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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)**

### **(I) APPOINTMENT OF EXECUTIVE DIRECTOR; AND (II) CONNECTED TRANSACTION — LOAN TRANSACTION**

#### **APPOINTMENT OF EXECUTIVE DIRECTOR**

The Board announces that Ms. Lee Chau Man Ada has been appointed as an executive Director with effect from 18 September 2017.

#### **LOAN AGREEMENT**

The Board also announces that on 11 May 2017, 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\$49,000,000 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, upon appointment as an executive Director, becomes 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.

#### **APPOINTMENT OF EXECUTIVE DIRECTOR**

The board (the “**Board**”) of directors (the “**Directors**”) of China Soft Power Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that Ms. Lee Chau Man Ada (“**Ms. Lee**”) has been appointed as an executive Director with effect from 18 September 2017.

The biographical details of Ms. Lee are set out below:

Ms. Lee, aged 39, holds a bachelor degree of system engineering and engineering management from Chinese University of Hong Kong. She also holds a master degree of practicing accounting from Monash University, Australia and is a member of CPA (Certified Practising Accountants) Australia. She has more than eight years of experience in financial and accounting areas.

Ms. Lee has not held other directorships in the last three years in any other public companies the securities of which are listed on any securities markets in Hong Kong or overseas. Ms. Lee is the aunt of Mr. Chen Xiaodong, the Chairman of the Board and an executive Director. Save as disclosed above, Ms. Lee does not have other relationships with the Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) of the Company.

Ms. Lee has not been appointed for any fixed term but is subject to retirement and re-election in accordance with the Company’s Bye-laws. Pursuant to the service agreement entered into between the Company and Ms. Lee, Ms. Lee is entitled to receive remuneration package of HK\$960,000 per year plus a discretionary bonus as may be determined by the Board with reference to her performance. The foregoing emolument of Ms. Lee is recommended by the Company’s Remuneration Committee and approved by the Board with reference to her qualifications, experience and responsibilities with the Company.

As far as the Board is aware, as at the date of this announcement, Ms. Lee has an interest of 28,261,150 shares of the Company, representing approximately 0.22% of the issued share capital of the Company. Save as disclosed above, Ms. Lee does not have or is not deemed to have any interests or short positions in the shares or underlying shares of the Company pursuant to Part XV of the Securities and Futures Ordinance.

As confirmed by Ms. Lee and as far as the Board is aware, Ms. Lee has no information to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters relating to Ms. Lee’s appointment that need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to welcome Ms. Lee for joining the Board.

## **THE LOAN AGREEMENT**

The Board also announces that on 11 May 2017, Top Billion Finance Limited (the “**Lender**”), an indirect wholly-owned subsidiary of the Company as the lender, entered into a loan agreement (the “**Loan Agreement**”) with Ms. Lee (the “**Borrower**”) as the borrower, pursuant to which, the Lender has conditionally agreed to provide a loan facility in the principal amount of HK\$49,000,000 (the “**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. The Borrower had given a notice of drawing on 12 May 2017 for the principal amount of HK\$49,000,000 with the day of drawing as 12 May 2017.

As at the date of this announcement, the Borrower was appointed as an executive Director. The Borrower therefore becomes a connected person of the Company under the 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	11 May 2017
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	Ms. Lee, an executive Director
Loan Facility	A loan facility in the principal amount of HK\$49,000,000 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 (the “ <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 12% per annum. Interest shall be payable 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 12% 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 drawn under the Loan Facility was funded by internal resources of the Group.

The terms of the Loan Agreement had been arrived by the Lender and the Borrower after arm's length negotiation, having regard to the then 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 and money lending business.

### **INFORMATION ON THE BORROWER**

The Borrower was appointed as an executive Director as at the date of this announcement.

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

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

### **LISTING RULES IMPLICATIONS**

As stated above, upon appointment as an executive Director, the Borrower becomes 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.

As at 11 May 2017 (the date of the Board meeting approving the Loan Agreement and the transactions contemplated thereunder), save for Mr. Chen Xiaodong, none of the then Directors had a material interest in the Loan Agreement and the transactions contemplated thereunder, and therefore, save for Mr. Chen Xiaodong, none of them were required to abstain from voting on the Board resolution in relation to the Loan Agreement and the transactions contemplated thereunder.

On behalf of the Board  
**China Soft Power Technology Holdings Limited**  
**Chen Xiaodong**  
*Chairman*

Hong Kong, 18 September 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

Ms. Lee Chau Man Ada

*Independent non-executive Directors*

Mr. Kwok Chi Kwong

Mr. Chen Youchun

Mr. Mai Qijian