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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, registered institution in securities, a bank manager, solicitor, professional accountant or other professional advisers.

**If you have sold or transferred** all your shares in **Softpower International Limited** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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冠力國際

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00380)**

**DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTION  
RENEWAL OF LOAN AGREEMENT  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**



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A letter from the Board is set out on pages 4 to 15 of this circular. The recommendation of the Independent Board Committee to the Independent Shareholders is set out on page 16 of this circular. A letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 17 to 29 of this circular.

A notice convening a Special General Meeting (“SGM”) of Softpower International Limited to be held at 12th Floor, Phase I, Austin Tower, 22–26A Austin Avenue, Tsim Sha Tsui, Kowloon, Hong Kong on Monday, 24 June 2019 at 10:30 a.m. is set out on pages 35 to 36 of this circular. A form of proxy for use at the SGM is enclosed with this circular.

Whether or not you intend to attend the SGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish.

5 June 2019

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following terms or expressions shall have the following meanings:*

“2016 Loan Agreement”	the loan agreement dated 11 May 2016 entered into between the Lender (as the lender) and China Victory International Holdings Limited (as the borrower) in respect of a loan facility up to US\$10,000,000, details of which are set out in the Company’s circular dated 15 July 2016
“2019 Loan Agreement”	the loan agreement dated 9 May 2019 entered into between the Lender and the Borrower for renewal of the Loan and Proposed Annual Caps for a further three years from the Effective Date of the 2019 Loan Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Banking Day”	a day (other than a Saturday or a Sunday) on which banks are open for general business in Hong Kong
“Board”	the board of Directors
“Borrower”	Agria Group Limited, a wholly-owned subsidiary of the Guarantor
“Company”	Softpower International Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Deed of Novation”	a deed of novation dated 15 December 2017 entered into amongst the Lender, China Victory International Holdings Limited and the Borrower in relation to novation of the rights and liabilities under the 2016 Loan Agreement
“Director(s)”	the director(s) of the Company
“Effective Date of the 2019 Loan Agreement”	means 1 August 2019 subject to the fulfillment of conditions precedent in 2019 Loan Agreement
“Group”	the Company and its subsidiaries

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## DEFINITIONS

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“Guarantee”	a deed of corporate guarantee to be executed by Guarantor in favour of the Lender guaranteeing the obligations of the Borrower under the 2019 Loan Agreement
“Guarantor”	Agria Corporation, a company with limited liability incorporated and existing under the laws of Cayman Islands
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Board Committee”	The independent committee of the Board, the members of which consist of all the independent non-executive Directors, formed to advise the Independent Shareholders with respect to the 2019 Loan Agreement, the Proposed Annual Caps and the transactions contemplated thereunder
“Independent Financial Adviser”	VBG Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the 2019 Loan Agreement and the Proposed Annual Caps
“Independent Shareholders”	The Shareholder(s) (other than the Lender and its associate) who are not required to abstain from voting on the resolution to be proposed at the SGM to approve the continuing connected transaction contemplated under the 2019 Loan Agreement, the Proposed Annual Caps and the transactions contemplated thereunder
“Interest Rate”	Ten point five per cent (10.5%) of the Loan per annum
“Latest Practicable Date”	31 May 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Lender”	Mao Xing Limited, a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on Stock Exchange

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## DEFINITIONS

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“Loan”	the aggregate principal amount drawn and for the time being outstanding under the 2019 Loan Agreement
“Maturity Date”	the date falling three (3) years from the Effective Date of the 2019 Loan Agreement (i.e. 31 July 2022)
“Percentage Ratio(s)”	the percentage ratio(s) under Rule 14.07 of the Listing Rules
“Prime Rate”	US Dollar Prime rate as quoted by the US Board of Governors of the Federal Reserve System from time to time
“Proposed Annual Caps”	annual aggregate maximum amounts for the principal loan outstanding and the interest due under the 2019 Loan Agreement as set out in the section headed “Proposed Annual Caps” of this circular
“Security Documents”	the Guarantee and any other document executed from time to time by whatever person as a further guarantee of or security for all or any part of the Borrower’s obligations under the 2019 Loan Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held for approving, among other things, the Loan Agreement and the Proposed Annual Caps
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the shares in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	The US dollar(s), the lawful currency of the United State of American
“%”	per cent

*In this circular, certain amounts quoted in US\$ have been converted into Hong Kong dollars at the reference rate of US\$1.00 to HK\$7.85 for information purpose only. Such conversion should not be construed as a representation that the relevant amounts have been, could have been, or could be, converted at that or any other rate or at all.*

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## LETTER FROM THE BOARD

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*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00380)**

***Executive Directors***

Mr. Lai Fulin (*Chairman*)

Mr. Yu Ben Ansheng (*Chief Executive Officer*)

***Independent non-executive Directors***

Mr. Wong Yee Shuen, Wilson

Mr. Chen Wei Wen

Mr. Guan Zhiqiang

***Registered Office***

Canon's Court

22 Victoria Street

Hamilton HM 12 Bermuda

***Head office and principal place of  
business in Hong Kong***

12th Floor, Phase I

Austin Tower, 22–26A Austin Avenue

Tsim Sha Tsui, Kowloon

Hong Kong

5 June 2019

*To the Shareholders*

Dear Sir/Madam

**DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTION  
RENEWAL OF LOAN AGREEMENT  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

Reference is made to the Company's announcement dated 9 May 2019 in relation to the 2019 Loan Agreement. The purposes of this circular are to provide you with, among other things, (i) further details of the 2019 Loan Agreement and the Proposed Annual Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the 2019 Loan Agreement and the Proposed Annual Caps; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2019 Loan Agreement and the Proposed Annual Caps; and (iv) notice of the SGM.

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## LETTER FROM THE BOARD

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### I. 2019 LOAN AGREEMENT

Reference is made to the Company's circulars dated 15 July 2016 and 5 February 2018 in relation to (i) the 2016 Loan Agreement and the continuing connected transaction between the Group and an associate of the controlling shareholder of the Company contemplated thereunder; and (ii) the Deed of Novation.

As the Loan and the annual caps of the aforesaid continuing connected transaction will expire on 31 July 2019, the Lender entered into the 2019 Loan Agreement with the Borrower to renew the Loan and the Proposed Annual Caps with effect from 1 August 2019 to 31 July 2022.

### II. THE PRINCIPAL TERMS OF THE 2019 LOAN AGREEMENT

The principal terms of the 2019 Loan Agreement are as follows:

<b>Date</b>	9 May 2019
<b>Lender</b>	Mao Xing Limited, a wholly-owned subsidiary of the Company
<b>Borrower</b>	Agria Group Limited, a wholly-owned subsidiary of the Guarantor
<b>Principal Amount</b>	US\$10,000,000 (equivalent to approximately HK\$78,500,000), the amount has been advanced to the original borrower under the 2016 Loan Agreement (i.e. 1 August 2016) and was transferred to the Borrower pursuant to the Deed of Novation.
<b>Term</b>	3 years ending on the Maturity Date.
<b>Interest Rate</b>	<p>The Borrower shall pay the interest on the Loan on each of last Banking Day of an interest period ("<b>Interest Period</b>") on half year basis, the first Interest Period shall commence on 1 August 2019 and shall be ending at 31 October 2019 and the last Interest Period shall commence on 1 May 2022 and shall be ending at 31 July 2022.</p> <p>The interest rate for each interest period shall be ten point five per cent (10.5%) of the Loan per annum.</p>
<b>Repayment terms</b>	The principal amount of the Loan shall be repayable in full on Maturity Date.

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## LETTER FROM THE BOARD

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### **Security for the Loan**

The Loan is secured by the Guarantee executed by the Guarantor in favour of the Lender as a continuing security and continuing obligation for performance by the Borrower of its obligations in the 2019 Loan Agreement.

