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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)**

**PLACING OF NEW SHARES  
UNDER GENERAL MANDATE  
AND  
PLACING OF CONVERTIBLE BONDS  
UNDER SPECIFIC MANDATE**

**Placing Agent**

**Central Wealth Securities Investment Limited**

**中達證券投資有限公司**

**PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 6 April 2017, after trading hours, the Company entered into the NS Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed to procure, on a best effort basis, a total of not less than six NS Placees to subscribe for a maximum of 1,793,025,796 Shares at the NS Placing Price of HK\$0.155 per Placing Share. The NS Placing Completion is subject to the conditions set out below in the paragraph headed “Conditions precedent to the NS Placing” of this announcement.

Assuming a total of 1,793,025,796 Placing Shares have been placed under the NS Placing, the aggregate gross proceeds and net proceeds to the Company from the NS Placing (after deducting related expenses) are estimated to be of approximately HK\$277,919,000 and HK\$273,600,000 respectively.

The Placing Shares will be issued under the General Mandate and no additional approval for the allotment and issue of the Placing Shares from the Shareholders is required. Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

## **PLACING OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE**

On 6 April 2017, after trading hours, the Company entered into the CB Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed to procure, on a best effort basis, a total of not less than six CB Placers to subscribe for the Convertible Bonds of an aggregate principal amount of HK\$342,463,000. Based on the initial Conversion Price of HK\$0.191 per Share (subject to adjustments), a maximum number of 1,793,000,000 Conversion Shares will be allotted and issued upon exercise of the Conversion Rights attaching to the Convertible Bonds in full. The CB Placing Completion is subject to the conditions set out below in the paragraph headed “Conditions Precedent to the CB Placing” of this announcement.

Assuming the maximum amount of the Convertible Bonds has been placed under the CB Placing, the aggregate gross proceeds and net proceeds to the Company from the CB Placing (after deducting related expenses) are estimated to be of approximately HK\$342,463,000 and HK\$337,100,000 respectively.

The Conversion Shares will be issued under the Specific Mandate to be sought at the SGM. Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Conversion Shares.

The SGM will be convened and held for the purpose of considering and, if thought fit, approving, inter alia, the CB Placing Agreement and the transactions contemplated thereunder, and the grant of the Specific Mandate. A circular containing, among other things, further details of the CB Placing and a notice convening the SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

**Completion of the NS Placing and CB Placing are not inter-conditional and are subject to the satisfaction of the condition precedent respectively set out in the NS Placing Agreement and CB Placing Agreement. As the NS Placing and the CB Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

The Board wishes to announce that on 6 April 2017, after trading hours, the Company entered into the NS Placing Agreement with the Placing Agent, the principal terms of which are summarised below:

## THE NS PLACING AGREEMENT

### Date

6 April 2017, after trading hours

### Parties

- (a) the Company as the issuer; and
- (b) Central Wealth Securities Investment Limited as the Placing Agent.

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

## PRINCIPAL TERMS OF THE NS PLACING AGREEMENT

The principal terms of the NS Placing Agreement are summarised below:

Placing Shares : The Placing Agent has conditionally agreed to procure, on a best effort basis, a total of not less than six Places to subscribe for a total of 1,793,025,796 Placing Shares.

The 1,793,025,796 Placing Shares represents (i) 20% of the existing issued share capital of the Company of 8,965,128,980 Shares as at the date of this announcement; (ii) approximately 16.67% of the issued share capital of the Company of 10,758,154,776 Shares as enlarged by the allotment and issue of the Placing Shares; and (iii) approximately 14.29% of the issued share capital of the Company of 12,551,154,776 Shares as enlarged by the allotment and issue of both the Placing Shares and the Conversion Shares (assuming there will be no other changes in the issued share capital of the Company and the Placing Agent has placed a total of 1,793,025,796 Placing Shares). The maximum aggregate nominal value of the Placing Shares under the NS Placing will be HK\$17,930,257.96.

NS Placing Price : The price of HK\$0.155 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price of the Shares on the Stock Exchange. The Placing Price represents:

- i. a discount of approximately 18.85% to the closing price of HK\$0.191 per Share as quoted on the Stock Exchange on the date of the NS Placing Agreement;

- ii. a discount of approximately 4.91% to the average closing price of approximately HK\$0.163 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the NS Placing Agreement; and
- iii. a discount of approximately 4.91% to the average closing price of approximately HK\$0.163 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the NS Placing Agreement.

