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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in doubt** as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Softpower International Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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## DISCLOSEABLE AND CONNECTED TRANSACTION DEED OF NOVATION

### 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 11 of this circular. The recommendation of the Independent Board Committee to the Independent Shareholders is set out on page 12 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 13 to 21 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 23 February, 2018 at 2:30 p.m. is set out on pages 27 to 28 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 February 2018

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## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Borrower”	China Victory International Holdings Limited, a company with limited liability incorporated and existing under the laws of Hong Kong, which is a direct wholly-owned subsidiary of the New Borrower
“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(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	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, the Borrower and the New Borrower in relation to novation of the rights and liabilities under the Loan Agreement
“Director(s)”	the director(s) of the Company
“Guarantor”	Agria Corporation, a company with limited liability incorporated and existing under the laws of Cayman Islands
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee, comprising Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen and Mr. Guan Zhiqiang, all being the independent non-executive directors of the Company, to advise the Independent Shareholders as to the fairness and reasonableness of the Deed of Novation
“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 on the Deed of Novation

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## DEFINITIONS

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“Independent Shareholders”	Shareholders other than Mr. Lai Guanglin (including its ultimate beneficial owners and their respective associates)
“Latest Practicable Date”	30 January 2018, being the latest practicable date prior to printing of this circular for ascertaining certain information contained herein
“Lender”	Mao Xing Limited, a wholly-owned subsidiary of the Company
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the aggregate principal amount drawn and for the time being outstanding under the Loan Agreement
“Loan Agreement”	the loan agreement in respect of the Loan entered into between the Lender and the Borrower on 11 May 2016
“New Borrower”	Agria Group Limited, a wholly-owned subsidiary of the Guarantor and the sole shareholder of the Borrower
“Percentage Ratio(s)”	the percentage ratio(s) under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular, Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“SGM”	the special general meeting of the Company to be convened and held for approving, amongst other things, the Deed of Novation
“SFO”	Securities and Futures Ordinance (chapter 571) of the laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“US\$”	the United States dollar(s), the lawful currency of the USA

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## DEFINITIONS

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“USA” the United States of America

“%” per cent.

\* *For reference purpose only, the Chinese name of the PRC entity, authority or facility has been translated into English in this circular. In the event of any discrepancies between the Chinese name of the PRC entity, authority or facility and its respective English translation, the Chinese version shall prevail.*

*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\$7.80 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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冠力國際有限公司  
Softpower International Limited

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00380)**

*Executive Directors:*

Mr. Lai Guanglin (*Chairman*)  
Mr. Yu Ben Ansheng (*Chief Executive Officer*)  
Mr. Lai Fulin

*Non-executive Director:*

Mr. U Kean Seng

*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 February 2018

*To the Shareholders*

Dear Sir or Madam,

### **DISCLOSEABLE AND CONNECTED TRANSACTION DEED OF NOVATION**

Reference is made to the circular of the Company dated 15 July 2016 in relation to Loan (“**First Circular**”) and the announcement of the Company dated 15 December 2017 in relation to the Deed of Novation. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the First Circular.

The purposes of this circular are to provide you with, among other things, (i) further details of the transactions contemplated under the Deed of Novation; (ii) a letter from the Independent Board Committee with its recommendation to the Independent Shareholders regarding the Deed of Novation; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of the SGM.

#### **1. DEED OF NOVATION**

On 15 December 2017 (after trading hours), the Lender has entered into the Deed of Novation with the Borrower and the New Borrower, a company incorporated under the laws of British Virgin

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## LETTER FROM THE BOARD

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Islands and a direct wholly-owned subsidiary of Agria Corporation, pursuant to which the Borrower agreed to novate and the New Borrower agreed to assume, from the date of the Deed of Novation, all the Borrower's rights and obligations in and under the Loan Agreement, upon and subject to the terms and conditions set out therein. Accordingly, the Borrower is released from any obligation under the Loan Agreement to be performed on or after the date of the Deed of Novation.

Save and except for the above novation, all other terms as set out in the Loan Agreement (including the Annual Caps approved by the Independent Shareholders at the special general meeting of the Company held on 1 August 2016) remain unchanged. Meanwhile, the Share Mortgage and the Guarantee executed in favour of the Lender pursuant to the Loan Agreement remain in force as a continuing security for the obligations and liabilities of the New Borrower under the Loan Agreement.

