **K 286,348 thousand** (2023: K42,116 thousand) previously in capital work in progress were completed and commissioned. The assets were transferred to the relevant class of assets.

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 an overarching value of Chilanga Cement PLC 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 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.

DEVELOPMENTS IN THE INDUSTRY AND MARKET

With the continued stability in the political environment and improvement on government spending toward new projects have contributed to the improvement in the demand for cement domestic market. While competition in the Zambian cement industry remains high, Chilanga Cement PLC has successfully mitigated this by executing its export market strategy to capture significant market share in Zimbabwe and Malawi.

The Board has reviewed the Companies Act of Zambia, 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 adhered to various acts, including but not limited to: the Factories Act, the Public Health Act, the Occupational Health and Safety Act, the Mines and Minerals Development Act and the Zambia Environmental Management Act.

SUBSEQUENT EVENTS

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

EFFECTIVENESS OF INTERNAL CONTROLS OVER FINANCIAL REPORTING

The company and I have evaluated the effectiveness of the company's disclosure controls and procedures, and Internal Controls Over Financial Reporting as required under Securities (Internal Controls Over Financial Reporting) Guidelines. Based on this evaluation we have concluded that as of 31 December 2024, the company's disclosure controls and procedures and Internal Controls of Financial Reporting are effective.

AUDIT AND NON AUDIT REMUNERATION

In the current year, the auditors remuneration amounted to K 2,465 thousand (2023: K1,750 thousand) and other non audit remuneration amounted to K 285 thousand (2023: K 250 thousand).

AUDITORS

In accordance with the provisions of section 171(3) of the Companies Act of Zambia, the auditors, Messrs EY Zambia, will retire as auditors of the company at the forthcoming Annual General meeting, and having expressed their willingness to continue in office, a resoluton for their re-appointment will be proposed at the Annual General Meeting.

By order of the Board.

Chibuye M. Ngulube
Company Secretary
Lusaka, Zambia

Date: 17 February 2025

STATEMENT ON CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31 DECEMBER 2024

At Chilanga Cement PLC, our steadfast dedication to corporate governance serves as the cornerstone of the Company's success. The leadership provided by a visionary Board of Directors, in conjunction with a diligent management team that effectively translates strategic vision into actionable initiatives, has cultivated a governance culture characterised by foresight and prudent decision-making. We have consistently adhered to the principles of effective governance.

The Company acknowledges the critical importance of complying with the highest standards of corporate governance. We fully comply with all applicable laws and regulations that govern listed companies, including the Lusaka Securities Exchange Corporate Governance Code. In addition to our regulatory compliance, we uphold rigorous policies such as the Code of Business Conduct, which applies to our directors, officers, employees, and suppliers. Our unwavering commitment to transparency and accountability in all dealings facilitates substantial value creation for our shareholders through sustained growth, innovative practices, and a dedicated approach to addressing the evolving demands of the market.

Therefore, this report aims to provide an overview of the Company's governance practices.

COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Chilanga Cement PLC is comprised of seven Directors. Except for the Managing Director, no other Directors hold executive positions within the Company. The Non-Executive Directors are independent of management and exercise their independent judgment. Their extensive experience contributes substantially to the deliberations of the Board.

During the period under review, the Board comprised of the following members:

Names	Status	Appointing Authority	Date of Appointment
Mr. Munakupya Hantuba	Non - Executive / Independent & Chair	Huaxin (Hainan) Investment Co., Ltd	Re-appointed: 29-03-2022
Mr. Mwelwa Chibesakunda	Non - Executive / Independent	Huaxin (Hainan) Investment Co., Ltd	Re-appointed: 29-03-2022
Mr. Mark O'Donnell	Non - Executive / Independent Audit and Risk Committee Chair	Huaxin (Hainan) Investment Co., Ltd	Resigned: 28-03-2024
Dr. Frank Munthali	Non - Executive / Independent	Huaxin (Hainan) Investment Co., Ltd	Re-appointed: 29-03-2022
Mr. Jianping Chai	Managing Director/ Executive	Huaxin (Hainan) Investment Co. Ltd	Appointed: 26-11-2021
Mr. Gang Xu	Non-Executive	Huaxin (Hainan) Investment Co., Ltd	Appointed: 06-08-2022
Mr. Qian Chen	Non-Executive	Huaxin (Hainan) Investment Co., Ltd	Appointed: 06-08-2022
Mr. Mangiza Phiri	Non-Executive	Minority shareholders	Appointed: 29-03-2023

BOARD COMMITTEES

In the year 2024, the Board of Directors convened on a quarterly basis to establish and oversee the operations of the company. During these meetings, the Board actively defined and monitored the strategic direction of the organisation. The primary objectives included providing careful guidance for the company's development and establishing a strong framework for effective corporate governance.

The Board of Directors has subcommittees to which it has delegated specific responsibilities to facilitate the accomplishment of its duties. While these subcommittees operate independently and report directly to the Board, the Executive Committee is an exception as it reports to the Managing Director. The collective efforts of these committees significantly enhance the overall effectiveness of the Board of Directors.

EXECUTIVE COMMITTEE OF MANAGEMENT

The Executive Committee of Management reports directly to the Chief Executive Officer. In 2024, they met weekly to strategically plan and implement the strategies and policies set by the Board. Their focus was on making decisions that align with the Company's vision and values, as well as ensuring the proper management of the Company's business and affairs.

RECORD OF DIRECTORS' ATTENDANCE

In accordance with the Companies Act No.10 of 2017, listing rules of the Lusaka stock Exchange (LuSE), the Securities Act No.41 of 2016, the record of Directors' attendance and the meetings held during the year 2024 are available for inspection.

(i) Board Meetings

The Board convened four meetings during the 2024 financial year. The effective operation of these meetings was facilitated by the timely distribution of meeting agendas and pertinent management reports. Furthermore, the Company Secretary was instrumental in maintaining precise records of the meetings, ensuring meticulous documentation of the minutes, which were subsequently reviewed and approved at later Board meetings. The table below presents the membership and attendance of Directors at the Board meetings conducted throughout the 2024 financial year:

	19/02	05/06	13/08	29/11	Total
Mr. Munankupya Hantuba	√	√	√	√	4
Mr. Mwelwa Chibesakunda	√	√	√	√	4
Mr. Mark O'Donnell	√	N/A	N/A	N/A	1
Dr. Frank Munthali	√	√	√	√	4
Mr. Jianping Chai	√	√	√	√	4
Mr. Gang Xu	√	√	√	√	4
Mr. Qian Chen	√	√	√	√	4
Mr. Mangiza Phiri	N/A	√	√	√	3

√ - Present x - Absent

(ii) Audit and Risk Management Committee

The Audit and Risk Management Committee serves as a subcommittee of the Board, tasked with providing an independent evaluation of the control environment, business practices, and financial reporting of the Company. In addition, the Committee is responsible for establishing an independent reporting relationship for the internal audit and internal control functions, as well as overseeing the Company's adherence to ethical standards.

The Committee is composed of three Non-Executive Directors and is chaired by an Independent Non-Executive Director. The initial meeting of the Committee for the first quarter was presided over by Mr. Mark O'Donnell. Following his resignation from the Board, Mr. Mangiza Phiri was appointed to the Committee, and Mr. Mwelwa Chibesakunda, a long-standing member, was subsequently appointed as the chairperson. Mr. Chibesakunda led the last two meetings of the Committee.

In the 2024 financial year, the Committee convened three meetings. The subsequent table provides information regarding the membership and attendance of Directors at the Audit and Risk Management Committee meetings held during this period:

	19/02	13/08	29/11	Total
Mr. M. Chibesakunda	√	√	√	3
Mr. M. O'Donnell	√	N/A	N/A	1
Dr. F Munthali	√	√	√	3
Mr. Jianping Chai (On Invitation)	√	√	√	3
Mr. Mangiza Phiri	N/A	√	N/A	2

√ - Present x - Absent

Organisational Ethics and Business Integrity

In the context of today's intricate business landscape, fostering a culture of integrity is vital to the success of the Company. The Company's Code of Business Conduct, along with other internal regulations, establishes the behavioural standards expected of all employees. These guidelines not only align with Company policies but also comply with relevant laws and regulations, thereby promoting ethical conduct among the Company's committed workforce.

Throughout 2024, the Company consistently upheld and refined the management procedures that were instituted in prior years. This process included the development of annual strategic plans, mid-term plans, plant development plans, and budgets, all of which were instrumental in ensuring that decisions across diverse business areas were well-informed and strategically sound.

Legal and Compliance

As a publicly listed entity, the Company operates under a rigorous regulatory framework that necessitates compliance with all relevant laws, regulations, standards, and ethical practices. The primary objective of the Legal and Compliance function is to ensure comprehensive adherence to these requirements across all facets of the Company's operations. During the review period, this Compliance function successfully accomplished a series of objectives established at the outset of 2024, which included, but were not limited to:

1. Ensuring the Company's adherence to all minimum control standards pertaining to Governance and Compliance;
2. Providing legal counsel to various departments within the organisation and ensuring that operational practices are in alignment with legal requisites;
3. Conducting in-person training sessions focused on contract management and data protection;
4. Revising the Code of Business Conduct and other relevant policies to reflect evolving legal and ethical standards; and
5. Implementing and updating procedural frameworks to respond to changes in the legal environment and to mitigate potential legal risks.

Code of Conduct

Chilanga Cement PLC is committed to conducting its business with honesty, integrity, and adherence to the highest legal and ethical standards. To facilitate this mission, the Company's Code of Conduct serves as a guiding framework for all operations, internal dynamics, and engagements with stakeholders. Every individual associated with the Company, including employees, service providers, suppliers, and subcontractors, is expected to uphold exemplary levels of integrity and honesty in all interactions related to the Company.

The Code of Conduct offers guidance on issues relating to:

- Integrity in the workplace;
- Integrity in business practices;
- Integrity in the community; and
- Reporting.

Internal Auditors

Chilanga Cement PLC has an independent internal audit function designed to add value to the control environment while rendering independent assurance to the Board on the effectiveness of internal controls over operational and compliance activities, and the adequacy of the governance system.

The Internal Audit Plan is set each year and approved by the Board through the Audit and Risk Committee in line with the internal audit risk assessment and is consistent with the Company's objectives. The internal audit function is further empowered to identify potential areas for improvement, assess risks, and contribute valuable insights to bolster the organisation's overall risk management framework.

External Auditors

Every year external auditors are appointed by the shareholders and are subject to re-appointment at the Company's Annual General Meeting. In accordance with the law, the Company rotates external auditors to ensure independence of the auditors is sustained. The current external auditors of the Company are EY Zambia. External Auditors along with the support of management ensure the completion of independent audits through regular and systematic Audit Planning.

Internal Control
The Internal 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 Chilanga Cement PLC policies and procedures and are implemented by trained personnel, with an appropriate segregation of duties.

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 continuous process to mitigate business risks better through improving the effectiveness and efficiency of internal controls is part of the management cycle and each 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

The implementation of this action plan is followed by relevant senior management. The Internal Auditor ensures that Chilanga Cement PLC implements these action plans and complies with established procedures consistently.

Chilanga Cement PLC

STATEMENT OF RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

The Companies Act of Zambia, 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 adheres to the corporate governance principles or practices contained in Part VII's Sections 82 to 122 of the Companies Act of Zambia, 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 of Zambia, 2017 and the Securities Act of Zambia, 2016.

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 96 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 in the manner required by the Companies Act of Zambia, 2017 and the Securities Act of Zambia, 2016. 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 of Zambia, 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 Chilanga Cement PLC, set out on pages 64 to 96, were prepared by the Chief Financial Officer and the Finance Manager, both qualified Chartered Accountants, under the supervision of the Audit and Risk Committee and were approved by the Board of Directors on 17 February 2025 and signed on its behalf by:

M. HANTUBA
DIRECTOR

J. CHAI
DIRECTOR

Chilanga Cement PLC

INDEPENDENT AUDITOR'S REASONABLE ASSURANCE REPORT ON THE INTERNAL CONTROLS OVER FINANCIAL REPORTING

Shape the future
with confidence

EY Zambia
EY Place
Plot No. 354437
P O Box 35483
Alick Nkhata Road
Lusaka 10101, Zambia

Tel: +260 211 378300/1/3/4
Fax: +260 211 378302
www.ey.com
Email: info@zm.ey.com

To: The Shareholders of Chilanga Cement Plc

SCOPE

We have been engaged by Chilanga Cement PLC to perform a 'reasonable assurance engagement', as defined by International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and Securities (Internal Controls Over Financial Reporting) Guidelines, 2024 hereafter referred to as the engagement, to report on the effectiveness of Chilanga Cement PLC's Internal Controls over Financial Reporting (the "Subject Matter").

DEFINITION AND LIMITATIONS OF INTERNAL CONTROL OVER FINANCIAL REPORTING

A company's internal controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal controls over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of their inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

CRITERIA APPLIED BY CHILANGA CEMENT PLC

In designing, establishing and operating the Internal Controls Over Financial Reporting (ICFR), Chilanga Cement PLC applied the requirements of Internal Control-Integrated Framework (2013) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and the Securities (Internal Controls Over Financial Reporting) Guidelines, 2024. Such Criteria were specifically designed to enable organizations effectively and efficiently develop systems of internal controls that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision making and governance of the organization. As a result, the subject matter information may not be suitable for another purpose.

CHILANGA CEMENT PLC'S RESPONSIBILITIES

Chilanga Cement PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. Management is also responsible for maintaining effective Internal Controls Over Financial Reporting, in accordance with the criteria.

EY'S RESPONSIBILITIES

Our responsibility is to express an opinion the effectiveness of Chilanga Cement PLC's Internal Controls over Financial Reporting as at 31 December 2024 (the "Subject Matter") based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and Securities (Internal Controls Over Financial Reporting) Guidelines, 2024 and the terms of reference for this engagement as agreed with Chilanga Cement PLC on 06 August 2024. Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

OUR INDEPENDENCE AND QUALITY MANAGEMENT

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Our reasonable assurance engagement of the company's internal controls included obtaining an understanding of internal controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe that our procedures provided a reasonable basis for our opinion.