- Placing Commission : The Placing Agent will receive a placing commission of 1.5% of the aggregate amount equivalent to the NS Placing Price multiplied by the actual number of the Placing Shares being placed. The placing commission was determined after arm's length negotiations between the Company and the Placing Agent.
- NS Placees : The Placing Agent shall, on a best effort basis, place, or procure the placing of, the Placing Shares with not less than six independent institutional, corporate or individual investors who and whose ultimate beneficial owner(s) are independent of and not connected with, and are not acting in concert (as defined under the Takeovers Code) with the Company and its connected persons. Immediately after the NS Placing, none of the NS Placees will become a substantial shareholder of the Company.
- Ranking of the Placing Shares : The Placing Shares will be issued and fully paid up and will rank pari passu in all respects with the Shares in issue as at the date of the NS Placing Agreement.
- Condition precedent to the NS Placing : The NS Placing Completion is conditional upon:
- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment and/or despatch of certificates for the Placing Shares) the listing of, and permission to deal in all of the Placing Shares; and
  - (b) any other approval as may be required by applicable laws or regulations for the NS Placing.

If the above conditions precedent are not fulfilled by the NS Long Stop Date, the NS Placing will lapse and the obligations and liabilities of the Placing Agent and the Company under the NS Placing shall be null and void and the Placing Agent and the Company shall be released from all rights and obligations pursuant to the NS Placing save for any antecedent breaches thereof.

- NS Placing Completion : Subject to the fulfilment of the above conditions precedents, the NS Placing Completion shall take place on the NS Placing Completion Date.
- Termination : If, at any time prior to 10:00 a.m. on the NS Placing Completion Date, in the reasonable opinion of the Placing Agent, the success of the NS Placing or the business or financial prospects of the Group would or might be adversely affected by:
- (a) any material breach of the representations, warranties and undertakings set out in the NS Placing Agreement; or
  - (b) any suspension in the trading of the Shares on the Stock Exchange for more than ten (10) consecutive trading days save for the purposes of clearing of this announcement or circulars relating to the NS Placing and in the ancillary agreements thereto; or
  - (c) any of the following events:
    - (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which would, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Placing Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the placing of Placing Shares; or
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) which would materially and adversely affect the success of the placing of the Placing Shares (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the placing of the Placing Shares;

then and in any such case, the Placing Agent may terminate the NS Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 10:00 a.m. on the NS Placing Completion Date. All obligations of each of the parties under the NS Placing Agreement, save for confidentiality, indemnity and applicable law and jurisdiction and miscellaneous provisions, shall cease and determine.

## **GENERAL MANDATE**

Upon the NS Placing Completion, a maximum of 1,793,025,796 Placing Shares shall be allotted and issued under the General Mandate. The General Mandate entitles the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the annual general meeting of the Company held on 19 August 2016 approving the General Mandate. The maximum number of Shares allowed to be allotted and issued under the General Mandate was 1,793,025,796 Shares. As at the date of this announcement, none of the Shares have been issued by the Company under the General Mandate. Accordingly, the NS Placing is not subject to the Shareholders' approval. Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

## **PLACING OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE**

The Board wishes to announce that on 6 April 2017, after trading hours, the Company entered into the CB Placing Agreement with the Placing Agent, the principal terms of which are summarised below:

### **THE CB PLACING AGREEMENT**

#### **Date**

6 April 2017, after trading hours

#### **Parties**

- (a) the Company as the issuer; and
- (b) Central Wealth Securities Investment Limited as the Placing Agent.

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

#### **Subject Matter of the CB Placing Agreement**

The Placing Agent has conditionally agreed to procure, on a best effort basis, CB Places who are Independent Third Parties to subscribe for the Convertible Bonds of up to an aggregate principal amount of HK\$342,463,000. The Convertible Bonds are attached with the Conversion Rights to convert at the Conversion Price of HK\$0.191 (subject to adjustments) per Conversion Share.

#### **CB Places**

The Placing Agent shall use all reasonable endeavours to ensure that the CB Places and their ultimate beneficial owners shall be Independent Third Parties.



## **Placing Commission**

The Placing Agent will be entitled to receive a placing commission of 1.5% of the aggregate principal amount of the Convertible Bonds being successfully placed. The placing commission was determined after arm's length negotiations between the Company and the Placing Agent.

