

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Soft Power Technology Holdings Limited**, you should at once hand this circular and the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**MAJOR TRANSACTION:
PROPOSED DISPOSAL OF THE TARGET COMPANY AND
PROPOSED ACQUISITION OF THE CONSIDERATION SHARES,
PROPOSED RE-ELECTION OF DIRECTOR
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the SGM to be held at Studio 5, 7/F, W Hong Kong, 1 Austin Road West, Kowloon Station, Hong Kong on Friday, 13 April 2018 at 9:30 a.m. is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use at the SGM is enclosed with this circular.

Whether or not you intend to attend the SGM (or any adjournment thereof), you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the SGM or any adjournment thereof (as the case may be).

Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and in such event the form of proxy shall be deemed to be revoked.

21 March 2018

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	5
APPENDIX I — FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II — UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP	II-1
APPENDIX III — PROPERTY VALUATION REPORT	III-1
APPENDIX IV — BIOGRAPHICAL DETAILS AND OTHER INFORMATION RELATING TO THE DIRECTOR PROPOSED TO BE RE-ELECTED	IV-1
APPENDIX V — GENERAL INFORMATION	V-1
NOTICE OF SGM	SGM-1

DEFINITIONS

In this circular, unless the context otherwise requires, the following terms have the following meanings:

“Agreement”	sale and purchase agreement dated 29 December 2017 entered into between the Vendor and the Purchaser in relation to the Proposed Disposal and the Proposed Acquisition, as amended and supplemented by the Supplemental Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	board of Directors
“Business Day(s)”	day(s) on which banks are generally open for business in Hong Kong (other than a Saturday, Sunday or public holiday)
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	China Soft Power Technology Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 139)
“Completion”	completion of the Proposed Disposal and the Proposed Acquisition in accordance with the Agreement
“Completion Date”	date falling within five (5) Business Days after fulfilment (or waiver, as the case may be) of the Conditions Precedent (or such other date as the Purchaser and the Vendor may agree before Completion) and the date on which the Completion takes place
“Conditions Precedent”	conditions for Completion set forth in the paragraph headed “Conditions Precedent” of this circular
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	HK\$260,000,000, being the aggregate consideration for the Proposed Disposal under the Agreement
“Consideration Shares”	1,793,103,448 FWF Shares to be allotted and issued by FWF under the FWF Specific Mandate to the Vendor (or such designated party as the Vendor may direct) at the Issue Price pursuant to the Agreement
“Director(s)”	director(s) of the Company

DEFINITIONS

“FWF”	Future World Financial Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 572)
“FWF Shareholder(s)”	holder(s) of the FWF Shares
“FWF Share(s)”	ordinary shares of HK\$0.001 each in the share capital of FWF
“FWF Specific Mandate”	specific mandate to be granted by the FWF Shareholders who are entitled to vote and not required to be abstained from voting under the Listing Rules to the directors of FWF to allot and issue the Consideration Shares
“Group”	the Company and its subsidiaries
“Guarantee”	deed of guarantee dated 9 October 2017 executed by the Company in favour of the lending bank as security for the Loan
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Price”	HK\$0.145 per Consideration Share
“Latest Practicable Date”	16 March 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	loan due and owing to the lending bank by the Target Company pursuant to a facility letter dated 27 September 2017 and which is secured by, inter alia, the mortgage in relation to the Property and the Guarantee
“Long Stop Date”	31 May 2018 or such later date as the Vendor and the Purchaser may from time to time agree in writing
“percentage ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules
“Property”	property owned by the Target Company and located at No. 1, Lincoln Road, Kowloon, Hong Kong