### THE MAJOR TERMS OF THE LOAN AGREEMENT

For ease of reference purpose, the major terms of the Loan Agreement are set out as follows:

<b>Maximum amount of the Loan</b>	The maximum amount under the Loan Agreement shall not exceed US\$10,000,000 (equivalent to approximately HK\$78,000,000). The amount of any advance repaid during the term of the Loan Agreement shall not be eligible for re-borrowing.
<b>Drawdown</b>	The Borrower may request advancement in the amount of up to US\$10,000,000 in tranches of not less than US\$2,000,000 each on any Banking Day during the Availability Period.
<b>Interest rate</b>	<p>The Borrower shall pay interest on the aggregate principal amount outstanding under the Loan from time to time at Prime Rate plus 7% per annum.</p> <p>At the date of the Loan Agreement, the Prime Rate was 3.5%.</p>
<b>Interest repayment schedule</b>	<p>The Borrower shall pay the Lender interest on each tranche of the Loan on the last Banking Day of each interest period.</p> <p>The first interest period in relation to the Loan would have commenced on the Drawdown Date and shall be ending at 31 October 2016. Each interest period subsequent to the first interest period shall commence on the first day subsequent to the preceding interest period to the date falling 6 months thereafter.</p>
<b>Maturity Date</b>	the date falling three (3) years from the date on which each tranche of the Advance is made (or such later date as shall be agreed to by the Lender in writing prior to the Maturity Date)

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## LETTER FROM THE BOARD

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Pursuant to the Loan Agreement, the proposed Annual Caps for 2016 to 2019 are as follows:

	<b>Period from 2 August 2016 <sup>(Note)</sup> to 31 December 2016</b>	<b>Year ending 31 December 2017</b>	<b>Year ending 31 December 2018</b>	<b>Period from 1 January 2019 to 1 August 2019</b>
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\$450,000	US\$1,100,000	US\$1,100,000	US\$650,000
Proposed Annual Caps	US\$10,450,000	US\$11,100,000	US\$11,100,000	US\$10,650,000

*Note:* the expected Drawdown Date

Pursuant to the terms of the Loan Agreement, the proceeds of the Loan Agreement shall be used for general corporate purpose only. As of the Latest Practicable Date, the total amount of loan that has been drawn by the Borrower is US\$10,000,000. Since the commencement of the Loan, the Borrower has been settling the interest accrued from the Loan with Group on a timely manner since the Loan was drawn down on 1 August 2016 and there has been no history of default by the Borrower. The Annual Caps for the remaining period are as follows:

	<b>Year ending 31 December 2018</b>	<b>Period from 1 January 2019 to 31 July 2019</b>
Remaining principal loan outstanding	US\$10,000,000	US\$10,000,000
Remaining approximate maximum interest amount	US\$1,050,000	US\$620,000
Remaining Annual Caps	US\$11,050,000	US\$10,620,000

The Loan is secured by (a) the Share Mortgage executed by the Mortgagor and (b) 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 Loan Agreement amongst other things. Accordingly, the details of the Share Mortgage and the Guarantee are shown below:

### **The Share Mortgage**

Pursuant to the terms and conditions of the Loan Agreement, the Mortgagor is Agria Group Limited, a wholly-owned subsidiary of the Guarantor and the sole shareholder of the Borrower. As one of the conditions of the making of the Loan, the Mortgage executed a share mortgage over the entire issued shares in the Borrower in favour of the Lender as security of the Loan. As disclosed in the circular of the Company dated 15 July 2016, the Borrower is a limited company incorporated in Hong Kong principally engaged in investment holding. To the best of the Directors' knowledge, as at the Latest Practicable Date, the Borrower controls 100% of the equity interest of 北京華奧農科玉育種開發有限責任公司 (Agria NKY Seeds Co., Ltd\*) ("NKY") through variable interest entity arrangement ("VIE Structure"), NKY is an enterprise established in People's Republic of China principally engaged in research, production and marketing of corn seeds.



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## LETTER FROM THE BOARD

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Based on the unaudited consolidated balance sheet of NKY as at 30 September 2017, NKY had net asset value, net current assets and cash and cash equivalents of approximately RMB 83.8 million, RMB 17.4 million and RMB 1 million respectively.

As disclosed in the circular of the Company dated 15 July 2016, the Company hereby draws the attention of the Shareholders and investors to the fact that the enforcement of the Share Mortgage substantially depends on the due existence and validity of the VIE Structure.