OUR OPINION

In our opinion, Chilanga Cement PLC's Internal Controls Over Financial Reporting as of 31 December 2024 are adequately designed and operating effectively, in all material respects, based on the Committee of Sponsoring Organizations Framework (COSO) and Securities (Internal Controls Over Financial Reporting) Guidelines, 2024.

We also have audited, in accordance with the International Standards on Auditing, the financial statements of Chilanga Cement PLC which comprise Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position as of 31 December 2024, Statement of Changes in Equity, Statement of Cashflows for the year then ended and notes to the financial statements including a summary of material accounting policy information and our report dated 24 February 2025, which expressed an unmodified opinion.

EY Zambia

EY Zambia
Chartered Accountants

The engagement partner on the audit resulting in this independent auditor's report is;

Mark M Libakeni **24 February 2025**
Partner - Practicing Certificate Number: AUD/F000397 **Lusaka**

Chilanga Cement PLC

MANAGEMENT REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

FOR THE YEAR ENDED 31 DECEMBER 2024

Management Responsibility

Management of Chilanga Cement PLC is responsible for establishing and maintaining adequate internal controls over financial reporting. Our internal control over financial reporting is a process designed under the supervision of our Chief Executive Officer and our Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the company's financial statements for external reporting purposes in accordance with International Financial Reporting Standards. Internal control over financial reporting includes our disclosure controls and procedures designed to prevent misstatements.

Risks in Financial Reporting

The main risks in financial reporting are that it is possible that either financial statements do not present a true and fair view due to inadvertent or intentional errors (fraud), or that the publication of financial statements is not done on a timely basis. These risks may reduce investor confidence or cause reputational damage and may have legal consequences including banking regulatory interventions. A lack of fair presentation arises when one or more financial statements or disclosures contain misstatements or omissions that are material. Misstatements or omissions are deemed material if they could, individually or collectively, influence economic decisions that users make on the basis of the financial statements.

Internal Controls Evaluation Framework

To confine the risks of financial reporting, management of the company has established internal controls over financial reporting with the aim of providing reasonable, but not absolute, assurance against material misstatements or omissions and has conducted an assessment of the effectiveness of the company's internal controls over financial reporting based on the framework established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). COSO recommends the establishment of specific objectives to facilitate the design, and evaluate the adequacy, of a control system. As a result, in establishing internal controls over financial reporting, management has adopted the following financial statement objectives:

- Existence – Assets and liabilities exist and transactions have occurred;
- Completeness – all transactions are recorded, and account balances are included, in the financial statements
- Valuation – assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts.
- Rights and Obligations of ownership – rights and obligations are appropriately recorded as assets
- Presentation and disclosure- classification, disclosure and presentation of financial reporting is appropriate; and
- Safeguarding of assets – unauthorized acquisitions, use or disposition of assets is prevented or detected in a timely manner.

However, any internal control system, including internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, but not absolute, assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for internal control over financial reporting may not prevent all errors and fraud. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

Organisation of the System of Internal Controls over Financial Reporting

Controls within the system of internal controls over financial reporting are performed by all business functions with an involvement in reviewing the reliability of the books and records that underlie the financial statements. As a result, the operation of internal controls over financial reporting involves staff in the following departments: Finance, Procurement, Logistics, and Sales.

The Finance department is responsible for the periodic preparation of the financial statements and operates independently from the company's businesses. Within finance, different functions have control responsibilities which contribute to the overall preparation process.

- Finance department specialists are responsible for reviewing the quality of the financial data by performing validation and control. They are in close contact with business, infrastructure and legal entity management and employ specific knowledge to address financial reporting issues arising on products and transactions, as well as validating, reserving and other adjustments based on judgement.
- Finance department is also responsible for company-wide activities which include the preparation of the company financial and management information, forecasting and planning and risk reporting. Finance sets the reporting timetables, controls the period end and adjustment processes, compiles the financial statements, and considers and incorporates comments as to content and presentation made by senior and external advisors.
- Finance department is also responsible for developing the company's interpretation of International Financial Reporting Standards and their consistent application within the company and is responsible for the timely resolution of corporate and transaction specific accounting issues.
- Tax manager is responsible for producing income tax related financial data in conjunction with Finance, covering the assessment and planning of current and deferred income taxes and the collection of tax related information. Tax manager monitors the income tax position and controls the provisioning for tax risks.

Controls to minimize the risk of Financial Reporting Misstatement

The system of internal control over financial reporting consists of a large number of internal controls and procedures aimed at minimising the risk of misstatement of the financial statements. Such controls are integrated into the operating process and include those which:

- Are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties.

- Operate on a periodic basis such as those which are performed as part of the annual financial statement preparation process.
- Are preventative or detective in nature.
- Have a direct or indirect impact on the financial statements themselves. Controls which have an indirect effect on the financial statements include Information Technology general controls such as access and deployment controls. An example of a control with direct impact would be a reconciliation which directly supports a balance sheet line item.
- Feature automated or manual components. Automated controls are control functions embedded within system processes such an application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individual such as authorization of transactions.
- The combination of individual controls encompasses each of the following aspects of the system of internal control over financial reporting.
- Accounting policy design and implementation. Controls to promote the consistent recording and reporting of the company's business activities in accordance with authorised accounting policies.
- Reference data. Controls over reference data in relation to the general ledger and on and off balance sheet transactions including product reference data.
- New product and transactions approval, capture and confirmation. Controls are intended to ensure the completeness and accuracy of recorded transactions as well as appropriate authorisation. Such controls include transaction confirmations, which are sent to and received from counterparties to help ensure that trade details are corroborated.
- Reconciliation controls, both external and internal. Inter-system reconciliations are performed between relevant systems for all trades, transactions, positions or relevant parameters. External reconciliations include bank account, depot and exchange reconciliations.
- Business aligned valuation specialists focus on valuation approaches and methodologies for various asset classes and perform IPV for complex derivatives and structured products.
- Taxation. Controls are designed to ensure that tax calculations are performed properly and that tax balances are appropriately recorded in the financial statements.
- Reserving and adjustments based on judgment. Controls are designed to ensure that reserving and other judgments are authorized and reported in accordance with approved accounting policies
- Balance sheet substantiation. Controls relating to the substantiation of balance sheet accounts to promote the integrity of general ledger account balances based on supporting evidence.
- Financial statements disclosure and presentations. Controls over compilation of the financial statements themselves including presentation of disclosure checklists and compliance with requirements thereof, and review and sign off of the financial statements by senior finance management. The financial statements are also subject to approval by Management, and the Board and its Audit and Risk Committee.

Measuring Effectiveness of Internal Control

Each year, management of the company undertakes a formal evaluation of the adequacy and effectiveness of the system of internal control over financial reporting. This evaluation incorporates an assessment of the effectiveness of the control environment as well as individual controls which make the system of internal control over financial reporting taking into account:

- The financial misstatement risk of the financial statement line items, considering such factors as materiality and susceptibility of the particular financial statement item to misstatement; and
- The susceptibility of identified controls to failure considering such degrees of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature and extent of evidence that management requires in order to be able to assess whether or not the operation of the system of internal control over financial reporting is effective. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for the purpose of internal control over financial reporting evaluation. Information from other sources also forms an important component of the evaluation since such evidence may either bring additional control issues to the attention of management or may corroborate findings. Such information sources include;

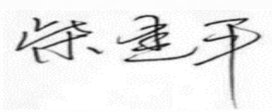
- Reports on audits carried out by or on behalf of the regulatory authorities
- External auditor reports
- Reports commissioned to evaluate the effectiveness of outsourced processes to third parties

In addition, the company's Internal Audit function evaluates the design and the operating effectiveness of internal control over financial reporting by performing periodic and ad-hoc risk based audits. Reports are produced summarising the results for each audit performed which are distributed to the responsible managers for the activities concerned. These reports also provide evidence to support the annual evaluation by management of the overall operating effectiveness of internal controls over financial reporting.

As a result of the evaluation, management has concluded that internal control over financial reporting is appropriately designed and operating effectively as of 31 December 2024.

Messrs. EY Zambia, the external auditors that audited the Company's financial statements for the year ended 31 December, 2024, have issued their reasonable assurance report on the Company's internal controls over financial reporting and their report is on page 57 to 58 of the annual report.

Signed by



CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

INDEPENDENT AUDITOR'S REPORT

Shape the future
with confidence

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To the Shareholders of Chilanga Cement PLC

AUDIT REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

OPINION

We have audited the financial statements of Chilanga Cement Plc ('the Company') set out on pages 64 to 96 which comprise the statements of profit or loss and other comprehensive income, the statements of financial position as at 31 December 2024, the statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects the financial position of the company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Zambia Companies Act, 2017 and the Zambia Securities Act, 2016

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 the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits in Zambia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Chilanga Cement Plc. 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. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of property, plant and equipment	
KEY AUDIT MATTER	**HOW THE MATTER WAS ADDRESSED IN THE AUDIT**
As at the reporting date, the Company reported Property plant and equipment carried at fair value amounting to ZMW1,621,304,000 (2023: ZMW 1,984,837,000). International Accounting Standard (IAS) 16 – 'Property, Plant and Equipment,' requires that after recognition as an asset, an item of property, plant and equipment (PPE) whose fair value can be measured reliably, may, as an accounting policy choice, be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and accumulated impairment losses.	**"Our audit procedures included the following:** • We engaged and discussed with management to gain an understanding of the valuation expert's scope and nature of work during the external desktop valuation performed on 31 December 2024. • We evaluated the competence and objectivity of management's valuation expert through inquiry and inspection of their professional certifications and experience in similar past valuations.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
The Company's policy is to revalue PPE every five (5) years and perform desktop valuations annually. As disclosed in notes 3.6 and 12 of the financial statements, the Company's property, plant and equipment is revalued at the estimated replacement cost, as adjusted in relation to the remaining useful lives of these assets, except for leasehold land which has been valued based on current market value methodology. In the current year, Management applied significant judgement in the determination of appropriate methods and inputs considering prevailing economic conditions as noted in note 4.1. We held extensive discussions with management's expert over the significant unobservable inputs which include the remaining useful life, depreciation method applied and the condition of the existing assets. Due to the significant judgement applied by management in determining the fair values of property, plant and equipment, management engaged an independent valuer to determine the fair value of these assets through a desktop valuation. The Company disclosures about significant judgements and estimates related to fair value of Property plant and equipment are included in note 12 to the financial statements which details the assumptions and key inputs used by management.	With the support of our valuation specialists, we performed the following procedures: • We assessed the use of the depreciated replacement cost on plant and equipment and the use of current market valuation method applied to leasehold land against applicable industry valuation methods for these types of assets, and against the requirements of IFRS. • We evaluated the useful lives of assets and depreciation method used through comparison to those of similar assets in the industry, adjusting for the specific conditions and usage of assets. • We assessed the condition of the assets through a physical verification exercise • We assessed the reasonableness of the current market values of leasehold land by comparing them to prevailing market evidence. • We assessed the adequacy of the disclosures made in the financial statements against the requirements of IAS 16 Property, plant, and equipment.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Report of the Directors, Statement of Directors' responsibilities as required by the Zambia Companies Act, 2017, Five-Year Financial Record and Management report on internal controls over financial reporting, Annual certification by Chief Executive Officer on the annual report and other submissions, Annual certification by Chief Financial Officer on the annual report and other submissions, Certification by signing officers to the external Auditors and Certification by signing officers to the Audit and Risk committee as required by the Securities (Internal Controls Over Financial Reporting) Guidelines 2024. It also includes information included in the annual report expected to be received after the date of this report. 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 an audit opinion or any form of assurance 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 in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information 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 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Zambia Companies Act, 2017 and the Zambia Securities Act, 2016 and for such internal control as the directors determine is necessary to enable the preparation of 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. The directors are also responsible for overseeing Chilanga Cement Plc's financial reporting process.

AUDITOR'S 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 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 judgment and maintain professional skepticism 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

Zambia Companies Act, 2017

In accordance with Section 259(3) of the Zambia Companies Act, 2017, we consider and report that:

- There is no relationship, interest or debt we have with the company; and
- Based on our audit, we did not come across any serious breaches of corporate governance principles or practices by the Directors. The statement is made on the basis of the corporate governance provisions, Part VII of the Zambia Companies Act, 2017.

Zambia Securities Act, 2016

In accordance with Part III, Rule 18 of the Securities (Accounting and Financial Reporting Requirements) Rules (SEC Rules), statutory instrument No.163 of 1993, we consider and report that:

- The annual financial statement of the Company have been properly prepared in accordance with Securities and Exchange Commission rules;
- The Company has throughout the financial year, kept proper accounting records in accordance with the requirements of the Securities and Exchange Commission rules;
- The statement of financial position and statement of comprehensive income are in agreement with the Company records; and
- We have obtained all the information and explanations which, to the best of our knowledge and belief are necessary for the purpose of our audit.

EY Zambia
Chartered Accountants

The engagement partner on the audit resulting in this independent auditor's report is;

Mark M Libakeni
Partner - Practicing Certificate Number: AUD/F000397

24 February 2025
Lusaka

Chilanga Cement PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	2024 K'000	2023 K'000
Revenue	5	**2 719 535**	2 023 952
Cost of sales		**(1 300 585)**	(929 360)
Gross profit		**1 418 950**	1 094 592
Selling and distribution expenses	6.2	**(377 888)**	(429 362)
Marketing expenses	6.3	**(29 674)**	(9 223)
Administration expenses	6.1	**(286 945)**	(173 135)
Expected credit losses	15.1	**(4 472)**	2,386
Gain/(loss) on disposal	9	**71**	(18)
Exchange gains	7.1	**11 136**	159 119
Other operating income	7.2	**6 499**	–
Operating profit		**737 676**	644 359
Investment income	8.2	**18 639**	2 761
Finance costs	8.1	**(13 001)**	(7 398)
Profit before tax		**743 314**	639 722
Income tax expense	10	**(175 631)**	(192 282)
Profit for the year		**567 683**	447 441
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
(Loss)/Gain on property, plant and equipment revaluation		**(563 063)**	119 287
Adjustment to environmental provision		**(20 132)**	(27 599)
Income tax relating to items that will not be classified subsequently to Profit or loss		**184 305**	(35 786)
Other comprehensive income for the year, net of income tax		**(398 890)**	55 902
Total comprehensive income for the year		**168 793**	503 343
Basic and diluted earnings per share (from normal results for the year) (Kwacha)	11	**2.84**	2.24

Accounting policies and notes to the financial statements set out on pages 68 to 96 form an integral part of the financial statements.

