



GB HOLDINGS LTD THIRD QUARTER TRADING UPDATE FOR THE PERIOD ENDING 30 SEPTEMBER

TRADING ENVIRONMENT

The macroeconomic environment was characterised by relative stability of the exchange rate at the auction market which resulted in price stability. The limited relaxation of COVID-19 lockdown measures in the period partially opened up the economy with aggregate demand responding accordingly.

PERFORMANCE UPDATE

The relaxation of lockdown measures and the subsequent opening up of most economic sectors improved the performance of the traditional markets for the chemicals division. The rubber division performance is ahead of prior year and plan due to improved factory efficiencies and order book. However, there was notable increase in local utility costs which impacted negatively on margins.

OUTLOOK

Although the overall performance to date is below budget due to the unintended lockdown effects globally and locally, the company forecasts to post improved performance when compared with prior year. The improved performance at the rubber division is expected to continue on the back of a strong order book and adequate stock cover of raw materials.

The Chemicals division out turn for the year will be driven by a favourable product mix and solid logistical support. However the resurgence of COVID 19 pandemic is cause for worry as it affects key markets of the chemicals division.

A handwritten signature in black ink, appearing to read 'P. Munyanyi', is positioned above the printed name and title.

**P. MUNYANYI
FINANCE DIRECTOR**