Pursuant to the Guarantee, the Guarantor has irrevocably and unconditionally guaranteed and undertaken as principal obligor on first demand by the Lender to pay any and all sums, whether principal, interests, fees or otherwise, which are or at any time may become payable by the Borrower under the 2019 Loan Agreement (the “**Indebtedness**”). In addition, the Guarantor has also guaranteed to pay interest in the same rate and manner as in the 2019 Loan Agreement on the Indebtedness from the date of first demand by the Lender to the date of payment and to be responsible for the costs and expenses incurred by the Lender in enforcing the Guarantee against the Guarantor.

### **Conditions Precedent**

The renewal of the Loan under the 2019 Loan Agreement and the renewal of the Proposed Annual Caps are conditional upon certain conditions precedent, in particular the following, being fulfilled:

- (i) the Lender being satisfied with the results of all technical, legal, financial, operational due diligence on the Borrower and there has been no material adverse effect since the date of signing the 2019 Loan Agreement;
- (ii) all necessary consents, approvals, authorisations and licenses in relation to the 2019 Loan Agreement (including without limitation, the Independent Shareholders’ approval of Company) having been obtained;
- (iii) the Guarantee being duly executed by the Guarantor;
- (iv) the board of directors of both Borrower and the Company having approved the 2019 Loan Agreement, the Security Documents and the Proposed Annual Caps; and
- (v) all authorisations have been obtained and all necessary filings, registrations and other formalities (including without limitation, the approval requirements under the Listing Rules and applicable laws and rules in Hong Kong) have been or will be completed in order to ensure that the 2019 Loan Agreement, the Security Documents, and the Proposed Annual Caps are valid and enforceable.



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## LETTER FROM THE BOARD

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### Default

If the Borrower fails to pay any sum payable under the 2019 Loan Agreement when due, the Borrower (or the Guarantor as principal obligor on first demand by the Lender) shall pay interest on such sum from and including the due date to the date of actual payment (after as well as before judgment) at the rate of Prime Rate plus 12% per annum.

The Board acknowledges that the Share Mortgage clause has been removed from the 2019 Loan Agreement. It is a commercial decision reached among the Company, the Borrower and the Guarantor (the “**Commercial Decision**”).

The Commercial Decision is reached on the basis and from the observation that throughout the term of the Loan under the 2016 Loan Agreement, both the original borrower of the 2016 Loan Agreement and the Borrower has been punctual in repayment of interests. The credit risk presented with the Borrower has been relatively low with previous performance in repayment under contemplation.

Given the strong asset position of the Borrower and the Guarantor and the benign past cooperation relationship among the Company, the Borrower and the Guarantor, the Commercial Decision is not to be considered detrimental to the Company on the renewal of the Loan Agreement by way of 2019 Loan Agreement.

### III. PROPOSED ANNUAL CAPS

Under the transactions contemplated under the 2019 Loan Agreement, the Proposed Annual Caps for the maximum principal loan outstanding and the maximum interest amount for the next three years are as follows:

	Period from 1 August 2019 <sup>(Note)</sup> to 31 December 2019	Year ending 31 December 2020	Year ending 31 December 2021	Period from 1 January 2022 to 31 July 2022
Maximum principal loan outstanding	US\$10,000,000	US\$10,000,000	US\$10,000,000	US\$10,000,000
Approximate maximum interest amount	US\$441,000	US\$1,053,000	US\$1,050,000	US\$610,000
Proposed Annual Caps	US\$10,441,000	US\$11,053,000	US\$11,050,000	US\$10,610,000

*Note:* the expected date for renewal of the Proposed Annual Caps becoming effective is upon fulfillment of the conditions precedent to the 2019 Loan Agreement.

The amounts of above Proposed Annual Caps have been determined with reference to the aggregate principal amount outstanding under the facility granted by the Lender and the annual interest payable under the 2019 Loan Agreement.

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## LETTER FROM THE BOARD

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Pursuant to the 2019 Loan Agreement, it is agreed that the Borrower shall pay interest on the aggregate principal amount outstanding under the Loan from time to time at ten point five per cent (10.5%) of the Loan per annum and such interest shall be paid to the Lender on the last Banking Day of each interest period.

#### IV. REASONS FOR AND BENEFITS OF THE EXTENSION OF THE LOAN ARRANGEMENT

The Company would like to seize the opportunity to obtain greater returns for the Shareholders. The Loan will provide interest income to the Group. The Company considered the good financial position and cash surplus of the Group, security of the Loan and the favorable interest rate of the Loan, which is higher than the interest rate for 6-month fixed deposit in the banks of Hong Kong. The Company is of the view that the extension of the Loan is a good investment opportunity for the Company.

#### Assessment of credit risks in association to prior allegations and their settlements

The Board of Directors acknowledges that there are prior allegations against the Guarantor and Mr. Lai Guanglin (“**Mr. Lai**”) with the relevant facts and the allegations’ settlement as set out below:

- (1) Allegations by US Securities and Exchange Commission (“**SEC**”) and the settlements with SEC (the “**SEC Settlements**”):
  - (i) In relation to the Guarantor:
    - a. The allegation by SEC against the Guarantor in summary, concerned its concealment of losses from investors between 2010 and 2013 in connection with its divestiture of a PRC company;
    - b. The Guarantor reached a settlement with the SEC on a neither admit nor deny basis on 10 December 2018, under which the Guarantor agreed to pay a penalty of US\$3,000,000.00 (the “**Guarantor’s Penalty with SEC**”);
    - c. The Guarantor’s Penalty with SEC was settled before 31 December 2018.
  - (ii) In relation to Mr. Lai:
    - a. The allegation by SEC against Mr. Lai in summary, concerned his engagement in a scheme of share price manipulation in 2013 when the Guarantor’s American Depositary Shares were listed on the New York Stock Exchange, such American Depositary Shares were delisted in January 2017 (the “**Delisting**”);

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## LETTER FROM THE BOARD

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- b. Mr. Lai reached a settlement with the SEC on a neither admit nor deny basis on 10 December 2018, under which Mr. Lai agreed to pay a penalty of US\$400,000.00, and he was barred from acting as an officer or director of any public company for a period of five years;
  - c. Mr. Lai was the executive chairman of the board of directors of the Guarantor, and he has resigned from the position of executive chairman and director of the Guarantor with effect from 10 December 2018 (the “**Resignation**”);
- (2) Allegations by New Zealand Overseas Investment Office (“**OIO**”) and the settlements with OIO (the “**NZ Settlement**”):
- (i) The allegation by OIO was not an actual allegation against the Guarantor and Mr. Lai, but rather, it concerned the Guarantor’s suitability as the controlling shareholder of a New Zealand listed company, for it was a condition for OIO to approve the acquisition of shares of a New Zealand listed company for the Guarantor to remain as “good character”;
  - (ii) The allegations made by the SEC and the subsequent SEC Settlements led to OIO’s contemplation that the Guarantor was no longer of “good character”;
  - (iii) The Guarantor and Mr. Lai reached a settlement with the OIO on 20 December 2018. Subsequently the Guarantor agreed to pay 100,000.00 New Zealand Dollars, while Mr. Lai Guanglin agreed to pay 120,000.00 New Zealand Dollars, and the two parties herein agreed to make a combined payment of monitoring and enforcement costs in the amount of 30,000.00 New Zealand Dollars;
  - (iv) All penalty in relation to NZ Settlement was settled on 9 April 2019.