Chilanga Cement PLC

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

ASSETS	NOTES	2024 K'000	2023 K'000
Non-current assets			
Property, plant and equipment	12	**1 621 304**	1 984 837
Intangible assets	13	**8 167**	7 319
Environmental Protection Fund	19	**24 467**	21 013
Total non-current assets		**1 653 938**	2 013 169
Current assets			
Cash and Cash Equivalent	17	**505 364**	600 912
Inventories	14	**350 358**	279 828
Trade receivables	15.1	**78 536**	38 226
Other receivables	15.2	**296 538**	243 598
Amounts due from related companies	16	**2 741**	106 012
Total current assets		**1 233 537**	1 268 576
Total assets		**2 887 475**	3 281 745
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	18.1	**10 002**	10 002
Revaluation reserve	18.2	**338 469**	776 868
Retained earnings	18.3	**1 521 693**	1 514 622
Total equity		**1 870 164**	2 301 492
Non-current liabilities			
Provision for environmental liabilities	19	**93 077**	68 395
Deferred tax liabilities	21	**170 253**	366 281
Total non-current liabilities		**263 330**	434 676
Current liabilities			
Trade payables	22	**129 858**	95 527
Contract liabilities	23	**78 594**	56 887
Other payables	23.1	**177 691**	160 523
Retirement benefit plans	20	**3 779**	860
Amounts due to related companies	16	**199 468**	201 103
Income tax liability	10	**164 591**	30 677
Total current liabilities		**753 981**	545 577
Total liabilities		**1 017 311**	980 253
Total equity and liabilities		**2 887 475**	3 281 745

Accounting policies and notes to the financial statements set out on pages 68 to 96 form an integral part of the financial statements.

The responsibilities of the Company's Directors with regard to the preparation of the financial statements are set out on page 56. The financial statements on pages 64 to 96 were approved for issue by the Board of Directors on 17 February 2025 and were signed on its behalf by:

M. HANTUBA
DIRECTOR

J. CHAI
DIRECTOR

Chilanga Cement PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Revaluation reserve	Retained earnings	Total
	K'000	K'000	K'000	K'000
Balance at 1 January 2023	**10 002**	**777 429**	**1 410 799**	**2 198 230**
Profit for the year	–	–	447 441	447 441
Depreciation transfer on revalued assets (Note 18.2)	–	(56 463)	56 463	–
Other comprehensive income for the year, net of income tax	–	55 902	–	55 902
Dividends paid	–	–	(400 081)	(400 081)
Balance at 31 December 2023	10 002	776 868	1 514 622	2 301 492
Balance at 1 January 2024	**10 002**	**776 868**	**1 514 622**	**2 301 492**
Profit for the year	–	–	567 683	567 683
Depreciation transfer on revalued assets (Note 18.2)	–	(39 509)	39 509	–
Other comprehensive income for the year, net of income tax	–	(398 890)	–	(398 890)
Dividends paid	–	–	(600 121)	(600 121)
Balance at 31 December 2024	**10 002**	**338 469**	**1 521 693**	**1 870 164**

Accounting policies and notes to the financial statements set out on pages 68 to 96 form an integral part of the financial statements.

Chilanga Cement PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	2024 K'000	2023 K'000
Profit before tax		**743 314**	639 722
Adjustments for:			
(Gain)/loss on disposal of property, plant and equipement	9	**(71)**	18
Finance costs	8.1	**13 001**	7 398
Investment income	8.2	**(18 639)**	(2 761)
Inventory obsolescence	14	**3 972**	6 591
Expected credit loss on trade receivables	15.1	**1 928**	12 633
Provision for retirement benefit plans	20	**4 087**	1 149
Depreciation of non-current assets and right of use assets	12	**80 553**	74 165
Amortisation of intangible assets	13	**310**	779
Unrealised exchange losses/(gains)	7.1	**34 829**	(44 141)
Net cash flows from operating activities before movements in working capital		**863 284**	695 553
Movements in working capital:			
Increase in inventories	14	**(70 530)**	(17 922)
Increase in trade receivables	15.1	**(42 238)**	(19 302)
Increase in other receivables	15.2	**(52 940)**	(51 361)
Decrease in amounts due from related companies	16	**103 271**	3 887
Increase/(decrease) in trade payables	22	**34 331**	(55 620)
Decrease in Contract Liabilty	23	**21 707**	21 233
Increase/ (decrease) in other payables	23.1	**17 168**	(19 355)
Increase EPF Contribution	19	**(3 454)**	(21 013)
(Decrease)/Increase in amounts due to related companies	16	**(1 635)**	188 173
Cash generated from operations		**868 964**	724 273
Income taxes paid	10	**(57 851)**	(112 260)
Retirement benefits paid	20	**(1 168)**	(573)
Interest paid	8.1	**(8 408)**	(5 641)
Net cash generated by operating activities		**801 537**	605 799
Cash flow from investing activities			
Investment income	8.2	**18 639**	2 761
Purchase of property, plant and equipment (i)	12	**(280 083)**	(124 770)
Purchase of intangible assets	13	**(1 158)**	(3 210)
Proceeds on disposal of property plant and equipment		**71**	207
Net cash used in investing activities		**(262 531)**	(125 012)
Cash flow from financing activities			
Dividend paid to owners of the Company		**(600 121)**	(400 081)
Net cash used in financing activities		**(600 121)**	(400 081)
Net increase in cash and cash equivalents		**(61 115)**	80 706
Cash and cash equivalents at beginning of the year		**600 912**	436 391
Effect of foreign exchange rate changes		**(34 433)**	83 815
Cash and cash equivalents at end of the year		**505 364**	600 912
Represented by:			
Comprising:			
Bank and cash balances	17	**505 364**	600 912

(i) Reflects actual payments made.
Accounting policies and notes to the financial statements set out on pages 68 to 96 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

Chilanga Cement 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 Chilanga Cement PLC is Stand 1880 Kafue Road Chilanga, Lusaka Zambia.

The financial statements are presented in Zambian Kwacha (K), which is the company's presentation currency. All financial information presented in Zambian Kwacha has been rounded to the nearest thousand unless otherwise indicated. The Company's functional currency is the Zambian Kwacha (K).

2. ADOPTION OF NEW AND REVISED STANDARDS

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

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 16:
Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Amendments to IAS 1:
Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

2.2 New and revised IFRS Accounting Standards in issue but not yet effective

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. The amendments are not expected to have a material impact on the company's financial statements.

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

- Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met
- Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features
- Clarifies the treatment of non-recourse assets and contractually linked instruments
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income

The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.The amendments are not expected to have a material impact on the company's financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements
In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

IFRS 18 also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.IFRS 18, and the amendments to the other standards, are effective for reporting pe-riods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures
In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards. IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted. As the company's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION
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 as issued by the International Accounting Standards Board ("IASB").

(b) Basis of accounting
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards). The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets. The principal accounting policies adopted are set out below.

3.1 Revenue
3.1.1 Revenue
Revenue from the sale of the Company's core product cement is recognised when service obligation is met, that is, when delivery has taken place and control of the goods has been transferred to the customer. The customer obtains control of the goods when the significant risks and rewards of product sold is transferred according to the specific delivery terms that have been formally agreed with the customer, generally upon delivery when the delivery note is signed by the customer as evidence that they have obtained physical possession and accepted the products delivered to them.

The core product is often sold with volume discounts. Revenue from these sales is recognized based on the price specified on the invoice, net of estimated discounts. Accumulated experience is used to estimate and provide for the discounts, using the most likely amount. A liability is recognized for expected volume discounts in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with the Company concerned, which is consistent with market practice. Generally, cement sales are not returned as a customer will only accept these products once they have passed a stringent quality check at delivery point.

3.1.2 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

i. Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

During the prior year, land was reclassified to Right of Use Assets Class from Property Plant and Equipment with effect from 2023, and the revalued land has since began to be amortised.

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.

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 depreciation starts at the commencement date of the lease. The estimated useful lives of right-of-use assets are determined on the same basis as those of the underlying property and equipment.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Administration expenses" in statement of profit or loss.

For a contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease 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.

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 is 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 recognised 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 payment or translation of foreign denominated monetary assets and liabilities are recognised in profit or loss in the period in which they arise.

3.4 Retirement and termination 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 recognised as an expense when full time 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), a State managed retirements benefits plan, 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 in accordance with the rules of the scheme.

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 in other years and it further excludes 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.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

3.5.2 Deferred tax

Deferred tax is the tax expected to be payable or recoverable 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 and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences except to the extent that they arise from the following:

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 follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of the assets and liabilities.

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.

3.6 Property, plant and equipment

Property, plant and equipment 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 every 5 years 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. However, desktop revaluations are performed annually to reassess material movements in the assets fair value.

Any revaluation increase arising on the revaluation of plant and equipment, leasehold properties and furniture and fittings 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 property, plant and equipment, leasehold properties and furniture and fittings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

In addition, a transfer is made from revaluation reserve to retained earnings when the asset is derecognised 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.The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items.

Properties in the course of construction for production, supply or administrative purposes, are carried at cost less 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 derecognised 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 recognised in profit or loss. Further, the useful lives are reviewed on an annual basis. The rates of depreciation used are based on the useful lives as follows:

	Average Useful Life in Years
Motor Vehicles	3 - 10 years
Plant and Equipment	10 - 30 years
Buildings	20 - 35 years
Right of Use Assets (Land)	99 years

3.7 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation 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.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising on derecognition of an intangible asset, measured as a difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

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 recognised 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 recognised 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. Obsolescence stock provisions are made on consumable inventory based on ageing of stock in line with Company policy.

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 recognised 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 the effect of the time value of money is material).

When some or all of the economic benefits required to settle the obligation 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

Provision is made for costs associated with the restoration and cement operation sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of the extractive industry and are normally accrued to reflect the Company's obligations at that time.

The costs are estimated on the basis of cement operation closure plans and the estimated costs of dismantling and removing these facilities and the costs of restoration are capitalised when incurred reflecting the Company's obligations at that time. A corresponding provision is created on the liability side. The capitalised asset (included as part of plant and machinery) is charged to the profit or loss over the life of the asset through depreciation over the life of the operation. Management estimates are based on local legislation and the work of an independent expert. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology.

Additional disturbances that arise due to further development/construction at the cement plant are recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur.

Changes in the estimated timing of rehabilitation or changes to the estimated future costs are dealt with prospectively by recognising an adjustment to the rehabilitation liability and a corresponding adjustment to the asset to which it relates, if the initial estimate was originally recognised as part of an asset measured in accordance with IAS 16. If the related asset is measured using the revaluation model, a decrease in the liability shall be recognised in other comprehensive income and increase the revaluation surplus within equity, except that it shall be recognised in profit or loss to the extent that it reverses a revaluation deficit on the asset that was previously recognised in profit or loss. An increase in the liability shall be recognised in profit or loss, except that it shall be recognised in other comprehensive income and reduce the revaluation surplus within equity to the extent of any credit balance existing in the revaluation surplus in respect of that asset. In the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess shall be recognised immediately in profit or loss.

Any reduction in the rehabilitation liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of the asset. If it does, any excess over to the carrying value is taken immediately to the statement of profit or loss and other comprehensive income.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in the statement of profit or loss and other comprehensive income as part of finance costs.

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.

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.

3.12 Financial instruments

3.12.1 Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss) are added to the fair value of the financial asset on initial recognition.Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognized immediately in profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15. A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration).

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

3.12.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

3.12.3 Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised.

The Company's financial assets at amortised cost mainly comprises trade receivables, other receivables and environmental provision fund.

3.12.4 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when the rights to receive cash flows from the asset have expired.

3.12.5 Impairment

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions Note 4.2.2
- Trade receivables Note 15

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due and when its non operational. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.12.6 Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Company's financial liabilities are the trade and other payables.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified at:

- Financial liabilities at amortised cost (Trade and other payables)
- Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

3.12.7 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

3.12.8 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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 ordinary 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

3.14 Value Added Tax

Expenses and assets are recognised 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 realised or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading
- Expected to be realised 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.

3.16 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.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(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 90 days past due and when its non operational., 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:

a. The financial instrument has a low risk of default,
b. The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
c. 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:

d. significant financial difficulty of the debtor;
e. 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.

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.

The Company does not have equity instruments.

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 26 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.

3.17 Dividends

Dividends payable to the Company shareholders are charged to equity in the year in which they are declared. Proposed dividends are shown as a separate component of equity until declared.

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. In respect of the Company, the Directors have made estimates and judgements in the area of income tax, expected credit losses on trade receivables and the provision for environmental liabilities as explained in detail below.

Revaluation of property, plant and equipment

The Company carries its property, plant and equipment at revalued amounts, with changes in fair value being recognised in OCI. The property, plant and equipment were valued by reference to transactions involving properties of a similar nature, location and condition. The Company engaged an independent valuation specialist to assess fair values (desk top review) as at 31 December 2024 for the property plant and equipment for Chilanga Cement PLC.

The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Note 12

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.

Reserve and mineral resource estimates

The Company estimates and reports quarry reserves in line with the geological and technical surveys performed by Competent Persons Report in line with the local mining and environmental legislation. The CPR was based on;

- The entity's internal mining plans; and
- The developed Life of Mine Plan (LoMP) has been developed by internal international group experts and the entity's management.The current estimated Life of Mine for the Chilanga and Ndola plants is 47 years and 79 years respectively.