DEFINITIONS

“Proposed Acquisition”	proposed acquisition as a result of the allotment and issue of the Consideration Shares pursuant to the Agreement
“Proposed Disposal”	proposed disposal of the Sale Share and the Sale Loan by the Vendor to the Purchaser on and subject to the terms and conditions of the Agreement and the performance of the transactions contemplated thereunder
“Purchaser”	Wise Victory Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of FWF
“Sale Loan”	all obligations, liabilities and debts owing or incurred by the Target Company to the Vendor and its associates on or at any time prior to Completion whether actual, contingent or deferred and irrespective of whether the same is due and payable on Completion
“Sale Share”	one (1) share in the issued share capital of the Target Company, representing the entire issued share capital of the Target Company as at the Latest Practicable Date
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM”	special general meeting of the Company to be held at Studio 5, 7/F, W Hong Kong, 1 Austin Road West, Kowloon Station, Hong Kong on Friday, 13 April 2018 at 9:30 a.m. to consider and, if thought fit, to approve the resolution(s) contained in the notice of the meeting which is set out on pages SGM-1 to SGM-2 of this circular
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	supplemental agreement to the Agreement entered into between the Vendor and the Purchaser on 16 March 2018, pursuant to which, the Long Stop Date has been extended from 30 April 2018 to 31 May 2018
“Target Company”	Goodview Assets Limited, a company incorporated in the British Virgin Islands with limited liability

DEFINITIONS

“Vendor”	Winsey Enterprises Limited, a company incorporated in the British Virgins Islands with limited liability and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“sq. ft.”	square feet
“%”	per cent.

* *For identification purpose only*



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)

Executive Directors:

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

Registered address:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

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

Principal place of business in Hong Kong:

Unit 6706B-08A, Level 67
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

21 March 2018

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION:
PROPOSED DISPOSAL OF THE TARGET COMPANY AND
PROPOSED ACQUISITION OF THE CONSIDERATION SHARES,
PROPOSED RE-ELECTION OF DIRECTOR
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to (i) the announcement of the Company dated 29 December 2017 in relation to, among other things, the Agreement, the Proposed Disposal, the Proposed Acquisition and the transactions contemplated thereunder; and (ii) the announcement of the Company dated 16 March 2018 in relation to, among other things, the extension of the Long Stop Date.

On 29 December 2017, the Board announced that the Vendor and the Purchaser entered into the Agreement, pursuant to which the Group, through the Vendor, conditionally agreed to dispose to the Purchaser the Sale Share and the Sale Loan at the Consideration, which shall be

LETTER FROM THE BOARD

settled by way of allotment and issue of the Consideration Shares by FWF to the Vendor (or such designated party as the Vendor may direct) at the Issue Price on Completion subject to the fulfilment of the Conditions Precedent.

On 16 March 2018, the Board announced that the Vendor and the Purchaser entered into the Supplemental Agreement, pursuant to which the Vendor and the Purchaser agreed to extend the Long Stop Date from 30 April 2018 to 31 May 2018 (or such later date as the Vendor and the Purchaser may from time to time agree in writing).

As certain applicable percentage ratios in respect of the Proposed Disposal exceed 5% but all of them are less than 25%, the Proposed Disposal constitutes a discloseable transaction of the Company.

As one of the applicable percentage ratios in respect of the Proposed Acquisition exceeds 25% but all of them are less than 100%, the Proposed Acquisition constitutes a major transaction of the Company.

Pursuant to Rule 14.24 of the Listing Rules, the Proposed Acquisition and the Proposed Disposal under the Agreement constitute a transaction involving both an acquisition and a disposal and the transaction will be classified by reference to the larger of the acquisition or disposal, and subject to the reporting, disclosure and/or shareholder approval requirements applicable to that classification. Accordingly, the Proposed Acquisition and the Proposed Disposal will together be classified as a major transaction of the Company and are subject to the notification, publication and Shareholders' approval requirements under the Listing Rules.

The purpose of this circular is to provide you with, among other things, (i) further details of the Proposed Disposal and the Proposed Acquisition; (ii) financial information of the Group; (iii) the property valuation report prepared by Royal Assets Appraisal Limited, an independent professional valuer to the Company; (iv) the proposed re-election of Director; (v) other information as required under the Listing Rules; and (vi) the notice of the SGM.