Under the due diligence work done by the Company, which includes but not limited to the thorough investigation and assessment of the financial figures of the Borrower and the Guarantor (including but not limited to profit and loss statements and cash flow statements), it was understood that the net assets value of the Borrower’s group covers the maximum amount of the Loan, and with respect to the Guarantor, at the financial period ended 31 December 2018, the Guarantor had unaudited net asset value, net current asset and cash and cash equivalents of approximately US\$122.91 million, US\$182.62 million and US\$17.59 million as at 31 December 2018 respectively (the “**Guarantor’s Financial Figures**”).

In terms of the directors and officers of the Guarantor, the Company noted that, by checking the Guarantor’s register of the directors and officers and other related documents, the chief executive officer, the chief financial officer and all directors (save as to one

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## LETTER FROM THE BOARD

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non-executive director) of the Guarantor currently in office (if appointed) have only been appointed at the earliest in 2015.

When assessing credit risks by entering into the 2019 Loan Agreement, the Board of Directors has contemplated the following factors:

- (1) All outstanding legal proceedings that may incur further penalty expenses have been settled, and all penalties corresponding to the SEC Settlements and NZ Settlement have also been settled;
- (2) The chief executive officer, the chief financial officer and all directors (save as to one non-executive director) of the Guarantor between 2010 and 2013, whom had involved the allegations from SEC and OIO to arise, were no longer in office;
- (3) Mr. Lai resigned from the position of executive chairman of the board of directors of the Guarantor after the SEC settlements;
- (4) The events from which the allegations from SEC and OIO arise took place more than five years ago;
- (5) With respect to the SEC Settlements and the NZ Settlement:
  - (i) The Guarantor's Financial Figures has taken into account the amount of penalty in relation to the SEC Settlements;
  - (ii) Even though the Guarantor's Financial Figures has not taken into account the amount of penalty in relation to the NZ Settlements, the penalty incurred by the NZ Settlement is insignificant when compared to the Guarantor's Financial Figures;
  - (iii) In any event, the amount of penalty incurred by both the SEC Settlements and the NZ Settlement is insignificant when compared to the Guarantor's Financial Figures.
- (6) The NZ Settlement took place merely in view of the SEC Settlements, instead of an actual fault caused by the Guarantor, as it does not involve an actual allegation in New Zealand against the Guarantor, but rather, the NZ Settlement arised due to the Guarantor's inability to maintain the "good character" as an overseas investor in New Zealand;
- (7) The Delisting does not affect the capability of the Guarantor to repay the Loan, given the Guarantor's Financial Figures and its assets position has been strong, which reflect that the Guarantor is capable to repay the Loan; and

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## LETTER FROM THE BOARD

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- (8) The Guarantor to the 2019 Loan Agreement, given its strong asset positions and with the basis of the Guarantor's Financial Figures, provides the Guarantee as security for the Loan under the 2019 Loan Agreement.

The Directors are of the view that the credit risk of the Loan remains relatively low and has not been raised by the allegations by the SEC and OIO, the SEC Settlements and the NZ Settlement.

### **Assessment of credit risks in association with the 2019 Loan Agreement**

The major risk associated with the Loan is the potential default of payment of the Borrower. Therefore, before entering into the 2019 Loan Agreement, the Directors had also considered and evaluated the following factors:

- (1) the net assets value of the Borrower's group covers the maximum amount of the Loan.
- (2) the Borrower and/or its holding company will have adequate source of income for the repayment of the Loan.
- (3) according to the unaudited management accounts of the Guarantor for the financial period ended 31 December 2018, the Guarantor had unaudited net asset value, net current asset and cash and cash equivalents of approximately US\$122.91 million, US\$182.62 million and US\$17.59 million as at 31 December 2018 respectively. As such, the Directors are of the view that the financial performance of the Guarantor should be sufficient to cover potential default risk of the Borrower.

In light of above, the Directors are of the view that, by entering into the 2019 Loan Agreement, the financial resources and the abundant cash of the Group can be used in a more efficient way in order to generate additional interest return especially when the Interest Rate is favourable to the Company, and is higher than the interest rate for 6-month fixed deposit in the bank of Hong Kong, the rates the Group currently received from its deposits and paid for its borrowings. After taking into account the factors as disclosed above in assessing the risks of the Loan, the Company considers that the risks involved in the advance to the Borrower are relatively low. The terms of the 2019 Loan Agreement, including the applicable Interest Rate and the Proposed Annual Caps, were agreed by the parties to the 2019 Loan Agreement after arm's length negotiation having taken into account the prevailing market interest rates and practices. The Directors (including the independent non-executive Directors) consider that the 2019 Loan Agreement and Proposed Annual Caps are entered into on normal commercial terms, and the terms of the 2019 Loan Agreement and the Proposed Annual Caps are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### Internal Control Measures for the Loan

To safeguard the interest of the Group, the Company will adopt the following review process and assessment criteria when providing Loan to the Borrower under the 2019 Loan Agreement:

- (1) The designated staff of accounting department of the Company will closely monitor the repayment of the Loan by:
  - (a) keeping a close watch on outstanding loan balances and investigating as to whether the repayment is made in accordance to what is stipulated under the 2019 Loan Agreement;
  - (b) reviewing the quarterly unaudited management account and/or financial statements of the Borrower and the Guarantor to continuously assess the capability of repayment of the Loan (the “**Continuous Assessment**”); and
  - (c) make timely report the latest status of the transaction under the 2019 Loan Agreement to the financial controller of the Company on a monthly basis to ensure that it does not exceed the Proposed Annual Caps.
- (2) The financial controller of the Company will report to the senior management on a monthly basis and Directors (including the independent non-executive Directors) on half year basis in relation to the transaction status.

The most updated financial information is up to 31 December 2018 for the Borrower and the Guarantor, their respective financial figures up to 31 March 2019 shall be available by the end of June 2019.

It takes time for the Borrower and the Guarantor to prepare for their updated financial figures for it takes more time to consolidate all financial figures with the Guarantor’s group having a large number of companies with international businesses, which includes a listed company in New Zealand.

As long as the Continuous Assessment is concerned, the quarterly unaudited management account and/or financial statements of the Borrower and the Guarantor shall be available in about three months throughout the period of the 2019 Loan Agreement.

### V. INFORMATION OF THE PARTIES

The Lender is a limited company incorporated in the British Virgin Islands and principally engaged in investment holding. The Lender is a wholly-owned subsidiary of the Company.

The Group is principally engaged in trading of construction materials, mainly pipes and fittings in Hong Kong and Macau.

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## LETTER FROM THE BOARD

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The Borrower is a limited company incorporated in British Virgin Islands and principally engaged in investment holding. The Borrower is a direct wholly-owned subsidiary of the Guarantor.

The Guarantor is a company with limited liability incorporated in Cayman Islands, which is an international agricultural enterprise with operations in New Zealand, Australia, South America and China. According to the audited financial statement of the Guarantor for the financial year ended 30 June 2018 provided by the Guarantor (with reference to the publicly available information at its company website (<http://www.agriacorp.com>)), the Guarantor had audited net assets value, total equity attributable to equity holders, net current assets and cash and cash equivalents of approximately US\$141.60 million, US\$37.27 million, US\$146.32 million and US\$17.05 million respectively as at 30 June 2018.

### VI. IMPLICATIONS UNDER LISTING RULES

As at Latest Practicable Date, Mr. Lai Guanglin holds approximately 32.79% of the issued share capital of the Company, is the controlling shareholder of the Company. As Mr. Lai Guanglin is the ultimate controlling shareholder of the Guarantor, the Borrower, being a wholly-owned subsidiary of the Guarantor, is an associate of Mr. Lai Guanglin and therefore, is an associate of the connected person of the Company under Rule 14A.13(3) of the Listing Rules. As such, the transactions contemplated under the 2019 Loan Agreement constitutes continuing connected transaction for the Company under Chapter 14A of the Listing Rules. Accordingly, Mr. Lai Fulin (the younger brother of Mr. Lai Guanglin), the executive Directors and the Chairman of the Company, has abstained from voting at the relevant board meeting for approving the Loan and the transactions contemplated thereunder. Apart from the above, none of the Directors has any material interest in the abovementioned transactions and is required to abstain from voting on the board resolutions approving the 2019 Loan Agreement, the Proposed Annual Caps and the transactions contemplated thereunder.

