



(A public company incorporated in the Republic of Zimbabwe under company registration number 64/1976)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, please consult your stockbroker, bank manager, legal advisor, accountant or other professional advisor immediately.

Action Required:

1. If you have disposed of your ordinary shares in Powerspeed Electrical Limited ("Powerspeed"), this Circular should be handed to the purchaser of such shares or the stockbroker, banker or other agent through whom the disposal was effected.
2. If you are unable to attend the Extraordinary General Meeting of Powerspeed to be held at Powerspeed Complex, Corner Cripps Road and Kelvin Road North, Graniteside, Harare, on Monday 14 December 2020 at 1000hrs, or at any adjournment thereof, and wish to be represented thereat, you should complete and return the attached Form of Proxy in accordance with the instructions therein to be received by Powerspeed's Transfer Secretary, no later than forty-eight (48) hours before the time of the Extraordinary General Meeting.
3. If a Form of Proxy for the Extraordinary General Meeting is not received by the Transfer Secretary by the appropriate time set above, it may be handed to the Chairman of the Extraordinary General Meeting, who may accept the proxy at their discretion not less than thirty (30) minutes before the commencement of the Extraordinary General Meeting.
4. This Document contains details of resolutions to be voted on at the Extraordinary General Meeting which, if passed with the requisite majority, will result in the termination of the listing of Powerspeed shares on the official list of the ZSE.

CIRCULAR TO SHAREHOLDERS

CONTAINING EXPLANATORY STATEMENTS RELATING TO:

- (I) APPROVALS SOUGHT FOR THE TERMINATION OF THE ZIMBABWE STOCK EXCHANGE LISTING OF POWERSPEED; AND,
 - (II) AN OFFER FROM POWERSPEED TO SHAREHOLDERS PRIOR TO DELISTING;
- AND INCLUDING:
- (III) A NOTICE OF EXTRAORDINARY GENERAL MEETING;
 - (IV) A FORM OF PROXY; AND,
 - (V) A FORM OF ACCEPTANCE AND SURRENDER.

Financial Advisers

IMARA
INVESTING
IN AFRICA

Corporate Finance

Legal Advisors



Auditors and Independent Reporting Accountants



Share Transfer Secretaries in Zimbabwe



Sponsoring Broker

IMARA
INVESTING
IN AFRICA

Securities
MEMBERS OF THE ZIMBABWE
STOCK EXCHANGE

20 NOVEMBER 2020

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IMPORTANT NOTICE

No information or statements in this Circular should be construed as advice or recommendation to shareholders to take any particular course of action in respect of the matters discussed herein. The opinion of the Directors on the resolutions under consideration in the Extraordinary General Meeting noted in paragraph 2.5 of the Chairman's Letter, report the personal opinions of the Directors based on their knowledge of the Company and its operations, and their business and general expertise.

Shareholders are strongly advised to seek professional advice with respect to this Circular and the options available hereunder, including the effect of the proposed Transaction on a shareholder's investment portfolio, personal financial plan, income tax situation, as well as other issues and their related legal implications.

CORPORATE INFORMATION AND ADVISORS

Directors:

Dr. S. H. Makoni	Non - Executive Chairman
H. N. Macklin	Executive Director
M. S. Gurira	Executive Director
M. S. Kretzmann	Non - Executive Director
C. C. M. Tambo	Non - Executive Director
N. H. Kretzmer	Non - Executive Director
V. R. Gapare	Non - Executive Director

Business Address and Registered Office:

Powerspeed Electrical Limited
Powerspeed Complex
Corner Cripps Road and Kelvin Road North, Graniteside
Harare
Zimbabwe

(P.O. Box 942, Harare)

Sponsoring Brokers:

Imara Edwards Securities (Private) Limited
Block Two, Tendeseka Office Park
Samora Machel Avenue
Harare
Zimbabwe

(P.O. Box 1475, Harare)

Share Transfer Secretaries in Zimbabwe:

First Transfer Secretaries Limited
1 Armagh Avenue
Eastlea
Harare
Zimbabwe

(P.O. Box 11, Harare)

Financial Advisers:

Imara Corporate Finance Zimbabwe (Private) Limited
Block Two, Tendeseka Office Park
Samora Machel Avenue
Harare
Zimbabwe

(P.O. Box 1475, Harare)

Auditors and Independent Reporting Accountants:

Grant Thornton Chartered Accountants (Zimbabwe)
Camelsa Business Park
135 Enterprise Road
Highlands
Harare
Zimbabwe

Legal Advisors in Zimbabwe:

Costa and Madzonga
Block E, Delken Complex
6 Premium Close
Mt. Pleasant Business Park
Mt. Pleasant
Harare
Zimbabwe

(P.O. Box CY 1221, Causeway, Harare)

Company Secretary:

Martin Gurira
Powerspeed Electrical Limited
1st Floor, Powerspeed Complex
Corner Cripps Road and Kelvin Road North
Harare
Zimbabwe

(P.O. Box 942, Harare)

DEFINITIONS

The following definitions apply throughout this Circular, unless otherwise stated or the context requires otherwise. In this Circular, unless otherwise indicated, the words or phrases in the left-hand column bear the meaning stipulated in the right-hand column. Words in the singular shall include the plural and vice versa, words importing natural persons shall include juristic persons (whether corporate or incorporate and vice versa) and words in the masculine shall import both the feminine and neuter.

"Auditors" or "Independent Reporting Accountants" or "Grant Thornton"	Grant Thornton Chartered Accountants (Zimbabwe), the Independent Auditors of the Company and Independent Reporting Accountants;
"Business Day"	Monday to Friday inclusive, but excluding any such day which is a public holiday in Zimbabwe;
"Chairman's Letter"	The Chairman's Letter to Powerspeed shareholders;
"Circular"	This circular to Powerspeed shareholders, containing all annexures, including the Notice of Extraordinary General Meeting and the Form of Proxy;
"Companies and Other Business Entities Act"	The Companies and Other Business Entities Act [Chapter 24:31] of Zimbabwe, which superseded the Companies Act with effect from February 2020;
"Costa & Madzonga" or "Legal Advisors"	Costa & Madzonga, the Legal Advisors to Powerspeed;
"Directors"	The members of the board of directors of Powerspeed;
"EPS"	Earnings or loss per share;
"Exchange Control Regulations"	The regulations made under the Exchange Control Act [Chapter 22:05], including in particular, without limitation, the Exchange Control (General) Regulations, Statutory Instrument 109 of 1996, as amended;
"EGM"	The Extraordinary General Meeting of the shareholders of Powerspeed, to be held at 1000hrs, Monday 14 December 2020 at Powerspeed Complex, Corner Cripps Road and Kelvin Road North, Graniteside, Harare, at which the shareholders will consider and vote on the resolutions tabled at the Extraordinary General Meeting;
"IAS"	International Accounting Standards;
"IES" or "Sponsoring Brokers"	Imara Edwards Securities (Private) Limited, a company incorporated in Zimbabwe, a licensed stockbroker in terms of the Zimbabwe Securities and Exchange Act [Chapter 24:25], and Sponsoring Brokers to Powerspeed in regard to the Extraordinary General Meeting;
"IFRS"	International Financial Reporting Standards;
"Imara" or "Financial Adviser"	The advisors to the Company, Imara Corporate Finance Zimbabwe (Private) Limited, a company incorporated in Zimbabwe;
"Last Practicable Date"	The last practicable date for the purpose of finalisation of the Circular, being 06 November 2020;
"Listing Requirements"	The Listing Requirements of the ZSE, as amended;
"Main Board"	The main board category for listing shares on the ZSE;
"Management"	The management of the operating divisions of Powerspeed;
"Non-resident Shareholder" or "Non-resident"	A Powerspeed shareholder with non-resident status in terms of the Exchange Control Regulations;
"Notice"	The notice which was published in accordance with the Companies and Other Business Entities Act and the ZSE Listing Requirements on Friday 20 November 2020, advising Powerspeed shareholders of the Extraordinary General Meeting;
"Offer"	The offer by Powerspeed to buy back shares from shareholders prior to delisting, in terms of Resolution 3 of the EGM of shareholders, notice of which forms part of this Circular;
"Offer Consideration"	The price at which Powerspeed offers to purchase shares in terms of the Offer, being ZWL\$1.90 per Powerspeed share;
"OTC"	A mechanism or platform, as appropriate, for the decentralised trading of unlisted public company shares over the counter, that is on a formal basis, but outside of a stock exchange;
"Powerspeed" or "the Company"	Powerspeed Electrical Limited, a public company incorporated in Zimbabwe and listed on the ZSE;
"Proposed Transaction"	The proposed voluntary termination of the listing of Powerspeed on the Main Board of the ZSE, and the Offer from Powerspeed;
"Proxy Form"	The form of proxy accompanying this Circular;
"RBZ"	The Reserve Bank of Zimbabwe;
"Record Date"	Friday 11 December 2020, being the date on which a holder of Powerspeed shares must be registered as such (by close of business) in order to participate in the Extraordinary General Meeting;
"Registrar"	The Registrar of Companies and Other Business Entities, holding office in terms of the Companies and Other Business Entities Act;
"Transfer Secretary" or "FTS"	The transfer secretary of Powerspeed, being First Transfer Secretaries Limited, address: 1 Armagh Avenue, Eastlea, Harare, Zimbabwe;
"US\$"	United States Dollar, the legal tender of the United States of America in which certain monetary amounts in this Circular are expressed;
"Zimbabwe"	The Republic of Zimbabwe;
"ZSE Listing Requirements"	The Listings Requirements of the ZSE; embodied in SI 134 of 2019;
"ZSE"	The Zimbabwe Stock Exchange, registered in terms of the Securities and Exchange Act [Chapter 24:25]; and,
"ZWL\$"	Zimbabwe Dollar, legal tender in Zimbabwe.

