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## **China Soft Power Technology Holdings Limited**

**中國軟實力科技集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 139)**

### **CONNECTED TRANSACTION — LOAN TRANSACTION**

#### **LOAN AGREEMENT**

The Board is pleased to announce that on 12 July 2016 (after trading hours), the Lender (an indirect wholly-owned subsidiary of the Company) entered into the Loan Agreement with the Borrower pursuant to which, the Lender has conditionally agreed to provide the Loan Facility of HK\$50,000,000 to the Borrower for a term of twelve months commencing from the day of drawing appearing on the first notice of drawing given by the Borrower.

The Borrower, being a substantial shareholder of the Company, is a connected person of the Company under the Listing Rules. Accordingly, the grant of the Loan Facility therefore constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

#### **LISTING RULES IMPLICATION**

As the Loan Facility exceeds HK\$3,000,000 and the applicable percentage ratios in respect of the grant of the Loan Facility are more than 0.1% but less than 5%, the grant of the Loan Facility is subject to reporting and announcement requirements but exempt from the independent shareholders' approval under Chapter 14A of the Listing Rules.

#### **THE LOAN AGREEMENT**

The board (“**Board**”) of directors (“**Directors**”) of China Soft Power Technology Holdings Limited (“**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that on 12 July 2016 (after trading hours), Top Billion Finance Limited (“**Lender**”), an indirect wholly-owned subsidiary of the Company as the lender, entered into a loan agreement (“**Loan Agreement**”) with Magnum Pacific Limited (“**Borrower**”) as the borrower, pursuant to which, the Lender has conditionally agreed to provide a loan facility in the principal amount of HK\$50,000,000 (“**Loan Facility**”) to the Borrower for a term of twelve months commencing from the day of drawing appearing on the first notice of drawing given by the Borrower.

As at the date of this announcement, the Borrower holds 1,296,611,647 shares of the Company, representing approximately 14.46% of the issued share capital of the Company. The Borrower is therefore a connected person of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”). Accordingly, the transactions contemplated under the Loan Agreement constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

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

Date of the Loan Agreement	12 July 2016 (after trading hours)
Lender	Top Billion Finance Limited, a limited company incorporated in the Hong Kong Special Administrative Region of the People’s Republic of China (“ <b>Hong Kong</b> ”) and an indirect wholly-owned subsidiary of the Company. Top Billion Finance Limited is a licensed money lender in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong)
Borrower	Magnum Pacific Limited, a company incorporated in Hong Kong with limited liability
Loan Facility	A loan facility in the principal amount of HK\$50,000,000 to be made available to the Borrower by the Lender subject to and upon the terms and conditions of the Loan Agreement
Final repayment date of the Loan Facility (“ <b>Final Repayment Date</b> ”)	Twelve (12) months from the day of drawing appearing on the first notice of drawing given by the Borrower, or if it falls on a non-banking day, then the first banking day immediately thereafter
Repayment	The Borrower shall repay the full amount of the loan with all outstanding accrued interest and other monies outstanding in connection with the Loan Facility on or before the Final Repayment Date
Interest	Interest shall accrue at the rate of 5% per annum. Interest shall be payable on quarterly basis on the dates falling on the last day of every 3 calendar months after the drawdown date (except the last interest payment shall be made on the Final Repayment Date). The interest shall be calculated on the basis of actual number of days elapsed and on a 365-day per year basis

## Default Interest

If the Borrower shall be in default in payment of any sum payable under the Loan Agreement, the Borrower shall be liable to pay interest on the outstanding sum at the rate of 5% per annum from the due date of payment up to the actual repayment thereof (both days inclusive) and such default interest shall be paid on demand and be compounded on the end of each successive intervals of 30 days

The loan to be drawn under the Loan Facility will be funded by internal resources of the Group.

The terms of the Loan Agreement have been arrived by the Lender and the Borrower after arm's length negotiation, having regard to the market conditions.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in trading and distribution of electronic and accessory products and other merchandise, financial investments and trading, money lending business and the research and development of integrated circuit technology, information and big data technology.

## **INFORMATION ON THE BORROWER**

The Borrower's principal business is investment and trading in listed or unlisted equity securities, warrants, convertible bonds and interest bearing notes.

The Borrower is an indirect wholly-owned subsidiary of Skyway Securities Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited (stock code: 1141).

## **REASONS FOR AND BENEFITS OF THE GRANT OF THE LOAN FACILITY**

The granting of the Loan Facility is in the Lender's ordinary and usual course of business. The Directors will explore further business opportunities in the money lending sector and develop the Group's customers base as and when appropriate. Having considered the financial background of the Borrower and the interest income to be earned by the Group, the Directors (including the independent non-executive Directors) believe that the terms of the Loan Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group, are fair and reasonable and in the interest of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As stated above, the Borrower is a connected person of the Company under Chapter 14A of the Listing Rules.

As the Loan Facility exceeds HK\$3,000,000 and the applicable percentage ratios in respect of the grant of the Loan Facility are more than 0.1% but less than 5%, the grant of the Loan Facility is subject to reporting and announcement requirements but exempt from the independent shareholders' approval under Chapter 14A of the Listing Rules.

None of the Directors have a material interest in the Loan Agreement and the transactions contemplated thereunder, and therefore none of them were required to abstain from voting on the Board resolution in relation to the Loan Agreement and the transactions contemplated thereunder.

By Order of the Board  
**China Soft Power Technology Holdings Limited**  
**Szeto Pui Tong Patrick**  
*Company Secretary*

Hong Kong, 12 July 2016

*As at the date of this announcement, the Board comprises the following Directors:*

**Executive Directors**

Mr. Wei Zhenyu (*Chairman*)  
Mr. Wang Haixiong  
Mr. Yu Qingrui

**Independent Non-executive Directors**

Mr. Kwok Chi Kwong  
Mr. Chen Youchun  
Mr. Mai Qijian