As one or more applicable Percentage Ratios of the Proposed Annual Caps for the transactions contemplated under the 2019 Loan Agreement exceed 5%, the 2019 Loan Agreement, the Proposed Annual Caps and the transactions contemplated thereunder are subject to reporting, announcement, independent shareholders' approval and annual review requirements pursuant to Rules 14A.35, 14A.36 and 14A.49 of the Listing Rules. Appropriate disclosure of the above transactions will be made in the next published annual report and accounts of the Company in accordance with Rules 14A.71 and 14A.72 of the Listing Rules.

As one or more relevant applicable Percentage Ratios of the Proposed Annual Caps are over 5% but all of the which are below 25%, the Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are therefore subject to reporting and announcement requirements pursuant to Rule 14.33 of the Listing Rules.

Mr. Lai Guanglin and his associates, being controlling shareholders of the Company interested in the transactions contemplated under the 2019 Loan Agreement, will abstain from voting at the SGM. To the best of the knowledge, information and belief of the Directors, having

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## LETTER FROM THE BOARD

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made all reasonable enquiries, save for Mr. Lai Guanglin and his associates, no Shareholder (or its associates) has any material interest in the transactions contemplated under the 2019 Loan Agreement.

### VII. SGM

Set out on pages 35 to 36 of this circular is a notice of the Company convening the SGM which will be held at 12th Floor, Phase I, Austin Tower, 22–26A Austin Avenue, Tsim Sha Tsui, Kowloon, Hong Kong on Monday, 24 June 2019 at 10:30 a.m. for the purpose of considering and if thought fit approving the 2019 Loan Agreement, the Proposed Annual Caps and the transactions contemplated thereunder.

The 2019 Loan Agreement, the Proposed Annual Caps and the transactions contemplated thereunder are subject to, among other things, the approval by the Independent Shareholders at the SGM to be taken by way of a poll. As mentioned above, Mr. Lai Guanglin and his associates will abstain from voting for the relevant resolution at the SGM due to their interest in the concerned transaction. Other than the above and to the best knowledge and information of the Board, no other Shareholders have material interest in the above transaction and will abstain from voting at the SGM.

As at the Latest Practicable Date, Mr. Lai Guanglin (including his associates) is entitled to voting rights of 437,234,620 Shares (representing approximately 32.79% of the entire issued share capital of the Company and the total voting rights of the holders of the Shares). Mr. Lai Guanglin (including his associates) controls or is entitled to control over the entire voting right in respect of his Shares. There is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon Mr. Lai Guanglin (including his associates); and (ii) no obligation or entitlement of Mr. Lai Guanglin (including his associates) as at the Latest Practicable Date, whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis.

A form of proxy for the SGM is enclosed. Whether or not you wish to attend the SGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the SGM (or any adjourned meeting). Completion and delivery of the form of proxy will not preclude you from attending and voting at the SGM (or any adjourned meeting) if you so wish.

### VIII. RECOMMENDATIONS

The Independent Board Committee has been established to advise the Independent Shareholders as to whether the terms of the 2019 Loan Agreement, the Proposed Annual Caps and the transactions contemplated thereunder are fair and reasonable so far as the Independent



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## LETTER FROM THE BOARD

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Shareholders are concerned and the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect.

The letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 17 to 29 of this circular and the letter from the Independent Board Committee to the Independent Shareholders is set out on page 16 of this circular.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the opinion that the terms of the 2019 Loan Agreement, the Proposed Annual Caps and the transactions contemplated thereunder are fair and reasonable and are in the interest of the Company and the Shareholders as a whole and recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at SGM.

The Board considers that the terms of the 2019 Loan Agreement, the Proposed Annual Caps and the transactions contemplated thereunder are on normal commercial terms and fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM.

### **IX. ADDITIONAL INFORMATION**

Your attention is also drawn to the additional information set out in the appendix to this circular.

By Order of the Board  
**Softpower International Limited**  
**Lai Fulin**  
*Chairman*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00380)**

5 June 2019

*To the Independent Shareholders*

Dear Sir or Madam,

### **DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTION RENEWAL OF LOAN AGREEMENT**

We refer to the circular dated 5 June 2019 issued by the Company (the “**Circular**”), of which this letter forms part. Terms used in this letter shall bear the same meanings as given to them in the Circular unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider the 2019 Loan Agreement, the Proposed Annual Caps and the transactions contemplated thereunder and to advise the Independent Shareholders as to the fairness and reasonableness of the aforesaid matters, and to recommend how the Independent Shareholders should vote at the SGM. VBG Capital Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board, as set out on pages 4 to 15 of the Circular, and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which contains its advice to us in respect of the 2019 Loan Agreement, the Proposed Annual Caps and the transactions contemplated thereunder, as set out on pages 17 to 29 of the Circular.

Having taken into account of the advice of the Independent Financial Adviser, we consider that the 2019 Loan Agreement (including the Proposed Annual Caps) is entered into upon normal commercial terms, and that the transactions contemplated under the 2019 Loan Agreement are entered in the interests of the Company and the Shareholders as a whole. We also consider that the terms of the 2019 Loan Agreement (including the Proposed Annual Caps) are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the 2019 Loan Agreement, the Proposed Annual Caps and the transactions contemplated thereunder.

Yours faithfully,  
the Independent Board Committee

**Mr. Wong Yee Shuen, Wilson**  
*Independent non-executive  
Director*

**Mr. Chen Wei Wen**  
*Independent non-executive  
Director*

**Mr. Guan Zhiqiang**  
*Independent non-executive  
Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*Set out below is the text of a letter received from VBG Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2019 Loan Agreement and the Proposed Annual Caps for the purpose of inclusion in this circular.*



18/F., Prosperity Tower  
39 Queen's Road Central  
Hong Kong

5 June 2019

*To: The independent board committee and the independent shareholders of  
Softpower International Limited*

Dear Sirs,

### **DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTION RENEWAL OF LOAN AGREEMENT**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2019 Loan Agreement and the Proposed Annual Caps, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 5 June 2019 issued by the Company to the Shareholders (the “**Circular**”), of which this letter of advice forms part. Terms used in this letter of advice shall have the same meanings as ascribed to them under the section headed “Definitions” in the Circular unless the context requires otherwise.

References are made to the Company's circulars dated 15 July 2016 and 5 February 2018 in relation to the 2016 Loan Agreement and the Deed of Novation, respectively. As the relevant continuing connected transaction will expire on 31 July 2019, on 9 May 2019, the Lender (a wholly-owned subsidiary of the Company) entered into the 2019 Loan Agreement with the Borrower to renew the Loan and the annual caps of the continuing connected transaction from 1 August 2019 to 31 July 2022.

According to the Letter from the Board, the transaction contemplated under the 2019 Loan Agreement constitutes a discloseable transaction and a continuing connected transaction for the Company under Chapters 14 and 14A of the Listing Rules, respectively, and is subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements pursuant to the Listing Rules.

