

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains notice of a General Meeting of Afriag PLC to be held at 200 Strand, London WC2R 1DJ at 4pm on 16 February 2016 which is set out at the end of this document. If you are in any doubt about the contents of this document and/ or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser. Investment in the Company is speculative and involves a high degree of risk.

If you have sold or otherwise transferred all of your holding of Ordinary Shares in Afriag PLC in certificated form, please immediately forward this document, together with the accompanying Form of Proxy to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately. However, this document and any accompanying documents should not be sent or transmitted in or into any jurisdiction where to do so might constitute a violation of local securities law or regulations including, but not limited to, the United States of America, Canada, Japan, Australia or the Republic of South Africa.

This document is not a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom pursuant to sections 85 and 87 of FSMA, London Stock Exchange plc or any other authority or regulatory body. This document is not an admission document but has been drawn up in accordance with the AIM Rules.

AfriAg Plc

*(a company incorporated and registered in the Isle of Man
under the Isle of Man Companies Act 2006 with registered number 002845V)*

Proposed cancellation of admission to trading on AIM of the Ordinary Shares Notice of General Meeting

You are recommended to read the whole of this document, but your attention is drawn to the letter from the Chairman of the Company on page 6 of this document which explains the background to and the rationale for the proposed Cancellation and recommends you vote in favour of the Resolution to be proposed at the General Meeting.

Notice of a General Meeting of Afriag PLC to be held at 200 Strand, London WC2R 1DJ at 4pm on 16 February 2016 is set out at the end of this document. Whether or not you intend to be present at the General Meeting you are urged to complete and return the enclosed Form of Proxy, in accordance with the instructions printed thereon, so as to arrive as soon as possible and in any event not later than 4pm on 12 February 2016.

Cairn Financial Advisers LLP, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively as nominated adviser and broker to the Company and no-one else in connection with the matters described in this document. Persons receiving this document should note that Cairn Financial Advisers LLP will not be responsible to anyone other than the Company for providing the protections afforded to customers or clients of Cairn Financial Advisers LLP or for advising any other person on the arrangements referred to in this document. Cairn Financial Advisers LLP has not approved the contents of, or any part of, this document and no liability whatsoever is accepted by Cairn Financial Advisers LLP for the accuracy of any information or opinions contained in this document or for the omission of any information.

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EXPECTED TIMETABLE OF EVENTS

Despatch of this document (and the Forms of Proxy and Instruction)	25 January 2016
Latest time and date for receipt of Forms of Proxy	4pm on 12 February 2016
General Meeting	4pm on 16 February 2016
Last day of dealings in Ordinary Shares on AIM	23 February 2016
Cancellation takes effect	7a.m. on 24 February 2016

Notes:

- (i) If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by an announcement through a regulatory information service recognised by the London Stock Exchange.
- (ii) The Cancellation requires the approval of not less than 75 per cent. of the votes cast by Shareholders at the General Meeting.

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	the AIM rules for Companies as published and amended by the London Stock Exchange from time to time
“Cancellation”	the proposed cancellation of admission of the Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“Company” or “Afriag”	Afriag PLC
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in those regulations)
“Directors” or “Board”	the directors of the Company or any duly authorised committee thereof
“Financial Conduct Authority”	the Financial Conduct Authority of the United Kingdom
“Form of Proxy”	the form of proxy enclosed with this document for use by shareholders at the General Meeting
“General Meeting”	the general meeting of the Company convened for 4pm on 16 February 2016 and any adjournment thereof
“Group”	the Company, its existing subsidiaries and subsidiary undertakings
“ISDX”	ICAP Securities & Derivatives Exchange Limited, a recognized investment exchange under section 290 of FSMA
“ISDX Growth Market”	the primary market for unlisted securities operated by ISDX;
“ISDX Rules”	the ISDX Growth Market – Rules for Issuers, which set out the admission requirements and continuing obligations of companies seeking admission to and whose shares are admitted to trading on the ISDX Growth Market;
“London Stock Exchange”	London Stock Exchange plc
“Notice of General Meeting”	the notice of General Meeting set out at the end of this document
“Ordinary Shares”	any or all of the 1,381,001,037 Ordinary Shares of 0.1 pence each in the capital of the Company in issue at the date of this document, all of which are admitted to trading on AIM
“Registrar”	Share Registrars Limited of Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL
“Resolution”	the resolution set out in the Notice of General Meeting
“Shareholders”	holders of Ordinary Shares
“United Kingdom”	the United Kingdom of Great Britain and Northern Ireland

“uncertificated” or “in uncertificated form” an ordinary share recorded on a company’s share register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations 2001, may be transferred by means of CREST

Part I. LETTER FROM THE CHAIRMAN

AFRIAG PLC

(incorporated and registered in the Isle of Man under the Isle of Man Companies Act 2006 with registered number 002845V)

Directors:

Hamish Harris (Executive Chairman)

Donald Strang (Finance Director)

Office
38 Jermyn Street
London
SW1Y 6DN

25 January 2016

To Shareholders and, for information purposes only, to the holders of options or warrants over Ordinary Shares

Dear Shareholder,

Proposed cancellation of admission to trading on AIM of the Ordinary Shares

Notice of General Meeting

1 Introduction

The Company today announced that it intends to seek Shareholder approval to cancel the admission of the Ordinary Shares to trading on AIM.