## **Conditions Precedent to the CB Placing**

Completion of the CB Placing shall be conditional upon:

- (a) the Stock Exchange granting or agreeing to grant listing of and permission to deal in the Conversion Shares under the CB Placing (subject to conditions to which neither the Placing Agent nor the Company may reasonably object);
- (b) the passing by the Shareholders of the resolution(s) at the SGM to approve the CB Placing Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Conversion Shares pursuant to the Specific Mandate);
- (c) (where appropriate) the approval of the relevant statutory and regulatory authority for the issue of the Convertible Bonds and the Conversion Shares issuable on conversion of the Convertible Bonds shall have been obtained; and
- (d) all the necessary consents and approvals in respect of the CB Placing, the CB Placing Agreement and the transactions contemplated thereunder (including but not limited to the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares upon exercise of the Conversion Rights) shall have been obtained.

If the foregoing provisions are not fulfilled on or prior to the CB Long Stop Date, the CB Placing Agreement shall terminate and neither the Company nor the Placing Agent shall have any claim against the other for any costs or losses (save for any prior breaches of the CB Placing Agreement). The Placing Agent shall provide to the Company all information concerning itself and the CB Placees as the Stock Exchange may reasonably require.

## **Completion of the CB Placing**

Subject to the fulfilment of the above conditions precedents, the CB Placing shall be completed on the CB Completion Date.

On the CB Completion Date, the Company shall issue to the Placing Agent or the CB Placees as the Placing Agent may direct, the Convertible Bonds and simultaneously, the Placing Agent shall make payment for the principal amounts of the Convertible Bonds being placed or subscribed (subject to deductions for the commissions, fees and expenses payable by the Company).



## **Termination**

If any of the following events occurs at any time prior to 10:00 a.m. on the CB Placing Completion Date, the Placing Agent may, by giving a written notice to the Company, at any time prior to 10:00 a.m. on the CB Placing Completion Date, terminate the CB Placing Agreement without liability to the Company thereto:

- (a) any material breach of any of the representations and warranties set out in the CB Placing Agreement;
- (b) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of this announcement or circulars relating to the CB Placing and in the ancillary agreements thereto; or
- (c) any of the following events:
  - (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
  - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which would, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Convertible Bonds by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the placing of Convertible Bonds; or
  - (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) which would materially and adversely affect the success of the placing of the Convertible Bonds (such success being the placing of the Convertible Bonds to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the placing of the Convertible Bonds.

## PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The principal terms of the Convertible Bonds are summarised below:

- Issue amount : An aggregate principal amount of HK\$342,463,000.
- Maturity Date : The date falling on the expiry of the second year from the date of issue.
- Interest : The Convertible Bonds bear zero interest.
- Conversion Price : HK\$0.191 per Conversion Share, subject to the adjustments as set out and in accordance with the CB Conditions. The Conversion Price of HK\$0.191 per Conversion Share represents:
- i. the same price as the closing price of HK\$0.191 per Share as quoted on the Stock Exchange on the date of the CB Placing Agreement;
  - ii. a premium of approximately 17.18% to the average closing price of approximately HK\$0.163 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the CB Placing Agreement; and
  - iii. a premium of approximately 17.18% to the average closing price of approximately HK\$0.163 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the CB Placing Agreement.
- The Conversion Price was determined after arm's length negotiations between the Company and the Placing Agent after considering the current market sentiment and the historical Share prices.
- Adjustment events : The Conversion Price shall from time to time be subject to adjustment upon occurrence of certain events:
- i. consolidation or subdivision of Shares;
  - ii. capitalisation of profits or reserves;
  - iii. capital distribution;

- iv. offer of new Shares for subscription by way of rights, or a grant of options or warrants to subscribe for new Shares, at a price which is less than 80% of the market price per Share to Shareholders;
- v. issue wholly for cash being made by the Company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total effective consideration per new Share receivable is less than 80% of the market price, or the conversion, exchange or subscription rights of any such issue are altered so that the said total effective consideration receivable is less than 80% of such market price; and
- vi. issue of Shares being made wholly for cash or for acquisition of assets at a price less than 80% of the market price per Share.

For the avoidance of doubt, the per share value of the adjustment cannot exceed the per share value of the dilution in the shareholders' interest in the issuer's equity caused by the transaction.