The Independent Board Committee, comprising Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen and Mr. Guan Zhiqiang (all being independent non-executive Directors), has been established to advise the Independent Shareholders on (i) whether the terms of the 2019 Loan

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Agreement (including the Proposed Annual Caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the entering into of the 2019 Loan Agreement is in the ordinary and usual course of business and is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the 2019 Loan Agreement and the Proposed Annual Caps at the SGM. We, VBG Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

### **BASIS OF OUR OPINION**

In formulating our opinion with regard to the 2019 Loan Agreement and the Proposed Annual Caps, we have relied on the information and facts supplied, opinions expressed and representations made to us by the management of the Group (including but not limited to those contained or referred to in the announcement of the Company dated 9 May 2019 and the Circular). We have assumed that the information and facts supplied, opinions expressed and representations made to us by the management of the Group were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material aspects until the date of the SGM. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Group in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Group, its management and/or advisers, which have been provided to us.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business and affairs or future prospects of the Group, the Borrower, the Lender or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the 2019 Loan Agreement and the Proposed Annual Caps. Our opinion is necessarily based on the market, financial, economic and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter of advice should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Shareholders should note that as the Proposed Annual Caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 July 2022, and they do not represent forecasts of revenue or cost to be recorded from the continuing connected transaction under the 2019 Loan Agreement. Consequently, we express no opinion as to how closely the actual revenue and cost to be incurred under the continuing connected transaction will correspond with the Proposed Annual Caps.

Where information in this letter of advice has been extracted from published or otherwise publicly available sources, we have ensured that such information has been correctly and fairly extracted, reproduced or presented from the relevant sources while we did not conduct any independent investigation into the accuracy and completeness of such information.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the 2019 Loan Agreement and the Proposed Annual Caps, we have taken into consideration the following principal factors and reasons:

#### 1. Background of and reasons for the 2019 Loan Agreement

##### *Information on the Group*

The Group is principally engaged in trading of construction materials, mainly pipes and fittings in Hong Kong and Macau.

Set out below is the audited consolidated financial information of the Group for the five consecutive years ended 31 December 2018 as extracted from the annual report for the year ended 31 December 2018 of the Company (the “**2018 Annual Report**”):

	For the year ended 31 December				
	2018	2017	2016	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	538,155	650,461	619,203	611,534	553,845
Profit for the year	24,851	74,788	50,563	34,023	21,729

As depicted by the above table, the Group has recorded significant revenue and persistent profits during the past five years. For the year ended 31 December 2018, both of the Group's revenue and profit dropped as compared to the prior year. With reference to the 2018 Annual Report, the Group encountered supply shortage and other

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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factory issues in 2018. The supply of ductile iron pipes was affected by the PRC factories temporarily stopping production and such shortage delayed delivery of the Group's products to fulfil its customers' needs. Against this backdrop, the Group's financial performance was affected. The Group enjoyed strong growth in the preceding years from infrastructure projects, such as MTRC Express Rail Link projects in Hong Kong and Hong Kong-Zhuhai-Macao Bridge Hong Kong Boundary Crossing Facilities projects. As most of the large infrastructure projects in Hong Kong have recently been completed, the Group's revenue returned to a normal level. Though the performance of the Group was not as strong as in 2017, the Group still achieved satisfactory results during 2018.

According to the 2018 Annual Report, as at 31 December 2018, the Group had cash and bank balances of approximately HK\$130.1 million but did not have any capital commitment. As confirmed by the Directors, basically the Group's working capital requirement has been financed by its internal resources, and the funds generated from operations and the available banking facilities will enable the Group to meet its future working capital requirements. The net cash generated from operating activities of the Group amounted to approximately HK\$12.4 million for the year ended 31 December 2018, increasing substantially by approximately 312.3% as compared to the prior year. As at 31 December 2018, the Group had aggregate banking facilities for trade finance of approximately HK\$265.7 million, out of which only approximately HK\$62.8 million was utilised. The Group's total borrowings were approximately HK\$57.4 million as at 31 December 2018 and its gearing ratio (calculated by total bank borrowings to total equity) remained low at approximately 10.6% as at 31 December 2018.

As advised by the Directors, the Group has been principally engaged in trading of pipes and fittings since its listing on the Stock Exchange in December 2000, and its main operating subsidiary, Bun Kee (International) Limited, has been established in Hong Kong over 70 years. Going forward, the Group will continue to focus on its core business of supplying pipes and fittings in Hong Kong and Macau, while managing operating costs and improving operational efficiencies.

### *Information on the Borrower*

With reference to the Letter from the Board, the Borrower is a limited company incorporated in the British Virgin Islands and is principally engaged in investment holding. The Borrower is a direct wholly-owned subsidiary of the Guarantor.

### *Information on the Guarantor*

With reference to the Letter from the Board, the Guarantor is a company with limited liability incorporated in the Cayman Islands and an international agricultural enterprise with operations in New Zealand, Australia, South America and China.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Based on publicly available information at its company website (<http://www.agriacorp.com>), the Guarantor recorded audited net asset value, net current asset and cash and cash equivalents of approximately US\$141.6 million, US\$146.3 million and US\$17.1 million as at 30 June 2018, respectively. Moreover, based on the unaudited management accounts of the Guarantor for the six months ended 31 December 2018 which we have requested from the Company, the Guarantor had unaudited net asset value, net current asset and cash and cash equivalents of approximately US\$122.9 million, US\$182.6 million and US\$17.6 million as at 31 December 2018, respectively. Therefore, it is noted that the asset position of the Guarantor has stayed relatively strong and stable in the recent year.

However, from the company website of the Guarantor, we also noted that on 10 December 2018, the Guarantor, and separately Mr. Lai Guanglin (“**Mr. Lai**”) (an existing shareholder and a former executive chairman of the board of directors of the Guarantor) reached a final settlement with the US Securities and Exchange Commission (“**SEC**”) in respect of certain SEC’s allegations against each of them. Under the respective settlement, the Guarantor agreed to pay penalty of US\$3 million (the “**Guarantor’s Settlement with SEC**”); while Mr. Lai agreed to pay penalty of US\$400,000 and was barred from acting as an officer or director of any public company for a period of five years (the “**Lai’s Settlement with SEC**”, together with the Guarantor’s Settlement with SEC, the “**SEC Settlements**”). Subsequently, on 20 December 2018, a subsidiary of the Guarantor entered into a settlement with the New Zealand Overseas Investment Office (“**OIO**”) regarding the Guarantor’s suitability as the controlling shareholder of a New Zealand listed company (the “**NZ Settlement**”).

We have independently searched over the websites of SEC and OIO to understand the SEC’s allegations and the aforesaid settlements in further depth. To the best of our understanding, the SEC allegations, in summary, were that (i) the Guarantor concealed losses from investors through fraudulent accounting between 2010 and 2013 in connection with its divestiture of a Chinese company; and (ii) Mr. Lai engaged in a scheme of share price manipulation during 2013 when the Guarantor’s American Depositary Shares were listed on the New York Stock Exchange (delisted in January 2017). The SEC Settlements were agreed by the Guarantor and Mr. Lai without making any admissions of liability. On the other hand, as it was a condition of OIO’s previous consents for the Guarantor’s acquisition of shares of a New Zealand listed company that the Guarantor remains of “good character”, the Guarantor is alleged by OIO of breaching the “good character” condition following the SEC Settlements. Under the NZ Settlement, the Guarantor and Mr. Lai agreed to pay a penalty of 100,000 New Zealand Dollars and 120,000 New Zealand Dollars, respectively, and both of them are to make a combined payment of 30,000 New Zealand Dollars towards monitoring and enforcement costs.

