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(Incorporated in Bermuda with limited liability)

(Stock code: 00380)

MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTION REVISION OF TERMS OF THE LOAN AGREEMENT

2020 SUPPLEMENTAL LOAN AGREEMENT

Reference is made to (i) the announcement of the Company dated 9 May 2019 and (ii) the circular of the Company dated 5 June 2019 in relation to the 2019 Loan Agreement entered into between the Lender and the Borrower for renewal of the Loan and the annual caps from 1 August 2019 to 31 July 2022.

Owing to the Borrower's intention to repay the entire amount of the Loan to the Company if the Original Interest Rate remains unchanged, after the negotiation, the Borrower and Lender agreed to enter into the 2020 Supplemental Loan Agreement to adjust downward the interest rate for each of the interest period from ten point five per cent (10.5%) of the Loan per annum to five point five per cent (5.5%) of the Loan per annum.

Save and except for the revision on the Original Interest Rate and the Share Charge by the Borrower, all other terms as set out in the 2019 Loan Agreement remain unchanged.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Mr. Lai Guanglin, holding 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 (as amended or supplemented by the 2020 Supplemental Loan Agreement) constitutes continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As one or more applicable Percentage Ratios of the Annual Caps for the transactions contemplated under the 2020 Supplemental Loan Agreement exceed 5%, the 2020 Supplemental Loan Agreement, the New Interest Rate 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.

As one or more applicable Percentage Ratios of the Annual Caps exceed 25% but all of which are below 100%, the Loan constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and are therefore subject to reporting, announcement and shareholders' approval requirements pursuant to Rule 14.33 of the Listing Rules.

GENERAL INFORMATON

The SGM will be convened and held, among others, to seek the Independent Shareholders' approval regarding the 2020 Supplemental Loan Agreement, the New Interest Rate and the transactions contemplated thereunder. Mr. Lai Guanglin, being a controlling shareholder of the Company, and his associates, interested in the transactions contemplated under the 2019 Loan Agreement (as amended or supplemented by the 2020 Supplemental Loan Agreement) will abstain from voting at the SGM.

The Independent Board Committee has been established to advise the Independent Shareholders as to whether the terms of the 2020 Supplemental Loan Agreement, the New Interest Rate and the transactions contemplated thereunder are agreed on normal commercial terms, and are fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole. An independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect.

A circular containing, among other things, (i) further details of the 2020 Supplemental Loan Agreement, (ii) a letter from the Independent Board Committee containing its opinion and recommendations to the Independent Shareholders in respect of the 2020 Supplemental Loan Agreement; (iii) a letter of advice from the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2020 Supplemental Loan Agreement; (iv) a notice convening the SGM; and (v) other information as required to be disclosed under the Listing Rules, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

I. INTRODUCTION

Reference is made to (i) the announcement of the Company dated 9 May 2019 and (ii) the circular of the Company dated 5 June 2019 in relation to the 2019 Loan Agreement entered into between the Lender and the Borrower for renewal of the Loan and the annual caps from 1 August 2019 to 31 July 2022.

Owing to the Borrower's intention to repay the entire amount of the Loan to the Company if the Original Interest Rate remains unchanged, after the negotiation, the Borrower and Lender agreed to enter into the 2020 Supplemental Loan Agreement to adjust downward the interest rate for each of the interest period from ten point five per cent (10.5%) of the Loan per annum to five point five per cent (5.5%) of the Loan per annum.

Save and except for the revision on the Original Interest Rate and the Share Charge by the Borrower, all other terms as set out in the 2019 Loan Agreement remain unchanged.

II. THE PRINCIPAL TERMS OF THE 2019 LOAN AGREEMENT (AS AMENDED OR SUPPLEMENTED BY THE 2020 SUPPLEMENTAL LOAN AGREEMENT)

The principal terms of the 2019 Loan Agreement (as amended or supplemented by the 2020 Supplemental Loan Agreement) are as follows:

Date of the 2020 Supplemental Loan Agreement 21 July 2020

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\$10,000,000 (equivalent to approximately HK\$78,500,000), the amount which 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.