THE AGREEMENT

Date: 29 December 2017

Parties:

- Vendor : Winsey Enterprises Limited, a wholly-owned subsidiary of the Company
- Purchaser : Wise Victory Group Limited, a wholly-owned subsidiary of FWF

As at the Latest Practicable Date, the Company (through its subsidiaries) is interested in 691,830,188 FWF Shares, representing approximately 7.07% of the existing issued share capital of FWF as at the Latest Practicable Date. Mr. Chen Xiaodong, being an executive Director holding 4,180,246 Shares, is also an executive director of FWF, and is interested in 1,005,313 FWF Shares, representing approximately 0.01% of the existing issued share capital of FWF as at the Latest Practicable Date. Mr. Yu Qingrui, being an executive Director holding 5,563,610 Shares, is also an executive director of FWF, and is interested in 90,404,425 FWF

LETTER FROM THE BOARD

Shares, representing approximately 0.92% of the existing issued share capital of FWF as at the Latest Practicable Date. In addition, Mr. Yu Qingrui is interested in 64,000,000 share options to subscribe for FWF Shares as at the Latest Practicable Date. Ms. Lam Hay Yin, being an executive Director, is interested in 30,000,000 FWF Shares, representing approximately 0.31% of the existing issued share capital of FWF as at the Latest Practicable Date. In addition, Ms. Lam Hay Yin is interested in 64,000,000 share options to subscribe for FWF Shares as at the Latest Practicable Date. Ms. Lee Chau Man Ada, being an executive Director holding 28,261,150 Shares, is interested in 78,065,431 FWF Shares, representing approximately 0.85% of the existing issued share capital of FWF as at the Latest Practicable Date. Mr. Mai Qijian, being an independent non-executive Director holding 179,533 Shares, is interested in 40,000,000 share options to subscribe for FWF Shares as at the Latest Practicable Date.

As at the Latest Practicable Date, FWF (through its subsidiaries) is interested in 1,070,621,316 Shares, representing approximately 8.42% of the existing issued share capital of the Company.

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, save as disclosed above, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Subject matter to be disposed of

Pursuant to the Agreement, the Vendor conditionally agreed to dispose to the Purchaser (i) the Sale Share comprising one (1) share in the share capital of the Target Company; and (ii) the Sale Loan amounting to approximately HK\$45,914,000 as at the Latest Practicable Date.

The paragraph below headed “INFORMATION ABOUT THE TARGET COMPANY” provides further information on the Target Company.

Consideration

The Consideration for the Proposed Disposal is HK\$260,000,000, which shall be settled by way of allotment and issue of the Consideration Shares by FWF to the Vendor (or such designated party as the Vendor may direct) at the Issue Price on Completion.

The Consideration Shares will be allotted and issued under the FWF Specific Mandate at the Issue Price, credited as fully paid on the Completion Date. The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects with the FWF Shares then in issue and shall be subject to a lock-up period of three months commencing from the Completion Date. As mentioned in the announcement of FWF dated 29 December 2017, an application will be made by FWF to the Stock Exchange for the approval for listing of, and permission to deal in, the Consideration Shares.

LETTER FROM THE BOARD

The Issue Price represents:

- (i) a discount of approximately 59.72% to the closing price of HK\$0.360 per FWF Share as quoted on the Stock Exchange on the date of the Agreement;
- (ii) a discount of approximately 55.25% to the average of the closing price of HK\$0.324 per FWF Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the Agreement;
- (iii) a discount of approximately 47.65% to the average of the closing price of HK\$0.277 per FWF Share as quoted on the Stock Exchange for the ten trading days immediately prior to the date of the Agreement;
- (iv) a discount of approximately 33.79% to the closing price of HK\$0.219 per FWF Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (v) a premium of approximately 1.40% over the unaudited consolidated net asset value per FWF Share of approximately HK\$0.143 as at 30 June 2017.