Based on our due diligence review, we understand that although Mr. Lai remains as a shareholder of the Guarantor, he has resigned as the executive chairman and director of the Guarantor with effect from 10 December 2018. Moreover, all directors



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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(except for a non-executive director), the chief executive officer as well as the chief financial officer of the Guarantor between 2010 and 2013 were no longer in office as at the Latest Practicable Date. Given (i) the SEC Settlements were related to allegations of events which happened more than five years ago; (ii) the SEC Settlements were agreed by the Guarantor and Mr. Lai without making any admissions of liability; (iii) Mr. Lai has resigned as the executive chairman and director of the Guarantor, all directors (except for a non-executive director), and the chief executive officer as well as the chief financial officer of the Guarantor between 2010 and 2013 were no longer in office as at the Latest Practicable Date; (iv) seemingly the NZ Settlement is stemmed from the SEC Settlements and does not involve an actual allegation by OIO against the Guarantor; (v) the Guarantor's asset position has been strong and the penalty of US\$3 million has already been taken into account in the unaudited management accounts of the Guarantor for the six months ended 31 December 2018 while the penalty of 100,000 New Zealand Dollars together with the combined payment of 30,000 New Zealand Dollars are relatively immaterial as compared to the Guarantor's current asset size; and (vi) the Warranties (as being defined in the section headed "Principal terms of the 2019 Loan Agreement" of this letter of advice) under the 2019 Loan Agreement, the Directors are of the view that the credit risk of the Loan has not been raised by the SEC Settlements and the NZ Settlement.

### *Reasons for the entering into of the 2019 Loan Agreement*

As extracted from the Letter from the Board, the Company would like to seize the opportunity to obtain greater returns for the Shareholders. The Loan will provide interest income to the Group. Having considered the good financial position and cash surplus of the Group, security of the Loan and the favourable Interest Rate, which is higher than the interest rate for 6-month fixed deposit in the banks of Hong Kong, the Company is of the view that the extension of the Loan is a good investment opportunity for the Company.

As mentioned in the sub-section headed "Information on the Group" of this letter of advice, the Group has been principally engaged in trading of pipes and fittings since its listing on the Stock Exchange in December 2000. From 2014 to 2017, the Group's revenue and net profit expanded continually. Though the performance of the Group was not as strong as in 2017, the Group still achieved satisfactory results during 2018, with revenue and net profit of approximately HK\$538.2 million and HK\$24.9 million respectively. As at 31 December 2018, the Group had abundant cash and bank balances of approximately HK\$130.1 million but did not have any capital commitment. As confirmed by the Directors, basically the Group's working capital requirement has been financed by its internal resources, and the funds generated from operations and the available banking facilities will enable the Group to meet its future working capital requirements. The net cash generated from operating activities of the Group amounted to approximately HK\$12.4 million for the year ended 31 December 2018, increasing substantially by approximately 312.3% as compared to the prior year.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As confirmed by the Directors, the trading of pipes and fittings business of the Group is rather steady, and the Company had not identified any potential projects or investment opportunities with substantial capital requirement for the Group to pursue as at the Latest Practicable Date. Accordingly, the Directors are of the view that the entering into of the 2019 Loan Agreement would allow the Group to seize higher returns for the Shareholders from its abundant cash, the majority of which is currently placed as fixed deposits in banks with effective interest rate of approximately 1.80% per annum. In relation to the above, we further noted from the 2018 Annual Report that the Group was able to earn annual interest income of approximately US\$1,050,000 (equivalent to approximately HK\$8.2 million) from the Loan in the recent two years, representing approximately 33.2% and 11.0% of the Group's net profit in 2018 and 2017, respectively. Hence, it is in the commercial interest of and beneficial to the Company to extend the Loan for a higher return than keeping the repaid loan amount (if the 2019 Loan Agreement is not entered into) as bank deposits.

In addition, from our discussion with the Directors, we understand that the Company considers the major risk associated with the extension of the Loan to be the potential default of payment by the Borrower. As being detailed in the section headed "Principal terms of the 2019 Loan Agreement" of this letter of advice, the Loan is secured by the Guarantee and there are provisions under the 2019 Loan Agreement protecting the Lender under situation of default by the Borrower. As aforementioned, the Directors also consider that the credit risk of the Loan has not been raised by the SEC Settlements and the NZ Settlement.

Having considered the above, as the entering into of the 2019 Loan Agreement would allow the Group to seize higher returns for the Shareholders from its abundant cash, we concur with the Directors that the extension of the Loan represents an appropriate use of funds of the Group. Based on the relevant information available to us, the SEC Settlements and the NZ Settlement may or may not have affected the credibility of the Guarantor. Nonetheless, as being demonstrated in the below section, the Interest Rate is significantly above both the rates the Group currently received from its deposits and paid for its borrowings. In light of the positive correlation between risk and return under the general rule of investment, such premium could be considered as a fair return to the Company given the possible credibility concern. We, therefore, concur with the Directors that although the entering into of the 2019 Loan Agreement is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 2. Principal terms of the 2019 Loan Agreement

As extracted from the Letter from the Board, the principal terms of the 2019 Loan Agreement dated 9 May 2019 are as follows:

**Lender:** Mao Xing Limited, a wholly-owned subsidiary of the Company

**Borrower:** Agria Group Limited, a wholly-owned subsidiary of the Guarantor

**Principal amount:** US\$10 million (equivalent to approximately HK\$78.5 million), the amount has been advanced to the original borrower under the 2016 Loan Agreement and was transferred to the Borrower pursuant to the Deed of Novation.

**Term:** Three years ending on the Maturity Date

**Interest Rate:** 10.5% of the Loan

**Repayment terms:** The principal amount of the Loan shall be repayable in full on the Maturity Date.

**Security for the Loan:** The Loan is secured by the Guarantee executed by the Guarantor in favour of the Lender as a continuing security and continuing obligation for performance by the Borrower of its obligations in the 2019 Loan Agreement.

Pursuant to the Guarantee, the Guarantor has irrevocably and unconditionally guaranteed and undertaken as principal obligor on first demand by the Lender to pay any and all sums, whether principal, interests, fees or otherwise, which are or at any time may become payable by the Borrower under the 2019 Loan Agreement (the “**Indebtedness**”). In addition, the Guarantor has also guaranteed to pay interest in the same rate and manner as in the 2019 Loan Agreement on the Indebtedness from the date of first demand by the Lender to the date of payment and to be responsible for the costs and expenses incurred by the Lender in enforcing the Guarantee against the Guarantor.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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**Default:**

If the Borrower fails to pay any sum payable under the 2019 Loan Agreement when due, the Borrower (or the Guarantor as principal obligor on first demand by the Lender) shall pay interest on such sum from and including the due date to the date of actual payment (after as well as before judgment) at the rate of prime rate plus 12% per annum.

Upon our review of the 2019 Loan Agreement, we further noted that the Borrower has unconditionally and irrevocably represented and warranted to the Lender under the 2019 Loan Agreement (the “**Warranties**”) that, amongst others,

- (i) no proceedings (including litigation, arbitration and administrative proceedings) currently taking place or pending or, to its knowledge, threatened against the Borrower or its assets or revenues which has a material adverse effect on the validity, enforceability and priority of any of the Security Documents to which it is a party, or its ability to perform its obligation under the Security Documents to which it is a party;
- (ii) each of the Borrower and the Guarantor is not in default under any law, regulation, judgment, order, authorisation, agreement or obligation applicable to it or its assets or revenues, the consequences of which default could materially and adversely affect its business or financial condition or its ability to perform its obligations under the 2019 Loan Agreement or any of the Security Documents to which it is a party and no event of default or prospective event of default has occurred; and
- (iii) no encumbrance exists over all or any part of the property, assets or revenues of the Borrower except as created by the Security Documents or liens arising by operation of law in the ordinary course of business or as previously disclosed in writing to and agreed by the Lender.