### **The Guarantee**

The Guarantor is Agria Corporation, a company with limited liability incorporated in the Cayman Islands, whose shares were previously listed and traded on the New York Stock Exchange since 2007 until they were formally delisted on 2 January 2017. The Guarantor is a global agricultural company with four primary operating segments: agency, retail and water, seed and grain (New Zealand) and others. As advised by the Guarantor, as at the Latest Practicable Date, Mr. Lai Guanglin beneficially owns approximately 48.1% of the issued share capital of the Guarantor.

## **2. REASONS FOR AND BENEFITS OF THE DEED OF NOVATION**

As mentioned in the First Circular, the Group has established internal procedures to review the transactions under the Loan regularly. As at 30 June 2017, the unaudited consolidated net liability of the Borrower is approximately US\$13 million while the unaudited consolidated net assets value of the New Borrower is approximately US\$39 million. Therefore, the Directors are of the view that the entering into the Deed of Novation is fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Borrower controls 100% of the equity interest of NKY through variable interest entity arrangement. As disclosed in the Company's announcement dated 15 December 2017, 深圳市中冠科技發展有限公司(Shenzhen Zhongguang Technology Development Co., Ltd\*) (a limited company incorporated in the PRC and a wholly-owned subsidiary of the Company), as potential subscriber (the "**Subscriber**"), entered into a non-legally binding memorandum of understanding (the "**MOU**") with NKY (as the target company) and the Guarantor as the guarantor. Pursuant to the MOU, the Subscriber intends to inject capital into and subscribe the equity interests in the Target Company (the "**Proposed Transaction**"). As at the Latest Practicable Date, the Subscriber is still in the progress of negotiation with NKY in relation to the terms and conditions of the Proposed Transaction, and there is no relationship between entering into the MOU and entering into the Deed of Novation.

The Directors also assessed the credit risk of in association with the Loan Agreement with the New Borrower before entering into the Deed of Novation. As the Share Mortgagee and the Guarantee executed in favour of the Lender pursuant to the Loan Agreement remain in force as a continuing security for the obligations and liabilities of the New Borrower under the Loan Agreement, As mentioned in the First Circular, the Company has sought PRC legal opinion on the legality and validity of the VIE Structure. In the event of defaults by the New Borrower under the Loan Agreement, the Company has absolute discretion to claim against the New Borrower and/or to enforce the Share Mortgage or the Guarantee. The Company intends to enforce the Guarantee to demand the Guarantor to repay all outstanding amounts in the first place. If the Guarantor is unable to repay any part of the

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## LETTER FROM THE BOARD

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outstanding amounts, the Company has discretion to enforce the Share Mortgage to recover the outstanding balance. In such case, it will constitute a notifiable transaction for the Company under Rule 14.75 of the Listing Rules, and the Company will comply with all the relevant requirements of the Listing Rules, including but without limitation to publishing further announcement(s) to make further disclosure of certain information in relation to the VIE arrangements in accordance with the guidance letter HKEx-GL77-14 issued by the Stock Exchange. Prior to exercising discretion to enforce the Share Mortgage, the Company will take all steps reasonably necessary in the circumstances, including but without limitation to seeking further legal opinion from PRC lawyer, to ensure the legality and validity of the VIE Structure. Should the VIE Structure become invalid or violate any applicable laws, rules and regulations (including the Listing Rules) at the time of enforcing the Share Mortgage, the Company will not rely on the Share Mortgage to recover the outstanding amount from the New Borrower, but will take legal proceedings (including but without limitation to any winding up proceedings, if appropriate) against the New Borrower and/or the Guarantor for remedy instead.

The terms of the Deed of Novation were agreed by the parties after arm's length negotiations. Having considered that (1) the novation does not involve a material change to the terms of the Loan Agreement; (2) the Share Mortgage and the Guarantee executed in favour of the Lender pursuant to the Loan Agreement remain in force as a continuing security for the obligations and liabilities of the New Borrower under the Loan Agreement; and (3) the net assets value of the group of the New Borrower (i.e. the direct holding company of the Borrower) covers the maximum amount of the Loan, the Directors including the independent non-executive Directors consider that the Deed of Novation and the transaction contemplated thereunder is entered into on normal commercial terms, and the terms of the Deed of Novation and the transaction contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### 3. 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.