The purpose of this letter is to explain the background to the proposed Cancellation and the reasons why the Board considers the Cancellation to be in the best interests of the Company and its Shareholders as a whole and to seek your approval for the Cancellation at the General Meeting convened for this purpose. The Notice of the General Meeting is set out at the end of this document.

2 Rationale for the Cancellation

The Directors have been reviewing the merits or otherwise of the Ordinary Shares continuing to trade on AIM. The following factors were taken into account during their review:

- the Company's Ordinary Shares were dual listed by their admission to trading on the ISDX Growth Market on 9 October 2015
- the Board have determined that in their view and given the size and stage of development of the Company that the ISDX Growth Market provides Shareholders with the most appropriate listing platform on which to promote the Company's growth
- the ISDX Growth Market provides Shareholders with a similar trading facility to that offered by AIM and following Cancellation Shareholders will be able to continue trading their Ordinary Shares in the Company without interruption
- the Board have noted that in the three months that the Ordinary Shares have been dual listed on AIM there has been an increasing volume of the number of Ordinary Shares traded using ISDX
- the Board estimates that the cost savings of approximately £30,000 to £40,000 per annum will result by cancelling a listing on AIM.

3 Strategy following the Cancellation

The Company's strategy following Cancellation will remain exactly the same as it was prior to the Cancellation save that the Ordinary Shares will only be traded on the ISDX Growth Market and not also on AIM.

The Company's investing policy following the Cancellation will therefore continue to be as adopted by Shareholders on 24 April 2013 as set out in paragraph 4 below.

4 Investing Policy

It is the intention of the Directors that the operations of the Company will continue in the same form with the objective of expanding its investments and operations in Southern Africa. The Directors are also considering various strategic options for the further development of the Company following the Cancellation, details of which will be provided to Shareholders directly.

The Directors intend to seek to acquire a direct and/or an indirect interest in businesses involved in agriculture generally and the production, processing, logistics and distribution of agricultural produce.

The Company will initially focus on opportunities in Europe, Africa and the Middle East but will consider possible opportunities anywhere in the world.

The Company may invest by way of purchasing quoted shares in appropriate companies, outright acquisition or by the acquisition of assets, including the intellectual property, of a relevant business, or by entering into partnerships or joint venture arrangements. Such investments may result in the Company acquiring the whole or part of a company (which in the case of an investment in a company may be private or listed on a stock exchange, and which may be pre-revenue), and such investments may constitute a minority stake in the company, partnership and/or joint venture in question. The Company will not have a separate investment manager.

The Company may be both an active and a passive investor depending on the nature of the individual investments. Although the Company intends to be a medium to long-term investor, the Directors will place no minimum or maximum limit on the length of time that any investment may be held and therefore shorter term disposal of any investments cannot be ruled out.

There will be no limit on the number of businesses into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover pursuant to the ISDX Rules. The Company will carry out an appropriate due diligence exercise on all potential investments and, where appropriate, with professional advisers assisting as required. The Board's principal focus will be on achieving capital growth for Shareholders.

Investments may be in all types of assets and there will be no investment restrictions. The Company may require additional funding as investments are made and new opportunities arise. The Directors may offer new Ordinary Shares by way of consideration as well as cash, thereby helping to preserve the Company's cash resources for working capital. The Company may in appropriate circumstances, issue debt securities or otherwise borrow money to complete an investment. The Directors do not intend to acquire any cross-holdings in other corporate entities that have an interest in the Ordinary Shares.

5 Corporate Governance Following Cancellation

The Company and the Board will continue to operate the same corporate governance procedures that it did prior to the Cancellation.

Whilst the Company is not required to comply with the provisions of the Governance Code or the Corporate Governance Code for Small and Mid-Size Quoted Companies 2013 published by the Quoted Companies Alliance the Board recognises the importance of sound corporate governance. The Board intends that the Company will comply with the provisions of the Governance Code and the QCA Guidelines insofar as they are appropriate given the Company's size and stage of development. The

Board of Directors comprises two executive directors. The executive directors, being Hamish Harris and Donald Strang, are not considered to be independent.