The Issue Price was determined after arm's length negotiations between the parties to the Agreement taking into account, among others, the net asset value per FWF Share and the prevailing market price of the FWF Shares on the Stock Exchange. The Board considers that the Issue Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

The Consideration Shares represent (i) approximately 18.32% of the existing issued share capital of FWF as at the Latest Practicable Date; and (ii) approximately 15.48% of the issued share capital of FWF as enlarged by the allotment and issue of the Consideration Shares (assuming that there is no change in the shareholding structure of FWF prior to Completion).

The Consideration was determined after arm's length negotiations between the parties to the Agreement with reference to the difference between (i) the valuation of the Property of HK\$400,000,000 as at 22 December 2017 conducted by an independent valuer and (ii) the outstanding mortgage on the Property amounting to approximately HK\$139,556,000 as at 30 November 2017.

LETTER FROM THE BOARD

The valuation of the Property was carried out by Royal Assets Appraisal Limited, an independent valuer to the Company and the date of valuation was 22 December 2017. The property valuation report is set out in Appendix III to this circular. The valuer valued the Property by comparison method with reference to prices realised or market prices of the following comparable properties of similar size, character and locations:

Date of Transaction	Address	Saleable Area	Selling Price	Unit Rate
2017-03-17	Blk 5, One Mayfair, Broadcast Drive 1	2,188 s.f.	HK\$106 million	HK\$48,812
2017-08-25	Blk 21, Ede Road 3, Kowloon Tong	2,293 s.f.	HK\$153 million	HK\$66,812
2017-09-01	Blk 2, One Mayfair, Broadcast Drive 1	2,354 s.f.	HK\$130 million	HK\$55,225

The lock-up period of the Consideration Shares was determined after arm's length negotiations between the parties to the Agreement taking into account the discount of the Issue Price to the current market price of the FWF Shares and to avoid causing great fluctuation in the price of the FWF Shares by the sale of the Consideration Shares on the market. In assessing whether the lock-up period is reasonable and in the interests of the Company, the Board has considered that such lock-up period would not affect the Company's plans regarding the Consideration Shares and that it would further facilitate the fulfilment of the Condition Precedent that requires the passing by the FWF Shareholders of the necessary resolution(s) to approve the Agreement and the transactions contemplated thereunder.

The Board considers the Consideration (including the lock-up period of the Consideration Shares) to be fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

The Proposed Disposal is subject to and conditional upon the satisfaction in full or (at the sole and absolute discretion of the Purchaser) the waiver of the following conditions (where appropriate):

- (a) the Purchaser being reasonably satisfied with the results of the due diligence review, including the review of the legal, financial and business position and prospects of the Target Company;
- (b) the Purchaser being reasonably satisfied that the Sale Share, the Sale Loan and the Property are free from all encumbrances (other than the Guarantee and the mortgage in relation to the Property in favour of the lending bank provided as security for the Loan);

LETTER FROM THE BOARD

- (c) all necessary licence, consent, approval, authorisation, permission, waiver, order, exemption, qualification, registration, certificate, authority or other approval required to be obtained on the part of the Purchaser, the Vendor and the Target Company in respect of the Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect;
- (d)
 - (i) the passing by the Shareholders who are entitled to vote and not required to be abstained from voting under the Listing Rules at a general meeting of Company to be convened and held of the necessary ordinary resolution(s) to approve the Agreement and the transactions contemplated thereunder;
 - (ii) the passing by the FWF Shareholders who are entitled to vote and not required to be abstained from voting under the Listing Rules at a general meeting of FWF to be convened and held of the necessary ordinary resolution(s) to approve the Agreement and the transactions contemplated thereunder;
- (e) the despatch of the circular by the Company and the circular by FWF as required under the Listing Rules;
- (f) the Stock Exchange granting or agreeing to grant the approval for the listing of and permission to deal in the Consideration Shares and such approval not having been revoked;
- (g) the warranties provided by the Vendor under the Agreement remaining true, accurate and complete in all material respects; and
- (h) the Purchaser being reasonably satisfied that there has not been any material adverse change or effect in respect of the Target Company since the date of the Agreement.