As economic assumptions, capital requirements and production costs may change and as additional geological information is produced during the operation of the quarry mine, estimates of reserves may change. Such changes may impact the Company's reported financial position and results, including:

- The carrying value of assets; mine properties; property, plant and equipment may be affected due to changes in estimated future cash flows.
- Depreciation and amortisation charges in the statement of profit or loss and other comprehensive income may change where such charges are determined using the units of production method, or where the useful life of the related assets change.
- Provisions for rehabilitation and environmental provisions may change — where changes to the reserve estimates affect expectations about when such activities will occur and the associated cost of these activities.
- The recognition and carrying value of deferred income tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets.

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 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 recognises 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 to Note 10 and Note 21.

In 2024 ZRA concluded a VAT comprehensive audit which resulted in an assesment amounting to K 32 million for the period 2016 to 2019 against a refund amount of K 219 million.

4.2.2 Expected credit loss on trade receivables

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 (refer to note 15) 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 90 days and that are non operational are provided for based on estimated irrecoverable amounts from the sale of product, determined by reference to past default experience.

In line with IFRS 9 Financial instruments, the Company has grouped its receivables into the following categories: contractors, retailers, export sales, staff sales and intercompany sales. When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers such as inflation, Monetory Policy Rate exchange(MPR) rates and level of Government expenditure.

If the ECL rates on trade receivables between 31 and 60 days past due had been 0.5% per cent higher (lower) as of December 2024, the loss allowance on trade receivables would have been K90 thousand (2023: K4 thousand higher (lower).

If the ECL rates on trade receivables between 61 and 90 days past due had been 0.5% per cent higher (lower) as of December 2024, the loss allowance on trade receivables would have been K33 thousand (2023: K1 thousand) higher (lower).

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 in the statement of profit or loss.

4.2.3 Provision for environmental liabilities

As part of the identification and measurement of assets and liabilities, the Company has recognised 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 to Note 19 for the carrying amount of provision for environmental liabilities and the assumptions applied in calculating the provision.

4.2.4 Classification of value added tax (VAT) receivable

The Zambia Revenue Authority (ZRA) has a statutory obligation to refund tax payers. The Company has recorded K247 million in VAT receivable accumulated over the years as disclosed in Note 15.2. The Directors and Management have considered the classification of the VAT receivables as a current asset.

5. REVENUE

	2024	2023
	K'000	K'000
Cement		
Export sales	1 171 582	666 719
Local sales	1 509 884	1 153 509
Lime	31 432	–
Clinker		
Export sales	6 637	203 724
	2 719 535	2 023 952

The Company has a single reportable segment. The operations of the Company are located in one geographic location, Zambia. No customer had sales to them that exceeded 10% of the total sales value.

6.1 ADMINISTRATION EXPENSES

	2024	2023
	K'000	K'000
Other expenses	119 703	34 480
Depreciation and amortisation	80 841	74 944
Staff costs	59 206	42 706
Management fees	27 195	21 005
	286 945	173 135
Other expenses allocation		
Travel expenses	7 715	4 882
Board fees	1 322	1 164
Office expenses	9 680	5 472
Other expenses	50 379	4 792
Security fees	4 911	3 223
Motor Vehicle Repairs and maintenance	1 022	1 697
Rental fees	1, 275	537
Audit fees	2 465	1 510
Software and hardware expenses	14 342	3 351
Legal fees	2 286	1 013
Consultation fees	24 306	6 742
Outsourced labor	–	97
	119 703	34 480

6.2 SELLING AND DISTRIBUTION

	2024	2023
	K'000	K'000
Transportation cost	252 823	351 277
Staff costs	10 899	4 839
Packing material cost	111 338	70 422
Outsourced Labour	2 058	1 592
Depot Rentals	770	1 232
	377 888	429 362

6.3 MARKETING EXPENSES

	2024	2023
	K'000	K'000
Staff costs	19 229	3 674
Other expenses	6 465	881
Advertising Cost	3 980	4 668
	29 674	9 223

7.1 OTHER GAINS AND (LOSSES)

	2024	2023
	K'000	K'000
Other gains and losses comprise the following:		
Unrealized foreign exchange gains and losses	**(34,829)**	44,141
Realised foreign exchange gains and losses (Note i)	**45,965**	114,978
	11,136	159,119
Disclosed as follows in the statement of profit or loss:		
Included as part of operating profit	**11,136**	159,118
	11,136	159,118

(i) 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, in excess of foreign denominated monetary liabilities

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

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$ =)	**2024**	**25.71**	**27.88**	**8%**
US dollar (1 US$ =)	**2023**	18.05	25.71	42%

7.2 OTHER OPERATING INCOME

	2024	2023
	K'000	K'000
	6 499	–

The other operating income relates to waste management income received.

8.1 FINANCE COSTS

	2024	2023
	K'000	K'000
Unwinding of discount	**(4 593)**	(1 757)
Interest paid	**(8 408)**	(5 641)
	(13 001)	(7 398)

The interest paid relates to interest on bank guarantees.

8.2 INVESTMENT INCOME

	2024	2023
	K'000	K'000
Investment Income	**18 639**	2 761

The interest income relates to fixed deposits placements made by the company on its excess cash.

9. PROFIT BEFORE TAX

	2024 K'000	2023 K'000
Profit before tax is stated after crediting:		
(Gain)/loss on disposal of Motor Vehicle	**(71)**	18
and after charging:		
Staff costs*	**196 460**	158 815
Depreciation and amortisation	**80 841**	74 944
Management and technical services expenses	**27 195**	21 005
Pension schemes– defined contribution plans	**5 701**	7 321
Expected credit loss on trade receivables (Note 15.1)	**8 809**	6 881
Directors remuneration - for service as Directors	**1 843**	1 873
Donations	**2 045**	482
*Staff costs allocation		
Cost of sales	**137 254**	116 109
Administration expenses	**59 206**	42 706
	196 460	158 815

10. TAXATION

	2024	2023
(i) Income tax expense	**K'000**	**K'000**
Current tax	**(187 354)**	(133 035)
Realignment of 2022 income tax provision	**–**	(32 812)
Deferred tax current period (Note 21)	**11 723**	(26 435)
Tax expense for the year	**(175 631)**	(192 282)
The movements during the year on the income tax account are as follows:		
(ii) Income tax payable		
Included under current assets:		
Opening balance	**(53 587)**	–
Charge for the year	**(187 354)**	(133 035)
Realignment of 2022 income tax provision	**–**	(32 812)
Recoverable in respect of prior year	**18 500**	70 269
Balance from previous years on unclaimed incentive	**–**	4 373
Tax offset against other taxes	**–**	(51 732)
Transfer to current assets	**–**	(22 910)
Tax paid during the year	**57 851**	112 260
Balance at end of the year included in current liabilities	**(164 591)**	(53 587)
The make up of the tax receivable balance at the end of the year, is made up as follows:		
Balance from previous years unclaimed incentives	**22 910**	70 269
Balance from previous years on unclaimed incentive	**–**	4 373
Tax offset against other taxes	**(22 910)**	(51 732)
Balance at end of the year included in current assets	**–**	22 910
Net Tax Payable/Receivable	**(164 591)**	(30 677)

Income tax is calculated at 30% on domestic income and 15% on export income for the estimated assessable profit for the year.

(iii) Reconciliation of effective tax rate

The total charge for the year can be reconciled to the accounting profit as follows:

	2024	2023
Profit before tax	**743 314**	639 722
Tax on accounting profit at 30%	**(222 994)**	(191 917)
Accounting profit taxed at different rate (15%)	**49 739**	36 580
Disallowed expenses (Staff related benefits and other)	**(2 376)**	(36 945)
Tax expense for the year	**(175 631)**	(192 282)
* Effective tax rate	**24%**	30%

* Presentation in the current year has been updated to avoid duplication in presentation of the effective tax rate with only the effective tax rate percentage now presented as opposed to each reconciling item having a tax rate percentage. The prior year effective tax rate has been updated to match the numerical tax rate reconciliation.

11. EARNINGS PER SHARE

Basic and diluted earnings per share from normal Company results for the year (Kwacha)	**2.84**	2.24

Earnings per share is based on profit after taxation of **K 567,683 thousand** (2023: Profit of K447,441 thousand), divided by the number of ordinary shares in issue during the year of **200,040,457** (2023: 200,040,457).

12.1 PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties K'000	Right of* use assets 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 2023	**137 631**	**–**	**1 618 508**	**43 679**	**19 871**	**1 819 689**
Additions	–	–	–	–	124 770	**124 770**
Disposals	–	–	–	(1 680)	–	**(1 680)**
Transfer of projects	5 292	–	34 735	2 089	(42 116)	**–**
Asset write back	–	–	–	–	1 052	**1 052**
Revaluation	125 937	5 968	(17 899)	5 281	–	**119 287**
Reclassification	(40 466)	40 466	(19 159)	–	–	**(19 159)**
Transfer	(11 180)	(1 112)	(36 424)	(5 919)		**(54 635)**
At 31 December 2023	**217 214**	**45 321**	**1 579 761**	**43 450**	**103 577**	**1 989 323**
Additions	–	–	–	–	280 083	280 083
Disposals	–	–	–	(883)	–	(883)
Transfer of projects	345	–	286 003	–	(286 348)	–
Asset write back	–	–	–	–	–	–
Revaluation	37 637	11 186	(613 142)	1 256	–	(563 063)
Reclassification	–	–	–	–	–	–
Tranfer	(10 216)	(904)	(68 057)	(4 979)	–	(84 156)
At 31 December 2024	**244 980**	**55 603**	**1 184 565**	**38 844**	**97 312**	**1 621 304**
Accumulated depreciation						
At 1 January 2023	–	–	–	–	1 052	**1 052**
Depreciation expense	15 667	1 112	50 008	7 378	–	**74 165**
Disposals	–	–	–	(1 459)	–	**(1 459)**
Reclassification	–	–	(14 596)	–	–	**(14 596)**
Depreciation adjustment	–	–	1 012	–	(1 052)	**(40)**
Transfer	(11 180)	(1 112)	(36 424)	(5 919)	–	**(54 635)**
At 31 December 2023	**4 487**	**–**	**–**	**–**	**–**	**4 487**
Depreciation expense	5 729	904	68 057	5 863	–	**80 553**
Disposals	–	–	–	(883)	–	**(883)**
Reclassification	–	–	–	–	–	-
Depreciation adjustment	–	–	–	–	–	-
Transfer	(10 216)	(904)	(68 057)	(4 979)	–	**(84 157)**
At 31 December 2024	–	–	–	–	–	**–**
Carrying value						
At 31 December 2024	**244 980**	**55 603**	**1 184 565**	**38 844**	**97 312**	**1 621 304**
At 31 December 2023	212 727	45 322	1 579 761	43 450	103 577	1 984 837

The transfer relates to the accumulated depreciation as at revaluation date that was eliminated against the gross carrying amount of the revalued asset.
*We have updated the furniture and fittings to motor vehicles to evidence the main composition of the material asset category in the current year.
Had the property, plant and equipment been measured on a historical cost basis their carrying amount would have been as follows:

					2024	2023
					K'000	K'000
Cost	84 827	–	1 208 261	73 646	**1 366 734**	1 080 386
Accumulated depreciation	(40 887)	–	(430 050)	(72 173)	**(543 110)**	(502 066)
	43 940	–	778 211	1 473	**823 624**	578 320

In accordance with Section 278 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 2024, 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.

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. Land was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

Replacement costs of the assets were based on the current replacement cost in USD terms, and then duty, freight, insurance and installation costs were added to arrive at the Gross Replacement Cost. Machinery and most components of the valuation are imported hence priced in USD. The Gross Replacement Cost was then depreciated accordingly using the Depreciated Replacement Cost (DRC) method inputs. Given the USD price increase due to inflation between 2016 and 2022, and the increase in the exchange rate during the same period, the final values experienced an increase by approximately these margins prior to using the Depreciated Replacement Cost (DRC) method.

For this method the Directors determined the gross replacement of the new plant, (based on actual quotes) and then they considered the above factors and the remaining useful life.

Details of the Company's property, plant and equipment, excluding capital work in progress and information about their fair value hierarchy as at 31 December 2024 and 31 December 2023 are as follows:

The local Governing Body (ZICA) issued guidance dated 1/2022 which indicates that entities that 'own' land should recognise it under IFRS 16 Leases rather than IAS 16 Property; Plant and Equipment (PPE) since land is not fully owned but leased over 99 years. Chilanga Cement PLC PLC has made an assessment on the impact of moving the land from PPE to Right of Use (ROU) Assets under IFRS 16 - Leases. This would require that the ROA asset should be amortised over the remaining lease period. As IFRS 16 was effective on 1 January 2019, the assessment has been made from 2019, however no restatement has been made to the financial statements in order to reclassify land to ROU as well as to amortise this ROU in line with the standard as there is no material impact on the prior years. Land is revalued and therefore the ROU is determined based on the revalued amount.

In 2023, land amounting to 45,322 thousand was reclassified from Property Plant and Equipment to Right of Use Assets.

At 31 December 2024	**Level 1**	**Level 2**	**Level 3**	**Fair Value as at 31-Dec-24**
	K'000	**K'000**	**K'000**	**K'000**
Leasehold properties	**–**	**–**	**244 980**	**244 980**
Right of use asset	**–**	**–**	**55 603**	**55 603**
Plant and equipment	**–**	**–**	**1 184 565**	**1 184 565**
Motor vehicles	**–**	**–**	**38 844**	**38 844**
	–	**–**	**1 523 992**	**1 523 992**

At 31 December 2023	Level 1	Level 2	Level 3	Fair Value as at 31-Dec-22
	K'000	K'000	K'000	K'000
Leasehold properties	–	–	212 727	212 727
Right of use asset	–	–	45 322	45 322
Plant and equipment	–	–	1 579 761	1 579 761
Motor vehicles	–	–	43 450	43 450
	–	–	1 881 260	1 881 260

Sensitivity analysis of Property, Plant and Equipment (PPE) is performed to measure favourable and unfavourable changes in the fair value of PPE which are affected by unobservable parameters. When the fair value is affected by more than two input parameters, the amounts represent the most favourable or most unfavourable.