On the other hand, we notice that pursuant to the 2016 Loan Agreement, the loan granted by the Group is also secured by the share mortgage executed by the Borrower, being the sole shareholder of the then borrower, over the issued shares in the then borrower in favour of the Group (the “**Share Mortgage**”), and this clause has been removed from the 2019 Loan Agreement. According to the Directors, the removal of the aforesaid Share Mortgage clause is a commercial decision reached among the Company, the Borrower and the Guarantor in view of their past cooperation relationship, and on the basis and from the observation that throughout the term of the loan under the 2016 Loan Agreement, repayment of the interests accrued by the Borrower has been punctual. The Directors consider that as the security for the Loan stipulated under the 2019 Loan Agreement is sufficient to protect the interest of the Company, the removal of the Share Mortgage would not be detrimental.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *The Interest Rate*

Pursuant to the 2019 Loan Agreement, the Interest Rate is 10.5% of the Loan. As aforementioned, the Group had abundant cash and bank balances of approximately HK\$130.1 million as at 31 December 2018, the majority of which is currently placed as fixed deposits in banks with effective interest rate of approximately 1.80% per annum. The Group also had total borrowings of approximately HK\$57.4 million as at 31 December 2018, bearing effective interest rate of approximately 4.15% per annum as disclosed in the 2018 Annual Report. With the above being the case, the Interest Rate of 10.5% is significantly above both the rates the Group received from its deposits (i.e. 1.80%) and paid for its borrowings (i.e. 4.15%). Furthermore, from our research over the website of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk) regarding provision of financial assistance to either independent third parties or connected persons by listed companies in Hong Kong, we noted that there were 32 such announcements (the “**Comparables**”) dated from 10 April 2019 to 9 May 2019 (being the one-month period prior to and including the date of the 2019 Loan Agreement). We chose the said one-month research period due to its recency before the signing of the 2019 Loan Agreement and we consider the Comparables to be representative. To the best of our knowledge and as far as we are aware of, the Comparables are exhaustive. Out of the 32 Comparables, more than half of them carried interest rates of less than or equal to 10.5%. That is to say, the Interest Rate is higher than the median rate charged for financial assistance by other listed companies in Hong Kong and thus is justifiable based on market comparison. Taking into account all of the above, we are of the opinion that the Interest Rate is fair and reasonable so far as the Independent Shareholders are concerned.

### *Security for the Loan*

Regarding the possible credit risk of the Loan, we noted that pursuant to the 2019 Loan Agreement, the Loan is secured by the Guarantee executed by the Guarantor in favour of the Lender as a continuing security and continuing obligation for performance by the Borrower of its obligations in the 2019 Loan Agreement. Under the Guarantee, the Guarantor has irrevocably and unconditionally guaranteed and undertaken as principal obligor on first demand by the Lender to pay the Indebtedness. The Guarantor has also guaranteed to pay interest in the same rate and manner as in the 2019 Loan Agreement on the Indebtedness from the date of first demand by the Lender to the date of payment and to be responsible for the costs and expenses incurred by the Lender in enforcing the Guarantee against the Guarantor. Furthermore, if the Borrower fails to pay any sum payable under the 2019 Loan Agreement when due, the Borrower (or the Guarantor as principal obligor on first demand by the Lender) shall pay interest on such sum from and including the due date to the date of actual payment (after as well as before judgment) at the rate of prime rate plus 12% per annum.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As advised by the Directors, in the event of any default of payment by the Borrower, the Company intends to enforce the Guarantee to demand the Guarantor to repay all outstanding amounts. In this relation, we have studied the annual reports of the Guarantor since its American Depository Shares were listed on the New York Stock Exchange in 2007 up to the financial year ended 30 June 2018 as publicly available on the New York Stock Exchange's website (<https://www.sec.gov/>) and did not notice any mentioning of default of loan payment by the Guarantor in those annual reports. Furthermore, as confirmed by Directors, throughout the term of the loan under the 2016 Loan Agreement, repayment of the interests accrued by the Borrower has been punctual. Based on publicly available information at the Guarantor's company website, the Guarantor recorded audited net asset value, net current asset and cash and cash equivalents of approximately US\$141.6 million, US\$146.3 million and US\$17.1 million as at 30 June 2018, respectively. Moreover, based on the unaudited management accounts of the Guarantor for the six months ended 31 December 2018 which we have requested from the Company, the Guarantor had unaudited net asset value, net current asset and cash and cash equivalents of approximately US\$122.9 million, US\$182.6 million and US\$17.6 million as at 31 December 2018, respectively. Therefore, it is noted that the asset position of the Guarantor has stayed relatively strong and stable in the recent year. Given also that the latest net asset value, net current asset and cash and cash equivalents of the Guarantor could cover the principal amount of the Loan of US\$10 million under the 2019 Loan Agreement, we concur with the Directors that the security for the Loan is fair and reasonable, and that the credit risk of the Loan is acceptable notwithstanding the removal of the Share Mortgage clause from the 2019 Loan Agreement.

In light of the foregoing, we consider that the terms of the 2019 Loan Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *The Proposed Annual Caps*

Under the 2019 Loan Agreement, the proposed caps for the maximum principal loan outstanding, the maximum interest amount and the Proposed Annual Caps of the Loan for the relevant periods during the term of the 2019 Loan Agreement are as follows:

	Period from 1 August 2019 <sup>(Note)</sup> to 31 December 2019	Year ending 31 December 2020	Year ending 31 December 2021	Period from 1 January 2022 to 31 July 2022
Maximum principal loan outstanding	US\$10,000,000	US\$10,000,000	US\$10,000,000	US\$10,000,000
Approximate maximum interest amount	US\$441,000	US\$1,053,000	US\$1,050,000	US\$610,000
Proposed Annual Caps	US\$10,441,000	US\$11,053,000	US\$11,050,000	US\$10,610,000

*Note:* the expected date for renewal of the Proposed Annual Caps becoming effective is upon fulfilment of the conditions precedent to the 2019 Loan Agreement.

As referred to in the Letter from the Board, the Proposed Annual Caps were determined with reference to the aggregate principal amount outstanding under the facility granted by the Lender (i.e. the Loan of US\$10 million) and the interest payable under the 2019 Loan Agreement based on the Interest Rate of 10.5%, for each of the above periods. We consider that the Proposed Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned.

### **3. Compliance with the Listing Rules**

We understand that the Group has established a system of internal control measures as detailed in the section headed “Internal control measures for the Loan” of the Letter from the Board to govern the implementation of the 2019 Loan Agreement. In this relation, we have obtained and read through the relevant internal control manual of the Company and discussed with the Company on how such measures will practically be carried out.

In addition, the Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 and 14A.55 of the Listing Rules pursuant to which (i) the values of the Loan must be restricted by the Proposed Annual Caps for the periods concerned under the 2019 Loan Agreement; (ii) the terms of the 2019 Loan Agreement (together with the Proposed Annual Caps) must be reviewed by the independent non-executive Directors annually; and (iii) details of independent non-executive Directors’ annual review on the terms of the 2019 Loan Agreement (together with the Proposed Annual Caps) must be included in the Company’s subsequent published annual reports and financial accounts. As also stipulated under Rule 14A.56 of the Listing Rules, auditors of

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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the Company must provide a letter to the Board confirming, among other things, that the extension of the Loan is carried out in accordance with the pricing policies of the Company, and the Proposed Annual Caps are not being exceeded. In the event that the total amounts of the Loan exceed the Proposed Annual Caps, or that there is any material amendment to the terms of the 2019 Loan Agreement, the Company, as confirmed by the Directors, shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

With the Company's internal control measures together with the stipulated requirements for continuing connected transaction of the Listing Rules in place, the extension of the Loan under the 2019 Loan Agreement will be monitored and thus the interest of the Independent Shareholders may be safeguarded.

### RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the 2019 Loan Agreement (including the Proposed Annual Caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) although the entering into of the 2019 Loan Agreement is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the 2019 Loan Agreement and the Proposed Annual Caps, and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,  
For and on behalf of  
**VBG Capital Limited**  
**Doris Sing**  
*Deputy Managing Director*

## 1. RESPONSIBILITY STATEMENT

This document, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Interests and short positions of the Directors and the chief executive of the Company in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “**Model Code**”) contained in the Listing Rules, were as follows:

#### *Long positions in the shares and underlying share of the Company*

Name of Director	Capacity	Personal Interests	Corporate Interests	Total	Approximate percentage of interests in issued shares
Yu Ben Ansheng	Beneficial owner/ Interest of controlled corporation	3,000,000	146,000,000 <sup>(Note 1)</sup>	149,000,000	11.18%
Lai Fulin	Beneficial owner	5,000,000 <sup>(Note 2)</sup>	–	5,000,000	0.38%
Wong Yee Shuen, Wilson	Beneficial owner	1,000,000 <sup>(Note 2)</sup>	–	1,000,000	0.08%
Chen Wei Wen	Beneficial owner	1,000,000 <sup>(Note 2)</sup>	–	1,000,000	0.08%

#### *Notes:*

- These shares are held by King Jade Holdings Limited, which is wholly and beneficially owned by Mr. Yu Ben Ansheng, an executive Director and the Chief Executive Officer of the Company. Accordingly, Mr. Yu is deemed to be interested in such shares under the SFO.
- Pursuant to share options granted under the share option scheme approved by the shareholders of the Company on 24 June 2004.



Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

**(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders**

So far as is known to the Directors and the chief executive, as at the Latest Practicable Date, the following person (not being Director or chief executive of the Company) had, or was deemed to have, interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

*Long positions in shares and underlying share of the Company*

Name of Shareholders	Capacity	Number of Shares/underlying shares held	Approximate percentage of interests in issued shares
Singapore Zhongxin Investment Company Limited <sup>(Note 1)</sup>	Beneficial owner	437,234,620	32.79%
Lai Guanglin <sup>(Note 1)</sup>	Interest of controlled corporation	437,234,620	32.79%
Li Juan <sup>(Note 2)</sup>	Interest of spouse	437,234,620	32.79%
Qu Zhi	Beneficial owner	333,317,500	25%
King Jade Holdings Limited <sup>(Note 3)</sup>	Beneficial owner	146,000,000	10.95%

*Notes:*

1. Singapore Zhongxin Investment Company Limited is wholly and beneficially owned by Mr. Lai Guanglin. Accordingly, Mr. Lai is deemed to be interested in such shares under the SFO.
2. Ms. Li Juan, the spouse of Mr. Lai Guanglin, is also deemed to be interested in Mr. Lai's interest in the Company under the SFO.

3. King Jade Holdings Limited is wholly and beneficially owned by Mr. Yu Ben Ansheng, an executive Director and the Chief Executive Officer of the Company. Accordingly, Mr. Yu is deemed to be interested in such shares under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was expected, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

As at the Latest Practicable Date, so far as known to the Directors, none of the Directors is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

### **3. DIRECTORS' OTHER INTERESTS**

As at the Latest Practicable Date, so far as the Directors are aware of, none of themselves or their respective associates had any interest in a business which competes or may compete with the business of the Group or any other conflicts of interest with the Group.

As at the Latest Practicable Date, none of the Directors has any interest, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2018, being the date to which the latest published audited financial statements of the Company were made up.

There is no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director is materially interested and which is significant to the business of the Group.

### **4. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened by or against any member of the Group.

### **5. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

## 6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2018, being the date to which the latest audited financial statements of the Company were made up.

## 7. EXPERT AND CONSENT

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or references to its name in the form and context in which they appear.

The following is the qualification of the expert who has provided its advice, which is contained in this circular:

<b>Name</b>	<b>Qualification</b>
VBG Capital Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO

As at the Latest Practicable Date, the Independent Financial Adviser was not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any interest, either direct or indirect, in any assets which had been, since the date to which the latest published audited financial statements of the Company were made up (i.e. 31 December 2018), acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to any member of the Group.

## 8. MISCELLANEOUS

- (a) The registered office of the Company is at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda, and the head office and principal place of business in Hong Kong of which is at 12th Floor, Phase I, Austin Tower, 22–26A Austin Avenue, Tsim Sha Tsui, Kowloon, Hong Kong.
- (b) The principal share registrar and transfer office of the Company is Esera Management (Bermuda) Limited at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda and the Hong Kong branch share registrar and transfer office of which is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) Mr. Cheng Siu Kwan, aged 49, joined the Company as the Financial Controller in December 2012 and has been appointed as the Company Secretary of the Company in February 2013. Mr. Cheng is a fellow member of the Association of Chartered

Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Company, Mr. Cheng held various finance positions at a number of companies listed on The Stock Exchange of Hong Kong Limited and has over 24 years of experience in auditing, finance and accounting.

- (d) The English text of this circular and the accompanying form of proxy shall prevail over their respective Chinese text in case of inconsistency.

## **9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong from the date of this circular up to and including the date of the SGM:

- (a) this circular;
- (b) the 2016 Loan Agreement;
- (c) the Deed of Novation;
- (d) the 2019 Loan Agreement;
- (e) the letter from the Independent Board Committee as set out in this circular;
- (f) the letter from the Independent Financial Adviser as set out in this circular; and
- (g) the written consent of the Independent Financial Adviser.

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## NOTICE OF THE SGM

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*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00380)**

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “**SGM**”) of Softpower International Limited (the “**Company**”) will be held at 12th Floor, Phase I, Austin Tower, 22–26A Austin Avenue, Tsim Sha Tsui, Kowloon, Hong Kong on Monday, 24 June 2019 at 10:30 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution as the ordinary resolution of the Company:

#### ORDINARY RESOLUTION

**“THAT:**

- (a) the loan agreement dated 9 May 2019 (the “**2019 Loan Agreement**”) entered into by Mao Xing Limited (the “**Lender**”), a wholly-owned subsidiary of the Company, as lender, and Agria Group Limited (the “**Borrower**”) as borrower, in relation to the loan facility in the amount of up to US\$10,000,000 (equivalent to approximately HK\$78,500,000) which the Lender has conditionally agreed to renew the loan facility to the Borrower constituting continuing connected transaction (the “**Continuing Connected Transaction**”) for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (details of the 2019 Loan Agreement are set out in the Company’s circular dated 5 June 2019 (the “**Circular**”) and copies of the Loan Agreement and the Circular have been tabled at the meeting and marked “A” and “B” respectively for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the Proposed Annual Caps (as defined and more particularly described in the Circular) in respect of the Continuing Connected Transaction be and are hereby approved and confirmed; and

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## NOTICE OF THE SGM

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- (c) the directors of the Company be and are hereby authorised to do such acts and execute such other documents (including without limitation any related security documents) as they may consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with or in relation to the 2019 Loan Agreement and the Proposed Annual Caps and the transactions contemplated thereunder.”

By order of the Board  
**Softpower International Limited**  
**Lai Fulin**  
*Chairman*

Hong Kong, 5 June 2019

*Notes:*

1. A form of proxy for use at the SGM or any adjournment thereof is enclosed.
2. A shareholder of the Company (a “**Shareholder**”) entitled to attend and vote at the SGM convened by the above notice (or at any adjournment thereof) is entitled to appoint another person as his proxy to attend and vote instead of him. A Shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a Shareholder.
3. To be valid, the form of proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
4. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
5. Completion and delivery of the form of proxy will not preclude a Shareholder from attending and voting at the meeting should he/she/it wish. If a Shareholder attend and vote at the SGM, the authority of his/her/its proxy will be deemed to be revoked.