

## SENS ANNOUNCEMENT

(the "Announcement")

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### ISSUER

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#### METAL FABRICATORS ZAMBIA PLC ("ZAMEFA")

[Incorporated in the Republic of Zambia]

Company registration number: 5079  
Share Code: ZAMEFA  
ISIN: ZM0000000243  
Authorised by: The Board of Directors

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### SPONSOR

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#### 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

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The Announcement has been approved by:

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

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### RISK WARNING

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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.

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ISSUED: 20 May 2022



**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"]**

In compliance with the Securities Act No. 41 of 2016 and the Listing Requirements of the Lusaka Securities Exchange, Metal Fabricators of Zambia PLC (ZAMEFA) announces its separate and consolidated results for the six-month period ("Period") ended 31st March 2022.

**Extract from Statement of Profit or Loss and other Comprehensive Income**

	Group		Company	
	Period ended 31-Mar-2022	Period ended 31-Mar-2021	Period ended 31-Mar-2022	Period ended 31-Mar-2021
	Zmw'000	Zmw'000	Zmw'000	Zmw'000
<b>Revenue</b>	<b>1 029 998</b>	1 145 534	<b>1 029 998</b>	1 145 534
<b>Gross profit</b>	<b>33 125</b>	66 429	<b>33 125</b>	66 429
Operating profit	<b>3 235</b>	20 204	<b>3 255</b>	20 229
Net Finance costs	<b>(8 204)</b>	(10 092)	<b>(8 204)</b>	(10 092)
Net foreign exchange losses	<b>(18 861)</b>	(24 511)	<b>(19 018)</b>	(25 035)
<b>Loss before income tax</b>	<b>(23 830)</b>	(14 399)	<b>(23 967)</b>	(14 898)
Income tax	<b>1 936</b>	-	<b>1 957</b>	-
<b>Loss for the period</b>	<b>(21 894)</b>	(14 399)	<b>(22 010)</b>	(14 898)
Other comprehensive income				
<i>Items that will be reclassified subsequently to the profit or loss</i>				
Exchange difference on translation of foreign operation	<b>(574)</b>	(1 826)	-	-
Total comprehensive loss for the period	<b>(22 468)</b>	(16 225)	<b>(22 010)</b>	(14 898)
<b>Loss per Ordinary share</b>	<b>(0.81)</b>	(0.53)	<b>(0.81)</b>	(0.55)

**Extract from Statement of Financial Position**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-2022</b>	<b>31-Mar-2021</b>	<b>31-Mar-2022</b>	<b>31-Mar-2021</b>
	<b>Zmw'000</b>	<b>Zmw'000</b>	<b>Zmw'000</b>	<b>Zmw'000</b>
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	<b>126 120</b>	128 014	<b>126 120</b>	128 014
Deferred tax	<b>801</b>	7 618	<b>771</b>	7 569
<b>Total non-current assets</b>	<b>126 921</b>	135 632	<b>126 891</b>	135 583
<b>Current assets</b>				
Other current assets	<b>528 637</b>	759 378	<b>536 941</b>	769 450
Cash and cash equivalents	<b>66 804</b>	31 288	<b>63 811</b>	27 681
<b>Total current assets</b>	<b>595 441</b>	790 666	<b>600 752</b>	797 131
<b>Total assets</b>	<b>722 362</b>	926 298	<b>727 643</b>	932 714
<b>Equity and liabilities</b>				
<b>capital and reserves</b>				
Share capital	<b>271</b>	271	<b>271</b>	271
Equity loan	<b>365 000</b>	365 000	<b>365 000</b>	365 000
Revaluation surplus	<b>112 188</b>	112 188	<b>112 188</b>	112 188
Share based payment reserve	<b>208</b>	208	<b>208</b>	208
Foreign currency translation reserve	<b>(1 849)</b>	(3 005)	<b>-</b>	-
Accumulated loss	<b>(315 439)</b>	(360 097)	<b>(311 802)</b>	(356 453)
<b>Total equity</b>	<b>160 379</b>	114 565	<b>165 865</b>	121 214
<b>Non-current liabilities</b>				
Retirement benefit obligations	<b>7 837</b>	6 117	<b>7 837</b>	6 117
<b>Total non-current liabilities</b>	<b>7 837</b>	6 117	<b>7 837</b>	6 117
<b>Current liabilities</b>				
Trade payables	<b>484 695</b>	642 026	<b>484 490</b>	641 793
Bank overdrafts	<b>64 555</b>	163 590	<b>64 555</b>	163 590
Taxation	<b>4 896</b>	-	<b>4 896</b>	-
<b>Total current liabilities</b>	<b>554 146</b>	805 616	<b>553 941</b>	805 383
<b>Total liabilities</b>	<b>561 983</b>	811 733	<b>561 778</b>	811 500
<b>Total equity and liabilities</b>	<b>722 362</b>	926 298	<b>727 643</b>	932 714