Term A fixed term of 3 years ending on the Maturity Date.

New Interest Rate The Borrower shall pay the interest on the Loan on each of last Banking Day of an interest period ("**Interest Period**") on half yearly basis and in accordance with the agreed schedule of 2019 Loan Agreement with effect from the Effective Date of the 2020 Supplemental Loan Agreement (subject to the fulfillment of the conditions precedent to the 2020 Supplemental Loan Agreement).

The interest rate for each of the remaining Interest Period shall be five point five per cent (5.5%) of the Loan per annum.

Early repayment terms

- (a) The Borrower may voluntarily repay all or part of the Loan at any time after one (1) year from the Effective Date of the 2019 Loan Agreement provided that it shall provide not less than one (1) month's prior written notice specifying the intended date of repayment.
- (b) In the event that the Borrower elects to repay all or part of the Loan within one (1) year from the Effective Date of the 2019 Loan Agreement, in addition to a one (1) month's prior written notice, the Borrower shall pay to the Lender an early repayment fee in the amount of US\$100,000 or at a rate of 3% of the early repayment amount (whichever is higher).

Security for the Loan

- (1) 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 and as amended or supplemented by the 2020 Supplemental 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 and the 2020 Supplemental 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 (as amended or supplemented by the 2020 Supplemental Loan Agreement) on the Loan 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.

- (2) the Loan is also secured by a Share Charge to be executed by the Borrower 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 (and

as amended or supplemented by the 2020 Supplemental Loan Agreement). Pursuant to the Share Charge, the Borrower will charge 20% of its share interests in Agria Asia Investments Limited (“**AAIL**”) to the Lender. AAIL is a company with limited liability incorporated in the British Virgin Islands and is wholly-owned by the Borrower. As the date of this announcement, AAIL is indirectly holding a share equity investment in an agricultural enterprise in New Zealand through Agria (Singapore) Pte. Ltd. (“**Agria Singapore**”), the only and wholly-owned direct subsidiary of AAIL.

According to the (i) the latest consolidated management account of Agria Singapore for the eleven months ended 31 May 2020 and (ii) the latest unaudited consolidated financial statement of AAIL for the eleven months period ended 31 May 2020 provided by AAIL:-

- (a) the net assets value of Agria Singapore is NZD45.1 million (equivalent to approximately US\$28.8 million);
- (b) the net assets value of AAIL as at 31 May 2020 is approximately US\$155.8 million.

Conditions Precedent

The revision of the terms of the Loan pursuant to the 2020 Supplemental Loan Agreement and the New Interest Rate 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 2020 Supplemental Loan Agreement;
- (ii) all necessary consents, approvals, authorisations and licenses in relation to the 2020 Supplemental Loan Agreement (including without limitation, the Independent Shareholders’ approval of Company) having been obtained;

- (iii) the Share Charge being duly executed by the Borrower as chargor together with all documents required pursuant thereto;
- (iv) the board of directors of both the Borrower and the Company having approved the 2020 Supplemental Loan Agreement and the New Interest Rate; 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 2020 Supplemental Loan Agreement and the New Interest Rate are valid and enforceable;

Default

If the Borrower fails to pay any sum payable under the 2019 Loan Agreement (as amended or supplemented by the 2020 Supplemental 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.

III. ANNUAL CAPS

The existing Annual Caps pursuant to the 2019 Loan Agreement are as follows:-

	Period from 1 August 2019 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
Existing Annual Caps	US\$10,441,000	US\$11,053,000	US\$11,050,000	US\$10,610,000

As at the date of this announcement, the total amount of loan that has been drawn down by the Borrower is US\$10,000,000.00. Since the Loan was drawn down on 1 August 2016, the Borrower has been settling the interest accrued from the Loan with the Group on a timely manner and there has been no history of default by the Borrower.