	Valuation techniques	Significant unobservable inputs(s)	Sensitivity
*Leasehold Properties, Right of Use Asset, Plant and Equipment, Motor Vehicles	Depreciated replacement method	Depreciation factor, considering the nature of property and prevailing market condition.	A 2% increase or decrease in the replacement cost would result in K 108,383 thousand (2023: K 90,463 thousand) increase or decrease in fair value.
		Monthly market rate, taking into account the differences in location, and individual factors, such as frontage and size, between the comparable and the property.	A 2% increase or decrease in market value would result in K38,928 thousand (2023: 37,074 thousand) increase or decrease in fair value.

*We have updated the name of the disclosure in the current year from prior year to evidence the full asset categories impacted by the unobservable inputs into the sensitivity analysis.

13. 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 amortised 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 capitalised as an intangible asset and amortised 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, not to be realised. All other costs which include directly attributable employee remuneration, materials and fuel used, surveying costs, drilling costs and payments made to contractors are capitalised as part of property, plant and equipment.

	2024	2023
	K'000	K'000
Cost		
Balance at beginning and end of the year	**23 312**	943
*Reclassification during the year	**–**	19 159
Additions during the year	**1 158**	3 210
	24 470	23 312
Accumulated amortisation and impairment		
Balance at beginning of the year	**15 993**	618
*Reclasifiaction during the year	**–**	14,596
Amortisation expense	**310**	779
Balance at end of the year	**16 303**	15 993
Carrying value at end of the year	**8 167**	7 319

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

*The reclassification of software from Property Plant and Equipment to Intangible assets category.

14. INVENTORIES

	2024	2023
	K'000	K'000
Finished goods: Cement	40 080	18 862
Raw materials and consumables	112 243	87 932
Stores and spares	106 493	130 681
Gross values	164 900	185 116
Provision for obsolete stock	(58 407)	(54 435)
Semi finished goods	91 542	42 353
	350 358	279 828

IAS 2 Inventories contains the requirements on how to account for most types of inventory. The standard requires inventories to be measured at the lower of cost and net realisable value (NRV) and outlines acceptable methods of determining cost, including specific identification (in some cases), first-in first-out (FIFO) and weighted average cost (WAC). An inventory provision amount of K 3,972 thousand(2023:K6,591 thousand) has been raised into P&L. During 2024, K 613,248 thousand (2023: K 335,064) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

Chilanga Cement PLC values its inventory using the the Weighted Average Cost (WAC) method.

15. TRADE AND OTHER RECEIVABLES

15.1 Trade receivables

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

	2024	2023
	K'000	K'000
Gross trade receivables	87 345	45 107
Less: Expected credit loss on trade receivables	(8 809)	(6 881)
	78 536	38 226

The following tables detail the risk profile of trade receivables based on the Company provision matrix.

31 December 2024	**Not past due**	**0-30 past due**	**31-60 past due**	**61-90 past due**	**More than 90 days past due**	**Total**
	K'000	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**
Expected credit loss rate	**0%**	**7%**	**6%**	**10%**	**22%**	
Estimated total gross carrying amount at default	–	41 725	19 221	9 184	17 215	87 345
Lifetime ECL	–	(2 956)	(1 159)	(931)	(3 763)	(8 809)
	0	**38 769**	**18 062**	**8 253**	**13 452**	**78 536**

31 December 2023	Not past due	0-30 past due	31-60 past due	61-90 past due	More than 90 days past due	Total
	K'000	K'000	K'000	K'000	K'000	K'000
Expected credit loss rate	0%	10%	27%	61%	90%	
Estimated total gross carrying amount at default	12 626	13 253	7 401	1 990	9 838	45 107
Lifetime ECL	(192)	(285)	(166)	(61)	(6 177)	(6 881)
	12 434	12 968	7 235	1 929	3 661	38 226

On a weekly basis all customers were monitored to ensure no default on business. 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. Refer to 4.2.2 for more detail.

	2024	2023
	K'000	K'000
Expected credit loss on trade receivables		
Opening balance	(6 881)	(19 514)
Expected credit gains (losses)	(4 472)	2 386
Bad debts write off	2 544	10 247
Balance as at end of the year	(8 809)	(6 881)

15.2 Other receivables

Value Added Tax receivable	**247 757**	212 000
Prepaid expenses	**41 067**	11 999
Sundry receivables	**2,211**	18 718
*Employee advances	**5 503**	881
	296 538	243 598

*In the current year employee loans were renamed to employee advances to evidence the true nature of the transaction.

Value Added Tax receivable

The Company has a backlog of value added tax receivable amounting to K247 million aged as follows:

	2024	2023
Calendar year	**K'000**	K'000
2024	**35 757**	–
2023	**47 671**	47 671
2022	**24 154**	24 154
2021	**41 345**	41 345
2020	**13 913**	13 913
2019	**17 919**	17 919
2015 to 2018	**66 998**	66 998
	247 757	212 000

The value added tax receivable relates to annual refund positions for which the Company has been engaging the Zambia Revenue Authority (''ZRA'') for recovery . In the current year ZRA concluded carrying out the VAT comprehensive audit for the period 2016 to 2023 which resulted in a tax credit of K 182 thousand after completion.

16. RELATED PARTY TRANSACTIONS

Huaxin (Hainan) Investment Co. Limited, the ultimate parent, is a company registered in China and owns 79.88% of the issued share capital of Chilanga Cement PLC as at 31 December 2024.

The Company had balances with, and had transacted with the following related Huaxin Group companies which are done during the normal course of business and hence are classified under current assets or liabilities:

	Country of incorporation	**Relationship**
Portland Cement Malawi	Malawi	Fellow subsidiary
Huaxin (Hainan) Investment Co. Limited	China	Parent

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

	2024	2023
	K'000	K'000
Amounts due from related companies:		
Portland Cement Malawi Limited	**2 741**	106 012
	2 741	106 012

The amount due from Portland cement Malawi is aged as follows;

Ageing	**K'000**	K'000
0-30	**–**	1 895
31-60	**–**	7 869
61-90	**–**	9 640
91-120	**–**	86 608
over 120	**2 741**	–
	2 741	106 012

The Director's have considered the challenges being experienced by Portland Cement Malawi Limited ("Portland Cement Malawi") that largely relate to foreign currency shortages in that country, leading to the company's challange to remit funds out of the country. The Company has in the current year, proceeded to agree to payment terms under Letters of Credit arranged with the bankers as a basis of trade. In addition, the Huaxin Group has provided a guarantee to the Company that in an event that Portland Cement Malawi fail to pay the debt above 120 days, Huaxin Group will provide security for the debt. Consequently, no provision has been raised against the receivable from Portland Cement Malawi.

Amounts due to related companies:	**2024**	2023
	K'000	K'000
Total Amount due and is broken down as follows:	**199 468**	201 103
Huaxin Cement China (Purchases)	**185 309**	201 044
Lafarge South Africa	**–**	59
Cimentos de Mozambique S.A	**11 475**	–
Huaxin Cement Technology Management	**2 684**	–
	199 468	201 103
The financial effects of transactions with the related parties were as follows:		
Portland Cement Malawi Limited (Sales)	**58 296**	163 267
	–	–
	58 296	163 267
Management and technical services expenses:		
Huaxin Cement Co. Limited	**27 195**	21 005

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:

	2024	2023
	K'000	K'000
Salaries and other short-term employment benefits	**23 782**	17 609
Non Executive Directors' Remuneration:		
In connection with the management of the Company as Directors	**1 843**	1 872
Director's fees analysed as follows:		
Mr. Muna Hantuba	**463**	426
Mr. Mwelwa Chibesakunda	**405**	421
Mr. Mark O'Donnell	**158**	327
Dr. Frank Munthali	**405**	455
Mr.Mangiza Phiri	**412**	243
	1 843	1 872

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

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents	**2024**	2023
	K'000	K'000
Cash and cash equivalents	**505 364**	600 912
	505 364	600 912

Bank overdraft

In the last two (2) years 2023 and 2024, the Company did not make use of its overdraft facility held with Stanbic Bank Zambia Limited. The facility available to the Company is **K24 million** (2023: K24 million).

18. SHAREHOLDERS EQUITY

18.1 Share capital

	2024	2023
	K'000	K'000
Authorised		
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:		
	%	%
Huaxin (Hainan) Investment Co. Ltd	**78.69**	79.88
LuSE Central share depository	**18.77**	17.54
Public (Institutions and individuals)	**2.54**	2.58
	100.00	100.00

In order to comply with the minimum float requirements of 75% as per the Listing Rules of the Lusaka Stock Exchange, the Company has floated the excess stock acquired following the Mandatory Trade Offer. The said excess stock is available for purchase by interested third parties.

18.2 Revaluation reserve

Revaluation reserves arise from the periodic revaluation of property, plant and equipment and represent the excess of the revalued amount over the carrying value of the property, plant 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.

In line with IAS 16.41, a balance of K 39,509 thousand (2023: K56,463 thousand) has been transferred from the revaluation reserve to the retained earnings. This amount is the surplus transferred as the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the assets original cost.

	K'000
Carrying amount as at 1 January 2023	**1 799 818**
Portion written off to retained earnings	(54 635)
Tranfer from CWIP	42 116
Disposal	(1 680)
Reclassification	(19 159)
Revaluation Adjustment	119 287
Carrying amount and fair value as at 31 December 2023	**1 885 746**
Portion written off to retained earnings	(84 156)
Tranfer from CWIP	286 348
Disposal	(883)
Reclassification	–
Revaluation Adjustment	(563 063)
Carrying amount and fair value as at 31 December 2024	**1 523 992**

18.3 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 distributed as dividends to shareholders.

19. PROVISION FOR ENVIRONMENTAL LIABILITIES

	2024	2023
	K'000	K'000
At beginning of the year	**68 395**	39 039
Unwinding of discount	**4 550**	1 757
Adjustment to provision	**20 132**	27 599
	93 077	68 395

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. The amount recorded by the Company at year end is the present value of the future restoration cost, that has been calculated based on the factors below. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the quarry will cease to produce at economically viable rates. This, in turn, will depend upon future cement demand.

The estimate of the present value of the future restoration cost is based on the assumption of the projected closure costs as per Environmental audits done. Different unit rates for closure components have been used in line with Mines and Minerals (Environmental) regulations in Zambia. The closure cost is expected to be settled in USD. The timing of future rehabilitation is presumed to be when the quarries cease to produce for each of the Company's sites. The discount rate used to calculate the present value of the expenditures expected to be incurred to settle the long-term obligation is at **3.6%** (2023: 4.%). The 3.6% is the US long term borrowing rate.

In compliance with the Mines and Minerals Development Act of 2005, the Company has made cash contributions in the sum of **USD 135 thousand** (2023: USD 1,256 thousand) to the Environmental Protection Fund based on annual audits conducted by Mines Safety Department. Based on the 2021/2022 audit conducted by the Mine Safety Department, the total liability amounted to **USD 20.42 million** (2023: USD 20.42 million). The Fund established by the Mines and Minerals Act is controlled by Mines Safety Department under the Ministry of Mines and Minerals Development. In 2024 a bank guarantee of **USD 19 million** (2023: USD 19 million) was in place in line with the requirements of the Act. The existing guarantee expires on 31 March 2025 and the Company is in the process of obtaining a new guarantee for USD 19 million in order to be aligned to the 2022 assessment.

The amount deposited with the Fund is refundable to the Company when the mine site is rehabilitated and certified by the Mines Safety Department in compliance with the Act.

Sensitivity analysis

At 31 December 2024, the unobservable input was a long term USD risk free rate of 3.6% (2023: 4%) used in the discounted cashflow method to arrive at the provision. If the long term USD risk free rate would increase by 0.1% with all other variables held constant, the provision would have been lower by K4,364 thousand (2023 : K,4045 thousand) whilst a 0.1% decrease would have resulted in a higher provision by K4,591 thousand (2023: K4,276 thousand).

Commitments, 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 5% lump sum for Lusaka Plants and 10% 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.

According to the audit that was conducted by the The Mine Safety Department(MSD) in 2021/2022 the estimated decommissioning and closure costs for the Company amounted to **US$20.42 million.** In line with the Mines and Minerals (Environmental) Regulation of 1997, the total Cash contribution made to date is **US$1,390.83 thousand.**

The Company obtained a bank guarantee amounting to USD 19 million in 2024 for the remaining site restoration costs in line with the operational guidelines of the environmental protection fund (EPF).

Contingent liabilities

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.

Competition and Consumer Protection Commission (CCPC) legal matters.
Two key ongoing legal matters relate to the Competition and Consumer Protection Commission as detailed below:
(i) Allegations of Cartel Conduct
This is the case which followed a dawn raid at the Company Headquarters in Chilanga. Chilanga Cement PLC was allegedly found to have been in a cartel with two other cement companies namely Dangote Zambia Limited and Mphande Cement Limited. Dangote Zambia Limited applied for leniency which was granted by the CCPC. Chilanga Cement PLC was fined together with the other Cement Companies. Further, the CCPC directed that cement companies reduce the price of cement and sell the same at a certain price.

Following the decision of the CCPC, the Company appealed to the Competition and Consumer Protection Tribunal. Thereafter, the CCPC applied to the Tribunal for a Mandatory Order to compel Chilanga Cement and other the cement companies to reduce cement prices and sale at a certain price. The Company successfully opposed this application as the Tribunal refused to grant the Mandatory Order to the CCPC.
After review of the record of proceedings that the CCPC filed into the Tribunal, the Company discovered that there were some pertinent documents that had been omitted by the CCPC. The Company then made an application to compel the CCPC to file a complete record into the Tribunal. This application has been heard and the Company awaits the ruling from the Tribunal before the hearing of the main case can begin.

(ii) Allegations of Excessive Pricing case
This is a historical case in which the Company was fined for excessive pricing, price discrimination and for abusive loyalty discounts. The matter has been appealed before the Tribunal and several witnesses have testified, however the trial is yet to be concluded.

In view of the uncertainty surrounding the two matters, 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 2024.

Environmental Protection Fund	**2024**	2023
	K'000	K'000
Opening balance	**21 013**	21 013
Additions	**3, 454**	–
	24 467	21 013

20. RETIREMENT BENEFIT PLANS

	2024	2023
	K'000	K'000
At beginning of the year	**860**	284
Current year charge	**4 087**	1 149
Paid during the year	**(1 168)**	(573)
At end of year	**3 779**	860

The liability outstanding at the end of the year, represents gratuities payable.

