

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This document is neither a prospectus nor an invitation to the public to subscribe for shares in Truworths Limited. The circular seeks to give information regarding an offer, by the Company, to registered shareholders of Truworths Limited, to subscribe for the issue of future ordinary shares in the share capital of Truworths Limited on the terms and conditions contained herein.

Action required:

- If you are in any doubt as to the action you should take, you should immediately seek advice from your stockbroker, bank manager, legal practitioner, accountant, or other professional advisors.
- This document is neither a prospectus nor an invitation to the public to subscribe for shares in Truworths Limited. The circular seeks to give information regarding an offer, by the Company, to registered shareholders of Truworths Limited, to subscribe for the issue of future ordinary shares in the share capital of Truworths Limited on the terms and conditions contained herein.
- If you no longer hold any shares in Truworths Limited, you should send this document and the accompanying form of proxy, as soon as possible, to the stockbroker, bank or other agent through whom the sale of your shareholding in Truworths Limited was affected for onward transmission to the purchaser or transferee of the shares in Truworths Limited previously held by you.

TRUWORTHS

(Incorporated in Zimbabwe in 1957, under Company Registration Number 602/1957)

Directors: M.P. Mahlangu (Chairman), B. Ndebele (C.E.O), B.H. Henderson, F.K. Khan, L. Mabhiza, W. Matsaira, A. B. Miek, S. M. Takaendis

Registered Address: Stand 808 Seke, Road, Prospect Park, Hatfield, Harare, Zimbabwe

CIRCULAR TO SHAREHOLDERS

Concerning

a Renounceable Rights Offer of 384,067,512 ordinary shares of a nominal value of ZWL\$0.0001 each, at a Rights Offer price of ZWL\$5.80 per share, on the basis of one (1) new ordinary share for every one (1) ordinary share in issue as at the Record Date
and incorporating a

NOTICE CONVENING AN EXTRAORDINARY GENERAL MEETING

LEAD ADVISORS



SPONSORING BROKERS



REPORTING ACCOUNTANTS



LEGAL ADVISORS



TRANSFER SECRETARIES



UNDERWRITERS



CORPORATE INFORMATION AND PROFESSIONAL ADVISORS

Directors	M. P. Mahlangu B. Ndebele S. M. Takaendisa L. Mabhiza B. H. Henderson F. K. Khan W. Matsaira A.B. Miek	(Chairman) (Chief Executive Officer) (Executive) (Executive) (Non-Executive) (Non-Executive) (Non-Executive) (Non-Executive)
Company Secretary	Brenda M. Chibanda	
Registered Office	Truworths Head Office Stand 808 Seke Road, Prospect Industrial Park, Harare	
Financial Advisors	Morgan & Co International. 14165 Sauer Road, Gunhill, Harare	
Legal Practitioners & Advisors	Honey & Blanckenberg Legal Practitioners 200 Herbert Chitepo Avenue, Harare	
Reporting Accountants and Auditors	Grant Thornton Chartered Accountants (Zimbabwe) Camelsa Business Park 135 Enterprise Road Highlands Harare	
Principal Bankers	NMB Bank Limited 19207 Liberation Legacy Way, Borrowdale, Harare	
Transfer Secretaries	Corpserve (Pvt) Ltd 2 nd Floor ZB Centre Corner Kwame Nkrumah Avenue/ 1st Street Harare	
Sponsoring Brokers	Morgan & Co. 14165 Sauer Road, Gunhill, Harare	
Underwriters	Mega Market (Private) Limited 2 Aberdeen Road, Nyakamete Mutare Zimbabwe	

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DEFINITIONS

The following definitions apply throughout this Circular to Shareholders, unless the context requires otherwise. The use of singular words imports the plural and masculine words import both feminine and neutral, and words importing natural persons shall include juristic persons (whether corporate or incorporate and vice versa).

<i>“Articles”</i>	The Articles of Association of Truworths (incorporated in Zimbabwe);
<i>“Board” or “Directors”</i>	The Board of Directors of Truworths;
<i>“Circular” or “Circular to Shareholders”</i>	This Circular to Truworths’ Shareholders dated, Monday, 19 June 2023 setting out the terms and conditions of the Rights Offer and incorporating all Letters and Annexures relating thereto;
<i>“Chairman”</i>	The Chairman of the Board of Directors of Truworths;
<i>“Closing date”</i>	The date on which the Rights Offer closes, being 1600 hours on Wednesday, 09 August 2023;
<i>“Companies Act” or “the Act”</i>	The Companies and Other Business Entities Act [Chapter 24:31] as amended from time to time, and in force in the Republic of Zimbabwe, including all regulations promulgated under that Act;
<i>“Conditions Precedent”</i>	The conditions precedent stated in the Letter from the Chairman contained in Part B of this Circular to Shareholders dated Monday, 19 June 2023;

<i>“Corpserve “</i>	Corpserve (Pvt) Limited Secretaries, a company incorporated in Zimbabwe and transfer secretaries for Truworths;
<i>“EGM”</i>	The Extraordinary General Meeting of Truworths Shareholders to be held at 1200 hours on Tuesday, 04 July 2023, at Truworths Head Office, Stand 808 Seke Road, Prospect Park, Hatfield, Harare;
<i>“Grant Thornton” or “GT”</i>	Grant Thornton Chartered Accountants (Zimbabwe) Registered Public Auditors and the Independent Reporting Accountants to Truworths;
<i>“Truworths “ or “the Company”</i>	Truworths Limited, registration number 602/1957, a company incorporated in Zimbabwe in terms of the Companies Act and listed on the Zimbabwe Stock Exchange;
<i>“The Group”</i>	This refers to Truworths Limited Group. Truworths Limited owns 100% shares in all its subsidiaries – Topic Stores (Private) Limited (incorporating Number 1 Stores) and Bravette Manufacturing Company (Private) Limited
<i>“Honey & Blanckenberg”</i>	Honey & Blanckenberg registered legal practitioners, and legal advisors to Truworths;
<i>“Government”</i>	The Government of Zimbabwe;
<i>“Morgan & Co International”</i>	Morgan & Co International, the lead financial advisors for the Transaction licensed by The Securities Exchange Commission of Zimbabwe under The Securities and Exchange Act [Chapter 24:25];

<i>“Morgan & Co”</i>	Morgan & Co, the sponsoring brokers for the Transaction;
<i>“Non- Resident Shareholders”</i>	Truworths Shareholders with non-resident status in terms of the Exchange Control Regulations S.I. 109 of 1996, as amended;
<i>“Nominal Value”</i>	The nominal value of each share as set out in the Articles;
<i>“Ordinary Shares”</i>	The ordinary shares of Truworths Limited (incorporated in Zimbabwe) ;
<i>“Proxy Form”</i>	The form accompanying this Circular, which provides for Truworths Shareholders to appoint a proxy to attend the EGM and vote on their behalf on the Resolutions;
<i>“Record Date”</i>	The date on which the register of Truworths shareholders will be closed to determine Truworths Shareholders’ participation in the Rights Offer, which date is expected to be the close of business on Friday, 30 June 2023;
<i>“Renounceable Rights Offer” or “Rights Offer”</i>	The Proposed Renounceable Rights Offer of 384,067,512 Ordinary Shares of a nominal value of ZWL\$0.0001 each, at a price of ZWL\$5.80 per Rights Offer Share, on the basis of one (1) Rights Offer Share for every one (1) ordinary share held at the Record Date;
<i>“Resolutions”</i>	The resolutions to be considered and if deemed fit, passed by Truworths shareholders as set out in the Notice convening the EGM, to give effect to the Rights Offer;

<i>"Rights Offer Share"</i>	384,067,512 Ordinary Share of nominal value of ZWL\$0.0001 each, to be offered to Truworthis Shareholders registered as such on the Record Date, and subscribed for by such Shareholders pursuant to the Rights Offer;
<i>"Shareholders" or "Shareholder"</i>	Holders or a holder of ordinary shares in the issued share capital of Truworthis, as the case may be;
<i>"Subscription Price"</i>	ZWL\$5.80 per Rights Offer Share at the date of subscription;
<i>"the Transaction"</i>	The proposed renounceable Rights Offer to Truworthis Shareholders, in terms of this Circular to Shareholders;
<i>"Underwriter"</i>	Mega Market (Private) Limited
<i>"Zimbabwean dollar" or "ZWL\$"</i>	The lawful currency of Zimbabwe;
<i>"ZSE"</i>	Zimbabwe Stock Exchange Limited

FORWARD LOOKING STATEMENTS

The Circular includes certain statements, estimates and forecasts, which are forward looking and are based on the current expectations of Truworths and the Directors. The forward-looking statements are **subject to certain risks, uncertainties and other factors, some of which are beyond the control of Truworths and the Directors, difficult to predict and could cause actual results to differ materially from those in the projections and forecasts.** In making their considerations, Shareholders are advised to make their own independent assessment and, in this regard, to consult their own professional advisers.

PART A: SALIENT FEATURES OF THE RIGHTS OFFER

This summary presents the salient information in relation to the Renounceable Rights Offer, the detailed terms and conditions of which are more fully set out in this Circular. The Circular should accordingly be read in its entirety for a full appreciation of the rationale for and the implications of the Renounceable Rights Offer, as well as the action required to be taken by Shareholders.

A.1 DETAILS OF THE RIGHTS OFFER

The Board is proposing a Renounceable Rights Offer to recapitalize Truworths by way of a rights offer of 384,067,512 (Three hundred and eighty-four million, sixty-seven thousand, five hundred and twelve) ordinary shares of a nominal value of ZWL\$0.0001 (1 ZWL Cent) each, at a **Rights Offer price of ZWL\$5.80 (580 ZWL Cents) per share**, on the basis of **one (1) new ordinary share for every one (1) ordinary share in issue** as at the Record Date. The Rights Offer shares represent 50% of the Company's enlarged issued ordinary share capital post the proposed Rights Offer.

A.2 EXPECTED TIMETABLE FOR THE RIGHTS OFFER

Note: The dates set out herein are expected dates and may change. Any significant changes to these dates will be announced as per Truworths usual Shareholder communication channels, either electronically or by publication in the national press. The announcement will be made through a publication in at least one daily newspaper circulating in Zimbabwe.

