



OK House, 7 Ramon Road, Graniteside, P. O. Box 3081, Harare
Phone: 263-242 757311/9, 750208/9 755617, 755632, 755637 Fax 263-4-757028/757039
Telex: 26463ZW, Email:ok@okzim.co.zw

SPECIAL TRADING UPDATE - COVID 19 LOCKDOWN

EFFECTS ON THE BUSINESS

The Government of Zimbabwe gazetted the Public Health (Covid-19 Containment and Treatment) (National Lockdown) Order, 2020 through Statutory Instruments 76, 77, 82, 83 and 93 of 2020. The legislations ordered a lockdown for a period from 30 March 2020 to 17 May 2020 during which the movement of people is restricted. However, essential service providers were allowed to operate.

OK Zimbabwe was classified as one of the essential service providers and thus allowed to trade, though for reduced hours. Movement into the central business district of major cities and towns was restricted and this saw the company's six Harare CBD stores being closed in the month of April 2020. A number of our key suppliers could not operate as they were not part of the essential services and this disrupted the supply chain.

The company expects results for the quarter ending 30 June 2020 to reasonably reflect the impact of the lockdown and will update accordingly.

BUSINESS CONTINUITY PLAN

To minimize the impact of the pandemic and the lockdown the company implemented the following measures:-

- Engaged suppliers of products to ensure continuing supply of merchandise for trading in the stores;
- Suspended new projects on the capital expenditure programme and in the meantime will concentrate only on completing work that was already under way;
- Deferred launch of the company's flagship promotion, the OK Grand Challenge. This is an annual promotion that runs from April to June;
- Eliminated all non-essential expenses;
- Froze new staff engagements;
- Engaging landlords for rental reductions to match the level of activity in the stores;
- Suspended all company activities that compromised social distancing;
- With assistance from public health practitioners, enhanced hygienic procedures including provision of sanitizers, hand washing facilities for use by both staff and our customers and increased frequency of cleaning of facilities;
- Provided personal protective equipment to all staff;
- Testing of staff and customers' temperatures on entering company premises;
- Promoting and maintaining social distancing through allowing fewer customers in the stores at any one time; and
- Contributed personal protective equipment worth ZWL\$ 5 million to the Ministry of Health and Child Care to help the nation fight the Covid-19 pandemic as part of its corporate social responsibility programme.

SOLVENCY POSITION

Because it has continued to trade, the business is increasingly capable of settling all its obligations as they fall due. In addition, the company has banking facilities in place which can be accessed should the need to borrow arise.

OUTLOOK

The company will be guided by pronouncements from the World Health Organisation and the Ministry of Health and Child Care for measures that will continue to protect our staff and stakeholders. The directors and management will continue monitoring and putting in place measures that will ensure the business remains a going concern.

By the order of the Board

M. Munyuru (Mrs.)
Company Secretary
15 May 2020

DIRECTORS: H. Nkala (Chairman), A. E. Siyavora (Chief Executive Officer), A. R. Katsande (Commercial Director), R. A. Maunze, R. Mavima, A. S. McLeod, B. A. Carter (Alternate), R. J. Moyo, L. Webster-Rozon