Neither the Vendor nor the Purchaser shall have the right to waive the conditions set out in (c), (d), (e) and (f) above. In the event that any of the Conditions Precedent are not fulfilled (or waived as the case may be), in each case, on or before the Long Stop Date, the Agreement shall terminate and be null and void and of no further effect and neither the Vendor nor the Purchaser shall have any liability to any other party, save for any antecedent breaches.

Completion

Completion shall take place at the office of the Company on the Completion Date, or at such other place and time as shall be mutually agreed in writing by the Purchaser and the Vendor.

Upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will be deconsolidated from the Group.

LETTER FROM THE BOARD

THE SUPPLEMENTAL AGREEMENT

Date: 16 March 2018

Parties:

- Vendor : Winsey Enterprises Limited, a wholly-owned subsidiary of the Company
- Purchaser : Wise Victory Group Limited, a wholly-owned subsidiary of FWF

As additional time is required for the parties to satisfy the Condition Precedents, after arm's length negotiations between the Vendor and the Purchaser, the Vendor and the Purchaser entered into the Supplemental Agreement, pursuant which, the Vendor and the Purchaser agreed to extend the Long Stop Date from 30 April 2018 to 31 May 2018 (or such later date as the Vendor and the Purchaser may from time to time agree in writing).

Save as disclosed above, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

INFORMATION ABOUT THE TARGET COMPANY

The Target Company is a company incorporated in the British Virgin Islands with limited liability on 7 June 2005. Since its incorporation, the Target Company has not carried on any business except for the acquisition and holding of the Property, and is principally engaged in investment holding.

The Target Company is currently holding the Property located at No. 1, Lincoln Road, Kowloon, Hong Kong. The Property comprises three 3-storey terraced houses built on a rectangular site with a registered site area of 10,656 sq. ft. completed in 2008 and renovated in 2014. The Property is currently used for domestic purpose. On 1 February 2018, the Target Company entered into a tenancy agreement to lease the Property, for a term of one year commencing from 1 February 2018 to 31 January 2019 (both days inclusive), at a monthly rent of HK\$500,000 (inclusive of government rates, government rent and management fee). As at 30 November 2017, the unaudited book value of the Property was HK\$330,000,000.

The property valuation report is set out in Appendix III to this circular.

LETTER FROM THE BOARD

Financial information of the Target Company

The following table sets out the financial information of the Target Company:

	For the year ended 31 December 2015 (Audited) HK\$'000	For the year ended 31 December 2016 (Audited) HK\$'000	For the eleven months ended 30 November 2017 (Unaudited) HK\$'000
Net profit/(loss) before taxation	9,124	19,043	(14,893)
Net profit/(loss) after taxation	9,124	19,043	(14,893)

As at 31 December 2015 and 2016, the audited net asset values of the Target Company were approximately HK\$263,363,000 and HK\$282,406,000, respectively.

INFORMATION ABOUT THE PURCHASER AND FWF

The Purchaser is a wholly-owned subsidiary of FWF incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.

FWF and its subsidiaries are principally engaged in (i) securities trading and investment; (ii) provision of financing services; (iii) investment property in Hong Kong; (iv) e-commerce business; and (v) trading business and related services.

INFORMATION ABOUT THE VENDOR AND THE GROUP

The Vendor is a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands with limited liability and is principally engaged in 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.

FINANCIAL IMPACT ON THE GROUP

It is expected that the Group will record a gain on the Proposed Disposal in the amount of approximately HK\$69,252,000, which is calculated based on (i) the Consideration; (ii) the carrying value of the Sale Loan; (iii) the unaudited net asset value of the Target Company of approximately HK\$147,784,000 as at 30 November 2017; and (iv) the estimated transaction costs in relation to the Proposed Disposal. The actual gain on the Proposed Disposal to be recorded by the Group is subject to audit and may be different from the expected amount as stated above.

As the Consideration will be settled by way of the allotment and issue of the Consideration Shares, no net proceeds will be receivable by the Company from the Proposed Disposal.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE TRANSACTION

Reference is made to the announcement of the Company dated 7 September 2017.