Notice of EGM and Abridged Circular to Shareholders published.	Monday, 19 June 2023
Register closes for voting at EGM at 1600hrs.	Friday, 30 June 2023
Truworths share register re-opens.	Monday, 03 July 2023
EGM at 1200hrs.	Tuesday, 04 July 2023
Announcement and publication of EGM results.	Friday, 07 July 2023
Last day to register for the Rights Offer.	Tuesday, 11 July 2023
Mailing of Letters of Allocation to Shareholders.	Friday, 14 July 2023
Rights Offer Opens at 0900hrs.	Friday, 14 July 2023
Last day of dealing in letters of allocation at 1200 hours.	Tuesday, 01 August 2023
Latest time for splitting letters of allocation at 1200 hours.	Tuesday, 01 August 2023
Rights Offer closes at 1600 hours.	Wednesday, 09 August 2023
Last day of receiving postal acceptances.	Wednesday, 09 August 2023
Allocation of Rights Offer Shares.	Tuesday, 16 August 2023
Results of Rights Offer published and listing of Rights Offer Shares.	Friday, 18 August 2023
Rights Offer share certificates mailed.	Friday, 18 August 2023
New Shares Listed	Monday, 21 August 2023

PART A: SALIENT FEATURES OF THE RIGHTS OFFER (CONTINUED)

A.3 TERMS OF THE RIGHTS OFFER

Subscription Price per Rights Offer Share	ZWL\$5.80
Number of Issued Ordinary Shares pre the Rights Offer	384,067,512
Proposed number of Rights Offer Shares	384,067,512
Number of Issued Ordinary Shares post the Rights Offer	768,135,024
Percentage of enlarged Ordinary Share Capital available under the Rights Offer	50%
Gross Rights Offer proceeds	ZWL\$2,227,591,570

Notes:

- The Rights Offer Shares will, following the Renounceable Rights Offer, rank pari passu in all respect with all other shares, including the right to receive all dividends or other distributions thereafter declared, made or paid on the issued ordinary share capital of Truworths

A.4 TRUWORTHS SHARE CAPITAL STRUCTURE PRE AND POST THE RIGHTS OFFER

As at Thursday, 15 June 2023, being the last practicable date before the publication of this Circular to Shareholders dated Thursday, 15 June 2023, the capital structure of the Company was as follows:

Share Capital Structure Pre- Rights Offer	ZWL\$
Authorised: 1,000,000,000 ordinary shares of nominal value ZWL\$0.0001 each	100,000
Issued and Fully Paid Up: 384,067,512 ordinary shares of nominal value ZWL\$0.0001 each	38,407
Authorised but unissued Ordinary Shares: 615,932,488 ordinary shares of nominal value ZWL\$0.0001 each	61,593
Shares under the control of directors: 35,000,000 ordinary shares of nominal value ZWL\$ 0.0001 each	3,500
Share Capital Structure Post Rights Offer	
Authorised: 1,000,000,000 ordinary shares of nominal value ZWL\$0.0001 each	100,000
Issued and Fully Paid up: 768,135,024 ordinary shares of nominal value ZWL\$ 0.0001 each	76,813
Authorised but unissued Ordinary Shares: 231,864,976 ordinary shares of nominal value ZWL\$0.0001 each	23,186
Shares under the control of directors: 35,000,000 ordinary shares of nominal value ZWL\$ 0.0001 each	3,500

PART B: CHAIRMAN'S LETTER

TRUWORTHS

(Incorporated in Zimbabwe in 1957, under Company Registration Number 602/1957)

Directors: M.P. Mahlangu (Chairman), B. Ndebele (C.E.O), B.H. Henderson, F.K. Khan, L. Mabhiza, W. Matsaira, A. B. Miek, S. M. Takaendisa

Registered Address: Stand 808 Seke, Road, Prospect Industrial Park, Prospect, Harare, Zimbabwe

Dear Shareholder

BACKGROUND

Recently the Zimbabwean economy has been facing significant economic challenges, highlighted by a rapidly depreciating exchange rate resulting in high inflation accompanied by a decline in economic growth. This was exacerbated by the COVID 19 pandemic which saw Truworths retail outlets closed for periods in excess of 8 weeks in line with the Government stipulated lockdowns, as we were considered a non-essential service.

No Government support was given, nor was there any concession on costs during the period.

This period also witnessed the country going into hyperinflation from July 2019. At the onset of hyper-inflationary conditions the business reduced its exposure to credit sales because of the loss of value of its debtors' book.

Furthermore, the sales value performance was negatively affected by the following;

- Price controls enforced by the FIU through the use of the official (exchange rate) in the sale of merchandise. The business maintained a competitive US dollar price in order to be able to compete on a US dollar basis, as translating the US dollar price to ZWL price at the Auction Rate resulted in the uneconomic ZWL prices and loss of value.
- Informalisation of the economy which has resulted in cheap and fake imports selling at below manufacturing costs against which the business could not compete.

Credit was suspended when the Bank Policy Rate was increased to 200% p.a. It was not viable for the business to finance the credit at those interest rates. In addition it was not affordable for our customers to service their account obligations at rates in excess of 200% p.a.

Units sold declined by 45% due to the suspension of credit from 1st of July 2022.

Therefore, in order to sustain the viability of the business, the Board has decided to raise additional capital into the business so as to:

- (i) Increase working capital funding at a sustainable cost in light of the high interest rate environment.
- (ii) Reduce borrowings.
- (iii) Open new format Truworths Chain stores
- (iv) Improve the product assortment.

PROPOSED TRANSACTION

Pursuant to the need for Truworths to capitalize its operations, the directors propose a renounceable rights offer of 384,067,512 or "Rights Offer" Ordinary Shares of a nominal value of ZWL\$0.0001 each, at a price of ZWL\$5.80 per Rights Offer Share, on the basis of one (1) Rights Offer Share for every one (1) ordinary share held at the proposed Record Date;

The authorisation to proceed with the Renounceable Rights Offer will be sought by the Board from Shareholders at the EGM to be held on Tuesday, 04 July, 2023.

Assuming approval is forthcoming at the EGM, Letters of Allocation in respect to the Rights Offer Shares will be posted to Shareholders from Friday, 14 July 2023. It is expected that the Rights Offer Shares will be listed on the ZSE with effect from Monday, 21 August 2023.

The purpose of this Circular is accordingly to furnish Shareholders with the requisite statutory and regulatory information with respect of the Renounceable Rights Offer, and to detail the actions to be taken by each Shareholder in respect of the proposed Transaction.

OPINIONS AND RECOMMENDATIONS

The Directors, together with the Independent Auditors and Accountants, have considered the terms and conditions of the Agreement and are of the opinion that, the terms and conditions thereof are fair, reasonable and are in the best interests of the Shareholders and Truworths Limited. The Directors unanimously recommend that Shareholders vote in favor of the Resolutions at the EGM.

FINANCIAL OVERVIEW

The business translated its nostro sales and foreign currency monetary assets at the auction rate plus 10% premium, despite the existence of a wide disparity between the auction and the market rate. Translating nostro sales at this rate had the negative impact of suppressing the reported turnovers.

CREDIT MANAGEMENT

The debtors book declined as ZWL\$ credit sales were suspended in July 2022. This was due to the increase in the prime interest rate to 200% per annum which made credit sales unviable for the business. The Group focussed on repayments of outstanding debts during the period.

DIVIDEND

The Board deemed it prudent not to declare a dividend.

OUTLOOK

Trading conditions are expected to remain difficult as a result of the existence of multiple devaluing exchange rates and the price controls on the formal retail sector. High interest rates and a significantly weakening ZWL limits the business' ability to grant credit in ZWL. With the economy dollarizing, however, the business introduced US dollar credit with effect from 1 April 2023. This should see an improvement in sales and, together with the Recapitalisation proposal, the Balance Sheet should strengthen and sustain the underwriting of US dollar credit.

APPRECIATION

The Board would like to express their heartfelt thanks to Management, Staff and all our other stakeholders for their efforts and support in this difficult climate.

M. P. MAHLANGU

CHAIRMAN

B.1 COMPANY PROFILE

1.1 Background

Truworths Limited is a limited company incorporated and domiciled in Zimbabwe whose shares are publicly traded. Their core business is the retailing of clothing, footwear, textiles and accessories. Through their credit and cash stores, they aim to supply their customers with value for money by providing quality merchandise for the family at competitive prices. As at April 2023 the Group had a total of 46 stores nationwide, with over 11,577 sq. metres of store space. Its business is retailing through credit and cash stores. Truworths is a well-known brand in the clothing and footwear retail business in Zimbabwe.

1.2 Overview of Operations

The Group is organised into four strategic business units. An overview of Truworths activities, by operating subsidiary, is detailed below.

TARGET MARKETS AND VALUE PROPOSITION

- A. **Truworths Ladies and Man**
- (a) Upper end of the market
 - (b) Aspirational International Brands
 - (c) Aspirational In-house Brands
 - (d) Quality and Fashion
- B. **Topics**
- (a) Family store i.e., includes children
 - (b) Mid-Market typically middle management in both the Public Sector and Private Sector
 - (c) Own In-house brands and "TOPICS"
 - (d) Quality differentiates us from major competitors
 - (e) More stable investment dressing
- C. **Number 1**
- (a) Mass market family store
 - (b) Lower end of the market
 - (c) Price driven

	STORE ESTABLISHMENT	SQUARE METRES
TRUWORTHS	14	2,705
TOPICS	18	6,439
NUMBER 1	14	2,433
TOTAL	46	11,577

D. Bravette Manufacturing Company

Bravette is the manufacturing business unit of Truworths. It supplies the retail business with a wide range of ladies' and children's wear.

B.2 RATIONALE FOR THE TRANSACTION

In order to sustain the viability of the business, the Board has decided to raise additional capital into the business so as to:

- (i) Increase working capital funding at a sustainable cost in light of the high interest rate environment.
- (ii) Reduce borrowings.
- (iii) Open new format Truworths Chain stores
- (iv) Improve the product assortment.

B.3 APPLICATION OF FUNDS RAISED THROUGH THE RENOUNCEABLE RIGHTS OFFER

Set out below is a breakdown of the application of the funds expected to be raised through the proposed Renounceable Rights Offer.

