

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 Announcement has been approved by:

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

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: 17 November 2020



METAL FABRICATORS OF ZAMBIA PLC
[Company incorporated in the Republic of Zambia]
Company Registration Number: 5079
Share Code: ZAMEFA
ISIN: ZM0000000243
[“ZAMEFA” or “the Company”]

TRADING STATEMENT

In accordance with the Lusaka Securities Exchange (“LuSE”) Listing Requirements, the Board of Directors of Zamefa (the “Board”) wishes to advise the Shareholders that for the financial year ended 30th September 2020, the basic loss per share (“LPS”) and head line loss per share (“HLPS”) are both expected to be between 217% to 237% higher than those of the prior year for both the Group and for the Company (collectively the “Group”).

The increased losses are primarily due to the result of the substantial weakening of the kwacha, against the United States dollar (“USD”) of 53% since the Group’s previous financial year-end and the corresponding re-measurement of the company’s USD based liabilities.

The Group’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 (“ZRA”), which has required the Group to finance its operations through the utilisation of dollar based funding.

The Board is pleased to advise that a significant portion of the overdue amounts due by the ZRA were collected towards the end of the financial year reducing the balance outstanding at the end of the year to ZMW96 million (2019: ZMW250 million) and reducing the Group’s net USD exposure.

In addition to the negative impact of the exchange rate volatility, the Group’s revenue, and gross profit in the first four months of the year were negatively impacted by the unavailability of copper cathode in Zambia. The adverse impact of the Covid-19 pandemic during the balance the year on the demand in the Group’s export markets and the associated logistics further contributed to the higher “LPS” and “HLPS”.

The Group expects its results for the financial year ended 30th September 2020 to be released on SENS and published in the local press on or about 20 November 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 17 November 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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