EXPECTED TRANSACTION TIMETABLE

Event	Date
Last Practicable Date	Friday, 06 November 2020
Notice Date for the Extraordinary General Meeting	Friday, 20 November 2020
Opening Date for the Offer	Friday, 20 November 2020
Last Date for lodging forms or Proxy relating to the Extraordinary General Meeting (by 1000hrs)	Friday, 11 December 2020
Record Date for purposes of being entitled to vote in the Extraordinary General Meeting	Friday, 11 December 2020
Extraordinary General Meeting of Powerspeed shareholders (at 1000hrs)	Monday, 14 December 2020
Publication of the Results of the Extraordinary General Meeting	Wednesday, 16 December 2020
Expected date of de-listing of Powerspeed shares from the ZSE	Friday, 18 December 2020

NOTES:

The above dates are subject to change and any amendments will be published in the Zimbabwe press. All times indicated above and elsewhere in this Circular are Zimbabwe local times.

If you have any questions on any aspects of this Circular, please contact your stockbroker, accountant, banker, legal practitioner or other professional advisor, or Sean Gammon at Imara, Block Two, Tendeseka Office Park, Samora Machel Avenue, Harare, Zimbabwe; Telephone number +263 242 701320; Fax +263 242 701319; E-mail: sean.gammon@imaracapital.com.

SUMMARY

THIS SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THIS CIRCULAR AND ANY DECISION WITH RESPECT TO THE EXTRAORDINARY GENERAL MEETING SHOULD BE BASED ON A CONSIDERATION OF THIS CIRCULAR AS A WHOLE.

Salient Details

The salient details provide an outline of the proposal and should be read in conjunction with this Circular as a whole. The definitions on page 2 of this Circular have, where applicable, been used in this summary.

This summary presents the salient information in relation to a proposed Extraordinary General Meeting to consider, and if deemed acceptable, approve resolutions that, if and when implemented, would result in termination of the listing of Powerspeed on the Main Board of the ZSE. The Directors of Powerspeed are supportive of the delisting.

The coming into effect of the proposed delisting will be subject to the approval of the proposed delisting by a majority in number representing three-fourths by percentage (75%) of the shareholding of Powerspeed, present and voting either in person or by duly authorised proxy at the Extraordinary General Meeting to be held at the date, time and place detailed in the notice of such meeting.

This Circular should accordingly be read in its entirety, together with the Powerspeed 2019 Annual Report and the audited financial statements for the years ended 30 September 2018 and 2019, and the interim results for the six months to 31 March 2020, which includes the opinion of Grant Thornton.

RATIONALE OF THE DELISTING

The Board of Directors of Powerspeed are of the view that in the current environment in Zimbabwe, a listing on the Zimbabwe Stock Exchange has very little benefit and considerable costs. Powerspeed is a very illiquid stock and trading often does not represent a realistic valuation. The lack of capital from institutional investors means that the listing has limited value in terms of a mechanism to raise capital and ongoing legal, compliance and audit costs are an impediment to shareholder returns. In the face of a difficult trading environment the additional costs of being listed, with no compensating benefits, can no longer be borne by the Company. Accordingly, Powerspeed has decided to propose to shareholders its delisting from the ZSE. The ZSE have directed that Powerspeed provide a mechanism to shareholders wishing to exit their shareholding prior to the delisting, which mechanism is detailed in the Offer.

OPINIONS AND RECOMMENDATIONS

The Directors of the Company are of the view that a Zimbabwe Stock Exchange listing cannot be justified in light of the above, and are supportive of termination of the listing. They therefore recommend shareholders vote in favour of the resolution to terminate the listing as proposed in the Notice of the EGM, contained in this Circular.

INSPECTION OF THE CIRCULAR

The public may inspect this Circular during normal business hours from Friday, 20 November 2020 to Monday 14 December 2020, at the following offices:

Sponsoring Brokers:

Imara Edwards Securities (Private) Limited
Block Two, Tendeseka Office Park
Samora Machel Avenue
Eastlea
Harare
Zimbabwe

(P.O. Box 1475, Harare)

Financial Advisors:

Imara Corporate Finance Zimbabwe (Private) Limited
Block Two, Tendeseka Office Park
Samora Machel Avenue
Eastlea
Harare
Zimbabwe

(P.O. Box 1475, Harare)

Transfer Secretary:

First Transfer Secretaries Limited
1 Armagh Ave
Eastlea
Harare
Zimbabwe

CHAIRMAN'S LETTER



(A public company incorporated in the Republic of Zimbabwe under company registration number 64/1976)

Directors: Dr. S. H. Makoni, H. N. Macklin*, M. S. Gurira*, M. S. Kretzmann, C. C. M. Tambo, N. H. Kretzner, V. R. Gapare
*Executive

Address: Powerspeed Complex, Corner Cripps Road and Kelvin Road North, Graniteside, Harare, Zimbabwe

Dear Powerspeed Shareholder,

I. OVERVIEW OF POWERSPEED

I.1 Background and Operations

Powerspeed listed on the Zimbabwe Stock Exchange in July 2000 by way of a *Dividend-in-Specie* from Mashonaland Holdings. Originally a light engineering business focused on the electrical sector, it is now dominated by the Electrosales retail operation. The business consists of 19 retail stores covering a total floor space of 13 405 square metres in urban centres throughout Zimbabwe. An engineering division carries out repairs and maintenance of electric motors and other equipment. Powerspeed also earns rental income from its property portfolio.

I.2 Recent Operating Performance

The economic difficulties facing Zimbabwe have been exacerbated by the COVID-19 pandemic which has engulfed the whole world. A shrinking economy was already expected and will now be even greater than anticipated. This will have a negative impact on almost all businesses in Zimbabwe as consumer spending declines further.