Gratuity provision
The above analysis, relates to the gratuity provision as at year end. The total costs charged to profit or loss of **K3,779 thousand** (2023: K860 thousand) represent provisions made for gratuities related to certain non-unionised and unionised staff.

Contribution to pension scheme
The Company operates a defined contribution pension scheme for certain of its full time employees. The scheme is funded by contributions from both the Company and its employees, and is managed by Minet Zambia Limited. This defined contribution plan is funded by a specified percentage contribution from payroll costs and is expenses to profit or loss on a monthly basis. There were no outstanding contributions as at 31 December 2024 (2023: nil). The total pension contributions for the year amounted to **K11,488 thousand** (2023: K11,351 thousand).

The assets of the scheme are held separately from those of the Company's funds under the control of the Trustees.

21. DEFERRED TAX LIABILITIES

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

	Accelerated capital allowances	Revaluation surplus	Provisions and other	Total
2023	**K'000**	**K'000**	**K'000**	**K'000**
At beginning of year	8 427	334 626	(38 994)	304 059
Charge to profit or loss	(3 307)	(1 442)	31 185	26 435
Charge to OCI	–	35 786	–	35 786
Balance as at 31 December 2023	**5 120**	**368 970**	**(7 809)**	**366 281**
2024				
At beginning of year	5 120	368 970	(7 809)	366 281
Charge to profit or loss	28 002	–	(39 725)	(11 723)
Charge to OCI	–	(184 305)	–	(184 305)
Balance as at 31 December 2024	**33 122**	**184 665**	**(47 534)**	**170 253**

22. TRADE PAYABLES

Trade payables principally comprise amounts outstanding in respect of trade purchases and ongoing costs.

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. Trade payables is comprised of the following; ;

	2024	2023
	K'000	K'000
CAPEX Payable	**42 094**	44 095
Trade payable	**87 764**	51 432
	129 858	95 527

23. CONTRACT LIABILITIES

	2024	2023
	K'000	K'000
Advances receipts from cement customers	**78 594**	56 887

Contract liabilities represent customer payments received in advance of delivery of goods. Revenue of K56,887 thousand (2023: K35,654 thousand) has been recognised in the current period relating to brought forward contract liabilities. There was no revenue recognised in the current period that related to performance obligations that were satisfied in the prior year.

23.1 Other payables

	2024	2023
	K'000	K'000
Sundry accruals (i)	**70 678**	69 871
Dividends payable	**51 047**	50 811
Sundry payables (ii)	**44 483**	18 986
Employee related liabilities (iii)	**11 483**	20 855
	177 691	160 523

(i) Sundry accruals

	2024	2023
Other operational accruals (*)	**12 977**	32 009
Withheld Value Added Tax	**5 874**	1 591
Plant maintenance accruals	**7 750**	10 610
Utilities accruals	**44 078**	25 662
	70 679	69 871

*Included in other operational accruals are transport cost accruals, information technology related accruals and tax related accruals.

(ii) Sundry payables

	2024	2023
Sundry payables relate to discounts, reductions and rebates and other operational payables.	–	–

(iii) Employee related liabilities

Employee related liabilities include leave pay accruals analysed as follows:

	2024	2023
Balance at the beginning of the year	**11 546**	5 939
Leave paid during the year	**(1 193)**	(3 892)
Movement during in the year	**(3 383)**	9 499
Balance at the end of the year	**6 970**	11 546
Medical	**99**	254
Pension	**913**	2 335
Other	**3 501**	6 721
	11 483	20 856

24. CAPITAL COMMITMENTS

As at 31 December 2024, the Company had entered into authorised and contractual commitments for the acquisition of property plant and equipment of **K 662,828 thousand** (2023: K66,512). The capital expenditure will be made from internally generated resources.

25. 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 maximising the return to stakeholders through the optimisation 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 amounting to K24 million.

	2024	2023
	K'000	K'000
Categories of financial instruments		
Financial assets		
Financial assets at amortised cost		
- Trade receivables	**78 536**	38 226
- Amounts due from related parties	**2 741**	106 012
- Other receivables, excluding prepayments	**7 714**	19 600
- Bank and cash balances	**505 364**	600 912
Total financial assets	**594 355**	764 750
Financial liabilities		
Liabilities at amortised cost		
- Trade payables	**129 858**	95 527
- Contract liabilities	**78 596**	56 887
- Other payables, excluding taxes	**171 817**	158 933
- Amounts due to related parties	**199 468**	201 103
- Retirement benefits	**3 779**	860
Total financial liabilities	**583 518**	513 310

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

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks which are in line with the Company: interest rate risk and foreign currency 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

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 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.

	2024 K'000	2023 K'000
Assets		
US dollar denominated	**397 170**	473 405
Euro denominated	**14 915**	41 737
South African Rand denominated	**8 248**	37
Chinese RMB	**38 528**	–
British Pound	**534**	–
	459 395	515 180
Liabilities		
US dollar denominated	**259 464**	76 576
Euro denominated	**3 415**	8 435
South African Rand denominated	**3 647**	6 239
Chinese RMB	**3 253**	–
British Pound	**–**	–
	269 779	91 250

Sensitivity analysis
The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and ZAR exchange rates, with all other variables held constant. This impact is all effected to profit and loss with nil impact on equity

		2024		2023
Increase	%	K'000	%	K'000
US dollar	10	**106 653**	10	67 940
Euro	10	**31 841**	10	3 997
South African Rand	10	**5 618**	10	(443)
Chinese RMB	10	**41 782**	10	–
British Pound	10	**3 253**	10	–
Decrease	%		%	
US dollar	10	**(106 653)**	10	(67 940)
Euro	10	**(31 841)**	10	(3 997)
South African Rand	10	**(5 618)**	10	443
Chinese RMB	10	**(41 782)**	10	–
British Pound	10	**(3 253)**	10	–

Interest rate risk management
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not significantly exposed to changes in the market interest rate due to the fact that it has no loans. However, the Company obtains overdraft facilities as and when the need arises. 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
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. 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-derivate financial assets and liabilities. The table is based on the undiscounted contractual maturities of the financial assets and liabilities.

Year ended 31 December 2024	**1 – 3 months**	**3 months to 1 year**	**1 – 5 years**	**Total**
Liabilities	**K'000**	**K'000**	**K'000**	**K'000**
Trade payables	8 735	125 432	5 070	139 237
Contract liabilities	78 594	–	–	78 594
Other payables, excluding taxes	165 485	–	–	165 485
Retirement benefit plans	–	3 779	–	3 779
Amounts due to related parties	–	199 468	–	199 468
	252 814	**328 679**	**5 070**	**586 563**
Year ended 31 December 2023				
Liabilities				
Trade payables	103 892	(8 365)	–	95 527
Contract liabilities	56 887	–	–	56 887
Other payables, excluding taxes	102 047	–	–	102 047
Lease liability	–	–	–	–
Retirement benefit plans	–	860	–	860
Amounts due to related parties	–	201 103	–	201 103
	262 826	**193 598**	–	**456 424**

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 analysed 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 and approved by the credit committee. 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 expected losses are assessed based on past dues and the impact on adverse economic performance. 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 analysed below:

	2024	2023
	K'000	K'000
Trade receivables	**78 536**	38 226
Other receivables, excluding prepayments and taxes	**7 714**	19 600
Amounts due from related parties	**2 741**	106 012
Cash and Cash Equivalents	**505 364**	600 912
	594 355	764 750

	2024
	K'000
Balance at 1 January 2023 under IFRS 9	**(6 881)**
Increase in credit loss allowance through recognised through profit and loss during the year	**(4 472)**
Bad debts write off	**2 544**
As at 31 December 2024 - IFRS 9	**(8 809)**

26. FAIR VALUE MEASUREMENTS

The following table provides the fair value measurement hierarchy of the Company's plant and equipment and financial assets at fair value through profit or loss.

The information set out below provides information about how the Company determines fair values of various financial assets and financial liabilities.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges for example, Lusaka Stock Exchange.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

There were no financial assets and liabilities that are measured at fair value on a recurring basis during the period.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required).

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

	Fair value hierarchy as at 31 December 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
	K'000	**K'000**	**K'000**	**K'000**
Financial assets				
- Bank and Cash balances	–	505 364	–	505 364
- Amounts due from related parties	–	–	2 741	2 741
- Trade receivables	–	–	78 536	78 536
- Other receivables, excluding prepayments and taxes	–	–	7 715	7 715
Total	**–**	**505 364**	**88 992**	**594 356**
Financial liabilities:				
Financial liabilities held at amortised cost:				
- Amounts due to related parties	–	–	199 468	199 468
- Trade payables	–	–	129 858	129 858
- Other payables, excluding taxes	–	–	171 817	171 817
Total	**–**	**–**	**501 143**	**501 143**

	Fair value hierarchy as at 31 December 2023			
Financial assets				
- Bank and Cash balances	–	600 912	–	600 912
- Amounts due from related parties	–	–	106 012	106 012
- Trade receivables	–	–	38 226	38 226
- Other receivables, excluding prepayments and taxes	–	–	19 601	19 601
Total	**–**	**600 912**	**163 839**	**764 751**
Financial liabilities:				
Financial liabilities held at amortised cost:				
- Amounts due to related parties	–	–	201 103	201 103
- Trade payables	–	–	95 527	95 527
- Other payables, excluding taxes	–	–	158 933	158 933
	–	–	455 563	455 563

27. SEGMENT REPORTING

Management has determined the operating segments based on the reports reviewed by the executive committee of management that are used to make strategic decisions. The committee considers the business as a single operating segment, being Chilanga Cement PLC, as the information reported to the executive committee of management for the purpose of strategic decision making is not presented per product line.

The reportable operating segment derives its revenue primarily from the sale of cement and clinker to local and foreign customers. The breakdown of revenue is disclosed under Note 5.

The executive committee of management assesses the performance of the operating segment based on a measure of Earnings before Interest Tax, Depreciation and Amortisation (EBITDA).

28. SUBSEQUENT EVENTS

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

Chilanga Cement PLC

FIVE YEAR FINANCIAL RECORD

FOR THE YEAR ENDED 31 DECEMBER 2024

K'000	2024	2023	2022	2021	2020
Statement of comprehensive income					
Turnover	**2 719 535**	2 023 952	1 783 838	2 113 725	1 693 146
Profit (loss) before tax	**743 314**	639 723	434 174	422 690	342 057
Income tax (expense) credit	**(175 632)**	(192 282)	(104 969)	(131 600)	20 978
Profit (loss) for the year	**567 683**	447 441	329 205	291 090	363 035
Earnings per share - K	**2.84**	2.24	1 65	1 46	1 81
Assets employed					
Non-current assets	**1 653 938**	2 013 169	1 818 962	1 431 072	1 420 813
Equity investment at fair value	**–**	–	–	–	26 221
Net current assets	**479 555**	722 999	722 366	329 272	433 047
	2 133 493	2 736 168	2 541 328	1 760 344	1 880 081
Liabilities due after one year					
Provision for environmental liabilities	**93 077**	68 395	39 039	39 483	27 899
Lease liabilities	**–**	–	–	2 001	3 301
Deferred tax liabilities	**170 253**	366 281	304 059	193 000	212 005
	1 870 164	2 301 492	2 198 230	1 525 860	1 636 876
Financed by:					
Share capital	**10 002**	10 002	10 002	10 002	10 002
Reserves	**1 860 162**	2 291,490	2 188 228	1 515 858	1 626 874
	1 870 164	2 301 492	2 198 230	1 525 860	1 636 876

Chilanga Cement PLC

ANNUAL CERTIFICATION BY CHIEF EXECUTIVE OFFICER ON INTERNAL CONTROLS

FOR THE YEAR ENDED 31 DECEMBER 2024

I, Jianping CHAI, certify that:-

1. I have reviewed the Annual Report as defined in Section 14 of the Securities (Internal Controls Over Financial Reporting) Guidelines of Chilanga Cement PLC as of 31 December 2024.

2. Based on my knowledge, the annual report does not contain any untrue statement of a material fact. Nor does it omit to state a material fact which would make the statement misleading in light of the circumstance under which it was made.

3. Based on my knowledge, the financial statements and other financial information included in this annual report, fairly presents, in all material respects, the financial condition and results of operations of the company as of, and for, the periods presented in this annual report;

4. The other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting as by the Securities (Internal Controls Over Financial Reporting) Guidelines the Company and we have:

   a. designed or caused to be designed under our supervision such disclosure controls and procedures to ensure that material information relating to the company and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the annual report is being prepared;
   b. designed or caused to be designed under our supervision such disclosure controls and procedures to ensure that information required to be disclosed under the Securities Exchange Act of 2016 (as amended) is recorded, processed, summarised and reported within the time periods specified in the SEC's rules and forms, including without limitation that information required to be disclosed in the SEC filings is accumulated and communicated to management, including the Chief Executive Officer (CEO), and Chief Financial Officer (CFO), as appropriate, to allow for timely decisions regarding required disclosure.
   c. designed or caused to be designed under our supervision such internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
   d. evaluated the effectiveness of the company's disclosure controls and procedures and internal control over financial reporting within the ninety (90) days prior to this annual report (the "Evaluation Date");
   e. disclosed in this report any change in the Company's internal control over financial reporting and disclosure controls and procedures that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
   f. presented in this annual report, our conclusions about the effectiveness of the disclosure controls and procedures and internal control over financial reporting based on our evaluation as of the Evaluation Date.

5. The company's other certifying officers and I have disclosed, based on our most recent evaluation, to the company's auditors and the audit committee of the company's board of directors (or persons performing similar functions):

   a. all significant deficiencies in the design or operation of disclosure controls and procedures and internal control over financial reporting which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weaknesses in internal controls; and
   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal controls.

6. The company's other certifying officer (s) and I have evaluated the effectiveness of the company's disclosure controls and procedures, and Internal Controls Over Financial Reporting as required under Securities (Internal Controls Over Financial Reporting) Guidelines. Based on this evaluation we have concluded that as of 31 December 2024, the company's disclosure controls and procedures and Internal Controls of Financial Reporting are effective.