The Borrower is a limited company incorporated in Hong Kong and principally engaged in investment holding. The Borrower is a direct wholly-owned subsidiary of the New Borrower and an indirect wholly-owned subsidiary of the Guarantor.

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

The Guarantor is a company with limited liability incorporated in the Cayman Islands, which is principally engaged in seed and grain; crop protection, nutrients and merchandise; and rural services. As referred to in the annual report of the Guarantor for the financial year ended 30 June 2017, the Guarantor had audited net assets value, total equity attributable to equity holders, net current assets and cash and cash equivalents of approximately US\$173.5 million, US\$56.7 million, US\$152.9 million and US\$15.9 million respectively as at 30 June 2017.

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## LETTER FROM THE BOARD

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Based on the publicly available information at the Guarantor's website (<http://www.agriacorp.com>) and the website of the United States Securities and Exchange Commission ([https://www.sec.gov/Archives/edgar/data/1413257/000114420417054601/tv477001\\_20f.htm](https://www.sec.gov/Archives/edgar/data/1413257/000114420417054601/tv477001_20f.htm)), trading in the American Depositary Shares of the Guarantor ("ADS") was suspended from 3 November 2016. The Company understands from the relevant announcements that the staff of NYSE Regulation determined to delist the ADS based on an investigation conducted by NYSE Regulation, which allegedly uncovered evidence demonstrating that the Guarantor and its management engaged in operations contrary to the public interest and not in keeping with sound public policy pursuant to Section 802.01D of the Listed Company Manual of the NYSE (the "Investigation"). The Guarantor filed a notice on 17 November 2016 requesting a Committee of the Board of Directors of the NYSE to review the decision by the NYSE to delist the ADS (the "Review"). The ADS were subsequently delisted on 2 January 2017 but as far as the Company is aware of, no further announcement has been published by either the NYSE or the Guarantor regarding the Investigation and/or the Review. The Company understands that as represented by the Guarantor, the Guarantor decided after careful consideration and deliberation that it was not in the Guarantor's or its shareholders' interests to continue to use its limited corporate resources to pursue its appeal with the NYSE, a non-government organisation in the United States, mainly because the Guarantor's stock value had been below the minimum listing requirement and the NYSE would have broad discretion to delist the ADS from the NYSE on that ground. This was a difficult decision by the Guarantor, but was influenced, in part, by the chronic undervaluing of the ADS on the NYSE. As such, on 20 December 2016, the Guarantor informed the Office of the General Counsel for the NYSE that it withdrew its request for the Review. Notwithstanding the above, as the net assets value of the New Borrower and the Guarantor still covers the total amount of the Loan and its interest, the Directors are of the view that the delisting of the Guarantor does not have material adverse effect impact on the Loan and the Deed of Novation.

#### 4. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Mr. Lai Guanglin, an executive Director and the Chairman of the Company, who 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 and the New Borrower are respectively an indirect and a direct wholly-owned subsidiary of the Guarantor and 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 transaction contemplated under the Deed of Novation constitutes a connected transaction of the Company under Rule 14A.31 of the Listing Rules. As one or more applicable percentage ratios in respects of the transactions contemplated under the Deed of Novation exceeds 5% for the Company, the Deed of Novation and the transaction 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 transaction 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.

In light of the above Mr. Lai Guanglin and Mr. Lai Fulin (the younger brother of Mr. Lai Guanglin), the executive Directors, have abstained from voting at the relevant board meeting for approving the Deed of Novation and the transaction contemplated thereunder. Meanwhile, as

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## LETTER FROM THE BOARD

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Mr. U Kean Seng, a non-executive Director of the Company, is the Head of Corporate and Legal Affairs of the Guarantor, Mr. U Kean Seng has voluntarily abstained from voting at the relevant board meeting for approving the Deed of Novation. Apart from the above, none of the Directors has a material interest in the transaction under the Deed of Novation or, is required to abstain from voting on the board resolution for considering and approving the Deed of Novation and the transaction contemplated thereunder.

### 5. SGM

Set out on pages 27 to 28 of this circular is a notice 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 Friday, 23 February 2018 at 2:30 p.m. for the purpose of considering and if thought fit approving the Deed of Novation and the transaction contemplated thereunder.

The Deed of Novation and the transaction 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, 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 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.