The trading environment remains extremely difficult with regulation changes without notice or consideration for the consequences. Travel restrictions have made it difficult for staff to travel to work and in many instances Powerspeed has had to provide contracted transport at a substantial additional cost.

Volume throughput since year end has been erratic, and the national shutdown in April reduced throughput to almost zero for the greater part of the month. Subsequently, volumes have recovered however there have been substantial changes in product mix. Overall, volumes were marginally higher than the same quarter last year because of increased market share in a number of product groups.

While revenues rose substantially both in historical and inflation adjusted terms, profitability remains difficult to assess because of rapidly changing exchange rates and distorted indices. Margins continue to be under pressure while expenses are rising with inflation and devaluation.

I.3 Financial Performance

	Audited Historic Cost 30 Sept 2018 ZWL 000	Audited Historic Cost 30 Sept 2019 ZWL 000	Reviewed Inflation Adjusted 1 March 2020 ZWL 000
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Revenue	82,496	267,929	717,667
Profit from operations	6,796	22,385	47,734
Monetary gain			133,101
Profit for the year	4,202	17,561	166,504
Other comprehensive income/(loss), net of tax	8	94,469	0
Total comprehensive income for the year	4,210	112,030	166,504
Earnings per share			
Basic earnings per share (cents)	1.12	4.66	41.95
Headline earnings per share (cents)	1.12	4.66	41.95

STATEMENTS OF FINANCIAL POSITION	Audited Historic Cost 30 Sept 2018 ZWL 000	Audited Historic Cost 30 Sept 2019 ZWL 000	Reviewed Inflation Adjusted 1 March 2020 ZWL 000
ASSETS			
Non-current assets	11,876	181,466	300,203
Current assets	24,888	307,397	764,564
Total assets	36,764	488,863	1,064,767
EQUITY AND LIABILITIES			
Total equity	14,494	369,140	664,752
Non-current liabilities	2,815	36,710	65,500
Current liabilities	19,455	83,013	334,515
Total liabilities	22,270	119,723	400,015
Total equity and liabilities	36,764	488,863	1,064,767

1.4 Interests of Directors

Direct and indirect interest of the Directors in Powerspeed Shares

Directors:	Powerspeed Shares Held
Dr. S. H. Makoni	Nil
H. N. Macklin	Nil
M. S. Gurira	Nil
M. S. Kretzmann	3,010,719
C. C. M. Tambo	Nil
N. H. Kretzmer	Nil
V. R. Gapare	Nil

Dr Makoni does not own any shares in Powerspeed directly, however, he is a beneficial owner of 7.68% of Kamunda Investments (Private) Limited, the holdings of which are detailed in Paragraph 1.6 of this Circular.

Mr H Macklin does not own any shares in Powerspeed directly, however he is a 12.2% beneficial owner of Doctudey Investments (Private) Limited, a 11.9% beneficial owner of Peptune Investments (Private) Limited and a 25% beneficial owner of Careful Investments (Private) Limited, the holdings of which are detailed in Paragraph 1.6 of this Circular.

Mr M S Gurira does not own any shares in Powerspeed directly, however, he is a beneficial owner of 50.0% of Braidor Enterprises (Private) Limited, of 26.2% of Peptune Investments (Private) Limited, the holdings of which are detailed in Paragraph 1.6 of this Circular.

Mr C C M Tambo does not own any shares in Powerspeed directly, however, he is a beneficial owner of 50.0% of Worsnop Investments (Private) Limited, the holdings of which are detailed in Paragraph 1.6 of this Circular.

Mr N H Kretzmer does not own any shares in Powerspeed directly, however, he is a discretionary beneficiary of The Norman Kretzmer Family Trust, the holdings of which are detailed in Paragraph 1.6 of this Circular.

Mr M S Kretzmann owns 3 010 719 shares in Powerspeed directly, and, in addition, he is a beneficial owner of 50.0% of WRS Switchgear (Private) Limited, of 50.0% of Consolidated Electrical Industries (Private) Limited, of 50.0% of AC/DC Dynamics (Private) Limited and of 50.0% of Winbort Investments (Private) Limited, the holdings of which are detailed in Paragraph 1.6 of this Circular.

1.5 Share Capital

The authorised share capital of Powerspeed is comprised of 500,000,000 ordinary shares of ZWL\$0.0001 each.

The total issued and fully paid shares of Powerspeed at the Last Practicable Date was 425, 757,779 ordinary shares of ZWL\$0.0001 each.

Subject to conditions imposed by the Companies and Other Business Entities Act and the ZSE, the unissued ordinary shares are under the indefinite, unrestricted control of the Directors.

All of the issued ordinary shares in the share capital of Powerspeed are of one class, and rank pari passu in all respects

1.6 Shareholding Structure

The Top 20 shareholders for Powerspeed are shown below:

Name	Shares	% of Total
The Roy Turner Trust	42,974,618	10.09
Powerspeed Employee Share Trust	41,318,850	9.70
Doctudey Investments (Private) Limited	39,035,380	9.17
WRS Switchgear (Private) Limited	35,440,087	8.32
Consolidated Electrical Industries (Private) Limited	33,628,719	7.90
Peptune Investments (Private) Limited	26,925,440	6.32
Kretzmann, Donald	25,635,100	6.02
Careful Investments (Private) Limited	22,420,720	5.27
Braidor Enterprises (Private) Limited	21,549,268	5.06
AC/DC Dynamics (Private) Limited	12,294,663	2.89
Winbort Investments (Private) Limited	11,120,462	2.61
Amzim Pension Fund – Invesci	6,981,358	1.64
Mega Market (Private) Limited	6,647,438	1.56
Sideline Farming (Private) Limited	6,137,699	1.44
Bellex Investments (Private) Limited	5,967,810	1.40
Mendes, Charmaine	5,709,000	1.34
Clisjet Investments (Private) Limited	3,558,974	0.84
Kamunda Investments (Private) Limited	3,540,000	0.83
The Norman Kretzmer Family Trust	3,535,936	0.83
Anglo American Ass Co Pension Fund - Invesci	3,042,631	0.71
OTHER	68,293,626	16.04
TOTAL	425,757,779	100.00

1.7 Share Price History

The table below summarises the trading of Powerspeed shares on the ZSE for the last six months, as well as daily during October and November 2020 up to the Last Practical Date. Shareholders are reminded that the ZSE suspended all trading from Monday 29 June 2020 to Friday 31 July 2020 inclusive. Shareholders are further advised that the unusually high volume of trading in June 2020 includes the purchase by Powerspeed of 5,010,900 of its own shares during the month.

Month of	Closing price (ZWL\$)	Volume traded	Value of Shares traded (ZWL\$)
March 2020	0.176	79,600	35,660
April 2020	0.46	54,100	20,495
May 2020	1.20	73,400	64,121
June 2020	1.45	* 5,095,500	8,387,771
July 2020	ZSE Suspended	ZSE Suspended	ZSE Suspended
August 2020	1.5825	317,400	459,945
September 2020	1.90	41,800	72,701

Daily	Closing price (ZWL\$)	Volume traded	Value of Shares traded ZWL\$
01 October 2020	1.90	13,000	24,700
02 October 2020	1.55	5,600	8,680
05 October 2020	1.55	5,000	7,750
06 October 2020	1.55	0	0
07 October 2020	1.55	0	0

08 October 2020	1.55	0	0
09 October 2020	1.55	0	0
12 October 2020	1.55	0	0
13 October 2020	1.55	0	0
14 October 2020	1.55	0	0
15 October 2020	1.55	0	0
16 October 2020	1.55	0	0
19 October 2020	1.55	0	0
20 October 2020	1.80	26,400	47,520
21 October 2020	1.80	0	0
22 October 2020	1.80	0	0
22 October 2020	1.80	0	0
23 October 2020	1.80	0	0
26 October 2020	1.80	0	0
27 October 2020	1.90	8,400	15,960
28 October 2020	1.90	11,600	22,040
29 October 2020	1.90	0	0
30 October 2020	1.90	0	0
02 November 2020	1.90	100	190
03 November 2020	1.90	0	0
04 November 2020	1.90	0	0
05 November 2020	1.90	0	0
06 November 2020	1.90	0	0

* In June 2020 the Company purchased, in terms of Special Resolution 2.3 of the AGM held on 05 March 2020, 5,010,900 of its own shares for a value of ZWL\$826,650. These shares were cancelled in September 2020.