Since the 2019 Loan Agreement came into effect on 1 August 2019, the historical figures of the transaction (being the maximum principal loan outstanding and the actual interest incurred) for the period from 1 August 2019 to 31 December 2019, and that for the period from 1 January 2020 to 11 August 2020 were US\$10,441,000 and US\$10,645,000 (*Note*) respectively.

The Annual Caps for the maximum principal loan outstanding and the maximum interest amount for the remaining terms of the Loan with New Interest Rate under the 2020 Supplemental Loan Agreement are as follows:

	Period from 12 August 2020 to 31 December 2020 (Note)	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
Approximate maximum interest amount	US\$214,000	US\$550,000	US\$320,000
Proposed Annual Caps	US\$10,214,000	US\$10,550,000	US\$10,320,000

Note:

For the purpose of calculation of the historical figures and the Annual Caps, the Effective Date of the 2020 Supplemental Loan Agreement is assumed to be 12 August 2020, being the expected date of fulfillment of the conditions precedent under the 2020 Supplemental Loan Agreement.

The amounts of above 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 and approved by the independent Shareholders at the special general meeting held on 24 June 2019.

Pursuant to the 2020 Supplemental Loan Agreement, it is agreed that the interest on the aggregate principal amount outstanding payable by the Borrower under the Loan from time to time shall be adjusted downward from ten point five per cent (10.5%) of the Loan per annum to five point five per cent (5.5%) 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 REVISION OF THE TERMS OF THE LOAN AGREEMENT

In consideration of the good financial position and the existing cash surplus of the Group, the Company would like to seize the opportunity to obtain greater returns for the Shareholders. The Loan would continue to provide stable interest income to the Group. Even though the interest rate of the Loan is to be reduced from ten point five per cent (10.5%) to five point five per cent (5.5%) per annum pursuant to the 2020 Supplemental Loan Agreement, the interest rate of the Loan is still more favourable

than that offered by banks in Hong Kong for 6-month fixed deposit. As the Company has currently not identified other better investment opportunities, the making of the Loan, even at reduced interests, would continue to provide interest income to the Company and is considered to be a good investment opportunity for the Company.

Assessment of credit risks in association with prior allegations against the Guarantor and Mr. Lai Guanglin

As disclosed in the Company's circular dated 5 June 2019, there were prior allegations made by the US Securities and Exchange Commission ("SEC") and the New Zealand Overseas Investment Office ("OIO") against the Guarantor and/or Mr. Lai Guanglin, details of which are summarised as follows:

(1) Allegations made by SEC against the Guarantor and Mr. Lai Guanglin and the settlements:

(i) In relation to the Guarantor:

- a. the allegation, in summary, concerned the concealment of losses from investors between 2010 and 2013 in connection with its divestiture of a PRC company;
- b. settlement was reached with SEC on a neither admit nor deny basis and the Guarantor paid a penalty of US\$3,000,000 before 31 December 2018.

(ii) In relation to Mr. Lai Guanglin:

- a. the allegation, in summary, concerned his engagement in a scheme of share price manipulation in 2013 during which period the Guarantor's American depository shares were listed on the New York Stock Exchange (such shares were delisted in January 2017); and
- b. settlement was reached with SEC on a neither admit nor deny basis on 10 December 2018, Mr. Lai Guanglin paid a 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.

(2) Allegations made by OIO against the Guarantor and the settlements:

- (i) the allegation by OIO was not in relation to an actual fault on part of the Guarantor or Mr. Lai Guanglin, but rather, OIO casted doubt as to the Guarantor's suitability to act as the controlling shareholder of a New Zealand listed company as a result of the allegations made by SEC. It was a condition for the Guarantor to remain as a "good character" for OIO to approve its acquisition of shares in a New Zealand listed company;

- (ii) the Guarantor and Mr. Lai Guanglin reached a settlement with OIO and

agreed to pay a penalty of NZD100,000 and NZD120,000 respectively, and both parties agreed to make a combined payment of monitoring and enforcement costs in the amount of NZD30,000. All penalties to OIO were settled on 9 April 2019.