	ZWL\$
Gross proceeds of the Renounceable Rights Offer	\$2,227,591,570
Estimated expenses of the Renounceable Rights Offer	\$129,910,123
Net proceeds of the Renounceable Rights Offer	\$2,097,681,447
Application of Funds by Shareholders:	
Working capital and capital expenditure	\$2,097,681,447

B.4 CONDITIONS PRECEDENT

The Renounceable Rights Offer contemplated herein is subject to the following Conditions Precedent:

- Approval by the Truworths Shareholders of the Resolutions at the EGM to be held on Tuesday, 04 July 2023, in terms of the EGM notice set out in Annexure (IV) of this Circular.
- Approval of the Transaction by the Exchange Control department at the Reserve Bank of Zimbabwe for the issuance of shares to non-resident shareholders.

B.5 CONSEQUENCES OF NOT IMPLEMENTING THE RENOUNCEABLE RIGHTS OFFER

If the Renounceable Rights Offer is not implemented as outlined in this circular, the Company will be unable to effectively sustain its operations and growth. The Company will face severe cash flow constraints, high finance costs, and reduced working capital.

B.6 RELATED PARTIES

The Board has engaged an existing shareholder, Mega Market (Private) Limited, to underwrite the Renounceable Rights Offer. Mega Market (Private) Limited is a Zimbabwean registered company. It has a shareholding in Truworths of 28.66% of the total issued share capital. There are no underwriting fees. The Directors have carried out a due and careful enquiry of the Underwriter and are satisfied that it can meet its commitments in terms of the Underwriting Agreement, and that it has entered into no sub-underwriting arrangements. The underwriter's contact details are as follows:

Name of Company:	Mega Market (Private) Limited
Nature of Business:	Manufacturers and Distributors of Fast Moving Consumer Goods/Investors
Contact Details	2 Aberdeen Road, Nyakamete, Mutare, Zimbabwe
Telephone Numbers:	+263 20 60379 / 60381 / 60788 / 61517

B.7 EFFECTS OF THE RIGHTS OFFER

7.1 Share Capital

7.1.1 Share Capital before the Rights Offer

Set out below is an analysis of the authorised and issued share capital of Truworths, before the proposed Renounceable Rights Offer at the proposed ZWL\$ nominal values:

	Number of Truworths Shares	Nominal Value ZWL\$
Authorised share capital: Ordinary shares of a nominal value of ZWL\$0.0001 each	1,000,000,000	ZWL\$0.0001
Issued and fully paid share capital: Ordinary shares of a nominal value of ZWL\$0.0001 each	384,067,512	ZWL\$0.0001
Authorised but unissued Ordinary Shares	615,932,488	ZWL\$0.0001
Authorised but unissued Ordinary Shares currently under the control of the Directors	35,000,000	ZWL\$0.0001

7.1.2 Share Capital after the Rights Offer

	Number of Truworths Shares	Nominal Value ZWL\$
Authorised share capital: Ordinary shares of a nominal value of ZWL\$0.0001 each	1,000,000,000	\$0.0001
Issued and fully paid share capital: Ordinary shares of a nominal value of ZWL\$0.0001 each	768,135,024	\$0.0001
Authorised but unissued Ordinary Shares	231,864,976	\$0.0001
Authorised but unissued Ordinary Shares currently under the control of the Directors	35,000,000	\$0.0001

B7 EFFECTS OF THE RIGHTS OFFER (continued)

7.2 Shareholders

7.2.1 Current Shareholding

The top twenty Shareholders control 94.11% of the Company's share capital. The single largest Shareholder holds 34.39% of the Company's issued share capital. As of Friday, 16 June 2023, (being the last practicable date before the publication of the Circular), the top 20 Truworths Shareholders were as follows:

Shareholder	Shares	% Shareholding
TRUWORTHS INTERNATIONAL LIMITED	132,091,763	34.39
MEGA MARKET (PVT) LTD	110,089,046	28.66
LERAINE INVESTMENTS (PVT) LTD	55,814,914	14.53
SCB NOMINEES ZW0000009790	17,731,518	4.62
STANBIC NOMINEES [PVT] LTD	7,567,642	1.97
MUTARE MART	6,980,000	1.82
OLD MUTUAL LIFE ASS CO ZIM LTD	6,373,339	1.66
INVESCI ASSET MANAGEMENT (PVT) LTD	5,401,611	1.41
NSSA - NATIONAL PENSION SCHEME	4,687,886	1.22
TRUWORTHS LTD	3,187,682	0.83
LALIBELA LIMITED	1,844,432	0.48
MEHLULI MPOFU	1,712,990	0.45
REMO INVESTMENTS BROKERS P/L	1,208,101	0.31
AVENELL INVESTMENTS (PVT) LTD	1,186,850	0.31
ABIGAI MAMWADI	1,100,429	0.29
TRUWORTHS LIMITED SHARE PURCHASE SCHEME TRUST	1,068,229	0.28
DONALD MATARANYIKA	1,063,100	0.28
INVESCI NOMINEES (PVT) LTD	976,344	0.25
LUFBAL ENTERPRISES (PVT) LTD	820,000	0.21
MYLES GREGORY PETTICAN	555,695	0.14
Selected shares	361,461,571	94.11
Remaining shares	22,605,941	5.89
Total	384,067,512	100.00

B.7 EFFECTS OF THE RIGHTS OFFER (continued)

7.2.2 Impact of the Renounceable Rights Offer on the Company's shareholding.

Given approval of the proposed Renounceable Rights Offer at the EGM, and if all Shareholders follow their rights, there will be no change in the current percentage shareholding in the share capital of the Company. The table below shows the resulting shareholding if no other Shareholders follow their rights:

Shareholder	Current Shareholding		Shareholding post rights offer			
	Shares	%Shareholding	New issue of shares	Shares	%Shareholding	Dilutive effect
TRUWORTHS INTERNATIONAL LIMITED	132,091,763	34.39	-	132,091,763	17.20	-17.19%
MEGA MARKET (PVT) LTD	110,089,046	28.66	384,067,512	494,156,558	64.33	35.67%
LERAINE INVESTMENTS (PVT) LTD	55,814,914	14.53	-	55,814,914	7.27	-7.26%
SCB NOMINEES ZW0000009790	17,731,518	4.62	-	17,731,518	2.31	-2.31%
STANBIC NOMINEES [PVT] LTD	7,567,642	1.97	-	7,567,642	0.99	-0.98%
MUTARE MART	6,980,000	1.82	-	6,980,000	0.91	-0.91%
OLD MUTUAL LIFE ASS CO ZIM LTD	6,373,339	1.66	-	6,373,339	0.83	-0.83%
INVESCI ASSET MANAGEMENTPL	5,401,611	1.41	-	5,401,611	0.70	-0.71%
NSSA - NATIONAL PENSION SCHEME	4,687,886	1.22	-	4,687,886	0.61	-0.61%
TRUWORTHS LTD	3,187,682	0.83	-	3,187,682	0.41	-0.42%
LALIBELA LIMITED	1,844,432	0.48	-	1,844,432	0.24	-0.24%
MEHLULI MPOFU	1,712,990	0.45	-	1,712,990	0.22	-0.23%
REMO INVESTMENTS BROKERS P/L	1,208,101	0.31	-	1,208,101	0.16	-0.15%
AVENELL INVESTMENTS (PVT) LTD	1,186,850	0.31	-	1,186,850	0.15	-0.16%
ABIGAI MAMWADI	1,100,429	0.29	-	1,100,429	0.14	-0.15%
TRUWORTHS LIMITED SHARE PURCHASE SCHEME TRUST	1,068,229	0.28	-	1,068,229	0.14	-0.14%
DONALD MATARANYIKA	1,063,100	0.28	-	1,063,100	0.14	-0.14%
INVESCI NOMINEES (PVT)ltd	976,344	0.25	-	976,344	0.13	-0.12%
LUFBAL ENTERPRISES (PVT) LTD	820,000	0.21	-	820,000	0.11	-0.10%
MYLES GREGORY PETTICAN	555,695	0.14	-	555,695	0.07	-0.07%
Sub-total	361,461,571	94.11	384,067,512	745,529,083	97.06	
Remaining	22,605,941	5.89	-	22,605,941	2.94	-2.95%
Total	384,067,512	100.00	384,067,512	768,135,024	100.00	

Annexure (I) contains a Table of Entitlements for Truworths Shareholders with respect to the Renounceable Rights Offer and the table below shows the shareholding post the right issue.

B.7 EFFECTS OF THE RIGHTS OFFER (continued)

7.3 DIRECTORS

The Directors intend to vote in favour of the Resolutions with respect to their own shareholdings. Full details concerning the current Directors of Truworths are more fully set out under Paragraph B10 of this Circular.

7.4 MANAGEMENT

The Executive Directors, Non-Executive Directors and senior management will continue to hold approximately 14.53% of the Company's issued share capital after the Renounceable Rights Offer if they follow their rights.

B.8 DIVIDEND POLICY

In accordance with Articles 101 to 111 of the Company's Articles of Association, the Company may declare dividends in a general meeting, but no dividend shall be payable otherwise than out of the profits of the Company. The divided amount shall not exceed the amount recommended by the Directors. The Directors may, if they deem fit and if in their opinion the position of the Company justifies such payment, from time to time declare and pay an interim dividend.

B.9 DIRECTORATE

The Board consists of the following members:

NAME	DESIGNATION
M. P. Mahlangu	Chairman
B. Ndebele	Chief Executive Officer
S. M. Takaendisa	Executive Director
L. Mabhiza	Executive Director
B. H. Henderson	Non-Executive Director
F. K. Khan	Non-Executive Director
W. Matsaira	Non-Executive Director
A.B. Miek	Non-Executive Director

B.10 DIRECTORS' INTERESTS

As of Friday, 16 June 2023 (being the last practicable date before the publication of this Circular), the direct and indirect interests of the Directors of Truworths and their immediate families in Truworths shares were as follows:

	NUMBER OF SHARES
Name	Direct Holdings
M. P. Mahlangu	13,800
B. Ndebele	55,814,914
S. Takaendisa	Nil
L. Mabhiza	Nil
B. H. Henderson	Nil
F. K. Khan	Nil
W. Matsaira	Nil
A.B. Miek	Nil
TOTAL	55,828,714

PART B: CHAIRMAN'S LETTER (CONTINUED)

B.11 DIRECTORS' SERVICE CONTRACTS AND REMUNERATION

With regard to the Directors of Truworths, there will be no changes to their service contracts and remuneration as a result of the Renounceable Rights Offer. Non-Executive Directors are remunerated based on a pre-agreed rate defined for each committee paid per meeting. The Remuneration Committee approves a broad remuneration strategy for the Group and ensures that directors and senior executives are adequately remunerated for their contribution to operating and financial performance.