2. THE PROPOSED VOLUNTARY TERMINATION OF THE LISTING OF POWERSPEED FROM THE ZIMBABWE STOCK EXCHANGE AND OFFER

2.1 Rationale for the Termination of the Listing

2.1.1 Limited Liquidity

Powerspeed has a total of 425,757,779 issued shares, of which only 68,293,626 shares (approximately 16% of issued shares) are held by approximately 1,100 minority shareholders outside of the top 20 shareholders. Only nine shareholders, including the Powerspeed Employee Share Trust, hold a stake of 5% or more. There is no controlling shareholder, as defined by the ZSE Listing Requirements or the Companies and Other Business Entities Act.

In the past six months total ZSE trading, outside of the share buyback, has been under 0.23%, on an annualised basis, of the total shares in issue.

2.1.2 Unrealistic Valuations

In a hyper-inflationary business cycle the onus on management has to be to preserve long term value in the business, sometimes at the cost of short term considerations. In this environment the focus needs to be on preserving and building balance sheet strength in hard currency terms. While Powerspeed has been able to maintain its balance sheet in real terms, the ZSE pricing has not matched this as the market tends to focus on historic price earnings ratios rather than ongoing asset values.

The ZSE precludes the directors and employees from trading in the shares during a closed period. Given that quarterly reporting is now mandatory for ZSE listed companies the closed period is any time between the end of a financial quarter and the associated publication for shareholders. In effect this means that the Company is operating under closed period conditions for roughly half the year, which impacts its ability to buy back shares while listed.

2.1.3 Onerous Reporting Structures

The ZSE has recently implemented new reporting regulations that have increased the issuance of shareholder reporting from semi-annual to quarterly, with an attendant increase in legal and accounting costs. In addition, the exchange now requires the issuance of an annual compliance certificates, letters of representation, electronic (website) publication of results, publication of results on the ZSE Data Portal, and other new requirements.

2.1.4 Inability to attract new capital

While one of the often cited benefits of a stock exchange listing is the ability to easily raise new capital, this is clearly not the case for Powerspeed. Foreign investors previously active on the ZSE have seen significant real losses in the last 18 months following currency weakness and, more importantly, an inability to remit proceeds on disinvestment. This unprecedented crisis is likely to remain an obstacle to attracting new capital through the ZSE for the foreseeable future.

Further to this, raising capital on the ZSE has become an expensive undertaking because of the need to produce circulars to shareholders to facilitate capital raising transactions. These circulars require input from professional advisors, the production of hyper-inflation and pro-forma accounts, and carry a production and distribution cost. The ZSE also levies charges for inspection of such circulars. While the best practice stance of the ZSE is understood, it is a detriment to efficient capital raising for a small, illiquid company such as Powerspeed.

2.1.5 Conclusion

The Board of Directors of Powerspeed are of the view that in the current economic environment in Zimbabwe, a listing on the Zimbabwe Stock Exchange has very little benefit and considerable costs. Powerspeed is a very illiquid stock and trading often does not represent a realistic valuation. The lack of capital from institutional investors means that the listing has limited value in terms of a mechanism to raise capital and ongoing legal, compliance and audit costs are an impediment to shareholder returns. In the face of a difficult trading environment the additional costs of being listed, with no compensating benefits, can no longer be borne by the Company. Accordingly, Powerspeed has decided to propose to shareholders its delisting from the ZSE.

2.2 The Offer to Powerspeed Shareholders

The ZSE have directed that Powerspeed provide a mechanism to shareholders wishing to exit their shareholding prior to the delisting. This Offer is subject to shareholder approval of Resolution 3 at the EGM to be held on Monday, 14 December 2020. In terms of the Offer Powerspeed will purchase for cancellation shares from shareholders wishing to exit the company prior to the delisting at a price of ZWL\$1.90, being the quoted price on the ZSE at the Last Practicable Date. The Offer opens on the date of this Circular. It is the intention of the Directors of the Company to utilise this authority at the date of delisting, subject to the appropriate provisions of the ZSE Listing Requirements and the Companies and Other Business Entities Act. Shareholders wishing to accept the Offer should complete and return the Form of Acceptance and Surrender, which forms Annexure III of this Circular, in accordance with the instructions contained therein.

The Offer Consideration will be settled by bank transfer to the shareholder's nominated bank account two working days after the date of delisting. The Offer Consideration will be settled net of any applicable statutory taxes and levies.

2.3 Over The Counter Trading of Powerspeed Shares

It is Powerspeed's intention to act as a floor buyer of shares from its shareholders post termination of the ZSE listing at a price no lower than the Offer Price, this floor price being ZWL\$1.90 per share. The ongoing share repurchase will be done on a dynamic basis, with pricing communicated through the OTC broker and aligned to the real net asset base of the Company at the end of the previous month.

Resolution 4 in the notice of the EGM of shareholders, which forms part of this Circular, seeks shareholder approval for the repurchase of up to 384,438,929 of the Company's outstanding shareholding. It is the intention of the Directors of the Company to utilise this authority at a future date provided that the cash reserves of the Company are in excess of its requirements and the transactions are considered to be in the best interests of shareholders generally. In considering cash availability the Directors will take account of inter alia, the long term cash needs of the Company, and will ensure that the Company will remain solvent after the re-purchase.

Imara Edwards Securities (Private) Limited has undertaken to provide an OTC trading platform to Powerspeed shareholders and the investing public following the termination of the listing on the ZSE. It is expected that other market participant may also establish OTC trading. It is Powerspeed's intention to maintain a share buyback programme, and to use the OTC market to purchase shares on an ongoing basis, subject to shareholder authorisation, liquidity considerations and general market conditions. In this regard, Powerspeed will commit to publishing, on a quarterly basis, a price at which it will purchase shares on the OTC market. Powerspeed's arrangements with regard to participation in the OTC market do not prohibit market participants transacting on the OTC market outside of the terms and pricing of Powerspeed participation. Shareholders are advised to contact their brokers with regard OTC trading of stocks.

2.4 Instruction and Authorities

It is proposed that the Directors be entitled and be granted the authority to sign, on behalf of Powerspeed, all documents required to carry out termination of the listing of Powerspeed on the ZSE.

2.5 Notice of Extraordinary General Meeting and Proxy Form

The notice convening the Extraordinary General Meeting, which is to be held at Powerspeed Complex, Corner Cripps Road and Kelvin Road North, Graniteside, Harare at 1000hrs on Monday 14 December 2020, is attached to and forms part of this Circular. Shareholders who are unable to attend the Extraordinary General Meeting and wish to be represented thereat should complete the attached Proxy Form in accordance with the instructions contained therein.

Proxy Forms for the Extraordinary General Meeting must be lodged with or posted to the Transfer Secretary in accordance with the instructions contained therein, to be received by no later than 1000hrs on Friday 11 December 2020. If a Proxy Form for the Extraordinary General Meeting is not received by the Transfer Secretary by the appropriate time set out above, it may be handed to the Chairman of the Extraordinary General Meeting at their discretion not less than thirty (30) minutes before the commencement of the Extraordinary General Meeting.