In light of the above, the management of the Company has considered the following factors in assessing the credit risk associated with the above allegations:

- (1) the settlements with SEC and OIO were reached on a neither admitted nor deny basis and, in particular, the allegation made by OIO was not in relation to an actual fault on part of the Guarantor or Mr. Lai Guanglin;
- (2) according to the management of the Guarantor, the total figures of the penalties paid to SEC and OIO account for only an insignificant portion of the Guarantor's net asset value, net current asset and cash and cash equivalent as reflected in the accounts of the Guarantor for the financial year ended 30 June 2019;
- (3) as confirmed by the management of the Guarantor, all penalties had been fully settled;
- (4) the event that gave rise to the allegations made by SEC happened more than six years ago and both the Guarantor and Mr. Lai Guanglin have not been approached by SEC or OIO or any other regulatory authorities for any other enforcement action; and
- (5) the 2020 Supplemental Loan Agreement is continued to be secured by the Guarantee.

Therefore, despite that there were certain allegations made against the Guarantor and Mr. Lai Guanglin in the past, the management of the Company are of the view that the credit risk of the Loan remains relatively low.

Assessment of credit risks in association with the 2020 Supplemental Loan Agreement

The major risks associated with the Loan are (1) the potential default of payment of the Borrower and (2) the impact of reduced interest income under the 2019 Loan Agreement (as amended or supplemented by the 2020 Supplemental Loan Agreement) to the Group. Therefore, before entering into the 2020 Supplemental 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 management accounts of the Guarantor for the financial period ended 31 December 2019, the Guarantor had unaudited net asset value, net current asset and cash and cash equivalents of approximately US\$58,840,000, US\$26,894,000 and US\$26,904,000 as at 31 December 2019 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.

Although the net assets value and the net current asset of the Guarantor shrank significant for the six months ended 31 December 2019, it is expected that the credit risk associated with the 2019 Loan Agreement (as amended or supplemented by the 2020 Supplemental Loan Agreement) would not be materially affected. Reasons being:-

- (1) The Guarantor has made long term investment in PGG Wrightson Limited (NZSX: PGW), a company which is listed on the New Zealand Stock Exchange (“**PGW**”), by holding a considerable amount of its shares. Based on the closing price of NZD2.70 per share of PGW as at 30 June 2020, the total market value of the Guarantor’s investment in PGW amounts to approximately US\$57.8 million (exchange rate adopted: NZD1: USD0.64). The amount of which is above the principal amount of the Loan.
- (2) In addition to the contingent liability as the Guarantor of the Loan, the only liability of the Guarantor is an outstanding bank borrowing in the amount of US\$9,680,000 (the “**Borrowing**”) which will expire in August 2023. Despite the net assets value and the net current asset of the Guarantor reduced significantly as a result of the disposal of shares in PGW, each of the total net asset value, net current and cash and cash equivalent of the Guarantor as at 31 December 2019 could still cover the principle amount of the Loan and the Borrowing.
- (3) The Borrower as the chargor will charge 20% of its issued shares in AAIL to the Lender. As informed by the Borrower, AAIL is a company with limited liability incorporated in the British Virgin Islands. According to the latest management accounts of AAIL for the six months period ended 31 December 2019, AAIL had net assets of approximately US\$153.1 million as at 31 December 2019. Accordingly, the net assets of the charged shares (i.e. 20% of the issued shares of AAIL) represent approximately US\$30.6 million, which covers the amount of the Loan and the interest.