B.12 CORPORATE GOVERNANCE

12.1 Board of Directors

The Board of Directors consists of a Non-Executive Chairman, three Executive Directors and four Non-Executive directors. The Chairpersons of the various committees are all Non-Executive Directors. The Board meets regularly to review financial results, dictate policy, formulate overall strategy and approve the budgets. They have introduced structures of corporate governance in terms of which certain functions and responsibilities have been delegated to the board committees indicated below. Their terms of reference and composition are regularly reviewed. The Board meetings are held quarterly. The Board is supported by various Committees in executing its responsibilities. The main Committees meet four times a year to assess, review and provide guidance to management on both operational and policy issues.

12.2 Audit and Risk Committee

The Audit and Risk Committee liaises with the Group's external auditors. The external auditors have unrestricted access to the audit and risk committee. The annual, half yearly statements and financial reporting matters are reviewed by the committee at appropriate intervals. The Audit and Risk Committee meets 3 times per year.

12.3 Remuneration and Nomination Committee

This Committee's function is to approve a broad remuneration strategy for the Group and to ensure that directors and senior executives are adequately remunerated for their contribution to operating and financial performance, in terms of base pay as well as short and long-term incentives.

B.13 LITIGATION

The Group does not have any material litigation cases at present.

B.14 MATERIAL CHANGES

The Directors confirm that between 08 January 2023 and 22 May 2023 (being the date of the latest available published abridged financial statements of Truworths) and the date of this Circular, there have been no material changes in Truworths' assets and liabilities.

B.15 STATEMENT OF INDEBTEDNESS

The Group currently carries the following borrowings:

The Group currently has secured short term borrowings totalling to ZWL\$53,106,865 at an average annualized rate of 206% as at 8 January 2023.

Other short-term borrowings

Post Balance sheet date, the Group was advanced US\$50,000 as a short term borrowing.

Leraine Investments (Private) Limited advanced the Group ZWL\$191,000,000 as a loan in anticipation of the Rights Issue offer.

Leraine Investments (Private) Limited is one of the major shareholders as shown in the Shareholders' interests table. This loan is unsecured, bears no interest and is in anticipation of the Rights Issue.

B.16 GOING CONCERN ASSUMPTION

The Board believes that post the Renounceable Rights Offer the Company will continue to operate as a sustainable going concern.

B.17 EXPERTS' CONSENTS

Grant Thornton, Morgan & Co., Honey & Blanckenberg and Corpserve (Private) Limited have given, as at Friday, 16 June 2023 (being the last practicable date before the Publication of this Circular) and have not withdrawn, the consents to the issue of this Circular with the inclusion of their names and reports in the forms and contexts in which they appear.

B.18 MATERIAL CONTRACTS

Other than in the course of normal business, and save as disclosed herein, no material contracts have been entered into by Truworths with any Third Parties in the past twelve months. Two material related party transactions and contracts have been entered into by the major shareholders: -

- i) Truworthis International supplied Bravette Manufacturing Company with 24,000 metres of fabric and
- ii) Truworthis Limited entered into a Supply Agreement with Mega Market, with a credit limit of USD500,000.00, and have also entered into a Security Agreement in relation to the same. This agreement relates to the supply of merchandise and raw materials. It is for a tenor of 1 year and has an administration cost of 10% per annum.

B.19 COMMISSIONS

There have been no commissions, brokerages, discounts or other special terms granted by Truworthis in connection with the issue or sale of any of its share capital.

B.20 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies thereof will be available for inspection by Truworthis Shareholders at the registered office of Truworthis Head Office, Stand 808 Seke Road, Prospect Park, Hatfield, Harare and at the office of Transfer Secretaries during normal business hours for the duration of the Renounceable Rights Offer:

- The Memorandum and Articles of Association of Truworthis;
- The Reviewed Interim Financial Statements to 08 January 2023, Audited Financial Statements of Truworthis as at 52 weeks to the 10th of July 2022 and Audited Financials for the periods 2019 to 2021;
- The written experts' consents referred to in Paragraph B.18 of this Circular;
- The Underwriting Agreement;
- The Underwriter's comfort letter;
- The original signed copy of this Circular to Shareholders; and
- The full Reporting Accountant's Report.

On behalf of the Board, I implore you to take your Company's interest into account and trust that you will participate in this recapitalisation.

Yours Sincerely,

M. P. Mahlangu
CHAIRMAN

PART C: DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of Truworths, whose names appear hereunder, collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and further confirm that they have made all reasonable enquiries and declare that to the best of their knowledge and belief, there are no facts, the omission of which would make any statement in this Circular false or misleading.

The Directors also confirm that this Circular includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) that investors and their professional advisors would require and reasonably expect to find for the purposes of making informed assessment of the assets and liabilities, financial position, profits and losses and prospects of Truworths in order to vote at the EGM. The proposal on the Renounceable Rights Offer was placed for the Board's consideration at a meeting held on Friday, 12 May 2023. Following that Meeting, the Directors unanimously undertook, as they hereby do, to recommend that all Truworths Shareholders exercise their rights in terms of the Renounceable Rights Offer. The Directors confirm that they have carried out the necessary due and careful enquiry to confirm that the underwriter can meet its commitment in terms of the offer.

Signed at Harare, by the following, being Directors of Truworths, on Friday, 19 May 2023.

NAME	DESIGNATION	SIGNATURE
M. P. Mahlangu	Chairman	[Signed on original]
B. Ndebele	Chief Executive Officer	[Signed on original]
S. M. Takaendisa	Executive Director	[Signed on original]
L. Mabhiza	Executive Director	[Signed on original]
B. H. Henderson	Non-Executive Director	[Signed on original]
F. K. Khan	Non-Executive Director	[Signed on original]
W. Matsaira	Non-Executive Director	[Signed on original]
A.B. Miek	Non-Executive Director	[Signed on original]

PART D: DETAILS OF THE RENOUNCEABLE RIGHTS OFFER

D.1 TERMS OF THE RENOUNCEABLE RIGHTS OFFER

384,067,512 ordinary shares in the issued share capital of Truworths are hereby offered to Truworths Shareholders, registered as at the close of business on Friday, 30 June 2023 being the Record Date, for subscription in cash at a price of ZWL\$5.80 each, payable in full on acceptance, in the ratio of one (1) new ordinary share for one (1) share held.

The new ordinary shares being offered to members will rank pari passu with the existing ordinary shares of the Company from the date of their issue.

Renounceable Letter of Allocation

The renounceable Letter of Allocation to be posted to Shareholders from Friday, 14 July 2023 sets out the entitlement of the person to whom this Circular is addressed.

D.2 OPENING AND CLOSING OF THE RENOUNCEABLE RIGHTS OFFER

The Renounceable Rights Offer opens at 0900 hours on Friday, 14 July 2023 and will close at 1600 hours on Wednesday, 09 August 2023.

Postal acceptances received after 1600 hours on Wednesday 09 August 2023 will not be accepted. The last day for dealing in Letters of Allocation will be Tuesday, 01 August 2023 at 1200 hours.

D.3 ALTERNATIVE ACTION TO BE TAKEN BY THE MEMBERS

3.1 Acceptance

Shareholders who wish to accept the Renounceable Rights Offer must return the renounceable Letter of Allocation in accordance with the instructions contained therein, together with payment as required in section D5 of this Circular to the following address:

*Corpserve (Pvt) Limited
2nd Floor ZB Centre,
Corner Kwame Nkrumah Avenue, 1st Street,
Harare*

The completed Letter of Allocation must reach the above address by no later than 1600 hours on Wednesday, 09 August 2023. The application will be considered complete only when the relative payment has been cleared.

3.2 Splitting

Shareholders who wish to accept only a portion of the shares allocated in terms of this Renounceable Rights Offer can do so by subscribing in part for the Renounceable Rights Offer and selling the remaining Letters of Allocation through the ZSE.

A Letter of Allocation may be split into smaller denominations by completing the Letter of Allocation in accordance with the instructions contained therein. Dealing in the Letters of Allocation will end on Tuesday, 01 August 2023. The last day of splitting the Letters of Allocation will be Tuesday, 01 August 2023 at 1200 hours.

3.3 Renunciation

The Letters of Allocation will provide for renunciation of rights and will contain detailed instruction in respect of renunciation.

D.4 DEMATERIALISATION ON CSD

4.1 Dematerialisation

Shareholders who are on CSD (with uncertificated shares) will receive their Renounceable Letters of Allocation from Friday, 14 July 2023. These Letters of Allocation are tradable, and Shareholders are required to approach their stockbroker should they decide to sell their allotted rights. Trading Truworths Limited shares will not be possible without opening a CSD account via a custodian and dematerialisation of shares when selling.

D.5 PAYMENT PROCEDURES

Payment must be made by cash deposit or bank transfer, for the full amount in respect of the shares for which resident Shareholders make application. For payments made via the RTGS system, acceptance of the Offer will be regarded as complete upon verification, by the Receiving Bank, of the RTGS payment confirmation.

Cash deposits or bank transfers should be made to the following ZWL\$ account:

Account Name:	TRUWORTHS RIGHTS OFFER PROCEEDS
Bank & Branch:	FBC Bank Limited
Account Number:	3170028880172
Branch:	FBC Centre

D.6 EXCHANGE CONTROL REGULATIONS

Non-resident Shareholders of Truworths are advised to consult their professional advisors or bankers regarding their individual exchange control position in relation to their participation in the Rights Offer described in this Circular to Shareholders.

D.7 DIVIDENDS

Rights Offer Shares will be eligible for participation in any dividends declared by the Directors with effect from date of issue.

D.8 LISTING AND REGISTRATION OF RIGHTS OFFER SHARES

The listing committee of the ZSE has granted a primary listing for, and permission to deal in, all renounceable Letters of Allocation (nil paid) relating to the new Rights Offer Shares, between Friday, 14 July 2023 and Friday, 18 August 2023.

Renounceable Letters of Allocation may be negotiated and sold, subject to Exchange Control Regulations, the details of which are provided in paragraphs D3 and D6 of this Circular.

Application has been made for the Rights Offer Shares offered in terms of the Renounceable Rights Offer to be listed on the ZSE from Monday, 21 August 2023.

