

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023



Summary Statement of comprehensive income

	Unaudited 6 Months Ended 30 Jun 2023 MK'000	Unaudited 6 Months Ended 30 Jun 2022 MK'000	Audited 12 Months Ended 31 Dec 2022 MK'000
Income			
Dividends	488,804	247,891	713,687
Interest income	<u>13,582</u>	<u>20,131</u>	<u>56,628</u>
Total Income	<u>502,386</u>	<u>268,022</u>	<u>770,315</u>
Total expenses	<u>(172,592)</u>	<u>(101,717)</u>	<u>(246,312)</u>
Profit before fair value gains	<u>329,794</u>	<u>166,305</u>	<u>524,003</u>
Fair value gains on equity Investments	<u>16,188,686</u>	<u>1,324,992</u>	<u>6,576,255</u>
Profit before tax	16,518,480	1,491,297	7,100,258
Income tax expense	<u>(28,647)</u>	<u>(28,428)</u>	<u>(106,720)</u>
Profit for the period	<u>16,489,833</u>	<u>1,462,869</u>	<u>6,993,538</u>
Number of shares in issue	135,000	135,000	135,000
Basic and diluted earnings per share (Tambala)	<u>12,215</u>	<u>1,084</u>	<u>5,180</u>

Summary Statement of cash flows

	Unaudited 6 Months Ended 30 Jun 2023 MK'000	Unaudited 6 Months Ended 30 Jun 2022 MK'000	Audited 12 Months Ended 31 Dec 2022 MK'000
Operating activities			
Dividends received	488,804	264,996	735,305
Interest received	<u>6,829</u>	<u>22,452</u>	<u>59,977</u>
Operating expenditure	<u>(182,145)</u>	<u>(148,896)</u>	<u>(219,400)</u>
Taxes paid	<u>(31,655)</u>	<u>(28,492)</u>	<u>(70,788)</u>
Cash from operating activities	<u>281,833</u>	<u>110,060</u>	<u>505,094</u>
Cash flows from investing activities			
Purchase of shares	-	(660,367)	(1,412,116)
Disposal of Shares	<u>74,966</u>	<u>600,000</u>	<u>1,184,635</u>
Cash used in investing activities	<u>74,966</u>	<u>(60,367)</u>	<u>(227,481)</u>
Cash flows from financing activities			
Dividends paid	-	-	(411,750)
Cash used in financing activities	-	-	(411,750)
Net increase/(decrease) in cash and cash equivalents	356,799	49,693	(134,137)
Cash and cash equivalents at the beginning of the period	<u>78,265</u>	<u>212,402</u>	<u>212,402</u>
Cash and cash equivalents at the end of the period	<u>435,064</u>	<u>262,095</u>	<u>78,265</u>

Summary Statement of financial position

	Unaudited 6 Months Ended 30 Jun 2023 MK'000	Unaudited 6 Months Ended 30 Jun 2022 MK'000	Audited 12 Months Ended 31 Dec 2022 MK'000
Assets			
Equity Investments	40,470,340	18,838,245	24,256,623
Other assets	23,232	19,767	85
Cash and cash equivalents	<u>435,064</u>	<u>262,095</u>	<u>78,265</u>
Total assets	<u>40,828,636</u>	<u>19,120,107</u>	<u>24,334,973</u>
Equity and liabilities			
Equity			
Share capital	2,700	2,700	2,700
Share premium	169,550	169,550	169,550
Retained earnings	<u>40,341,099</u>	<u>18,732,347</u>	<u>23,851,266</u>
Total equity	<u>40,513,349</u>	<u>18,904,597</u>	<u>24,023,516</u>
Liabilities			
Deferred tax liability	135,815	101,536	135,815
Income tax liability	2,456	3,748	5,464
Other liabilities	<u>177,016</u>	<u>110,226</u>	<u>170,178</u>
Total liabilities	<u>315,287</u>	<u>215,510</u>	<u>311,457</u>
Total equity and liabilities	<u>40,828,636</u>	<u>19,120,107</u>	<u>24,334,973</u>

Summary Statement of changes in equity

	Share Capital MK'000	Share Premium MK'000	Retained Earnings MK'000	Total MK'000
Balance as at 1 January 2022	2,700	169,550	17,269,478	17,441,728
Dividends paid	-	-	(411,750)	(411,750)
Total comprehensive profit	-	-	<u>6,993,538</u>	<u>6,993,538</u>
Balance as at 31 December 2022	<u>2,700</u>	<u>169,550</u>	<u>23,851,266</u>	<u>24,023,516</u>
Balance as at 1 January 2023	2,700	169,550	23,851,266	24,023,516
Total comprehensive profit	-	-	<u>16,489,833</u>	<u>16,489,833</u>
Balance as at 30 June 2023	<u>2,700</u>	<u>169,550</u>	<u>40,341,099</u>	<u>40,513,349</u>

Overview of results

During the period, the gross annualized return for the Company was 69.47% (2022: 17.33%) against the Malawi All Share Index (MASI) return of 75.15% (2022: 9.32%) The Company's net profit rose to K16,490 million in the current year, compared to K1,463 million in the previous year. This increase in profitability was primarily driven by the appreciation in share prices of several investee companies and a rise in dividend income. The Company had revaluation gains on its equity investments amounting to K16,189 million (2022: K1,325 million). During the same period, dividend income was K489 million (2022: K248 million).

Dividends

The Directors approved an interim dividend of K202.5 million (2022: K108.0 million) for the half year ended 30 June 2023, this represents 150 tambala per share (2022: 80 tambala per share). The dividend will be paid on 27 October 2023 to members whose names will appear on the register as at the close of business on Friday 20 October 2023. The register will be closed from 20 October 2023 to 23 October 2023 and no transfers will be registered during that time.

By order of the Board.

Esther Gondwe
Chairperson

Godfrey Msisha
Chairman (Finance and Audit Committee)