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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)**

### **DISCLOSEABLE TRANSACTION — PROVISION OF GUARANTEE AND ANNOUNCEMENT PURSUANT TO RULE 13.16 OF THE LISTING RULES**

Reference is made to the announcement (the “**Announcement**”) of China Soft Power Technology Holdings Limited (the “**Company**”) dated 27 June 2017 in relation to the Guarantees. Unless the context otherwise requires, capitalised terms used in this announcement have the same meanings as those defined in the Announcement.

On 21 July 2017, the Borrower entered into a facility agreement (the “**Third Facility Agreement**”) with a licensed commercial bank in Hong Kong (“**Bank C**”), pursuant to which Bank C as lender agreed to make available to the Borrower revolving loan and overdraft facilities in the amount of up to HK\$80,000,000 on the terms and subject to the conditions set out therein. Such facilities are subject to, among others, the signing of a deed of guarantee by the Company (the “**Third Guarantee**”). As such, the Company entered into the Third Guarantee in favour of Bank C to guarantee the repayment obligations of the Borrower under the Third Facility Agreement on 21 July 2017.

#### **THE THIRD GUARANTEE**

**Date:** 21 July 2017

**Parties:** (1) The Company as guarantor; and  
(2) Bank C as lender.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Bank C and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

**Principal terms:**

The principal terms of the Third Guarantee are as follows:

**Scope of Guarantee:** To pay to Bank C on demand all monies now or at any time hereafter or from time to time due, owing or payable to Bank C from or by the Borrower (whether alone or with any other person, either jointly or jointly and severally), and all other liabilities of the Borrower to Bank C whatsoever from time to time remaining unpaid or undischarged, whether actual or contingent, present or future and including liabilities incurred whether alone or with others (either jointly or jointly and severally), whether as principal or surety upon any account up to HK\$80,000,000, together with all interest thereon, costs, commissions, banking charges and expenses and all other costs, charges and expenses incurred in recovering monies due, owing or payable to Bank C from the Borrower (the “**Obligations**”); default interest; and all costs and expenses incurred by Bank C in connection with or arising out of the recovery of any monies payable by the Company under the Third Guarantee.

**Term:** Commencing from the date of the Third Guarantee and ending upon the discharge in full of the Obligations.

**Consideration:** The Company shall not receive any fee or commission for providing the Third Guarantee.

**REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Board considers that the provision of the Third Guarantee will facilitate the Borrower in meeting its financial needs in relation general working capital requirements as mentioned in the Announcement. The Board, after due consideration, agreed to provide the Third Guarantee and are of the view that the provision of the Third Guarantee to the Borrower will not undermine the interests of the Company and its shareholders.

The Board is of the view that the terms of the Third Guarantee are entered into on normal commercial terms, are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

## INFORMATION ABOUT THE COMPANY AND BANK C

### The Company

The Company is incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange. The principal business activity of the Company is investment holding. The Group is principally engaged in trading and distribution of electronic and accessory products and other merchandise, financial investments and trading and money lending business.

### Bank C

Bank C is a licensed commercial bank in Hong Kong and they provide a variety of financial products and services to corporate and personal banking customers.

### LISTING RULES IMPLICATIONS

The transactions under the Third Guarantee, on a stand-alone basis and when aggregated with the Guarantees pursuant to Rule 14.22 of the Listing Rules, constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules as the relevant percentage ratio(s), on a stand-alone basis and on an aggregate basis, exceeds 5% but is less than 25%.

As at the date of this announcement, the aggregate amount of all the financial assistance provided by the Company to, and guarantees given by the Company for facilities granted to, affiliated companies of the Company is HK\$190,000,000, which represents approximately 10.52% of the total assets of the Company and exceeds 8% under the assets ratio pursuant to Rule 14.07(1) of the Listing Rules. Details of such financial assistance and guarantees as required to be disclosed under Rule 13.16 of the Listing Rules as at the date of this announcement are as follows:

Name of the affiliated companies	Company's attributable equity interest in the affiliated companies	Amount of financial assistance provided to the affiliated companies	Amount of guarantees given for facilities granted to the affiliated companies	Aggregate amount of financial assistance and guarantees
The Borrower	34%	—	HK\$50,000,000 <i>(Note 1)</i>	HK\$50,000,000
The Borrower	34%	—	HK\$60,000,000 <i>(Note 2)</i>	HK\$60,000,000
The Borrower	34%	—	HK\$80,000,000 <i>(Note 3)</i>	HK\$80,000,000
Total				<u>HK\$190,000,000</u>

*Notes:*

1. This amount represents the guarantee provided by the Group under the First Guarantee pursuant to the First Facility Agreement, HK\$30,000,000 of which has been utilised by the Borrower as at the date of this announcement.
2. This amount represents the guarantee provided by the Group under the Second Guarantee pursuant to the Second Facility Agreement, HK\$25,296,260 of which has been utilised by the Borrower as at the date of this announcement.
3. This amount represents the guarantee provided by the Group under the Third Guarantee pursuant to the Third Facility Agreement, none of which has been utilised by the Borrower as at the date of this announcement.

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

Hong Kong, 21 July 2017

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

*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