17 February 2025

DATE

J. CHAI
CHIEF EXECUTIVE OFFICER

Chilanga Cement PLC

ANNUAL CERTIFICATION BY CHIEF FINANCIAL OFFICER ON INTERNAL CONTROLS

FOR THE YEAR ENDED 31 DECEMBER 2024

I, Ezron LESA, certify that:-

1. I have reviewed the Annual Report as defined in Section 14 of the Securities (Internal Controls Over Financial Reporting) Guidelines of Chilanga Cement PLC as of 31 December 2024.

2. Based on my knowledge, the annual report does not contain any untrue statement of a material fact. Nor does it omit to state a material fact which would make the statement misleading in light of the circumstance under which it was made.

3. Based on my knowledge, the financial statements and other financial information included in this annual report, fairly presents, in all material respects, the financial condition and results of operations of the company as of, and for, the periods presented in this annual report;

4. The other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting as by the Securities (Internal Controls Over Financial Reporting) Guidelines the Company and we have:

   a. designed or caused to be designed under our supervision such disclosure controls and procedures to ensure that material information relating to the company and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the annual report is being prepared;
   b. designed or caused to be designed under our supervision such disclosure controls and procedures to ensure that information required to be disclosed under the Securities Exchange Act of 2016 (as amended) is recorded, processed, summarised and reported within the time periods specified in the SEC's rules and forms, including without limitation that information required to be disclosed in the SEC filings is accumulated and communicated to management, including the Chief Executive Officer (CEO), and Chief Financial Officer (CFO), as appropriate, to allow for timely decisions regarding required disclosure.
   c. designed or caused to be designed under our supervision such internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
   d. evaluated the effectiveness of the company's disclosure controls and procedures and internal control over financial reporting within the ninety (90) days prior to this annual report (the "Evaluation Date");
   e. disclosed in this report any change in the Company's internal control over financial reporting and disclosure controls and procedures that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
   f. presented in this annual report, our conclusions about the effectiveness of the disclosure controls and procedures and internal control over financial reporting based on our evaluation as of the Evaluation Date.

5. The company's other certifying officers and I have disclosed, based on our most recent evaluation, to the company's auditors and the audit committee of the company's board of directors (or persons performing similar functions):

   a. all significant deficiencies in the design or operation of disclosure controls and procedures and internal control over financial reporting which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weaknesses in internal controls; and
   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal controls.

6. The company's other certifying officer (s) and I have evaluated the effectiveness of the company's disclosure controls and procedures, and Internal Controls Over Financial Reporting as required under Securities (Internal Controls Over Financial Reporting) Guidelines. Based on this evaluation we have concluded that as of 31 December 2024, the company's disclosure controls and procedures and Internal Controls of Financial Reporting are effective.

17 February 2025

DATE

E. LESA
CHIEF FINANCIAL OFFICER

Chilanga Cement PLC

CERTIFICATION BY SIGNING OFFICERS TO THE EXTERNAL AUDITORS

FOR THE YEAR ENDED 31 DECEMBER 2024

EY ZAMBIA
EY PLACE
PLOT NO. 354437, ALICK NKHATA ROAD
LUSAKA

Disclosure to Auditors
The other certifying officer(s) and I hereby disclose, based on our most recent evaluation of the company's disclosure controls and procedures and internal control over financial reporting, to the company's Auditors that:

(i) all significant deficiencies in the design or operation of the Company's disclosure controls and procedures and internal control over financial reporting which would adversely affect the company's ability to record, process, summarise and report financial information and thereby identify any material weakness in disclosure controls and procedures and internal control over financial reporting; and

(ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the company's disclosure controls and procedures and internal control over financial reporting.

Further, the other certifying officer(s) and I have not become aware of any significant changes in disclosure controls and procedures and internal control over financial reporting or other factors that could significantly affect disclosure controls and procedures and internal control over financial reporting subsequent to the date of our evaluation.

17 February 2025

DATE

E. LESA
CHIEF FINANCIAL OFFICER

Chilanga Cement PLC

CERTIFICATION BY SIGNING OFFICERS TO THE AUDIT AND RISK COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2024

CERTIFICATION BY SIGNING OFFICERS TO THE AUDIT AND RISK COMMITTEE
AUDIT & RISK COMMITTEE OF CHILANGA CEMENT PLC BOARD,
FARM NO. 1880 KAFUE ROAD,
CHILANGA
LUSAKA

Disclosure to Audit & Risk Committee
The other certifying officer(s) and I hereby disclose, based on our most recent evaluation of the company's disclosure controls and procedures and internal control over financial reporting, to the company's Audit and Risk Committee that:

(i) all significant deficiencies in the design or operation of the Company's disclosure controls and procedures and internal control over financial reporting which would adversely affect the company's ability to record, process, summarize and report financial information and thereby identify any material weakness in disclosure controls and procedures and internal control over financial reporting; and

(ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the company's disclosure controls and procedures and internal control over financial reporting.

Further, the other certifying officer(s) and I have not become aware of any significant changes in disclosure controls and procedures and internal control over financial reporting or other factors that could significantly affect disclosure controls and procedures and internal control over financial reporting subsequent to the date of our evaluation.

17 February 2025

DATE

E. LESA
CHIEF FINANCIAL OFFICER

CHILANGA CEMENT PLC

MINUTES OF THE 32ND ANNUAL GENERAL MEETING

HELD ON MARCH 28, 2024, AT THE TAJ PAMODZI HOTEL

PRESENT
Mr Munakupya Hantuba
Chairman
Mr Mark O'Donnell
Director
Dr Frank Munthali
Director
Mr Jianping Chai
Director
Mr Mwelwa Chibesakunda
Director
Mr Gang Xu
Director
Mr Qian Chen
Director
Mrs Chibuye Mbesuma Ngulube
Company Secretary & General Counsel
Mr Ezron Lesa
CFO

Shareholders - As attached
Proxies - As attached

1. WELCOME REMARKS AND CONSTITUTION OF THE MEETING

1.1. Ms Mutinta Kavota, the Legal Officer at Chilanga Cement PLC (Hereinafter called "the Company") welcomed everyone to the 32nd Annual General Meeting of the Company. Ms Kavota underscored that the Meeting was being conducted for the first time as a hybrid of both physically at the Taj Pamodzi Hotel and virtually online.

1.2. Following Ms Kavota's welcoming remarks, the Chairman gave a brief safety briefing regarding the venue of the Meeting.

1.3. Ms Kavota recognized the presence of all attendees and went through the prior circulated Housekeeping Rules for the Meeting and handed over to the Chairman.

1.4. The Chairman also recognised the presence of two Directors of the Company who were attending the Meeting virtually, Mr Gang Xu who was the proxy for the majority shareholder, Huaxin, and Mr Qian Chen.

1.5. Apologies and Proxies

1.5.1. No apologies were received.

1.5.2. Proxies: A total of Forty-five (45) valid proxies were received including one from the majority shareholders (Huaxin) who appointed Mr Gang Xu to represent them at the Meeting.

1.6. Upon confirmation of the quorum being present in person or by proxy, the Chairman declared the Meeting duly constituted.

2. NOTICE OF THE MEETING

2.1. The Notice was noted as published and circulated in compliance with the statutory requirements.

2.2. The Chairman confirmed the conduct of the Meeting and the process to be followed as follows:

2.2.1. As this was a shareholders' Meeting, only shareholders or their proxies were to participate in the business on the agenda; and

2.2.2. Questions or comments were to be confined to the business of the Meeting as per the agenda which was circulated to all the members before the Meeting.

2.3. The Chairman proposed that the Notice convening the Meeting be taken as read.

- Seconded: Mr Gulam Farid Patel

3. ADOPTION OF AGENDA

3.1. The Agenda was noted as circulated and was subsequently adopted.

- Proposed: Mr Boyd Tembo
- Seconded: Mr Mbumwae Silumesi

4. MINUTES OF THE 31st ANNUAL GENERAL MEETING AND MATTERS ARISING FROM THE MINUTES OF THE 31st ANNUAL GENERAL MEETING

4.1. Minutes were confirmed as the true recording of the proceedings for the 31st Annual General Meeting (AGM) held on the 29th of March 2023.

Resolution:
By a show of hands, it was resolved that the Minutes of the 31st Annual General Meeting be approved.

• Proposed: Ms Tamara Mhone
• Seconded: Mr Mainza Kasungu

4.2. There were no matters arising from the Minutes of the 31st Annual General Meeting.

5. ADOPTION OF THE ANNUAL REPORTS INCLUDING THE CHAIRMAN'S REVIEW, DIRECTORS' REPORT AND THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

5.1. The Chairman called on Mr Jianping Chai, the Chief Executive Officer (CEO) of the Company to address the Meeting. Highlights included the following:

5.1.1. Mr Chai informed the members that the Company had achieved robust financial results that surpassed Management's expectations and showcased the company's resilience amidst adversity.

5.1.2. Mr Chai further informed the Meeting that the Company's values were going to continue to guide its decision-making and help it achieve meaningful ways to make a difference. He underscored that with the Company's strong foundation and ambitious strategy, he was confident that the Company was positioned for continued growth and success.

5.2. Following the end of Mr Chai's address to the Meeting, the Chairman called on the CFO, Mr Ezron Lesa to present the Company's financial and performance highlights. The CFO's presentation highlighted the following:

5.2.1. The CFO informed the members that the Company had achieved all its objectives for the previous year despite the number of challenges it had faced. The CFO highlighted that in past three years the export market contributed over 50% of the Company's revenue, which had reduced by about 42% due to export restrictions as well as forex liquidity issues in some export market jurisdictions.

5.2.2. The CFO informed the members that despite the challenges the Company had achieved a 47% increase in the profit before tax and a 36% increase in earnings per share, which was a testament to Management's increase in the value of the members' shareholding.

5.2.3. The CFO also underscored that out of the Company's profits, Management had proposed a dividend of ZMW 2.5 per share, which was higher by 150% in comparison to the previous year's dividend of ZMW 1 per share.

5.2.4. The CFO in furtherance, stated to the members that there were no long-term debts on the Company's books and that the Company's cash had increased by 38% despite a payment of ZMW 400,000,000.00 in dividend in 2023 and investment of ZMW 125,000,000.00 in the Company's operations.

5.2.5. The CFO in addition underscored that the Company's domestic market cement sales had increased by 54% across all the market segments. He added that due to the increase in demand for the Company's products, the Company Board had approved two CAPEX projects to increase the production capacity of the two plants.

5.2.6. Apart from the above CAPEX projects, the CFO informed the members that the Company was going to be commissioning in the 2nd Quarter of 2024 an important project it had instituted in 2023 which was slated to commence production in 2024.

5.3. Following the CFO's presentation the Chairman reminded the members to reserve any questions they might have as regards the financials and that the same would be answered at the end of the Meeting.

5.4. The Annual Report and Audited Financial Statements for the year ended 31st December 2023, including the Chairman's Review, Directors' Report, and Report of the Auditor, which were circulated prior to the Meeting, were accordingly adopted.

Resolution:
It was resolved that the Annual Report and Audited Financial Statement for the year ended 31st December 2023, including the Chairman's Review, Directors' Report and Report of the Auditor, be adopted.

• Proposed: Mr Matthew Hara
• Seconded: Mr Kalunga Cindy Nakazwe

5.5. There were no objections raised hence, the Chairman declared the resolution carried.

6. DECLARATION OF A DIVIDEND

6.1. The Chairman presented the Board of Directors' recommendation for the declaration of a final dividend of ZMW 1.5 per share in addition to the earlier declared interim dividend of ZMW 1 per share for the year ended 31st December 2023.

Resolution:
THAT as recommended by the Board, a final dividend of ZMW 1.5 per share be declared.

- Proposed: Mr Gulam Farid Patel
- Seconded: Mr Mbumwae Silumesi

6.2. There were no recorded objections to the resolution.

6.3. Mr Boyd Tembo sought clarity as regards the 150% increase in dividend payment for 2023 in comparison to 2022. The CFO clarified that the ZMW 1.5 per share final dividend plus the ZMW 1 per share interim dividend amounted to ZMW 2.5 per share for 2023, which denoted a 150% increase in comparison to the ZMW 1 per share declared for 2022.

7. REMUNERATION OF DIRECTORS

7.1. The Chairman declared interest regarding this matter and gave the floor to the Company Secretary, Mrs Chibuye Mbesuma Ngulube.

7.2. The Company Secretary informed the members that the Company's Board members have not had a change in their remuneration in over 7 years. In that regard, she stated that an independent survey commissioned by Management with PricewaterhouseCoopers (PWC) showed that the Company's current Directors' remuneration was below average. She highlighted that the findings by PWC were tabled before the Remunerations Committee and adopted by the Board. She presented the following proposal for the members' consideration:

7.2.1. An increment to the Directors' annual remuneration paid quarterly as follows 39% increment (from a gross amount of USD 2,656.5 to USD 3,600 per quarter for the Board Chairman and 28% increment for the rest of the Directors (from USD 1,732.5 to USD 2,250);

7.2.2. Huaxin appointed Directors from the Huaxin Group to be equally paid annual remuneration and sitting fees at the same value as other Directors;

7.2.3. The Company's employees who are also board members to continue to not receive remuneration;

7.2.4. Sitting fees of USD 1,595 to remain unchanged for all Directors;

7.2.5. In the interest of promoting a greener environment, physically printed and circulated board packs be phased out and for all Directors to receive an iPad for purposes of accessing board packs in soft copy during Meetings; and

7.2.6. Directors to be paid a per diem amount of USD 200 per day in the event of out-of-town travel.

7.3. The Members received the proposal from Management for the Directors' fees for the year ending on 31st December 2024, to be increased in line with the aforesaid proposal.

Resolution:
THAT the remuneration of the non-executive directors of the Company for the year ending on December 31st, 2024, be increased accordingly.