- Conversion Shares : Based on the initial Conversion Price of HK\$0.191, a maximum number of 1,793,000,000 Conversion Shares shall be allotted and issued upon exercise in full of the Conversion Rights attaching to the Convertible Bonds, which represent:
- i. approximately 20.00% of the existing issued share capital of the Company;
  - ii. approximately 16.67% of the issued share capital as enlarged by the issue of the Conversion Shares upon exercise in full of the Conversion Right attaching to the Convertible Bonds; and
  - iii. approximately 14.29% of the issued share capital of the Company as enlarged by the allotment and issue of both the Placing Shares and the Conversion Shares.

The maximum aggregate nominal value of the Conversion Shares under the CB Placing will be HK\$17,930,000.

The Conversion Shares shall be allotted and issued pursuant to the Specific Mandate to be sought at the SGM. The SGM will be convened and held for the purpose of considering and, if thought fit, approving, inter alia, the CB Placing Agreement and the transactions contemplated thereunder, and the grant of the Specific Mandate. A circular containing, among other things, further details of the CB Placing and a notice convening the SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules..

Conversion Period : The period commencing from the date of issue of the Convertible Bonds and up to five days prior to the Maturity Date (both days inclusive).

Conversion Rights : The Bondholders may on any Business Day during the Conversion Period require the Company to convert the whole or any part of the principal amount outstanding (in minimum amount of HK\$500,000 or whole multiple thereof) under the Convertible Bonds into Conversion Shares. The Conversion Shares shall be allotted and issued in board lots in the name of the Bondholder or if it so directs any other persons pursuant to such conversion and shall be delivered to the Bondholder within fourteen (14) Business Days after the date of presentation of the relevant original certificate issued in respect of the Convertible Bonds. Any balance of the Convertible Bonds not converted shall be returned to the Bondholder.

No fraction of a Conversion Share will be issued but (except in cases where any such cash payment would amount to less than HK\$10) an equivalent cash payment in Hong Kong dollars will be made to a Bondholder which proposes to exercise all or any part of its Conversion Rights in respect of such fraction.

Conversion restrictions : Upon exercise of the Conversion Rights attaching to the Convertible Bonds,

- i. the Bondholders and their respective associates, together with parties acting in concert (as defined in the Takeovers Code) with them, will not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code;
- ii. the public float of the Company will not be unable to meet the relevant requirements under the Listing Rules; and

- iii. no Conversion Rights may be exercised by the Bondholder unless the Bondholder provides, to the reasonable satisfaction of the Company, evidence that such Bondholder and persons acting in concert with it (as defined in the Takeovers Code) will not be beneficially interested in 30% or more of the then issued share capital and/or the voting rights of the Company immediately upon conversion.

Redemption	:	<p>The Convertible Bonds may be redeemed, at the option of the Company, in whole or in part, on any Business Day during the Conversion Period, on giving not less than seven Business Days' notice to the Bondholder.</p> <p>Any principal amount of the Convertible Bonds which has not been converted in accordance with the CB Conditions by the Maturity Date shall be redeemed by the Company on the Maturity Date at a redemption amount equal to 100% of the principal amount of the outstanding Convertible Bonds.</p>
Ranking	:	<p>The Conversion Shares shall rank <i>pari passu</i> in all respects amongst themselves and with all other issued Shares and be entitled to all dividends and other distributions the record date of which falls on a date on or after the Conversion Date.</p>
Voting	:	<p>The Bondholder will not be entitled to attend or vote at any meetings of the Company by reason only of being the Bondholder.</p>
Transferability	:	<p>The Convertible Bonds are assignable and transferable subject to the CB Conditions, the applicable laws and regulations, and the Listing Rules.</p>
Application for listing	:	<p>No application will be made by the Company to the Stock Exchange for listing of the Convertible Bonds. Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares.</p>
Event of Default	:	<p>After the occurrence of an event of default as specified in the CB Conditions, the Bondholder may give notice to the Company that the Convertible Bonds, on the giving of such notice, are due and payable on the Business Day falling after 10 days of the date of such notice.</p>

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there will be no other changes in the issued share capital of the Company, the shareholding structure of the Company before and after the NS Placing Completion and upon full conversion of the Convertible Bonds after the CB Placing Completion, are as follows:

	As at the date of this announcement		Immediately after the NS Placing Completion (Note 1)		Immediately upon full conversion of the Convertible Bonds after the CB Placing Completion (Note 2)		Immediately after the NS Placing Completion (Note 1) and upon full conversion of the Convertible Bonds after the CB Placing Completion (Note 2)	
	Approximate		Approximate		Approximate		Approximate	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Directors</b>								
Lam Hay Yin	13,176	0.01%	13,176	0.01%	13,176	0.01%	13,176	0.01%
<b>Other Shareholders</b>								
NS Placees	—	—	1,793,025,796	16.67%	—	—	1,793,025,796	14.29%
CB Placees	—	—	—	—	1,793,000,000	16.67%	1,793,000,000	14.29%
Other shareholders	<u>8,965,115,804</u>	<u>99.99%</u>	<u>8,965,115,804</u>	<u>83.32%</u>	<u>8,965,115,804</u>	<u>83.32%</u>	<u>8,965,115,804</u>	<u>71.43%</u>
<b>Total</b>	<u>8,965,128,980</u>	<u>100.00%</u>	<u>10,758,154,776</u>	<u>100.00%</u>	<u>10,758,128,980</u>	<u>100.00%</u>	<u>12,551,154,776</u>	<u>100.00%</u>

### Notes:

1. Assuming the Placing Agent has placed a total of 1,793,025,796 Placing Shares to not less than six independent NS Placees.
2. Assuming the maximum amount of the Convertible Bonds has been placed under the CB Placing and the Conversion Rights attaching to the Convertible Bonds have been exercised in full.

## REASONS FOR AND BENEFITS OF THE CB PLACING

The Group is principally engaged in the 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.

The Board considers that the NS Placing and CB Placing represent opportunities for the Company to raise additional immediate funds under the current unfavorable industry conditions and will enable the Group to expand its financial investments and trading business and money lending business respectively and will also provide the Group necessary additional capital to pursue suitable investment opportunities if they were to arise.

The Board has also considered other ways of fund raising such as debt financing, bank borrowing, rights issue or open offer. As regards to debt financing and bank borrowing, the Board considered that it would increase the gearing level of the Group and the interest expenses and finance costs would impose additional financial burden to the Group's cash flow position, therefore such fund raising methods currently may not be the most appropriate for the Group.

As regards rights issue and open offer, the Board considered the fund raising size and the current market condition, and is of the view that it may be difficult to find an independent underwriter in Hong Kong which is interested to underwrite a rights issue or open offer of the Company to raise the proposed amount of funds. Moreover, the rights issue or open offer would incur costly underwriting commission and the process would be relatively time consuming.

In light of the above, the Board is of the view that the NS Placing and the CB Placing are the most appropriate fund raising methods and are beneficial to the Company. Taking into account the factors, reasons and circumstances above, the Board considers that the terms of the NS Placing and the CB Placing are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

#### **USE OF PROCEEDS**

Assuming a total of 1,793,025,796 Placing Shares have been placed under the NS Placing, the aggregate gross proceeds and net proceeds to the Company from the NS Placing (after deducting related expenses) are estimated to be of approximately HK\$277,919,000 and HK\$273,600,000 respectively.

Assuming the maximum amount of the Convertible Bonds has been placed under the CB Placing, the aggregate gross proceeds and net proceeds to the Company from the CB Placing (after deducting related expenses) are estimated to be of approximately HK\$342,463,000 and HK\$337,100,000 respectively.

The Company currently intends to use the net proceeds from the NS Placing and the CB Placing in the following manner:

- (i) approximately 50% for financial investments and trading;
- (ii) approximately 30% for money lending business; and
- (iii) approximately 20% for general working capital.



## EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save and except for the placing of notes which is disclosed below, the Company has not carried out any issue of equity securities for the purpose of fund raising during the 12 months immediately preceding the date of this announcement.

