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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)

CLARIFICATION ANNOUNCEMENT REGARDING CERTAIN MEDIA REPORTS

This is a voluntary announcement made by China Soft Power Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to clarify certain recent media reports involving the Company.

It has come to the attention of the board (the “**Board**”) of directors (the “**Directors**”) of the Company that there are certain ungrounded media reports involving the Company, which were subsequently quoted and reproduced in other media (the “**Articles**”).

In the Articles, it was alleged, among others, that (i) CMBC Capital Holdings Limited (“**CMBC Capital**”) is a “bubble” stock, and that the Company has been buying into this “bubble”; (ii) the Company was partly funded by loans from China Huarong Overseas Chinese Asset Management Co., Ltd. (“**Huarong Overseas**”), which has an interest in keeping the share price of CMBC Capital high; and (iii) the Company is one of “26 stocks not to own”.

To avoid causing any misleading confusion to the shareholders of the Company (the “**Shareholders**”) and potential investors, the Company wishes to clarify as follows:

1. The loan which was obtained by the Company from a wholly-owned subsidiary of China Huarong Overseas Investment Holdings Co., Ltd. (“**Huarong Investment**”) has been fully repaid in July 2018. As at the date of this announcement, the Group has no outstanding loan arrangements with Huarong Investment or Huarong Overseas nor does it have any other business relations with Huarong Investment or Huarong Overseas.
2. The Company has been acquiring additional shares in CMBC Capital since October 2017 (the “**Acquisitions**”). The Acquisitions have been funded by the internal resources of the Company and were disclosed by way of announcements of the Company from time to time.

As previously stated in the announcement of the Company dated 17 October 2017, the Group has in the ordinary and normal course of business conducted its securities investment activities for years. The Company has been the second largest shareholder of CMBC Capital, and has been optimistic on the prospect of the securities industry and also the future business prospect of CMBC Capital.

In this regard, the Acquisitions fall within the ordinary and normal course of business of the Group and are not related to any other intentions by any other parties.

3. The information and allegations in the Articles are ungrounded, untrue and without basis. It is highly damaging to the Company and misleading to the public to list it as a “stock not to own” simply based on such groundless allegations and irresponsible speculations.

For the clarifications as stated above, the Company advises the Shareholders and potential investors to disregard and not to put any credibility on the Articles. As such, Shareholders and potential investors should refer to announcements published on the websites of The Stock Exchange of Hong Kong Limited and the Company when seeking information about the Group.

In respect of the groundless allegations and irresponsible speculations in the Articles which may potentially mislead the securities market, the Company reserves its right to report this incident to the relevant authorities and/or take legal actions to claim for any loss incurred or damage to the reputation of the Company as and when appropriate.

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

Hong Kong, 19 October 2018

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

Executive Directors:

Mr. Chen Xiaodong (*Chairman*)
Mr. Xu Ke (*Chief Executive Officer*)
Mr. Yu Qingrui
Ms. Lam Hay Yin
Ms. Lee Chau Man Ada

Independent non-executive Directors:

Mr. Kwok Chi Kwong
Mr. Chen Youchun
Mr. Wu Ming