Persons becoming Shareholders as a result of the Rights Offer will be placed on Truworths' share register. The Transfer Secretaries in respect of the Rights Offer Shares are Corpserve, whose details are set out in the "Corporate Information and Professional Advisors" section at the beginning of this Circular.

D.9 RIGHTS OFFER SHARE CERTIFICATES

New Rights Offer share certificates will be posted as from Friday, 18 August 2023 (at the risk of the Shareholder) to the Shareholder or renounee's address as recorded on the Letter of Allocation unless written confirmation of any change of address is received on time.

D.10 EXPENSES OF THE RIGHTS OFFER

The expenses of the Rights Offer, amounting to approximately ZWL\$129,910,122.57 which relate to legal, transfer secretaries, advisory fees, various printing, distribution, regulatory fees and such other charges, will be paid by Truworths out of the proceeds of the Renounceable Rights Offer.

Expense Item	Amount ZWL\$
Underwriting expenses	-
Reporting Accountant Fees	32,200,000
Legal Fees	30,187,500
Transfer Secretaries	11,137,957.85
Advisory Fees	20,125,000.00
Designing, Printing and Distribution Fees	6,545,000.00
Newspaper placement and design	5,564,664.72
Regulatory	24,150,000.00
Total Fees	129,910,122.57

**These are estimated costs and are subject to change*

PART E: REPORTING ACCOUNTANTS REPORT



[+263 4 442511-4](tel:+26344425114)

Grant Thornton Harare,
Camelsa Business Park,
135 Enterprise Road,
Highlands,
Harare.

31 May 2023

The Board of Directors
Truworhts Limited
Stand 808 Seke Road,
Prospect Park
Hatfield
Harare

Dear Sirs/Mesdames

REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF TRUWORTHS LIMITED (A public company incorporated in the Republic of Zimbabwe under company registration number 602/1957)

To the members of Truworhts Limited Introduction

The Board is proposing a Renounceable Rights Offer to recapitalize Truworhts Limited, hereinafter referred to as "Truworhts" or "the Group", by way of a rights offer of 384,067,512 (Three hundred and eighty- four million, sixty seven thousand, five hundred and twelve) ordinary shares of a nominal value of ZWL 0.0001 (ZWL 0.01 Cent) each, at a Rights Offer price of ZWL 5.80 (ZWL 580 Cents) per share, on the basis of one (1) new ordinary share for every one (1) ordinary share in issue as at the Record Date. The Rights Offer shares represent 50% of the Company's enlarged issued ordinary share capital post the proposed Rights Offer.

We report on the unaudited consolidated pro forma financial information (referred to as "the unaudited consolidated pro forma financial information") of Truworhts set out in Appendix V of the Circular dated 23 May 2023. The unaudited consolidated pro forma financial information has been prepared for illustrative purposes only.

The directors are responsible for the preparation of the circular to which this report relates, and the information contained therein. This report is prepared in terms of the Listing Requirements of the Zimbabwe Stock Exchange for the purpose of inclusion in the Circular to Shareholders dated 23 May 2023.

Responsibilities

The directors of Truworhts Limited are solely responsible for the preparation of the unaudited consolidated pro forma financial information to which this independent accountants' report relates, and for the financial statements and financial information from which it has been prepared.

It is our responsibility to form an opinion on the basis used for the compilation of the unaudited consolidated pro forma financial information and to report our opinion to you. We do not accept any responsibilities for any reports previously given by us on any financial information used in the compilation of the unaudited consolidated pro forma financial information beyond that owed to those to whom those reports were addressed at the dates of issue.

Scope

Our work, which did not involve an independent examination of any of the underlying financial information, consisted primarily of recalculating the amounts and adjustments to the unaudited consolidated pro forma financial information based on information obtained and discussing the same unaudited consolidated pro forma financial information with the directors.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing ("ISA"), we do not express any assurance on the fair presentation of the unaudited consolidated pro forma financial information. Had we performed additional procedures, or had we performed an audit or review of the financial information in accordance with ISA, other matters might have come to our attention that would have been reported to you.

The unaudited consolidated pro forma financial information was prepared using certain assumptions made by the Directors and the significant assumptions include:

- The Board is proposing Renounceable Rights Offer to recapitalise Truworhts by way of a rights offer of 384,067,512 (Three hundred and eighty- four million, sixty-seven thousand, five hundred and twelve) ordinary shares of a nominal value of ZWL 0.0001 (ZWL 0.01 Cent) each, at a Rights Offer price of ZWL 5.80 (ZWL 580 Cents) per share, on the basis of one (1) new ordinary share for every one (1) ordinary share in issue as at the Record Date.

- The exact accounting effect of the transactions will be shown in the next audited financial statements of Truworths Limited.

From our enquiries of Truworths management, we understand that there have been no material subsequent events arising which have, or that could reasonably be expected to have a material impact on the statement of financial position as at 23 May 2023.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- The unaudited consolidated proforma financial information has not been compiled on the basis stated;
- Such basis is inconsistent with the accounting policies of Truworths Limited; and
- The adjustments are not appropriate for the purposes of the unaudited consolidated pro forma financial information, as disclosed in terms of the proposed transaction and in terms of sections 230 to 237 of the ZSE Listing Requirements.

Yours faithfully,

Trevor Mungwazi

Partner

Registered Public Auditor (PAAB No: 0622)

Grant Thornton 2023

Chartered Accountants (Zimbabwe) Registered Public Auditors

HARARE

TRUWORTHS LIMITED
PROFORMAS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	26 WEEKS TO 08 JANUARY 2023			
	ZWL	ZWL	ZWL	ZWL
	Note 1	Note 2	Note 3	Note 4
ASSETS				
Non current assets	480,762,686	-	-	480,762,686
Investment in subsidiaries	-	-	-	-
Property, plant and equipment	477,270,024	-	-	477,270,024.00
Intangible assets	342,149	-	-	342,149.00
Right of use asset	3,150,513	-	-	3,150,513.00
Current assets	483,091,392	2,227,591,570	- 129,910,123	2,580,772,839
Inventories	386,165,373	-	-	386,165,373.00
Trade and other receivables	81,803,761	-	-	81,803,761.00
Cash and cash equivalents	15,122,258	2,227,591,570.00	- 129,910,123.00	2,112,803,705.00
Total assets	963,854,078	2,227,591,570	- 129,910,123	3,061,535,525
EQUITY AND LIABILITIES				
Equity	- 37,658,426	2,227,591,570	- 129,910,123	2,060,023,021
Share capital	2,422,977	38,407.00	-	2,461,384.00
Treasury shares	-	20,000	-	20,000.00
Non-distributable reserves	100,253,587	2,227,553,163.00	-	2,327,806,750.00
Revaluation reserve	48,012,029	-	-	48,012,029.00
Retained earnings	-	188,327,019	-	-
	-	-	- 129,910,123.00	318,237,142.00
Non current liabilities	26,543,230	-	-	26,543,230
Deferred tax	24,615,674	-	-	24,615,674.00
Lease liability	1,927,556	-	-	1,927,556.00
Current liabilities	974,969,274	-	-	974,969,274
Short-term borrowings	53,106,865	-	-	53,106,865
Trade and other payables	905,260,370	-	-	905,260,370
Provisions	7,944,999	-	-	7,944,999
Current portion - lease liability	1,595,486	-	-	1,595,486
Current tax	7,061,554	-	-	7,061,554
Total liabilities	1,001,512,504	-	-	1,001,512,504
Total equity and liabilities	963,854,078	2,227,591,570	- 129,910,123	3,061,535,525

Set out below is a breakdown of the application of funds expected to be raised through the proposed Renounceable Rights Offer

	ZWL
Gross proceeds of the Renounceable Rights Offer	\$2,227,591,570
Estimated expenses of the Renounceable Rights Offer	\$129,910,123
Net proceeds of the Renounceable Rights Offer	\$2,097,681,447
Application of Funds by Shareholders:	
Working capital and capital expenditure	\$2,097,681,447

The Board of Directors
Truworths Limited
Stand 808 Seke Road,
Prospect Park
Hatfield
Harare

Dear Sirs/Mesdames

REPORT OF INDEPENDENT REPORTING ACCOUNTANTS ON THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF TRUWORTHS LIMITED

To the members of Truworths Limited

Introduction

The Board is proposing a Renounceable Rights Offer to recapitalize Truworths Limited, hereinafter referred to as “Truworths” or “the Group”, by way of a rights offer of 384,067,512 (Three hundred and eighty- four million, sixty seven thousand, five hundred and twelve) ordinary shares of a nominal value of ZWL 0.0001 (ZWL 0.01 Cent) each, at a Rights Offer price of ZWL 5.80 (ZWL 580 Cents) per share, on the basis of one (1) new ordinary share for every one (1) ordinary share in issue as at the Record Date. The Rights Offer shares represent 50% of the Company’s enlarged issued ordinary share capital post the proposed Rights Offer.

Ernst and Young Chartered Accountants (Zimbabwe) were the appointed auditors to Truworths Limited for the years ended 12 July 2020 and 11 July 2021. Grant Thornton Chartered Accountants (Zimbabwe) were appointed auditors of the Group for the year ended 10 July 2022 and six-month period ended 8 January 2023. The audit reports, review conclusion and modifications therein for the years ended 12 July 2020, 11 July 2021, 10 July 2022, and review conclusion for the six-month period ended 8 January 2023 are as indicated below in this report.

In terms of Section 240 to 245 as read with section 223 of the Securities and Exchange Listing Requirements (Zimbabwe Stock Exchange (“ZSE”) Listing Requirements) Rules 2019 (“the Zimbabwe Stock Exchange Listing Requirements”), we present our report in respect of the Consolidated Financial Information for the years ended 12 July 2020, 11 July 2021, 10 July 2022, and review conclusion for the six-month period ended 8 January 2023.

Responsibilities

The directors of the Truworths Limited are solely responsible for the compilation, contents and presentation of the Circular to shareholders dated 23 May 2023 of which this report is a part, and for the consolidated financial statements and other financial information from which the financial information contained in the Circular has been prepared, in accordance with International Financial Reporting Standards (“IFRSs”) and other applicable regulations and guidance, as may be applicable to the Group from time to time. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Audit opinions

We have reproduced sections of the predecessor auditor’s reports in respect of the financial years ended 12 July 2020, 11 July 2021 which indicate the modifications to the audit reports on the Group’s financial statements for the years then ended.

The predecessor auditors have reviewed the summaries and sections reproduced in this report from their audit reports of the years indicated and they have consented to the manner, context and form of these for purposes of this report.