Therefore, in accessing the terms of the Loan under the 2019 Loan Agreement (as amended or supplemented by the 2020 Supplemental Loan Agreement), the Directors have, among other things, taken the following factors into consideration:

- (1) As disclosed, the allegations made by SEC against the Guarantor and/or Mr. Lai Guanglin concerned matters which took place in or before 2013, and had finally been settled on a neither admit nor deny basis;
- (2) The Directors noted that the Guarantor was delisted from the New York Stock

Exchange in 2017. As informed by the Guarantor, the delisting was not related to any allegations made against the Guarantor and/or Mr. Lai Guanglin; and

- (3) The Guarantor is the sole shareholder of the Borrower (and Chargor). The Borrower (and Chargor) in turn holds 87.12% of the equity interests in AAIL, and AAIL is the sole shareholder of Agria Singapore. Audited financial statement has been prepared for Agria Singapore for the year ended 30 June 2019. The unaudited consolidated statement of financial position of AAIL, the Borrower (and Chargor), and the Guarantor, being investment holding vehicles, were prepared on the basis of the financial information of their subsidiaries accordingly.

Upon careful consideration of the above factors, the Directors are satisfied that the Share Charge would be sufficient security for the Loan. Further, the Directors have considered the interest payment history by the Borrower. Since the making of the 2016 Loan Agreement, the Borrower had made punctual interest payments in accordance with the terms and conditions of the Loan.

In light of above, the Directors are of the view that, by entering into the 2020 Supplemental Loan Agreement, the financial resources of the Group could still be used efficiently and to generate reasonable interest return amid the recent downturn of global economy. After taking into account the factors as disclosed above in assessing the risks of the Loan, the Company considers that the risks involved in advancing the Loan to the Borrower are relatively low. The terms of the 2019 Loan Agreement (as amended or supplemented by the 2020 Supplemental Loan Agreement), including the New Interest Rate and the Annual Caps, were agreed by the parties to the 2019 Loan Agreement and the 2020 Supplemental Loan Agreement after arm's length negotiation having taken into account the prevailing market interest rates and practices. Further, the Company has not identified any other valuable investment opportunities at the current stage. As such, the Directors (including the independent non-executive Directors) consider that the 2020 Supplemental Loan Agreement are entered into on normal commercial terms, and the terms of the 2020 Supplemental Loan Agreement and the New Interest Rate are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

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 the Loan to the Borrower under the 2019 Loan Agreement (as amended or supplemented by the 2020 Supplemental Loan Agreement):

- (1) The designated staff of the accounting department of the Company will closely monitor the outstanding loan balances and report the latest status to the financial controller of the Company on a monthly basis to ensure that it does not exceed the stipulated Annual Caps;

- (2) The financial controller of the Company will report to the senior management on a monthly basis and the Directors (including the independent non-executive Directors) on half yearly basis in relation to the transaction status.

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.

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

The Guarantor is a limited company incorporated in the Cayman Islands, which is an investment holding company with substantial long term investment in PGG Wrightson Limited, a company which is listed on the New Zealand Stock Exchange (NZX:PGW).

VI. IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Mr. Lai Guanglin, holding 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 (as amended or supplemented by the 2020 Supplemental 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), an executive Director and the Chairman of the Company, has abstained from voting at the relevant board meeting for approving the 2020 Supplemental Loan Agreement, the New Interest Rate 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 2020 Supplemental Loan Agreement, the New Interest Rate and the transactions contemplated thereunder.

As one or more applicable Percentage Ratios of the Annual Caps for the transactions contemplated under the 2020 Supplemental Loan Agreement exceeds 5%, the 2020 Supplemental Loan Agreement, the New Interest Rate 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 applicable Percentage Ratios of the Annual Caps exceed 25% but all of which are below 100%, the Loan constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and are therefore subject to reporting, announcement and shareholders' approval requirements pursuant to Rule 14.33 of the Listing Rules.

Mr. Lai Guanglin, being a controlling shareholder of the Company, and his associates, interested in the transactions contemplated under the 2019 Loan Agreement (as amended or supplemented by the 2020 Supplemental Loan Agreement) will abstain from voting at the SGM. To the best of the knowledge, information and belief of the Directors, having 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 2020 Supplemental Loan Agreement.

