

SENS ANNOUNCEMENT

("the Announcement")

ISSUER



METAL FABRICATORS ZAMBIA PLC ("ZAMEFA")
[Incorporated in the Republic of Zambia]

Company registration number: 5079
Share Code: ZAMEFA
ISIN: ZM0000000243
Authorised by: Roseta M. Chabala – Managing Director

SPONSOR



Stockbrokers Zambia Limited
[Founder Member of the Lusaka Securities Exchange]
[Regulated and licensed by the Securities and Exchange Commission of Zambia]

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APPROVAL

The captioned Announcement has been approved by:

- i. the Lusaka Securities Exchange
- ii. the Securities and Exchange Commission
- iii. Stockbrokers Zambia Limited

DISCLAIMER AND RISK WARNING

The Announcement contained herein contains information that may be of a price sensitive nature.

Investors are advised to seek the advice of their investment advisor, stockbroker, or any professional duly licensed by the Securities and Exchange Commission of Zambia to provide securities advice.

ISSUED: 16 June 2020



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["Zamefa" or "the Company"]

TRADING STATEMENT

In accordance with the Lusaka Securities Exchange ("LuSE") Listing Requirements, the Board of Directors of Metal Fabricators of Zambia Plc ("the Board") hereby advises the Shareholders of the Company that the Earnings Per Share for the half-year ended 31 March 2020 is expected to be more than **100%** lower than that of the corresponding period last year for the Company.

The drop in EPS for the current year is mainly the result of the substantial weakening of the kwacha, against the United States dollar ("USD") by 38% since the group and company's previous financial year end and the corresponding revaluation of the company's USD based loans. The company's vulnerability to the volatility of the kwacha to the USD is a direct result of overdue VAT and duty draw back refunds due from the Zambia Revenue Authority, which has required the company to finance its operations through the utilisation of dollar based funding.

In addition, the revenue and gross profit in the first four months of the year was negatively impacted by the unavailability of copper cathode in Zambia. The supply of copper cathode to the company was only restored in the last two months of the half year.

The Company expects its results for the six – month period ended 31st March 2020 to be released on SENS and published in the local press on or about 17 June 2020. Accordingly, shareholders are advised to exercise caution when dealing in the Company's securities until publication of the results.

By Order of the Board

BDO Zambia Limited - Company Secretaries

Issued in Lusaka, Zambia on 16 June 2020

Lusaka Securities Exchange Sponsoring Broker



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Stockbrokers Zambia Limited (SBZ) is a founder member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia

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