Due to the Covid-19 pandemic the EGM will be conducted primarily as a virtual meeting but with an accommodation for a physical presence for those who may desire to attend. Standard Covid-19 health procedures will apply. Shareholders are advised to take note of the following:

- The link for the EGM will be sent to shareholders' email addresses on record with the transfer secretaries.
- Shareholders are to contact the Transfer Secretaries on email info@fts-net.com, should they wish to update their contact details.
- Shareholders wishing to invite proxies, analysts or observers to the EGM are advised to contact the Transfer Secretaries ahead of the meeting.

- Shareholders requiring assistance or having queries regarding the conduct of the EGM are advised to contact the Transfer Secretaries ahead of the meeting.
- Shareholders are advised to pre-register on the online portal that will be provided by the Transfer Secretaries and submit their proxy forms at least 48 hours prior to the EGM time.

Further to this, Shareholders are advised that the Transfer Secretaries will:

- Send the notice to all Shareholders with email addresses.
- Send a log in link to all Shareholders together with the log in instructions.
- Send the Shareholders the meeting code to enable them to log in to an online portal where they will be able to submit their proxy form as well as their poll votes.

Please note that:

- The portal will not accept any proxy form that will be submitted after the cut off of receiving the proxy forms, being 48 Hours before the meeting date.
- Shareholders will have an option to indicate their preferred vote to the resolutions. The vote can be modified at the EGM when the meeting is opened.
- There will be no need for the shareholder to print the form but the form can be completed and submitted online.
- Shareholders with special needs or who struggle to log in will be assisted by the transfer secretary.

2.6 General

The Directors may agree or consent before or at the Extraordinary General Meeting, to any amendment, variation or modification of the resolutions to be decided.

A certificate signed by any Director stating that all the conditions of the Extraordinary General Meeting have been fulfilled and that the resolutions have been passed shall be binding on Powerspeed and its shareholders.

2.7 Litigation

As at the date of this Circular, neither the Company nor any of its subsidiaries is involved in any material litigation, dispute, arbitration or administrative proceedings which may have or have had in the past twelve months preceding the date of this Circular, a significant effect on the financial position or operations of all the entities, which may have material adverse effect on the Proposed Transaction, or the capacity of the Company to continue operations.

2.8 Opinions and Voting Recommendations of Directors

The Directors are conscious of their obligations, both in terms of the common law and the provisions of the Companies and Other Business Entities Act and the ZSE Listing Rules, at all times to –

- act fairly as between shareholders, or different classes of shareholders;
- to ensure that the affairs of the company are not conducted in a manner which is oppressive towards, or unfairly prejudicial to, any shareholders or category of shareholders; and
- generally, to act in the best interests of the Company.

The Directors consider the proposed termination of the listing of Powerspeed on the ZSE to be in the best interests of all Powerspeed shareholders and to be in the best interests of Powerspeed itself. The Directors recommend Powerspeed shareholders vote in favour of the EGM resolutions.

3. GENERAL CONSIDERATIONS

3.1 Material Changes and Commissions

Save as discussed in this Circular, between 31 March 2020 and the date of this Circular, there have been no material adverse changes in Powerspeed's financial position, and no commissions, brokerages or other special terms have been granted by Powerspeed in connection with the issue or sale of its share capital.

3.2 Significant Contracts

Powerspeed has not entered into any significant contracts, other than in the normal course of business since the last general meeting of members.

3.3 Exchange Control Regulations

Ownership and transfer of Powerspeed ordinary shares registered in the name of non-residents of Zimbabwe are subject to Exchange Control Regulations. As such, payment of cash as the Offer Consideration to all non-Zimbabwe resident Powerspeed shareholders will be made in terms of the regulations and/or rulings of the Reserve Bank of Zimbabwe, to the authorised dealers nominated by each such shareholder for that purpose. Such payment will fully discharge the obligation to effect payment of the option of the Offer Consideration, for the Powerspeed ordinary shares. If no authorised dealer is so nominated, the Offer Consideration will be held by Powerspeed on behalf of and at the risk of the shareholder until claimed. No interest will accrue or be paid on any Offer Consideration so held.

It will be incumbent upon the Powerspeed shareholders concerned to instruct their nominated authorised dealer, or failing such nomination, Powerspeed, as to the disposal of the relevant proceeds.

The tax treatment of Powerspeed shareholders is dependent on their individual circumstances and on the tax jurisdiction applicable to such Powerspeed shareholder. It is recommended that Powerspeed shareholders seek appropriate professional advice in this regard.

3.4 Tax Considerations

The tax treatment of shareholders is dependent on their individual circumstances and on the tax jurisdiction applicable to such shareholders. Shareholders are advised to consult their professional advisor or banker regarding their individual tax position in relation to the proposed termination of the ZSE listing. The Offer is made gross of tax, and where applicable Capital Gains Tax will be deducted at source prior to settlement of the Offer Consideration.

3.5 Costs

The costs of the listing termination will be borne by Powerspeed. These costs are detailed below:

Item	Cost ZWL\$
Financial Advisor	3,321,000
Sponsoring Broker	800,000
Reporting Accountants	206,750
Legal Advisor	246,000
Transfer Secretaries	350,000
Printing, Publication and Distribution	1,250,000
TOTAL	6,173,750

3.6 Consents

Imara, IES, First Transfer Secretaries, Grant Thornton, Costa & Madzonga and Powerspeed have given, and have not withdrawn, their consents to the issue of this Circular with the inclusion of their names and reports in the forms and contexts in which they appear.

3.7 Documents Available for Inspection

Copies of the following documents will be available for inspection at the registered office of Powerspeed during normal business hours on any Business Day up to and including the date of the Extraordinary General Meeting.

- the Memorandum and Articles of Association of Powerspeed;
- copies of this signed Circular;
- the audited financial statements of Powerspeed for the fiscal years ended 30 September 2018 and 2019;
- the unaudited financial statements for Powerspeed for the six months ended 31 March 2019 and 2020; and
- signed Letters of Consent from all experts and advisors.

3.8 Responsibility Statement of Directors

The Directors, whose names are set out in the Corporate Information on page i of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement false or misleading, that they have made all reasonable enquiries to ascertain such facts (where applicable), and that this Circular contains all the information required by law.

Yours faithfully

Dr S. H. Makoni

Non - Executive Chairman

For and on behalf of the Board of Directors of Powerspeed

(Signed in the original)



The Directors
Powerspeed Electrical Limited
Kelvin Road North/Cripps Road
Graniteside

HARARE

4 September 2020

Dear Directors

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE HISTORICAL FINANCIAL INFORMATION OF POWERSPEED ELECTRICAL LIMITED

Introduction

The Directors of Powerspeed Electrical Limited (hereinafter referred to as "Powerspeed", or "the Company", or "the Group") are proposing to voluntarily terminate the listing of Powerspeed from the Zimbabwe Stock Exchange.

In terms of the Zimbabwe Stock Exchange ("ZSE") Listing Requirements, we report hereunder on the historical financial information of Powerspeed. The Company was incorporated in Zimbabwe on 19 February 1976 under company registration number 64/76 as Engineering and Electrical Holdings Limited and subsequently renamed to Powerspeed Electrical Limited on 15 October 1999. The Company was then listed on the ZSE in July 2000.

Directors' responsibilities

The Directors are responsible for the preparation of the Circular to which this report relates and the information contained therein.

Reporting accountant's responsibility

Our responsibility is to report on the financial information in accordance with the requirements of Section 8.3 of the ZSE Listing Requirements, except that at the request of the Company, and with approval of the ZSE, the notes to the financial statements and the accounting policies have been excluded from this Circular based on the understanding that the Directors have made the detailed accounts available for inspection.

Scope

As the purpose of the financial information differs from the purpose of the financial statements prepared for members, the financial information 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 International Financial Reporting Standards (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.