### 6. RECOMMENDATIONS

The Independent Board Committee has been established to advise the Independent Shareholders as to whether the terms of the Deed of Novation and the transaction contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect.

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## LETTER FROM THE BOARD

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The letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 13 to 21 of this circular and the letter from the Independent Board Committee to the Independent Shareholders is set out on page 12 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 Deed of Novation and the transaction 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 Deed of Novation and the transaction 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.

### 7. 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 Guanglin**  
*Chairman*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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冠力國際有限公司  
Softpower International Limited

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 00380)

5 February 2018

*To the Independent Shareholders*

Dear Sir or Madam,

### DISCLOSEABLE AND CONNECTED TRANSACTION DEED OF NOVATION

We refer to the circular dated 5 February 2018 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 Deed of Novation and the transaction 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 11 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 Deed of Novation, as set out on pages 13 to 21 of the Circular.

Having taken into account of the advice of the Independent Financial Adviser, we consider that the Deed of Novation is on normal commercial terms, and that the transaction contemplated under the Deed of Novation is in the interests of the Company and the Shareholders as a whole. We also consider that the terms of the Deed of Novation are fair and reasonable so far as 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 Deed of Novation and the transaction 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 Deed of Novation for the purpose of inclusion in this circular.*



建泉融資有限公司  
VBG Capital Limited

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

5 February 2018

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

*Dear Sirs,*

### DISCLOSEABLE AND CONNECTED TRANSACTION DEED OF NOVATION

#### 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 Deed of Novation, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 5 February 2018 issued by the Company to the Shareholders (the “**Second 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 Second Circular unless the context requires otherwise.

Reference is made to the announcement of the Company dated 11 May 2016 and its circular dated 15 July 2016 (the “**First Circular**”) in relation to the Loan Agreement dated 11 May 2016 signed between the Lender, a wholly-owned subsidiary of the Company, and the Borrower, pursuant to which the Lender has agreed to grant to the Borrower a loan facility of up to US\$10,000,000, upon and subject to the terms and conditions set out therein. As confirmed by the Directors, on 1 August 2016, the Group advanced the Loan of US\$10,000,000 to the Borrower for a term of three years.

On 15 December 2017, the Lender entered into the Deed of Novation with the Borrower and the New Borrower, pursuant to which the Borrower agreed to novate and the New Borrower agreed to assume, from the date of the Deed of Novation, all the Borrower's rights and obligations in and under the Loan Agreement, upon and subject to the terms and conditions set out therein. Accordingly, the Borrower is released from any obligation under the Loan Agreement to be performed on or after the date of the Deed of Novation.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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According to the Letter from the Board, the Deed of Novation and the transaction contemplated thereunder constitute a discloseable and connected transaction for the Company under Chapters 14 and 14A of the Listing Rules respectively, and are subject to the reporting, announcement and independent shareholders' approval requirements.

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 Deed of Novation 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 Deed of Novation 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 Deed of Novation 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 Deed of Novation, 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 announcements and circulars relating to the Loan Agreement and the Deed of Novation). 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 First Circular and the Second 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 First Circular and the Second 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 Second Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Second 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 Second Circular or the Second Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Second 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 in-depth investigation into the business, affairs and litigation cases or future prospects of the Group, the Guarantor, the Mortgagor, the Borrower, the New Borrower or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Deed of Novation. 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



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Date. Shareholders should note that subsequent developments (including material 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 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.

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 are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of such information.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Deed of Novation, we have taken into consideration the following principal factors and reasons:

#### 1. Background of and reasons for the Deed of Novation

##### Information on the Group

The Group is principally engaged in trading of construction materials, mainly pipes and fittings in Hong Kong and Macau. Hence, the entering into of the Deed of Novation is not conducted in the ordinary and usual course of business of the Group.

Set out below is the audited consolidated financial information of the Group for the five consecutive years ended 31 December 2016 as extracted from the annual report for the year ended 31 December 2016 of the Company (the “2016 Annual Report”):

	For the year ended 31 December				
	2016	2015	2014	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	619,203	611,534	553,845	504,143	455,127
Profit for the year	50,563	34,023	21,729	16,661	13,700

  

	As at 31 December				
	2016	2015	2014	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Net asset value	436,268	385,126	351,077	331,228	312,626

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As depicted by the above table, the Group's revenue and profitability have expanded persistently at compound annual growth rates of approximately 8.0% and 38.6% respectively during the past five consecutive years. 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. Leveraging on its well established track record and experienced management, the Group is expecting to capture greater market share in the construction market in Hong Kong in future.