Grant Thornton Chartered Accountants (Zimbabwe) are the current auditors of the Group, having been appointed with effect from the financial year ended 10 July 2022.

Year ended 12 July 2020

An adverse audit opinion was issued as a result of non-compliance with International Accounting Standard (IAS) – 21 *Effects of Changes in Foreign Exchange Rates*, IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors* and the consequential impact on the inflation-adjusted amounts determined in terms of IAS 29 – *Financial Reporting in Hyperinflationary Economies*.

Year ended 11 July 2021

A qualified audit opinion was issued as a result of non-compliances with IAS 21 – *Effects of Changes in Foreign Exchange Rates*, IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*, IAS 1 – *Presentation of Financial Statements and IFRS 15 Revenue from Contracts with Customers* on presentation of manufacturing profit, valuation methodology on property, plant and equipment and IAS 29 – *Financial Reporting in Hyperinflationary Economies*.

Year ended 10 July 2022

An adverse audit opinion was issued as a result of non-compliance with IAS 21 – *Effects of Changes in Foreign Exchange Rates*, IAS 2 – *Inventories*, IAS 1 – *Presentation of Financial Statements* and IFRS 15 – *Revenue from Contracts with Customers* on the presentation of manufacturing profit, valuation methodology on property, plant and equipment and improper recognition of revenue of USD denominated lay-by sales.

Half year review ended 8 January 2023

An adverse review conclusion was issued on the consolidated interim financial information of the Group, for the six-month period ended 8 January 2023. The adverse review conclusion was issued as a result of non-compliance with IAS 21 – *The Effects of Changes in Foreign Exchange Rates*, IFRS 13 – *Fair Value Measurement* in the valuation of property, plant and equipment, IAS 1 – *Presentation of Financial Statements* and IFRS 15 – *Revenue from Contracts with Customers* and IAS 2 – *Inventories*.

Detailed outline of the audit opinions is given in the Annual Reports which are included as part of the documents available for inspection in accordance with section B.21 of the Circular.

Exclusion of Notes and Accounting Policies

At the request of the Group, the notes to the consolidated financial statements, and the accounting policies have been excluded from the Circular but are available in the Annual Reports as set out in section 5 of the Circular.

Format of the financial information presented

As the purpose of the financial information differs from the purpose of the financial statements prepared for members, the financial information in the Circular in Appendix 2 is not intended to comply in full with the presentation and disclosure requirements of the Companies and Other Business Entities Act [Chapter 24:31] and IFRSs promulgated by the International Accounting Standards Board (“IASB”).

Our report shall not in any way constitute recommendations regarding the completion of the transaction or the issue of the Circular to shareholders.

Yours faithfully,

Trevor Mungwazi
Partner

Registered Public Auditor (PAAB No: 0622)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

..... 2023

HARARE

INCOME STATEMENTS

	<u>26 WEEKS TO 08</u> <u>JANUARY 2023</u>	<u>52 WEEKS TO 10</u> <u>JULY 2022</u>	<u>52 WEEKS TO 12</u> <u>JULY 2021</u>	<u>52 WEEKS TO 12</u> <u>JULY 2020</u>
	<u>ZWL\$</u>	<u>ZWL\$</u>	<u>ZWL\$</u>	<u>ZWL\$</u>
	<u>INFLATION ADJUSTED</u>			
	<u>REVIEWED</u>	<u>AUDITED</u>	<u>AUDITED</u>	<u>AUDITED</u>
Revenue	577,798,258	1,122,857,979	286,916,968	165,345,285
Revenue from Contracts with Customers	528,931,405	943,980,373	246,086,111	146,148,484
Cost of sales	(96,872,428)	(370,199,428)	(97,010,533)	(52,112,126)
Gross profit	432,058,977	573,780,945	149,075,578	94,036,358
Other operating income	5,816,272	(17,119,292)	2,607,888	2,932,315
Manufacturing profit / (loss)	65,208,305	3,682,144	(633,407)	9,091,622
Trading expenses	(674,935,846)	(873,514,468)	(232,000,539)	(101,102,960)
Depreciation and amortisation	(888,707)	(5,144,476)	(5,465,385)	(3,510,767)
Employment costs	(203,201,449)	(341,437,111)	(82,116,398)	(22,437,903)
Occupancy costs	(241,356,165)	(189,978,731)	(69,713,987)	(20,595,207)
Expected Credit Loss allowance	(318,538)	(525,880)	(713,885)	
Collection and other receivable costs		(7,754,653)	(142,879)	(1,928,771)
Other operating costs	(229,170,987)	(328,673,617)	(73,848,005)	(52,630,312)
Trading (loss) / profit	(171,852,292)	(313,170,671)	(80,950,480)	4,957,335
Finance income	48,849,695	162,141,777	36,781,389	12,779,422
Operating (loss) / profit	(123,002,597)	(151,028,894)	(44,169,091)	17,736,757
Finance cost	(107,193,701)	(46,300,467)	(10,929,611)	(8,340,135)
Impairment of property plant and equipment	-	(3,670,605)	(15,720,461)	
Monetary (loss) / gain	(333,726,795)	175,972,229	10,880,616	(931,720)
(Loss) / profit before tax	(545,179,053)	(25,027,737)	(59,938,547)	8,464,902
Tax (expense) / credit	(26,414,760)	(12,109,040)	14,570,209	890,695
(Loss) / profit for the period	(571,593,813)	(37,136,777)	(45,368,338)	9,355,597
Other comprehensive income not to be reclassified to profit and loss in subsequent periods net of tax :				
Revaluation of property, plant and equipment	42,477,972	3,331,155	-	
Total comprehensive (loss) / income for the period	(529,115,841)	(33,805,622)	(45,368,338)	9,355,597

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<u>26 WEEKS TO 08 JANUARY 2023</u>	<u>52 WEEKS TO 10</u>	<u>52 WEEKS TO 12</u>	<u>52 WEEKS TO 12</u>
	<u>ZWL\$</u>	<u>JULY 2022</u>	<u>JULY 2021</u>	<u>JULY 2020</u>
	<u>REVIEWED</u>	<u>AUDITED</u>	<u>AUDITED</u>	<u>AUDITED</u>
INFLATION ADJUSTED				
ASSETS				
Non current assets	480,762,686	389,616,432	118,662,766	62,406,586
Investment in subsidiaries		-	-	-
Property, plant and equipment	477,270,024	369,170,529	107,785,209	60,306,338
Intangible assets	342,149	9,096,406	4,093,117	2,100,248
Right of use asset	3,150,513	11,349,497	6,784,440	-
Current assets	483,091,392	545,180,511	192,180,663	94,702,930
Inventories	386,165,373	402,733,152	138,387,940	63,843,009
Trade and other receivables	81,803,761	134,855,400	47,846,290	25,852,426
Cash and cash equivalents	15,122,258	7,591,959	5,946,433	5,007,495
Total assets	963,854,078	934,796,943	310,843,429	157,109,516
EQUITY AND LIABILITIES				
Equity	(37,658,426)	392,968,290	146,374,717	103,560,199
Share capital	2,422,977	1,937,407	664,491	321,563
Treasury shares	(20,000)	(15,992)	(5,485)	(2,654)
Non-distributable reserves	100,253,587	80,162,552	27,494,115	13,305,049
Revaluation reserve	48,012,029	4,425,020	-	-
Retained earnings	(188,327,019)	306,459,303	118,221,596	89,936,241
Non current liabilities	26,543,230	137,917,591	44,619,902	17,179,553
Deferred tax	24,615,674	136,843,098	43,188,336	17,179,553
Lease liability	1,927,556	1,074,493	1,431,566	-
Current liabilities	974,969,274	403,911,062	119,848,810	36,369,764
Short-term borrowings	53,106,865	42,878,234	19,732,438	5,804,507
Trade and other payables	905,260,370	342,968,550	92,289,392	26,903,890
Provisions	7,944,999	13,473,722	3,929,852	1,540,767
Current portion - lease liability	1,595,486	1,776,526	1,776,528	-
Current tax	7,061,554	2,814,030	2,120,600	2,120,600
Total liabilities	1,001,512,504	541,828,653	164,468,712	53,549,317
Total equity and liabilities	963,854,078	934,796,943	310,843,429	157,109,516

CONSOLIDATED STATEMENT OF CASHFLOWS

CASH FLOWS GENERATED FROM / (UTILISED) IN OPERATING ACTIVITIES

Cash (utilised in) / generated from trading	(340,181,515)	(83,472,116)	(58,616,120)	11,951,840
Working capital movements	404,769,673	31,753,505	24,449,690	23,812,010
(Increase) in Inventory	(132,627,586)	3,366,532	(9,149,446)	(20,747,464)
Decrease / (increase) in accounts receivable	162,503,607	(8,031,888)	4,862,368	66,420,166
Increase / (decrease) in accounts payable	374,893,652	36,418,861	28,736,768	(21,860,692)
Cash generated from / (utilised in) operations	64,588,159	(51,718,611)	(34,166,430)	35,763,850
Net interest received	(58,344,004)	115,841,310	25,851,778	4,439,287
Interest paid	(107,193,699)	(46,300,467)	(10,929,611)	(8,340,135)
Interest received	48,849,695	162,141,777	36,781,389	12,779,422
Tax paid	-	(1,613,648)	(113)	(1,726,015)
Net cash generated from / (utilised in) operating activities	6,244,155	62,509,051	(8,314,765)	38,477,122

CASH FLOWS (UTILISED IN) / GENERATED FROM INVESTING ACTIVITIES

Net cash utilised in investing activities	(1,200,385)	(680,677)	(1,246,482)	(1,470,940)
Acquisition of property, plant, and equipment	(2,134,922)	(2,651,111)	(2,505,743)	(1,473,950)
Proceeds on disposal of property, plant, and equipment	934,537	1,970,434	1,259,261	3,010

CASH FLOWS GENERATED FROM / (UTILISED IN) FINANCING ACTIVITIES

Net cash flows generated from / (utilised in) financing activities	583,764	21,360,154	15,073,643	(41,443,615)
Net increase / (decrease) in cash and cash equivalents	5,627,534	83,188,528	5,512,396	(4,437,433)
Cash and cash equivalents at the beginning of the period	9,494,724	17,337,574	10,347,700	9,444,928
Foreign exchange differences	-	83,040,059	966,953	-
Monetary loss	-	(175,974,202)	(10,880,616)	-
Cash and cash equivalents at end of period	15,122,258	7,591,959	5,946,433	5,007,495