Scope of audits

The audits performed by Grant Thornton for the years ended 30 September 2018 to 30 September 2019 were conducted in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error.

In assessing risk the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

We believe that audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinions for the years ended 30 September 2018 to 30 September 2019.

Scope of review

The review performed by Grant Thornton for the six months ended 31 March 2020 was conducted in accordance with the International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. ISRE 2410 applies to a review of historical financial information performed by the independent auditor of the entity. A review of historical financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Prior year audited financial statements

Grant Thornton Chartered Accountants (Zimbabwe) were the appointed auditors for the periods covered by this Circular. We report on the annual financial statements for the years ended 30 September 2018 to 30 September 2019 as follows:

Year ended 30 September 2018

An unqualified opinion was issued on the financial statements of Powerspeed Electrical Limited for the year ended 30 September 2018. The financial statements presented fairly, in all material respects, the Group's statement of financial position as at 30 September 2018, its statement of profit or loss and other comprehensive income and statement of cash flows for the year then ended in accordance with IFRSs, the Companies Act (Chapter 24:03) and the relevant Statutory Instruments SI 33/99 and SI 62/96.

Year ended 30 September 2019

An adverse opinion was issued on the financial statements of Powerspeed Electrical Limited for the year ended 30 September 2019. The financial statements do not present fairly, in all material respects, the Group's statement of financial position as at 30 September 2019, its statement of profit or loss and other comprehensive income and statement of cash flows for the year then ended in accordance with IFRSs, the Companies Act (Chapter 24:03) and the relevant Statutory Instruments SI 33/99 and SI 62/96.

The adverse opinion was in respect of non-compliance with International Accounting Standard (IAS) 21 - The Effect of Changes in Foreign Exchange Rates and International Accounting Standard (IAS) 29 - Financial Reporting in Hyperinflationary Economies.

There was an emphasis of matter paragraph on the fair value determination of the Group's property, plant and equipment and investment property.

Review conclusion**Six months ended 31 March 2020**

An adverse conclusion was issued on the interim financial statements of Powerspeed Electrical Limited for the six months ended 31 March 2020. Based on our review, the interim financial information did not present fairly, in all material respects the financial position of Powerspeed Electrical Limited and its subsidiaries as at 31 March 2020, and of its financial performance and its cash flows for the six month period then ended in accordance with International Financial Reporting Standards.

The adverse conclusion was in respect of non-compliance with International Accounting Standard (IAS) 21 - The Effect of Changes in Foreign Exchange Rates, International Accounting Standard (IAS) 29 - Financial Reporting in Hyperinflationary Economies and fair value determination of the Group's transactions, assets and liabilities.

There was an emphasis of matter paragraph on uncertainties relating to the possible effects of the COVID-19 pandemic on the Group.

Grant Thornton

Chartered Accountants (Zimbabwe)
Registered Public Auditors

20 November 2020

HARARE

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited Group Historic Cost 30 September 2019 ZWL 000	Audited Group Historic Cost 30 September 2018 ZWL 000
Revenue	267 929	82 496
Cost of sales	(205 748)	(60 407)
Gross profit	62 181	22 089
Investment property income	30	35
Fair value adjustment	8 775	(217)
Other income	849	279
Operating expenses	(49 450)	(15 390)
Profit from operations	22 385	6 796
Finance costs	(1 389)	(1 120)
Profit before tax	20 996	5 676
Income tax	(3 435)	(1 474)
Profit for the year	17 561	4 202
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss		
Revaluation of property	127 231	11
Deferred taxation on revaluation surplus	(32 762)	(3)
Other comprehensive income/(loss), net of tax	94 469	8
Total comprehensive income for the year	112 030	4 210
Earnings per share		
Basic earnings per share (cents)	4.66	1.12
Headline earnings per share (cents)	4.66	1.12

STATEMENTS OF FINANCIAL POSITION

	Audited Historic Cost 30 September 2019 ZWL 000	Audited Historic Cost 30 September 2018 ZWL 000
ASSETS		
Non-current assets		
Property, plant and equipment	170 066	11 126
Investment property	11 400	750
	181 466	11 876
Current assets		
Inventories	267 420	19 635
Trade and other receivables	25 730	3 647
Cash and cash equivalents	14 247	1 288
Tax receivable	-	
	307 397	24 888
Total assets	488 863	36 764
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	38	37
Share premium	1 099	175
Non-distributable reserve	6 777	6 777
Revaluation reserve	94 477	8
Functional currency change reserve	243 754	-
Retained earnings	22 995	7 497
Total equity	369 140	14 494
Non-current liabilities		
Deferred taxation	33 945	761
Long-term borrowings	2 765	2 054
	36 710	2 815
Current liabilities		
Trade and other payables	58 993	11 324
Provisions	10 083	1 560
Short term borrowings	13 053	6 571
Current tax payable	884	-
	83 013	19 455
Total liabilities	119 723	22 270
Total equity and liabilities	488 863	36 764

STATEMENTS OF CHANGES IN EQUITY

	Share capital ZWL	Share premium ZWL	Non-distributable reserve ZWL	Revaluation reserve ZWL	Foreign currency translation reserve ZWL	Retained earnings ZWL	Total equity ZWL
Balance at 1 October 2017	37	175	6 777	-	-	3 295	10,284
Total comprehensive income for the year	-	-	-	8	-	4 202	4,210
Balance at 30 September 2018	37	175	6 777	8	-	7 497	14,494
Balance at 1 October 2018	37	175	6 777	8	-	7 497	14 494
Adjustment from the adoption of IFRS 9	-	-	-	-	-	(95)	(95)
Adjusted balance as at 1 October 2018	37	175	6 777	8	-	7,402	14,399
Shares issued	1	-	-	-	-	-	1
Share buyback	-	924	-	-	-	(471)	453
Functional currency change reserve	-	-	-	-	243 754	-	243,754
Dividend paid	-	-	-	-	-	(1,497)	(1,497)
Total comprehensive income for the year	-	-	-	94 469	-	17 561	112,030
Balance at 30 September 2019	38	1 099	6 777	94 477	243 754	22 995	369 140

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed 31 March 2020 ZWL 000	Unaudited 31 March 2019 ZWL 000
Revenue	717 667	505 456
Cost of sales	(561 303)	(381 296)
Gross profit	156 364	124 160
Investment property income	104	128
Fair value adjustment	7 580	-
Other income	748	2 735
Operating expenses	(117 062)	(93 756)
Profit from operations	47 734	33 267
Monetary gain	133 101	-
Finance costs	(3 920)	(4 372)
Profit before tax	176 915	28 895
Income tax	(10 411)	(7 440)
Profit for the year	166 504	21 455
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss		
Revaluation of property	-	-
Deferred taxation on revaluation surplus	-	-
Other comprehensive income/(loss), net of tax	-	-
Total comprehensive income for the year	166 504	21 455
Earnings per share		
Basic earnings per share (cents)	41.95	5.63
Headline earnings per share (cents)	41.95	5.63

STATEMENTS OF FINANCIAL POSITION

	Reviewed 31 March 2020 ZWL 000	Unaudited 31 March 2019 ZWL 000
ASSETS		
Non-current assets		
Property, plant and equipment	281 453	282 346
Investment property	18 750	18 409
	<hr/> 300 203	<hr/> 300 755
Current assets		
Inventories	659 389	398 315
Trade and other receivables	89 344	49 766
Cash and cash equivalents	15 831	35 897
Tax receivable	-	190
	<hr/> 764 564	<hr/> 84 168
Total assets	<hr/> 1 064 767	<hr/> 784 923
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	285	283
Share premium	12 094	9 042
Retained earnings	652 373	571 534
Total equity	<hr/> 664 752	<hr/> 580 859
Non-current liabilities		
Deferred taxation	60 418	6 420
Long-term borrowings	5 082	22 390
	<hr/> 65 500	<hr/> 28 810
Current liabilities		
Trade and other payables	294 628	110 869
Provisions	17 735	9 964
Short term borrowings	18 699	54 421
Current tax payable	3 453	-
	<hr/> 334 515	<hr/> 175 254
Total liabilities	<hr/> 400 015	<hr/> 204 064
Total equity and liabilities	<hr/> 1 064 767	<hr/> 784 923