- Proposed: Ms Anna Mubukwanu
- Seconded: Mr Gulam Farid Patel

7.4. The Chairman declared the resolution carried.

8. APPOINTMENT AND REMUNERATION OF THE AUDITOR

The Chairman informed the Meeting that for the year ended 31st December 2023, the Company's auditors were Ernst and Young (EY) and had indicated their willingness to continue for the year 2024. Members received a recommendation by the Board of Directors to maintain EY as Auditors of the Company for the year ending 31st December 2024 and that their remuneration be fixed by the Directors.

Resolution:
THAT as recommended by the directors, EY be maintained as Auditors of the Company for the year ending 31st December 2024 and that their remuneration be fixed by the Directors.

- Proposed: Ms Tamara Muhone
- Seconded: Mr Gaston Yobe Nkhoma

8.1. There were no members against the resolution hence the Chairman declared the resolution passed.

9. APPOINTMENT OF DIRECTORS

9.1. The Chairman invited the Company Secretary to report to the members about the appointment of Directors.

9.2. The Company Secretary informed the members ordinarily, pursuant to Article 76 (A) of the Company Articles of Association one-third of the Directors retire by rotation at each annual general meeting. In that regard, she announced that Mr Mark O'Donnell who had served the Board in the excess of 15 years wished to officially retire from the Chilanga Cement Board of Directors.

9.3. The Company Secretary further announced that following the retirement of Mr O'Donnell, Mr Mwelwa Chibesakunda had been appointed as Chairman of the Audit and Risk Committee and Mr Mangiza Phiri has been appointed as a member of the Audit and Risk Committee to satisfy the legally required minimum number of 3 members effective from the date of the members' Meeting.

10. ANY OTHER BUSINESS

10.1. The Chairman, with a view to promoting a greener environment, requested the members who were amenable to receiving electronic copies of the annual reports to submit their email addresses and agree to only receive electronic copies in order to contribute to a greener environment.

10.2. The Chairman asked if there was any other business notified to the Company for discussion before the Meeting, to which the Company Secretary replied that there was none.

10.3. Mr Gulam Farid Patel pointed out that the transfer secretaries for the Company were stated as Sharetrack instead of Corpserve in the Annual Report on page 48. The Chairman acknowledged the error and explained that it was noticed after the report had already been sent out for printing.

10.4. Ms Mainza Kasungu asked if the Company had any other CAPEX plans besides the project scheduled to be commissioned in the second quarter of 2024. She also inquired about the Company's plans to remain relevant in the competitive environment, with other players in the market. Mr Chai responded that any CAPEX plans would be based on the market situation and that the Company was going to keep adapting to the changes in the market situation vis-à-vis any CAPEX investments.

10.5. Mr Paddy Mwansa (proxy for Job Luka Shamfuti) inquired whether the members had a say regarding the appointments of the Board members to the Board Committees. The Company Secretary clarified that under Article 73 of the Company's Articles of Association, the majority shareholder has the power to appoint at least 8 board members whilst the minority shareholders can only appoint one. Therefore, given the structure of the Board, it followed that the only eligible member who could join the Audit and Risk Committee was the member who represented the minority shareholders, and that is how Mr Phiri was automatically appointed to the Audit and Risk Committee because the only other member is the Board Chairman and is ineligible.

10.6. During a meeting, Mr Mbumwae Silumesi asked a few questions. Firstly, he asked if the Company was looking into other sources of energy due to the power outages caused by ZESCO Limited. Secondly, he inquired if any other firms were considered before PWC was hired to conduct the remuneration survey. Lastly, he asked if the Zambian government had any ownership stake in the Company.

10.7. In response to Mr Mbumwae Silumesi's questions, the CFO explained that the Company had an agreement with ZESCO Limited which allowed it to manage the power outages itself as and when it deems fit. Therefore, the power outages were not expected to have a significant impact on the Company. With respect to alternative energy sources, the CFO explained that the Majority Shareholder, Huaxin, already had plants that produce their own power and that there were prospects for Chilanga in the future to produce its own power. Regarding the engagement of PWC, the Company Secretary replied that few firms could provide the service and that the Company had a short time frame in which to procure the service. She added that of the firms it had engaged including EY and PWC, PWC was selected. Finally, the Company Secretary stated that the Zambian government did not hold any stake in the Company.

10.8. Mr Boyd Tembo brought up concerns regarding health and safety in the Company's operations. He reported that near misses were not being reported, particularly those involving contractors. He asked how the Company was ensuring that contractors followed the health and safety standards set by the Company. In response, the Chairman suggested that instead of debating whether there was laxity in health and safety due to non-reporting of near misses, guidance should be given to Management to uphold health and safety standards. He also offered to set up a platform for reporting near misses, if the members desired it. He urged members to report any such incidents and not to wait for the Company's Annual General Meeting. He lastly, assured the members that health and safety were a top priority for Chilanga Cement.

10.9. Ms Mainza Kasungu asked about the reason for the increase in domestic sales. She wanted to know if the rise was due to retail customers or projects. In response, the CFO explained that there was a boost in all segments of domestic sales but emphasized that the most significant increase was in retail cement sales. He added that the partial withdrawal of NAPSA pension and sales to the Chinese-owned mines greatly contributed to the increase in domestic sales.

10.10. Mr Makasa inquired about the impact of fuel and electricity costs on the business and the strategies the Company had to mitigate the costs. Mr Chai responded, stating that the increase in energy costs impacted the business. He, however, stated that the Company optimised internally to maintain cost effectiveness by improving production efficiency and decreasing energy consumption. He added that alternative energy sources were being considered as was alluded to when answering the question that was posed earlier.

10.11. There being no further business, the Chairman declared the meeting closed at 11:20 AM.

BOARD CHAIRMAN

Signed: ....

Date:..

COMPANY SECRETARY

Signed: ....

Date:..


CHILANGA CEMENT PLC

MARCH 2024 AGM ATTENDANCE REGISTER

1) PROXIES

NAME	PROXY	SHARES HELD	%
HUAXIN (HAINAN) INVESTMENT CO., LTD	GANG XU	158,609,151	80.63
NATIONAL PENSION SCHEME AUTHORITY	PATRICK CHABWE	8,815,986	4.48
PUBLIC SERVICE PENSIONS FUND BOARD	MAINZA KASUNGU	2,670,491	1.36
SATURNIA REGNA PENSION FUND	MAINZA KASUNGU	1,650,254	0.84
PICZ PENSION TRUST-MONEY PURCHASE	MAINZA KASUNGU	795,390	0.40
ZAMBIA STATE INSURANCE PENSION TRUST FUND	KUNDA MUSONDA CHOLA	391,852	0.20
AFRICA 53	INUTU BEGNOUGA	295,179	0.15
FINANCE BANK	INUTU BEGNOUGA	290,834	0.15
STANBIC NOMINEES-MPILE LOCAL EQUITY FUND	MAINZA KASUNGU	242,922	0.12
BUYANTANSHI PENSION SCHEME	INUTU BEGNOUGA	216,767	0.11
ZANACO PLC DC PENSION SCHEME	MAINZA KASUNGU	213,965	0.11
STANBIC BANK PENSION TRUST FUND	MAINZA KASUNGU	199,541	0.10
STANDARD CHARTERED BANK PENSION TRUST FUND	MAINZA KASUNGU	192,396	0.10
ZAMBIA SUGAR PENSION TRUST -SCHEME	MAINZA KASUNGU	184,495	0.09
ZSIC LIFE POLICY HOLDERS FUND	KUNDA MUSONDA CHOLA	153,802	0.08
ABSA BANK ZAMBIA PLC STAFF PENSION FUND	MAINZA KASUNGU	134,257	0.07
EXAMINATIONS COUNCIL OF ZAMBIA	INUTU BEGNOUGA	122,100	0.06
ZAMBIAN BREWERIES PLC PENSION TRUST SCHEME	MAINZA KASUNGU	115,822	0.06
TOYOTA ZAMBIA	INUTU BEGNOUGA	115,808	0.06
ZANACO DB STAFF PENSION SCHEME	KUNDA MUSONDA CHOLA	93,054	0.05
CHILANGA CEMENT PENSION TRUST SCHEME	MAINZA KASUNGU	92,110	0.05

BUYANTANSHI PENSION TRUST FUND	INUTU BEGNOUGA	86,694	0.04
ZRA PENSION TRUST SCHEME	MAINZA KASUNGU	75,000	0.04
AIRTEL ZAMBIA STAFF PENSION FUND	MAINZA KASUNGU	74,240	0.04
LUNSEMFWA HYDRO POWER PENSION SCHEME	INUTU BEGNOUGA	56,417	0.03
MULTICHOICE PENSION SCHEME	INUTU BEGNOUGA	47,851	0.02
BUYANTANSHI PENSION TRUST FUND	MAINZA KASUNGU	45,286	0.02
ZAMBIA NATIONAL BUILDING SOCIETY	INUTU BEGNOUGA	42,459	0.02
CEC PENSION TRUST SCHEME	MAINZA KASUNGU	36,578	0.02
WORKCOM PENSION TRUST SCHEME	MAINZA KASUNGU	35,364	0.02
HSEGAIPS-PPMZ	INUTU BEGNOUGA	33,462	0.02
LUSAKA TRUST PENSION SCHEME	INUTU BEGNOUGA	29,748	0.02
ZAMBEZI RIVER AUTHORITY	INUTU BEGNOUGA	21,874	0.01
RAIL SYSTEMS OF ZAMBIA	INUTU BEGNOUGA	21,270	0.01
GAME STORES PENSION TRUST SCHEME	MAINZA KASUNGU	19,237	0.01
GOLDEN SUNSET PENSION FUND	MAINZA KASUNGU	18,334	0.01
NATIONAL BREWERIES PENSION TRUST SCHEME	MAINZA KASUNGU	17,994	0.01
SCZ INTERNATIONAL LTD PENSION TRUST	MAINZA KASUNGU	14,346	0.01
ACCESS BANK ZAMBIA LIMITED PENSION SCHEME	MAINZA KASUNGU	10,062	0.01
ZAMRA PENSION TRUST SCHEME	MAINZA KASUNGU	9,563	0.00
ECOBANK ZAMBIA LIMITED PENSION TRUST SCHEME	MAINZA KASUNGU	8,550	0.00
OCTAGON UMBRELLA TRUST FUND	MAINZA KASUNGU	5,661	0.00
SANDVIK MINING PENSION TRUST SCHEME	MAINZA KASUNGU	1,419	0.00
HEALTH SECTOR GRANT AIDED INSTITUTIONS PENSION SCHEME	MAINZA KASUNGU	758	0.00
SANLAM LIFE INSURANCE (Z) LTD	MAINZA KASUNGU	521	0.00
TOTAL		176,308,864.00	89.63

2) ATTENDEES - SHAREHOLDERS

NAME	PROXY	SHARES HELD	%
GULAM FARID PATEL		100,000	0.05
ANNA MOCHABI MUBUKWANU		32,117	0.02
MUBUKWANU SILUMELUME K		15,221	0.01
NGOLWE RUTH		10,000	0.01
BOYD TEMBO		10,000	0.01
THOMAS CHIRWA		3,400	0.00
KAPOMA ALAN CHAMBESHI		3,012	0.00
NKHOMA MATTHEWS		2,680	0.00
CHIRWA WANZIYA		2,639	0.00
LAWRENCE MAMBWE		2,000	0.00
NAMAKAU SUNDANO		2,000	0.00
GIBSON NZABUKA SILUWELA		2,000	0.00
MUHONE TAMARA		2,000	0.00
BILLY CHOLA		1,600	0.00
MBUMWAE SILUMESI		1,379	0.00
GASTON YOBE NKHOMA		1,292	0.00
TEZA SIMEMBA		1,270	0.00
MWANZA ABRAHAM		1,172	0.00
JOBB LUKA SHAMFUTI		1,035	0.00
MTONGA MICHEAL		1,025	0.00
NAKAZWE KALUNGA CINDY		1,000	0.00
BELLINGTONE BESA		1,000	0.00

MTONGA ANNE SYLVIA		700	0.00
CHIBUBI KAULU		516	0.00
CHIBANDA BILLYGRAY NOAH		500	0.00
MATHEW KASONKOLA HARA		500	0.00
MARGARET CHILUFYA		287	0.00
EILEEN MULEYA CHIKANTA		249	0.00
HAMWEENE DAISY BUUMBA		227	0.00
CHIPILI LENGWE		175	0.00
MPIMPA MILAMBO		93	0.00
SIMUMBA FRED		71	0.00
MUYUNDA SUNDANO		50	0.00
GEOFFREY MUMBA KANSWE		40	0.00
MICHAEL MWAMBULA		36	0.00
ZULU PAUL YORAM		14	0.00
TOTAL		**201,300**	**0.10**

3) ATTENDEES - NON-SHAREHOLDERS

NAME	REPRESENTING	COUNT
ELIJAH KABASO	AFRICAN LIFE FINANCIAL SERVICES ZAMBIA LTD	1
LUSUNGU MUNTHALI	AFRICAN LIFE FINANCIAL SERVICES ZAMBIA LTD	2
MULUMBWE KAZILIMANI	CHILANGA CEMENT PLC	3
GIFT DANGA	CHILANGA CEMENT PLC	4
CHABOTA MATONGO	CHILANGA CEMENT PLC	5
HAMBABA MOONJE	CHILANGA CEMENT PLC	6
DONALD BWALYA	CHILANGA CEMENT PLC	7
JONATHAN MUTENA	CHILANGA CEMENT PLC	8
EVANS MACHAYI	CITY TV	9
ROBERT MAZUANARA	CORPSERVE ZAMBIA	10
MILEMBO LUKAMA	CORPSERVE ZAMBIA	11
ALAIN KABINDA	DAILY NEWS	12
BOSTON MUVWANGA	KBN TV	13
MARGARET KAINGWA	MEDIEA ROOTS FM	14
KULEKA REUMAIDAH	MELO MEDIA	15
CHIPO MAMBWE	PANGAEA SECURITIES	16
KALOPA CHIPATI	PANGAEA SECURITIES	17
STEPHEN NDUMBA	PRO PA 2	18
MALANGI NZONBOLA	REVELATIONTV	19
KUNDA BWALI	SBI INVESTMENTS	20
BRIAN BWALYA	SBI INVESTMENTS	21
MWELWA	SBI INVESTMENTS	22

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