PART F: ANNEXURES**F.1 ANNEXURE (I): TABLE OF ENTITLEMENTS**

The following table sets out the number of Truworths ordinary shares to which Truworths Shareholders are entitled in terms of the Renounceable Rights Offer

Number of ordinary shares held	Entitlement of one new share for every one share held	Value of entitlement at ZWL\$5.80
100	100	580
200	200	1,160
300	300	1,740
400	400	2,320
500	500	2,900
600	600	3,480
700	700	4,060
800	800	4,640
900	900	5,220
1,000	1,000	5,800
2,000	2,000	11,600
3,000	3,000	17,400
4,000	4,000	23,200
5,000	5,000	29,000
6,000	6,000	34,800
7,000	7,000	40,600
8,000	8,000	46,400
9,000	9,000	52,200
10,000	10,000	58,000
15,000	15,000	87,000
20,000	20,000	116,000
100,000	100,000	580,000
250,000	250,000	1,450,000
500,000	500,000	2,900,000
1,000,000	1,000,000	5,800,000
5,000,000	5,000,000	29,000,000
10,000,000	10,000,000	58,000,000
12,000,000	12,000,000	69,600,000
50,000,000	50,000,000	290,000,000
55,000,000	55,000,000	319,000,000
60,000,000	60,000,000	348,000,000
65,000,000	65,000,000	377,000,000
100,000,000	100,000,000	580,000,000

F.2 ANNEXURE (II) SHARE PRICE PERFORMANCE

The table below provides statistical information on the market price and volumes traded of Truworths shares for each trading day since 03 January 2023 to 29 May 2023.

Date	VWAP	Volume	Date	VWAP	Volume	Date	VWAP	Volume	Date	VWAP	Volume
03/01/2023	2.7700	400	13/02/2023	2.8000	300	27/03/2023	2.4643	0	11/05/2023	4.0000	0
04/01/2023	2.7700	0	14/02/2023	2.8000	0	28/03/2023	2.4643	0	12/05/2023	4.0000	0
05/01/2023	2.7700	0	15/02/2023	2.8000	0	29/03/2023	2.4643	0	15/05/2023	4.0000	0
06/01/2023	2.7700	600	16/02/2023	2.8000	2,000	30/03/2023	2.4643	0	16/05/2023	4.4000	100
09/01/2023	2.7700	0	17/02/2023	2.8000	500	31/03/2023	2.4643	0	17/05/2023	5.0600	200
10/01/2023	2.7700	0	20/02/2023	2.8000	100	03/04/2023	2.4643	0	18/05/2023	5.8000	200
11/01/2023	2.7700	0	22/02/2023	2.8000	500	04/04/2023	2.7000	5,000	19/05/2023	5.8000	0
12/01/2023	2.7700	0	23/02/2023	2.8000	0	05/04/2023	2.7000	0	22/05/2023	5.8000	0
13/01/2023	2.4319	2,700	24/02/2023	2.8000	1,000	06/04/2023	3.1050	100	23/05/2023	5.8000	0
16/01/2023	2.4319	0	27/02/2023	2.8000	1,000	11/04/2023	3.1050	0	24/05/2023	5.8000	0
17/01/2023	2.4319	0	28/02/2023	2.7924	110,000	12/04/2023	3.1050	0	26/05/2023	6.6000	35,800
18/01/2023	2.4319	0	01/03/2023	2.7997	6,600	13/04/2023	3.1050	0	29/05/2023	6.9000	70,900
19/01/2023	2.4319	0	02/03/2023	2.7997	0	14/04/2023	3.1050	0			
20/01/2023	2.4325	600	03/03/2023	2.7997	0	17/04/2023	3.1050	0			
23/01/2023	2.4325	0	06/03/2023	2.7997	0	19/04/2023	3.1050	0			
24/01/2023	2.4325	100	07/03/2023	2.8006	455,400	20/04/2023	3.1050	0			
25/01/2023	2.4325	0	08/03/2023	2.8006	0	21/04/2023	3.2121	161,600			
26/01/2023	2.4325	0	09/03/2023	2.8006	0	24/04/2023	3.2121	0			
27/01/2023	2.4325	0	10/03/2023	2.8000	2,400	25/04/2023	3.2125	200			
30/01/2023	2.4325	0	13/03/2023	2.8000	0	26/04/2023	3.2125	0			
31/01/2023	2.5000	10,000	14/03/2023	2.3825	743,500	27/04/2023	3.2125	0			
01/02/2023	2.5000	1,000	15/03/2023	2.4000	900	28/04/2023	3.2125	0			
02/02/2023	2.5000	400	16/03/2023	2.4000	0	02/05/2023	3.2125	0			
03/02/2023	2.5000	0	17/03/2023	2.4000	0	03/05/2023	3.2125	0			
06/02/2023	2.5000	0	20/03/2023	2.4000	0	04/05/2023	3.5000	100			
07/02/2023	2.8000	4,100	21/03/2023	2.4000	0	05/05/2023	3.5000	0			
08/02/2023	2.8000	7,600	22/03/2023	2.4000	1,100	08/05/2023	3.5000	900			
09/02/2023	2.8000	4,200	23/03/2023	2.4000	0	09/05/2023	4.0000	100			
10/02/2023	2.8000	600	24/03/2023	2.4643	2,800	10/05/2023	4.0000	0			

F.3 ANNEXURE (III) DETAILS OF THE UNDERWRITER

UNDERWRITING DETAILS	
Name	MEGA MARKET (PVT) LIMITED
Registered Address	2 Aberdeen Road, Nyamakete, Mutare, Zimbabwe
Date of incorporation	20 May 2011
Registration Number	390/2000
Directors	Abdul Gafar Ahmed Khatija Ahmed Muhammad Shiraan Ahmed

F.4 ANNEXURE (IV): NOTICE OF EXTRAORDINARY GENERAL MEETING (“EGM”)

NOTICE OF EXTRAORDINARY GENERAL MEETING (“EGM”)

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“EGM”) of the Members of Truworths Limited (“Truworths” or “the Company”) will be held at Truworths Head Office, Stand 808 Seke Road, Prospect Park, Hatfield, Harare on Tuesday, 04 July 2023 at 1200 hours for the purpose of transacting the following business and consider and if deemed fit, to pass with or without amendment, the following resolutions.

SPECIAL BUSINESS

1. As an Ordinary Resolution – Approval for capital raising by way of a Renounceable Rights Offer

“That the Directors be and are hereby authorised to raise ZWL\$2,227,591,570 (Two Billion, Two Hundred and Twenty Seven Million, Five hundred and Ninety One Thousand, Five Hundred and Seventy Zimbabwe Dollars) by way of a Renounceable Rights Offer to all shareholders, pro rata to their existing shareholding, being the offer of 384,067,512 (Three hundred and eighty four million, sixty seven thousand, five hundred and twelve) new ordinary shares of a nominal value of ZWL0.0001 each, at a Rights Offer subscription price of ZWL\$5.80 (ZWL\$580 cents) per share, on the basis of one (1) new ordinary share for every one (1) ordinary share held.”

2. As an ordinary resolution – Approval of the Underwriter and Underwriter’s fees

“That the shareholders approve the appointment of Mega Market (Private) Limited as Underwriter. There are no underwriting fees.”

By Order of the Board

B. M. Chibanda
COMPANY SECRETARY

REGISTERED OFFICE
Stand 808 Seke Road
Prospect Park
Hatfield
Harare
P.O. Box 2898 Harare
Tel: +263 4 576441/9, 576465
Email: truworths@truworths.co.zw
Website: www.truworths.co.zw

Notes:

1. Voting eligibility

a) On a show of hands, every Shareholder who (being an individual) is present in person or by proxy at the EGM or which (being a company or body corporate) is represented thereat by a representative appointed as proxy, shall have one vote (irrespective of the number of shares held), and on a poll, every Shareholder who (being an individual) is present in person or by proxy at the general meeting or which (being a company or body corporate) is represented by proxy at the general meeting, shall have one vote for every Truworths Limited share of which it is the holder.

2. Appointment of Proxies

- In terms of Section 171 of the Companies and Other Business Entities Act (Chapter 24:31), members entitled to attend the above meeting may appoint one or more proxies, to act in the alternative, to attend, speak and vote on their behalf, including voting on a poll. A proxy need not be a member of the Company.
- Shareholders in the form of a corporate body must provide documentary evidence establishing the authority of a person signing the Form of Proxy in a representative capacity, unless previously recorded by the Company’s transfer secretaries or waived by the chairperson of the EGM. This authority must take the form of a resolution of the corporate body.
- Completion of a form of proxy does not preclude a person from subsequently attending the EGM and voting in person
- Waiver of Pre-emptive rights.
- In terms of clause 10.79 (a) of the Tenth Schedule to SI 134 of 2019 of ZSE Listing Requirements, resolutions 3, 4 and 5 will be subject to an 75% (seventy-five per centum) majority of votes cast in favour of the resolution by Shareholders present or represented by proxy.

F.5 ANNEXURE (V) PROXY FORM FOR THE EXTRAORDINARY GENERAL MEETING



(Incorporated in Zimbabwe in 1957 under registration number 602/1957)

Directors: M.P. Mahlangu (Chairman), B. Ndebele (C.E.O), B.H. Henderson, F.K. Khan, L. Mabhiza, W. Matsaira, A. B. Miek, S. M. Takaendisa

I / We
 Of
 Being member/members of the above Company, hereby appoint:
 Mr. / Mrs. / Ms. / Dr
 Or failing him

as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held on Tuesday, 04 July at 1200 hours and any adjournment thereof, for the purpose of considering and, if deemed fit passing, with or without modification, the resolutions to be proposed thereat in accordance with the following instructions.

Resolutions	For	Against	Abstain
Ordinary Resolution 1 – Approval for capital raising by way of a Renounceable Rights Offer “That the Directors be and are hereby authorised to raise ZWL\$2,227,591,570 (Two Billion, Two Hundred and Twenty Seven Million, Five hundred and Ninety One Thousand, Five Hundred and Seventy Zimbabwe Dollars) by way of a Renounceable Rights Offer to all Shareholders, pro rata to their existing shareholding, being the offer of 384,067,512 (Three hundred and eighty four million, sixty seven thousand, five hundred and twelve) new ordinary shares of a nominal value of ZWL0.0001 each, at a Rights Offer subscription price of ZWL\$5.80 (ZWL\$580 cents) per share, on the basis of one (1) new ordinary share for every one (1) ordinary share held.”			
Ordinary Resolution 2 – Approval of the Underwriter and Underwriter’s fees “That the Shareholders approve the appointment of Mega Market (Private) Limited as Underwriter. That there shall be no underwriting fees.			