**Statement of changes in equity**

**Group**

	Share capital	Equity Loan	Revaluation reserve	Accumulated loss	Foreign currency translation reserve	Share Based Reserve	Total
	Zmw'000	Zmw'000	Zmw'000	Zmw'000	Zmw'000	Zmw'000	Zmw'000
<b>Period ended 31-March-2022</b>							
At start of the period	271	365 000	112 188	(293 545)	(1 275)	208	182 847
Loss for the period	-	-	-	(21 894)	-	-	(21 894)
Foreign currency translation loss	-	-	-	-	(574)	-	(574)
At end of the period	<b>271</b>	<b>365 000</b>	<b>112 188</b>	<b>(315 439)</b>	<b>(1 849)</b>	<b>208</b>	<b>160 379</b>

**Statement of changes in equity**

**Company**

	Share capital	Equity Loan	Revaluation reserve	Accumulated loss	Share Based Reserve	Total
	Zmw'000	Zmw'000	Zmw'000	Zmw'000	Zmw'000	Zmw'000
<b>Period ended 31-March-2022</b>						
At start of the period	271	365 000	112 188	(289 792)	208	187 875
Loss for the period	-	-	-	(22 010)	-	(22 010)
At end of the period	<b>271</b>	<b>365 000</b>	<b>112 188</b>	<b>(311 802)</b>	<b>208</b>	<b>165 865</b>

	Group		Company	
	31-Mar-2022 Zmw'000	31-Mar-2021 Zmw'000	31-Mar-2022 Zmw'000	31-Mar-2021 Zmw'000
<b>Statements of cash flows</b>				
<b>Cash flows from operating activities</b>				
Cash generated from /(used in) operations	117 603	(17 681)	117 294	(19 265)
Net Interest paid	(8 204)	(10 092)	(8 204)	(10 092)
Income tax paid	-	-	-	-
<b>Net cash generated from / (used in) operating activities</b>	<b>109 399</b>	<b>(27 773)</b>	<b>109 090</b>	<b>(29 357)</b>
Net cash outflow from investing activities	-	-	-	-
Net (decrease)/ increase in cash and cash equivalents	<b>109 399</b>	<b>(27 773)</b>	<b>109 090</b>	<b>(29 357)</b>
<b>Movement in cash and cash equivalents</b>				
At start of the period	(107 150)	(104 529)	(109 834)	(89 075)
Net increase /(decrease) in cash and cash equivalents	109 399	(27 773)	109 090	(29 357)
At end of the period	2 249	(132 302)	(744)	(135 909)
Comprising of:				
Cash and bank balances	66 804	31 288	63 811	27 681
Bank overdraft	(64 555)	(163 590)	(64 555)	(163 590)
Net cash and cash equivalents	2 249	(132 302)	(744)	(135 909)

## Summary of operating results

	Group		Company	
	Period ended 31-Mar-2022 Zmw '000	Period ended 31-Mar-2021 Zmw '000	Period ended 31-Mar-2022 Zmw '000	Period ended 31-Mar-2021 Zmw '000
Revenue	1 029 998	1 145 534	1 029 998	1 145 534
Operating Income	3 235	20 204	3 255	20 229
Loss for the period	(21 894)	(14 399)	(22 010)	(14 898)

### Commentary

Revenue at ZMW1 030 million is 10% lower than the prior period (2021: ZMW1 145 million). This is as a result of lower sales volumes in the current period under review. Additionally, most of the company's revenue is derived from USD denominated sales and the stronger Zambian kwacha, against the USD, compared to the same period in the prior year, negatively affected the revenue in this 6-month period. However, this was partly offset by the pass through effect of higher copper prices in the first half of the 2022 financial year when compared to the corresponding period last year.

The gross profit for the period was lower than the corresponding period in the prior year mainly due to the lower sales volumes in the reporting period. This was partly offset by lower operating expenses in the reporting period when compared to those achieved in the corresponding period in the prior year.

The finance costs in the period under review were lower than those of the corresponding period in the prior year, mainly due to the effect of a stronger Zambian kwacha exchange rate against the USD in the current year on the USD denominated funding. The average Zambian kwacha to USD exchange rate depreciated in the period under review resulting in a foreign currency exchange loss of ZMW 18,9 million (2021: ZMW24,5 million).

The Group and Company's Loss per share for the period under review were (ZMW0.81) and (ZMW0.81) while the Loss per share for the comparative period of 2021 were (ZMW0.53) for the Group and (ZMW0.55) for the Company.

### By Order of the Board

BDO Zambia Limited – Company Secretaries

Issued in Lusaka, Zambia on 20 May 2022

#### Lusaka Securities Exchange Sponsoring Broker



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

First Issued on 20 May 2022