ANNEXURE II NOTICE OF EXTRAORDINARY GENERAL MEETING



(A public company incorporated in the Republic of Zimbabwe under company registration number 64/1976)

Directors: Dr. S. H. Makoni, H. N. Macklin*, M. S. Gurira*, M. S. Kretzmann, C. C. M. Tambo, N. H. Kretzner, V. R. Gapare
*Executive

Address: Powerspeed Complex, Corner Cripps Road and Kelvin Road North, Graniteside, Harare, Zimbabwe

Notice is hereby given that an Extraordinary General Meeting ("EGM") of the members of the Company will be held at 10:00 hours on Monday 14 December 2020, at the Powerspeed Complex, Corner Cripps Road and Kelvin Road North, Graniteside, Harare. Due to the Covid-19 pandemic the EGM will be conducted primarily as a virtual meeting but with an accommodation for a physical presence for those who may desire to attend. Standard Covid-19 health procedures will apply. Shareholders are advised to take note of the following:

- The link for the EGM will be sent to shareholders' email addresses on record with the transfer secretaries.
- Shareholders are to contact the Transfer Secretaries on email info@fts-net.com, should they wish to update their contact details.
- Shareholders wishing to invite proxies, analysts or observers to the EGM are advised to contact the Transfer Secretaries ahead of the meeting.
- Shareholders requiring assistance or having queries regarding the conduct of the EGM are advised to contact the Transfer Secretaries ahead of the meeting.
- Shareholders are advised to pre-register on the online portal that will be provided by the Transfer Secretaries and submit their proxy forms at least 48 hours prior to the EGM time.

The meeting will conduct the following business:

To consider and, if thought fit, to adopt, with or without amendment, the following Resolutions:

RESOLUTION 1 – ORDINARY RESOLUTION

To consider and, if thought fit, to pass, with or without amendment (s), the following as an Ordinary Resolution:

THAT, in light of the Covid-19 pandemic and in accordance with the notice of this Extraordinary General Meeting, this Extraordinary General Meeting be conducted primarily as a virtual meeting.

RESOLUTION 2 - SPECIAL RESOLUTION:

To consider and, if thought fit, to pass, with or without amendment(s), the following as a Special Resolution:

THAT, the Company's shares be removed from the Main Board of the Zimbabwe Stock Exchange through voluntary termination of the listing on the Zimbabwe Stock Exchange in terms of section 11 of the ZSE Listing Requirements.

Note that in terms of section 11 of the ZSE Listing Requirements to be effective, this Resolution 2 must be passed by not less than 75% of the votes of all shareholders present or represented by proxy at the EGM.

RESOLUTION 3 - SPECIAL RESOLUTION:

To consider and, if thought fit, to pass, with or without amendment (s), the following as a Special Resolutions:

THAT, subject to Special Resolution 2 being carried by the requisite majority, in terms of Section 128 of the Companies and Other Business Entities Act [Chapter 24:31], Section 141 of the ZSE Listing Requirements and Article 52 of the Company's Articles of Association, the company be authorised to purchase in terms of the Offer the Company's own ordinary shares in the period between the date of this Notice and the date of delisting of the Company.

RESOLUTION 4 - SPECIAL RESOLUTION:

THAT subject to Special Resolution 2 being carried by the requisite majority, the Company be authorised in advance, in terms of Section 128 of the Companies and Other Business Entities Act [Chapter 24:31] and Article 52 of the Company's Articles of Association, to purchase the Company's own ordinary shares which:

- i. In aggregate in any one financial year, shall not exceed 384,438,929 of the Company's issued ordinary share capital, for the Company cancelling them, subject to the availability of sufficient revenue reserves to undertake the transfer to a Capital Redemption Reserve Fund as required by the Companies and Other Business Entities Act [Chapter 24:31];
- ii. Value of such purchased ordinary shares shall not exceed the net asset value of the Company.

Note that in terms of the Companies and Other Business Entities Act, it is the intention of the Directors of the Company to utilise this authority at a future date provided that the cash reserves of the Company are in excess of its requirements and the transaction is considered to be in the best interests of shareholders generally. In considering cash availability the Directors will take account of inter alia, the long term cash needs of the Company, and will ensure that the Company will remain solvent after the re-purchase.

RESOLUTION 5 - SPECIAL RESOLUTION:

THAT the Company be authorised to pay the transaction costs for shareholders who, in terms of the Offer and the share buyback scheme, hold less than 1,000 shares.

RESOLUTION 6 - ORDINARY RESOLUTION:

To consider and, if thought fit, to pass, with or without amendment (s), the following as an Ordinary Resolution:

THAT, the Directors of the Company (or any duly authorised committee thereof) be, and are, hereby authorised to do all such things that they may consider necessary or desirable to give effect to, or pursuant to, or in connection with, the implementation of Resolution 2, and of the Proposed Transaction.

This notice and an accompanying proxy form have been sent to Powerspeed Limited Shareholders, and published on the Company's web site as well as the ZSE Data Portal. The proxy form should be delivered to, and received by the transfer secretaries of First Transfer Secretaries (Private) Limited at 1 Armagh Avenue, Eastlea, Harare or the registered offices of the Company being, Powerspeed Complex, Corner Cripps Road and Kelvin Road North, Graniteside, Harare so that it is received by the Share Transfer Secretaries no later than 10.00 hours on Friday 11 December 2020.

Additional copies of the Circular and the Proxy Form are available for collection during normal business hours at Imara Corporate Finance Zimbabwe and Imara Edwards Securities, Block 2 Tendeseka Office Park, Samora Machel Avenue East, Harare.

Note: A proxy form is enclosed. To be valid it should be completed and returned so as to reach the registered office of the company not less than 48 hours before the time fixed for the meeting. Completion of a proxy form does not preclude a member from subsequently attending and voting in person.

By order of the Board of Directors

**Company Secretary
Registered office**

Powerspeed Limited
Powerspeed Complex
Corner Cripps Road and Kelvin Road North
Harare

**Share transfer Secretaries
Registered office**

First Transfer Secretaries (Private) Limited
1 Armagh Ave
Eastlea
Harare



(A public company incorporated in the Republic of Zimbabwe under company registration number 64/1976)

Directors: Dr. S. H. Makoni, H. N. Macklin*, M. S. Gurira*, M. S. Kretzmann, C. C. M. Tambo, N. H. Kretzner, V. R. Gapare
*Executive

Address: Powerspeed Complex, Corner Cripps Road and Kelvin Road North, Graniteside, Harare, Zimbabwe

FORM OF PROXY

For use by the Company's shareholders at the Extraordinary General Meeting of shareholders to be held at 10:00 hours on Monday 14 December 2020 at Powerspeed Complex, Corner Cripps Road and Kelvin Road North, Graniteside, Harare.

Each member entitled to attend and vote at the EGM is entitled to appoint one person as his proxy, who need not be a member of the Company, to attend, speak and vote in his/her stead at the EGM.

I/We _____
(Name in block letters)

Of _____

Being the holder of _____ shares in the Company hereby appoint

1. _____ of _____ or failing him/her
2. _____ of _____ or failing him/her
3. An individual appointed by the Chairman who is not prohibited from acting as a proxy in terms of the Companies and Other Business Entities Act.