Over the same years from 2012 to 2016, the Group has also been recording a continual steady growth in net asset value. In addition, according to the interim report for the six months ended 30 June 2017 of the Company, as at 30 June 2017, the Group had unaudited cash and bank balances of approximately HK\$139.4 million, after advancing the US\$10,000,000 Loan to the Borrower on 1 August 2016. The 2016 Annual Report also shown that for the year ended 31 December 2016, the Group generated approximately HK\$60.4 million of net cash from its operating activities, representing a significant jump of approximately 126.8% as compared to that of the year ended 31 December 2015.

### Information on the New Borrower

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

For our due diligence purpose, we have requested the Company to provide us with the latest unaudited consolidated financial statements of the New Borrower. Summarised below are our relevant findings:

	<b>For the financial year ended 30 June 2017</b>
	<i>US\$'000</i>
Revenue	822,215
Profit for the year	17,235
	<b>As at 30 June 2017</b>
	<i>US\$'000</i>
Net asset value	39,042
Net current assets	18,420
Cash and cash equivalents	15,876

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### Information on the Guarantor

As advised by the Directors, the Guarantor, being the direct/ ultimate holding company of the New Borrower/ Borrower (as the case may be), is a global agricultural company with four primary operating segments: agency, retail and water, seed and grain (New Zealand) and others. The American Depositary Shares of the Guarantor (the “**ADS**”) were previously listed on the New York Stock Exchange (the “**NYSE**”) since 2007 until they were formally delisted on 2 January 2017 (the “**Delisting**”). Based on the publicly available information at the Guarantor’s website (<http://www.agriacorp.com>) and the website of the United States Securities and Exchange Commission ([https://www.sec.gov/Archives/edgar/data/1413257/000114420417054601/tv477001\\_20f.htm](https://www.sec.gov/Archives/edgar/data/1413257/000114420417054601/tv477001_20f.htm)), trading in the ADS was suspended from 3 November 2016. We understand from the relevant announcements that the staff of NYSE Regulation determined to delist the ADS based on an investigation conducted by NYSE Regulation, which allegedly uncovered evidence demonstrating that the Guarantor and its management engaged in operations contrary to the public interest and not in keeping with sound public policy pursuant to Section 802.01D of the Listed Company Manual of the NYSE (the “**Investigation**”). The Guarantor filed a notice on 17 November 2016 requesting a Committee of the Board of Directors of the NYSE to review the decision by the NYSE to delist the ADS (the “**Review**”). The ADS were subsequently delisted on 2 January 2017 but as far as we are aware of, no further announcement has been published by either the NYSE or the Guarantor regarding the Investigation and/or the Review. Based on our enquiry with the Directors, we understand that as represented by the Guarantor, the Guarantor decided after careful consideration and deliberation that it was not in the Guarantor’s or its shareholders’ interests to continue to use its limited corporate resources to pursue its appeal with the NYSE, a non-government organisation in the United States, mainly because the Guarantor’s stock value had been below the minimum listing requirement and the NYSE would have broad discretion to delist the ADS from the NYSE on that ground. This was a difficult decision by the Guarantor, but was influenced, in part, by the chronic undervaluing of the ADS on the NYSE. As such, on 20 December 2016, the Guarantor informed the Office of the General Counsel for the NYSE that it withdrew its request for the Review.

On the other hand, as referred to in the annual report of the Guarantor for the financial year ended 30 June 2017, the Guarantor recorded audited revenue and profit after tax of approximately US\$822.2 million and US\$6.7 million respectively in the 2016/17 financial year. Moreover, as at 30 June 2017, the Guarantor had audited net asset value, total equity attributable to equity holders, net current assets and cash and cash equivalents of approximately US\$173.5 million, US\$56.7 million, US\$152.9 million and US\$15.9 million respectively.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### Reasons for the Deed of Novation