Date of announcement	Event	Net proceeds (approximately)	Intended use of net proceeds	Actual use of proceeds
22 December 2016	Placing of notes (completion for the placing of seven-year 4% coupon notes took place on 10 January 2017)	HK\$86,574,000	For money lending business	utilized for money lending business of the Group

**Completion of the NS Placing and CB Placing are not inter-conditional and are subject to the satisfaction of the condition precedent respectively set out in the NS Placing Agreement and CB Placing Agreement. As the NS Placing and the CB Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bondholder(s)”	holder(s) of the Convertible Bonds
“Business Day”	a day (other than Saturday and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business
“CB Conditions”	the terms and conditions of the Convertible Bonds
“CB Long Stop Date”	5 July 2017 (or such later date as may be agreed between the Company and the Placing Agent), being the long stop date for the fulfilment or waiver (as the case may be) of the conditions as set out in the CB Placing Agreement, or if such date is not a Business Day, the immediate preceding Business Day
“CB Placee(s)”	any individual, institutional or other professional investor procured by the Placing Agent to subscribe for any of the Convertible Bonds pursuant to the CB Placing Agreement

“CB Placing”	the placing of the Convertible Bonds with an aggregate principal amount of HK\$342,463,000 procured by or on behalf of the Placing Agent to selected CB Placees on the terms and subject to the conditions set out in the CB Placing Agreement
“CB Placing Agreement”	the conditional placing agreement dated 6 April 2017 entered into between the Placing Agent and the Company in relation to the CB Placing
“CB Placing Completion”	the completion of the CB Placing in accordance with the terms and conditions of the CB Placing Agreement
“CB Placing Completion Date”	a date falling within five Business Days following the conditions in the CB Placing Agreement being fulfilled or such other date as the Company and the Placing Agent shall agree
“Company”	China Soft Power Technology Holdings Limited (stock code: 139), a company incorporated in Bermuda with limited liability and whose Shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Date”	the date when the Bondholder exercises its Conversion Rights by delivering to the principal place of business of the Company a written notice stating its intention to convert together with the form of certificate
“Conversion Period”	the period commencing from the date of issue of the Convertible Bonds and up to five days prior to the Maturity Date (both days inclusive)
“Conversion Price”	HK\$0.191 per Share, subject to adjustments as set out and in accordance with the CB Conditions
“Conversion Rights”	the rights attached to the Convertible Bonds to convert the same or a part thereof into Conversion Shares
“Conversion Shares”	the new Shares to be allotted and issued by the Company upon exercise of the Conversion Rights attaching to the Convertible Bonds pursuant to the Specific mandate
“Convertible Bonds”	the convertible bonds in the aggregate principal amount of HK\$342,463,000 to be issued by the Company convertible to the Conversion Shares at the Conversion Price
“Director(s)”	the director(s) of the Company

“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 19 August 2016 to allot, issue and deal with up to 1,793,025,796 new Shares, being 20% of the then issued capital of the Company as at the date of the said annual general meeting
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	an independent third party, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, who is not connected with the Company and its connected persons
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the date falling on the second year from the date of issue of the Convertible Bonds
“NS Long Stop Date”	the 21st day from the date of the NS Placing Agreement (or such later date as may be agreed between the Placing Agent and the Company)
“NS Placee(s)”	any individual, institutional or other professional investors procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the NS Placing Agreement
“NS Placing”	the placing of the Placing Shares to the NS Placee(s) pursuant to the NS Placing Agreement
“NS Placing Agreement”	the conditional placing agreement dated 6 April 2017 entered into between the Company and the Placing Agent in respect of the NS Placing
“NS Placing Completion”	completion of the NS Placing in accordance with the terms and conditions of the NS Placing Agreement
“NS Placing Completion Date”	a date falling within five Business Days following the satisfaction of the relevant conditions precedent (exclusive of the date of satisfaction of such conditions precedent) or such other date as the Company and the Placing Agent may agree
“NS Placing Price”	HK\$0.155 per Placing Share

“Placing Agent”	Central Wealth Securities Investment Limited (中達證券投資有限公司), acting as the placing agent for the NS Placing under the NS Placing Agreement and the CB Placing under the CB Placing Agreement and a licensed corporation to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Placing Share(s)”	a maximum of 1,793,025,796 new Shares to be placed by the Placing Agent pursuant to the terms and conditions of the NS Placing Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), including its amendments from time to time
“SGM”	a special general meeting of the Company to be convened and held for the purpose of considering, and if thought fit, approving the CB Placing and the transactions contemplated thereunder
“Share(s)”	the ordinary share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate to be sought from the Shareholders at the SGM for the allotment and issue of the Conversion Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board  
**China Soft Power Technology Holdings Limited**  
**Chen Xiaodong**  
*Chairman*

Hong Kong, 6 April 2017

*Executive Directors:*

Mr. Chen Xiaodong (*Chairman*)  
Mr. Yu Qingrui  
Ms. Lam Hay Yin

*Independent non-executive Directors:*

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