As my/our proxy to act for me/us at the EGM for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat, and at each adjournment or postponement thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares in the issued share capital of the Company registered in my/our name (see note 1) in accordance with the following instructions:

RESOLUTIONS	Number of Votes		
	For	Against	Abstain
1 THAT, in light of the Covid-19 pandemic and in accordance with the notice of this Extraordinary General Meeting, this Extraordinary General Meeting be conducted primarily as a virtual meeting.			
2 THAT, the Company's shares be removed from the Main Board of the Zimbabwe Stock Exchange through voluntary termination of the listing on the Zimbabwe Stock Exchange.			
3 THAT, subject to Special Resolution 2 being carried by the requisite majority, the Company be authorised to purchase the Company's own ordinary shares, subject to the conditions detailed in the Offer.			
4 THAT, subject to Special Resolution 2 being carried by the requisite majority, the Company be authorised to purchase the Company's own ordinary shares, subject to the conditions detailed in the Notice to shareholders.			
5 THAT the Company be authorised to pay the transaction costs for shareholders who, in terms of the Offer and the share buyback scheme, hold less than 1,000 shares.			
6 THAT, the Directors of the Company (or any duly authorised committee thereof) be, and are, hereby authorised to do all such things that they may consider necessary or desirable to give effect to, or pursuant to, or in connection with, the Proposed Transaction.			

Every person present and entitled to vote at the EGM shall, on a show of hands, have one vote only, but in the event of a poll, every share shall have one vote.

Signed at _____ on _____ 2020

Signature(s) _____

Assisted by me _____

Full name(s) of signatory/ies if signing in a representative capacity (see note 1) (please use block letters).

NOTES ON THE EGM AND TO THE FORM OF PROXY

VOTING DURING THE MEETING

1. The Chairman will read through all the resolutions and will advise the shareholders that he will be given them a chance to vote after reading the resolutions. The voting period will be opened for approximately 20 minutes.
2. Shareholders who wish to change their votes submitted earlier by way of a proxy form are able to change their votes during this period.
3. Shareholders who require additional time to vote can send their request to the host through the Zoom CHAT.
4. The Chairman will be the last to vote because he will pick all the registered and not voted shares by default.
5. Before voting, the Chairman will advise the meeting participants that he will be closing the vote for everyone and will ask anyone who will not have completed voting to advise the meeting host via Zoom Chat quickly. If everyone has voted, the Chairman will proceed to vote.

The results will be available as soon as the Chairman completes his voting. The results will be available on the portal.

INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the Chairman of the EGM", but any such deletion must be initialled by the shareholder. The person whose name appears first on the form of proxy will, unless his/her name has been deleted, be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space/s provided as well as by means of a cross whether the shareholder wishes to vote, for, against or abstain from the resolutions. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the EGM as he/she deems fit in respect of all of the shareholder's votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, or cast them in the same way.
3. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alteration or correction must be initialled by the signatory/ies.
4. The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
 - (a) under a power of attorney
 - (b) on behalf of a company
5. unless that person's power of attorney or authority is deposited at the offices of the Company's transfer secretaries, or the registered office of the Company, not less than 48 hours before the meeting.
6. 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.
7. 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.
8. 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.
9. In order to be effective, completed proxy forms must reach the Company's transfer secretaries or the registered office of the Company not less than 48 hours before the time appointed for the holding of the EGM.
10. Please ensure that name(s) of the member(s) on the form of proxy and the voting form are exactly the same as those on the share register.
11. Please be advised that the number of votes a member is entitled to be determined by the number of shares recorded on the share register 48 hours before the time appointed for the holding of the meeting.

ANNEXURE III FORM OF ACCEPTANCE AND SURRENDER

This document is important and applies to shareholders of Powerspeed electing to accept the Offer.

If you are in any doubt about how to complete this form, please consult your professional advisor immediately.

FORM OF ACCEPTANCE, SURRENDER AND TRANSFER (“FORM”)

To the Company:
Powerspeed Electrical Limited
Powerspeed Complex
Corner Cripps Road and Kelvin Road North
Granitside
Harare
Zimbabwe

Important notice concerning this Form:

Full details of the Offer are contained in the Circular to shareholders of Powerspeed dated 20 November 2020 (“Circular”), to which this Form is attached and forms part. Accordingly, all definitions and terms used in this Form shall, unless the context otherwise requires, have the corresponding meaning and interpretation attributed to them in such Circular.

Instructions

1. A separate form is required for each shareholder.
2. Part A, must be completed by all shareholders who wish to accept the Offer.
3. Part B must be completed by all shareholders who are non-residents and who wish to accept the Offer.
4. Shareholders on the Central Depository platform holding shares in dematerialised form are to enter their CSD number on the relevant portion of the form.

No receipts will be issued for documents of title lodged unless specifically requested. Lodging stockbrokers and/or agents are requested to prepare special transactions receipts, if required.

Dear Sir/Madam

The Offer

I/We the undersigned, hereby irrevocably and unconditionally accept the Offer of 1 Powerspeed Electrical Limited share for ZWL\$1.90 from the Company, the details of which are included in the herein enclosed Circular. I/We also cede ownership and accept the transfer of ownership of the so said shares to Powerspeed.

Bank Name:

Account number:

Branch name/code:

Swift code:

Part A – ALL POWERSPEED ELECTRICAL LIMITED SHAREHOLDERS ACCEPTING THE OFFER MUST PLEASE COMPLETE THIS SECTION IN (BLOCK LETTERS)

Surname	
Given Names (in full if applicable)	
Title (Mr, Mrs, Miss, Ms, etc.)	
Address	
Telephone	
Mobile	

I/We hereby surrender the undermentioned shares/share certificates:

Name of registered holder (separate form for each holder)	Certificate number/CSD number (in numerical order) (if applicable)	Number of Powerspeed Zimbabwe Shares
	Total	

Signature of Shareholder:	Stamp and address of agent lodging this form (if any)
Assisted by me (if applicable):	
State full name and capacity:	
Date	
Telephone number (home):	
Telephone number (work):	
Mobile Number:	

Bank Name:	
Account number:	
Branch name/code:	
Swift code:	

PART B – TO BE COMPLETED BY FOREIGN SHAREHOLDERS

Document of Title will be endorsed and will be forwarded to the authorised dealer in Zimbabwe. Foreign Shareholders must give the following information

Name and address of the authorised dealer in the Republic	
Bank Name:	
Account number:	
Branch name/code:	
Swift code:	

Notes:

1. No receipts will be issued for Documents of Title lodged unless specifically requested. Lodging agents who require special transaction receipts are requested to prepare such receipts and submit them for stamping together with the Documents of Title lodged. Additional copies of this Form of Acceptance and Surrender are available upon request from the Company of the Financial Advisor.
2. Any alternation to this Form of Acceptance and Surrender must be signed in full and not initialled. Any alteration may not be accepted by Powerspeed.
3. If this Form of Acceptance and Surrender is signed under a power of attorney, then such power of attorney or a notarially certified copy hereof, must be sent with form for noting, unless it has already been noted by the Company.
4. Where the Powerspeed Electrical Limited Shareholder is a company or a close corporation or other juristic person, a certified copy of all directors' or members' or other resolution authorising the signing of this Form of Acceptance and Surrender must be submitted together with this form.
5. Where the Powerspeed Electrical Limited share are jointly held, this Form of Acceptance and Surrender must be signed by all joint holders; however Powerspeed shall be entitled to, in its absolute discretion, accept the signature of that holder whose name stands first in the register in respect of such Powerspeed Electrical Limited Shares.

To be completed by all shareholders who wish to accept the Offer.

I/We acknowledge that this acceptance of the Offer must be lodged, together with the relevant documents of title, prior to the closing date of the Offer.

Signature _____

Date _____ 2020 Telephone number: _____