As mentioned in the First Circular, the Group has established internal procedures to review the transactions under the Loan Agreement regularly. As at 30 June 2017, the unaudited consolidated net liabilities of the Borrower were approximately US\$13 million while the unaudited consolidated net assets of the New Borrower were approximately US\$39 million. Therefore, the Directors are of the view that the entering into of the Deed of Novation is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Borrower controlled the entire equity interest of 北京華奧農科玉育種開發有限責任公司 (Agria NKY Seeds Co., Ltd\*) (“NKY”) through variable interest entity arrangement. As disclosed in the Company’s announcement dated 15 December 2017, a wholly-owned subsidiary of the Company, as potential subscriber entered into a non-legally binding memorandum of understanding (the “MOU”) with NKY (as the target company) and the Guarantor as the guarantor. Pursuant to the MOU, the subscriber intends to inject capital into and subscribe for the target company’s equity interests (the “**Proposed Transaction**”). As confirmed by the Directors, as at the Latest Practicable Date, the subscriber was still in progress of negotiation with NKY in relation to the terms and conditions of the Proposed Transaction, and there is no relationship between entering into the MOU and entering into the Deed of Novation.

As extracted from the Letter from the Board, having also considered that (1) the novation does not involve a material change to the terms of the Loan Agreement; (2) the Share Mortgage and the Guarantee executed in favour of the Lender pursuant to the Loan Agreement remain in force as a continuing security for the obligations and liabilities of the New Borrower under the Loan Agreement; and (3) the consolidated net asset value of the New Borrower covers the maximum amount of the Loan, the Directors consider that the Deed of Novation and the transaction contemplated thereunder are entered into on normal commercial terms, and the terms of the Deed of Novation and the transaction contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

We have further enquired into the Directors regarding the reasons for entering into the Deed of Novation. 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. During the past five consecutive years, the Group’s revenue and profitability expanded persistently at compound annual growth rates of approximately 8.0% and 38.6% respectively. As at 30 June 2017, the Group had abundant cash and bank balances of approximately HK\$139.4 million after advancing the US\$10,000,000 Loan to the Borrower on 1 August 2016. As also confirmed by the Directors, the trading of pipes and fittings business is rather stable, 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. Given that the Loan will continue to provide interest income to the Group, the Directors are of the view that the entering into of the Deed of Novation would allow the Group to continue in seizing higher returns for the Shareholders from its idle cash.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Pursuant to the Loan Agreement, the interest on the Loan payable by the Borrower to the Lender will be prime rate plus 7% per annum, with the “prime rate” being the US Dollars best lending rate as quoted by the US Board of Governors of the Federal Reserve System (the “**Federal Reserve**”) as at the time of drawdown of each tranche of the Loan. As advised by the Directors and according to the website of the Federal Reserve (<http://www.federalreserve.gov>), the US Dollars best lending rate as quoted by the Federal Reserve was 3.5% as at 1 August 2016. Accordingly, the applicable interest rate of the Loan is 10.5% (the “**Interest Rate**”).

As aforementioned, the Group had abundant cash and bank balances of approximately HK\$139.4 million as at 30 June 2017, the majority of which is currently placed as fixed deposits in banks. In this relation, we understand from the Directors that the average effective interest rate of those fixed deposits is below 1.1%. With the above being the case, the Interest Rate is significantly above the rate the Group received from its deposits. Furthermore, from our research over the website of the Stock Exchange ([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 around 19 such announcements (the “**Comparables**”) dated from 16 November 2017 to 15 December 2017 (being the one-month period prior to and including the date of the Deed of Novation). We chose the said one-month research period due to its recency before the signing of the Deed of Novation and we consider the Comparables to be representative. Out of the 19 Comparables, over half of them carried interest rates of less than or equal to 10.5%.

Taking into account that the Interest Rate is significantly above the current rate the Group received from its deposits and is not exceptional based on market comparison, we are of the view that the Interest Rate is fair and reasonable so far as the Independent Shareholders are concerned.

From our discussion with the Directors, we understand that the principal terms of the Loan Agreement remain unchanged save for the change of borrower and the Company considers the major risk associated with the Loan to be the potential default of repayment by the New Borrower. In this relation, as being detailed in the section headed “Principal terms of the Deed of Novation” of this letter of advice, the security for the Loan is fair and reasonable and the possible default risk from the New Borrower is likely to be manageable. Shareholders may also refer to the Letter from the Board regarding the principal terms of the Loan Agreement.

In view of the above, we concur with the Directors that the entering into of the Deed of Novation, although is not conducted in the ordinary and usual course of business of the Group, 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 Deed of Novation

As extracted from the Letter from the Board, the principal terms of the Deed of Novation dated 15 December 2017 are as follows:

The Borrower agreed to novate and the New Borrower agreed to assume, from the date of the Deed of Novation, all the Borrower's rights and obligations in and under the Loan Agreement, upon and subject to the terms and conditions set out therein. Accordingly, the Borrower is released from any obligation under the Loan Agreement to be performed on or after the date of the Deed of Novation.