Signature Signed this of 2023

Note

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and speak in his stead. The person appointed need not be a member.
2. Proxy forms should be lodged at the registered office of the Company by no later than 48 hours before the time of holding the meeting.
3. Any alterations or corrections made to this form of proxy (including the deletion of alternatives) must be initialed by the signatory/signatories.
4. Shareholders are requested to submit key questions in writing at least five days before the date of the meeting to enable comprehensive answers to be prepared. This will not preclude them from raising questions from the floor.
5. If two or more proxies attend the meeting then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted, shall be regarded as the validly appointed proxy.
6. When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.
7. The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the EGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.
8. Please be advised that the number of votes a member is entitled to is determined by the number of shares recorded on the share register on the Record Date.

Physical and Postal Delivery

Truworts Limited
 Stand 808 Seke Road
 Prospect Park
 Hatfield
 Harare
 Zimbabwe

LETTER OF ALLOCATION



(Incorporated in Zimbabwe in 1957 under registration number 602/1957)

RENOUNCEABLE LETTER OF ALLOCATION (LA): This document is valuable and may be traded on the Zimbabwe Stock Exchange. Please read the instructions and notes contained in this letter of entitlement in conjunction with the Rights Offer document to which it relates. If you are in any doubt as to the action to be taken, you should contact your stockbroker, bank manager or other professional advisor.

TO TAKE UP YOUR RIGHTS; Please complete and return this form in terms of instructions (3) overleaf

A. Letter of Election number:	
B. Name and address of Truworths Limited holder:	
Number of fully paid Truworths Limited registered in your name at the close of business on Friday, 19 June 2020:	
D. Number of Truworths shares which can be subscribed for at ZWL\$5.80 per share	
E. Amount payable on the above number of Truworths shares offered in terms of the rights offer:	

G. ACCEPTANCE

If you wish to subscribe for these new Truworths shares which have been offered to you, simply return this letter of allocation to Corpserve Registrars (Private) Limited, 2nd Floor, ZB Centre, Corner First Street and Kwame Nkrumah, P O Box 2208, Harare, or to Truworths Limited, Stand 808 Seke Road, Prospect Park, Hatfield, Harare together with your bank-stamped RTGS form or cash deposit slip as proof of payment in favour of "Truworths Rights Offer" by no later than 1600 hours on Wednesday 09 August 2023. The bank details for RTGS Payments including cash payments are: Bank: FBC Bank Limited; Account Name: TRUWORTHS RIGHTS OFFER PROCEEDS; Account No. 3170028880172 Branch: FBC Centre

H. FORM OF RENUNCIATION/SPLITTING

(To be completed by the shareholder named above if the right to subscribe for Rights Offer Shares is to be renounced or if this letter is to be split)

TO: The Directors
Truworths Limited

I/We, the Shareholder(s) named above, hereby renounce my/ our right to subscribe for the Rights Offer Shares allocated to me/us stated above in favour of the person(s) signing the registration application form (Section I) in relation to such Rights Offer Shares.

Signature _____ Date _____

I/We, the Truworths shareholder(s) named above hereby request you to split my Letter of Allocation for the Truworths shares allocated to me/us stated above as follows:

1.
2.
3.

Signature(s): _____ Date: _____

I. REGISTRATION APPLICATION FORM

(To be completed by person(s) or his/her/their agent to whom the right has been renounced).

PLEASE PRINT

Surname/Name of Company and Physical Address		BROKER'S STAMP
First names in (full, if applicable)		
Title (Mr, Mrs, Miss, Ms, etc.)		

Signature _____ Date _____

I/we, the person(s) named above, hereby confirm that I/we have the legal capacity to contract and request you to allot the shares covered by this Letter of Allocation in my/our name(s). I/we authorise you to place my/our name(s) on the register of members of the company in respect of the shares so allocated, subject to the conditions set out overleaf and, in the Memorandum, and Articles of Association of the company.

SIGNATURE (S)

DATE



Directors: M.P. Mahlangu (Chairman), B. Ndebele (C.E.O), B.H. Henderson, F.K. Khan, L. Mabhiza, W. Matsaira, A. B. Miek, S. M. Takaendisa

RENOUCEABLE LETTER OF ALLOCATION

1. TERMS OF THE RIGHTS OFFER

384,067,512, Ordinary Shares in the issued share capital of Truworths Limited are hereby offered to Truworths Limited shareholders, registered as such on the close of business on Friday, 30 June 2023, being the Record Date, for subscription in cash at a price of ZWL\$5.80 per Share, payable in full on acceptance, at a ratio of 1 Rights Offer Share for every 1 Truworths Limited Share currently held.

This renounceable Letter of Allocation sets out the entitlement of the person to whom this Document is addressed.

2. TIME AND DATE OF OPENING AND CLOSING OF RIGHTS OFFER

The Rights Offer will open at 09.00 a.m. on Friday 14 July 2023 and close at 1600pm on Wednesday 09 August 2023.

The last day for splitting Letters of Allocation will be Tuesday 01 August 2023.

3. COURSES OF ACTION

Set out below are the options available to Truworths Limited shareholders with respect to their rights in terms of the Rights Offer:

3.1 Acceptance – SUBSCRIBE for all the Rights Offer Shares

The Shareholder who receives a renounceable Letter of Allocation and wishes to take up their rights in terms of the Rights Offer, is required to complete the renounceable Letter of Allocation in accordance with the instructions contained therein and forward it clearly marked – “Truworths Limited Rights offer”, together with proof of payment in accordance with paragraph 4 of this section to the following address:

Corpserve (Private) Limited, 2nd Floor ZB Centre, Corner Kwame Nkrumah Avenue/ 1st Street Harare, or to Truworths Limited, Corner 9th Avenue/Herbert Chitepo Street, Bulawayo

The completed Letter of Allocation and proof of payment must reach the above address no later than 16.00pm on Wednesday 09 August 2023.

3.2 Splitting

A shareholder who wants to take up some but not all of his rights should first apply to have the Letter of Allocation split by completing section H on the Letter of Allocation, and returning it by hand only (during normal business hours) to Corpserve (Private) Limited, 2nd Floor ZB Centre, Corner Kwame Nkrumah Avenue / 1st Street, Harare, to be received by 1200 hours on or before Tuesday, 01 August 2023. The shareholder should then deliver the split Letters of Allocation representing the Rights Offer Shares he/she wishes to accept together with a copy of the electronic payment instruction or draft in favour of “Truworths Limited Rights Offer”, to the addresses shown in clause 3.1 above, to be received by 4.00pm, Wednesday 09 August 2023, being the closing time and date of the rights offer.

3.3 Renunciation – ELECT not to follow rights

The right to subscribe for the Rights Offer Shares in Truworths Limited, as detailed in this Document, to be renounced (nil paid) in favour of some other person is executed by completing the Letter of Allocation in accordance with the instructions contained therein. The duly completed Letter of Allocation with proof of payment from the person in whose favour the renunciation has been made should be forwarded clearly marked to Corpserve (Private) Limited, 2nd Floor ZB Centre, Corner Kwame Nkrumah Avenue/ 1st Street Harare, to be received by 16.00pm on Wednesday 09 August 2023, the closing date of the Rights Offer.

In the event that the Company does not receive a duly completed Letter of Allocation from a Shareholder by Wednesday 09 July 2023, it will be presumed that the particular Shareholder has waived his rights.

4. PAYMENT

The amount due on acceptance is payable in the currency of ZWL dollars by RTGS or bank draft (crossed “not negotiable”) in respect of subscriptions and should be made payable to “Truworths Limited Rights offer”

Account details are as follows:

Account Name: TRUWORTHS RIGHTS OFFER PROCEEDS **Bank Name:** FBC Bank Limited **Branch:** FBC Centre **Account Number:**3170028880172

Copies of the RTGS instruction, and/or bank drafts and the completed Letters of Allocation should be lodged at the addresses shown in clause 3.1 above. All bank drafts received will be deposited immediately.

Applications will be regarded as complete and valid only when their bank drafts have been cleared.

5. EXCHANGE CONTROL

Letters of Allocation sent to Shareholders whose registered address is outside Zimbabwe, will be endorsed "Non-Resident" as required in terms of the Exchange Control Regulations. Notwithstanding the submission to RBZ of an application for exchange control authority for non-resident shareholders to follow their rights, non-resident shareholders are encouraged to seek authority through their respective authorised dealers.

6. FRACTIONS OF RIGHTS OFFER SHARES

Subject to shareholder approval, the Rights Offer shares representing the collective fractional entitlements of shareholders will be rounded to the nearest whole number and no fractional shares shall be offered to shareholders for subscription.

7. LISTING AND REGISTRATION OF RIGHTS OFFER SHARES

Truworths Limited is presently listed on the stock exchange and all shares being offered for subscription will be listed, with the holders thereof being entered into the register of members.

8. DIVIDENDS

No dividend was declared for the half year ended 08 January 2023 due to the need to preserve internal resources to fund the group's growth strategy.

9. RIGHTS OFFER SHARE CERTIFICATES

The share certificates in respect of the Rights Offer will be distributed to shareholders within seven (7) days from the date of closure of the rights offer. Shareholders with CSD accounts will have their entitlements credited to the respective CSD accounts

10. EXPENSES OF THE RIGHTS OFFER

The expenses of the Rights Offer that relate to advisory and regulatory charges will be paid from the proceeds of the Rights Offer.

11. DOCUMENTS

Truworths Limited reserves the right to call for documentary or other evidence they may require in support of the acceptance.

12. SIGNATURE

All alterations to sections C and D must be authenticated by a full signature. Joint applications must be signed by all the applicants.

13. REGISTERED ADDRESS

Share certificates will be posted at the risk of the shareholder within seven (7) days from the date of closure of the rights offer to the shareholder's or renounce's address as recorded overleaf, unless specific instructions to the contrary in writing and signed by the person(s) concerned.

BY ORDER OF THE BOARD

COMPANY SECRETARY