VII. GENERAL INFORMATION

The SGM will be convened and held, among others, to seek the Independent Shareholders' approval regarding the 2020 Supplemental Loan Agreement, the New Interest Rate and the transactions contemplated thereunder. Mr. Lai Guanglin, being a controlling shareholder of the Company, and his associates, interested in the transactions contemplated under the 2019 Loan Agreement (as amended or supplemented by the 2020 Supplemental Loan Agreement) will abstain from voting at the SGM.

The Independent Board Committee has been established to advise the Independent Shareholders as to whether the terms of the 2020 Supplemental Loan Agreement, the New Interest Rate and the transactions contemplated thereunder are agreed on normal commercial terms, and are fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole. An independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect.

A circular containing, among other things, (i) further details of the 2020 Supplemental Loan Agreement, (ii) a letter from the Independent Board Committee containing its opinion and recommendations to the Independent Shareholders in respect of the 2020 Supplemental Loan Agreement; (iii) a letter of advice from the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2020 Supplemental Loan Agreement; (iv) a notice convening the SGM; and (v) other information as required to be disclosed under the Listing Rules, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

VIII. DEFINITIONS

In this announcement, unless the context otherwise requires, 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;
“2020 Supplemental Loan Agreement”	the supplemental loan agreement dated 21 July 2020 entered into between the Lender and the Borrower and acknowledged by the Guarantor to amend the Original Interest Rate from the Effective Date of the 2020 Supplemental Loan Agreement;
“Annual Caps”	annual aggregate maximum amounts for the principal loan outstanding and the interest due under the 2019 Loan Agreement (as amended or supplemented by the 2020 Supplemental Loan Agreement) as set out in the section headed “Annual Caps” of this announcement;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Borrower”	Agria Group Limited, a wholly-owned subsidiary of the Guarantor;
“Banking Day”	a day (other than a Saturday or a Sunday) on which banks are open for general business in Hong Kong;
“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 new Borrower in relation to the 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;
“Effective Date of the 2020 Supplemental Loan Agreement”	means the date of fulfillment of conditions precedent in the 2020 Supplemental Loan Agreement;
“Group”	the Company and its subsidiaries;
“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 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 2020 Supplemental Loan Agreement, the New Interest Rate and the transactions contemplated thereunder;
“Independent Board Committee”	the independent committee of the Board, the members of which consist of the independent non-executive Directors, formed to advise the Independent Shareholders with respect to the 2020 Supplemental Loan Agreement, the New Interest Rate and the transactions contemplated thereunder;
“Lender”	Mao Xing Limited, a wholly-owned subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on Stock Exchange;
“Loan”	the aggregate principal amount drawn and for the time being outstanding under the 2019 Loan Agreement (as amended or supplemented by the 2020 Supplemental Loan Agreement);
“Maturity Date”	means the date falling three (3) years from the Effective Date of the 2019 Loan Agreement (i.e. 31 July 2022);

“NZD”	The New Zealand dollar(s), the lawful currency of New Zealand;
“New Interest Rate”	Five point five per cent (5.5%) of the Loan per annum;
“Original Interest Rate”	Ten point five per cent (10.5%) of the Loan per annum;
“Percentage Ratio(s)”	the percentage ratio(s) under Rule 14.07 of the Listing Rules;
“Prime Rate”	the US Dollar Prime rate as quoted by the US Board of Governors of the Federal Reserve System from time to time;
“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 (as amended or supplemented by the 2020 Supplemental Loan Agreement);
“Share(s)”	ordinary Share(s) of the Company;
“Share Charge”	the share charge to be executed by the Borrower as the charger over 20% equity interest in Agria Asia Investments Limited to secure the Borrower’s liability and obligations under the 2019 Loan Agreement (as amended or supplemented by the 2020 Supplemental Loan Agreement);
“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.

By order of the Board
Softpower International Limited
Lai Fulin
Chairman

Hong Kong, 21 July 2020

As at the date of this announcement, the Board consists of Mr. Lai Fulin and Mr. Yu Ben Ansheng as executive directors; Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen and Mr. Guan Zhiqiang as independent non-executive directors.