The Share Mortgage and the Guarantee executed in favour of the Lender pursuant to the Loan Agreement remain in force as a continuing security for the obligations and liabilities of the New Borrower under the Loan Agreement.

Regarding the possible credit risks of the Group under the Loan Agreement after entering into the Deed of Novation, we noted that as aforementioned, pursuant to the Deed of Novation, the Loan is still secured by (a) the Share Mortgage executed by the Mortgagor; and (b) the Guarantee executed by the Guarantor. 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 (as defined in the First Circular). The Guarantor has also guaranteed to pay interest in the same rate and manner as in the 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. In addition, if the New Borrower fails to pay any sum payable under the Loan Agreement when due, the New 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.

Notwithstanding that the Delisting may affect the credibility, future liquidity and financing ability of the Guarantor, as balanced by the fact that (i) as shown from the figures disclosed in the sub-sections headed "Information on the New Borrower" and "Information on the Guarantor" of this letter of advice, the latest net asset values, net current assets and cash on hand of both the New Borrower and the Guarantor are sufficient to cover the Loan drawn down of US\$10,000,000 under the Loan Agreement; (ii) we understand from the Directors that the Borrower has been settling the interest accrued from the Loan with the Group on a timely manner since the Loan was drawn down on 1 August 2016, thereby allowing the Group to seize higher returns for the Shareholders from its idle cash; and (iii) the Company is eligible to take legal proceedings (including without limitation any winding up proceedings, if appropriate) against the New Borrower for remedy in the event of any unrecoverable default, the security for the Loan is fair and reasonable and the possible default risk from the New Borrower is likely to be manageable.

In light of the foregoing, we consider that the terms of the Deed of Novation 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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### RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Deed of Novation are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of the Deed of Novation, although is not conducted in the ordinary and usual course of business of the Group, 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 Deed of Novation, 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**  
*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 shares*

<b>Name of Director</b>	<b>Type of interests</b>	<b>Number of shares</b>	<b>Approximate percentage of interests</b>
Lai Guanglin	Interest of controlled corporation	437,234,620 <sup>(Note 1)</sup>	32.79%
Yu Ben Ansheng	Beneficial owner and interest of controlled corporation	149,000,000 <sup>(Note 2)</sup>	11.18%

#### *Notes:*

- These shares are held by Singapore Zhongxin Investment Company Limited, which is wholly and beneficially owned by Mr. Lai Guanglin, an executive Director and the Chairman of the Company. Accordingly, Mr. Lai is deemed to be interested in such shares under the SFO.
- 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.



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*

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

*Notes:*

1. Singapore Zhongxin Investment Company Limited is wholly and beneficially owned by Mr. Lai Guanglin, an executive Director and the Chairman of the Company. 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 2016, 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 2016, 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 2016), 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 Eterra 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 47, 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 20 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 Deed of Novation;
- (c) the letter from the Independent Board Committee as set out in this circular;
- (d) the letter from the Independent Financial Adviser as set out in this circular; and
- (e) the written consent of the Independent Financial Adviser.

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## NOTICE OF THE SGM

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### 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 Friday, 23 February 2018 at 2:30 p.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 deed of novation dated 15 December 2017 (the “**Deed of Novation**”) entered into by Mao Xing Limited (the “**Lender**”), a wholly-owned subsidiary of the Company, as lender, China Victory International Holdings Limited (the “**Borrower**”) as borrower, and Agria Group Limited (the “**New Borrower**”) as the new borrower, in relation to novation of all the Borrower’s rights and obligations in and under the Loan Agreement (details of the Deed of Novation are set out in the Company’s circular dated 5 February 2018 (the “**Circular**”) and copies of the Deed of Novation and the Circular have been tabled at the meeting and marked “A” and “B” respectively for the purpose of identification) and the transaction contemplated thereunder be and are hereby approved confirmed and ratified;
- (b) the directors of the Company be and are hereby authorized to do such acts and execute such other 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 Deed of Novation and the transaction contemplated thereunder.”

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

Hong Kong, 5 February 2018

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## NOTICE OF THE SGM

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*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.