The Board is aware that it is not compliant with the QCA Guidelines or the Governance Code or the ISDX Rules in respect of having at least one independent non-executive Director. It is the Board's intention that, as soon as practicable, an independent non-executive director will be appointed to the Board.

6 Process for Cancellation

In accordance with Rule 41 of the AIM Rules and subject to Shareholder approval, the Company has notified the London Stock Exchange of the Cancellation, giving at least twenty business days' notice. Under the AIM Rules, it is a requirement that the Cancellation is approved by the requisite majority of Shareholders voting at the General Meeting (being not less than 75 per cent. of the votes cast). Accordingly, the Resolution set out in the Notice of General Meeting seeks Shareholders' approval to the Cancellation. Subject to the Resolution being passed at the General Meeting, it is anticipated that trading in the Ordinary Shares on AIM will cease at close of business on 23 February 2016 with the Cancellation taking effect at 7.00 a.m. on 24 February 2016.

The Company has received irrevocable undertakings to vote in favour of the Resolution from both Directors holding 40 million Ordinary Shares each, representing, in aggregate, approximately 5.8 per cent. of the total voting rights of the Company.

Upon the Cancellation becoming effective, Cairn Financial Advisers LLP will cease to be nominated adviser under the AIM Rules to the Company and the Company will no longer be required to comply with the AIM Rules.

7 Effect of the Cancellation on Shareholders

If approved by Shareholders, the principal effects of the Cancellation will be:

- the Ordinary Shares will no longer be admitted to trading on AIM
- if Shareholders wish to trade their Ordinary Shares then they will only be able to do so on the ISDX Growth Market.

8 General Meeting

Set out at the end of this document is a notice convening the General Meeting to be held at 4pm on 16 February 2016 at which the Resolution seeking approval for the Cancellation will be put to Shareholders.

9 Action to be taken

You will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you intend to attend the General Meeting, you are requested to complete the Form of Proxy in accordance with the instructions printed and return it to the Company at its office being Suite 3b Princes House, 38 Jermyn St, London, SW1Y 6DN or by fax to [●] as soon as possible and, in any event, so that it is received no later than 48 hours before the time set for the commencement of the General Meeting. Completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting should you wish to do so.

10 Irrevocable Undertakings

Irrevocable undertakings to vote in favour of the Resolution have been received from each of the Directors who hold, in aggregate, 80 million Ordinary Shares representing, in aggregate, 5.8 per cent. of the total voting rights of the Company.

11 Recommendation

For the reasons set out above, the Directors believe that the Cancellation is fair and reasonable and is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends Shareholders to vote in favour of the Resolution as they themselves intend to do in respect of their own beneficial holdings amounting to, in aggregate, 80 million Ordinary Shares representing approximately [5.8] per cent. of the total voting rights of the Company.

Yours faithfully,

Hamish Harris
Executive Chairman

Dated 25 January 2016

AFRIAG PLC

(Incorporated and registered in the Isle of Man under the Isle of Man Companies Act 2006 with registered number 002845V)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Afriag PLC (the “Company”) will be held at 200 Strand, London, WC2R 1DJ at 4pm on 16 February 2016 for the purpose of considering and, if thought fit, passing the following resolution.

Special Resolution

1. THAT the admission of the Company’s ordinary shares of 0.1 pence each to trading on the AIM market of the London Stock Exchange plc be cancelled (the “Cancellation”) and that the Directors of the Company be and are hereby authorised to take all steps which are necessary or desirable in order to effect the Cancellation.

Dated: 25 January 2016

By order of the
Board

Donald Strang
Company Secretary

Notes:

1. This notice is being sent to all members of the Company. Only holders of Ordinary Shares or their duly appointed representatives are entitled to attend, vote and speak at the meeting. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy need not be a member of the Company. The appointment of a proxy will not preclude a member from attending and voting at the meeting in person should he subsequently decide to do so.
2. To be effective, the relevant Form of Proxy must be completed and lodged with the Company at its office being Suite 3b, Princes House, 38 Jermyn Street, London SW1Y 6DN or by fax to +44 (0) 207 440 0641 no later than 4pm on 12 February 2016. Completing a Form of Proxy does not prevent a shareholder from attending and voting in person. A vote withheld option is provided on the Form of Proxy to enable you to instruct your proxy to abstain. However, it should be noted that a “vote withheld” is not a vote at law and will not be calculated in the proportion of the votes “For” and “Against” a resolution.
3. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the meeting. In accordance with the provisions of the Companies Act 2006 (as amended by the Companies (Shareholders’ Rights) Regulations 2009), each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.