As previously announced, the Directors have been proactive in seeking appropriate investment opportunities to increase the return to the Shareholders. It is also stated in the interim report 2017 of the Company published on 7 December 2017 that the Group will continue to monitor its property portfolio with an aim to generate stable rental income and capital appreciation.

In light of the valuation of the Property and current property market condition, the Board considers that the Proposed Disposal and the disposal of the Property represent an appropriate opportunity to realise its investment. The Board believes that the Proposed Disposal enables the Group to achieve capital appreciation in view of the Consideration and the valuation of the Property.

The Board believes the allotment and issue of the Consideration Shares at discount is an attractive investment to the Company. The Board takes an optimistic view towards the outlook of the market performance of the FWF Shares and believes that the acquisition of the Consideration Shares would bring greater return to the Shareholders than accepting a cash settlement of the Consideration. The Board takes such a view based on the following reasons:

- (i) As per the announcement published by FWF dated 29 January 2018, FWF expects to record a profit before tax of approximately HK\$500 million for the year ended 31 December 2017 representing an increase of approximately 291% as compared to that for the year ended 31 December 2016, based on its unaudited consolidated management accounts and the information currently available.
- (ii) The market performance of the FWF Shares has recorded a growth of approximately 48% in the last 90 trading days preceding 29 December 2017 from a 90-trading day average price of approximately HK\$0.187 to a 10-trading day average price of approximately HK\$0.277.
- (iii) With FWF being principally engaged in e-commerce business, securities trading and investment, provision of financing services, investment property in Hong Kong and trading business and related services, the Board believes that FWF will have a good prospect of future growth due to the growth of the finance industry following the business opportunities created by the Shanghai-HK Stock Connect, the Shenzhen-HK Stock Connect and the launch of the HK-China Bond Connect.

The Board further believes that the increased shareholding in FWF will enhance the partnership and co-operation between the Company and FWF. The Company intends to hold its shares in FWF as investment in associate. Subject to any funding needs of the Group and depending on the market performance of the FWF Shares, the Company may consider realising the Consideration Shares from time to time after the lock-up period.

The Board considers the terms of the Proposed Disposal, the Proposed Acquisition and the Agreement are reasonable and fair and in the interests of the Shareholders as a whole.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As certain applicable percentage ratios in respect of the Proposed Disposal exceed 5% but all of them are less than 25%, the Proposed Disposal constitutes a discloseable transaction of the Company.

As one of the applicable percentage ratios in respect of the Proposed Acquisition exceeds 25% but all of them are less than 100%, the Proposed Acquisition constitutes a major transaction of the Company.

Pursuant to Rule 14.24 of the Listing Rules, the Proposed Acquisition and the Proposed Disposal under the Agreement constitute a transaction involving both an acquisition and a disposal and the transaction will be classified by reference to the larger of the acquisition or disposal, and subject to the reporting, disclosure and/or shareholder approval requirements applicable to that classification. Accordingly, the Proposed Acquisition and the Proposed Disposal will together be classified as a major transaction of the Company and are subject to the notification, publication and Shareholders' approval requirements under the Listing Rules.

At the SGM, any Shareholders with a material interest in the Agreement are required to abstain from voting on the resolution(s) approving the Proposed Acquisition and the Proposed Disposal and related matters. As such, FWF and relevant Directors who have directorships in FWF and/or are interested in the FWF Shares or the share options to subscribe for FWF Shares, and their respective close associates will abstain from voting on the resolution(s) approving the Proposed Acquisition and the Proposed Disposal and related matters at the SGM. As at the Latest Practicable Date, to the extent that the Directors are aware having made all reasonable enquiries, (i) FWF and its close associates hold 1,070,621,316 Shares; (ii) Mr. Chen Xiaodong and his close associates hold 4,180,246 Shares; (iii) Mr. Yu Qingrui and his close associates hold 5,563,610 Shares; (iv) Ms. Lee Chau Man Ada and her close associates hold 28,261,150 Shares; and (v) Mr. Mai Qijian and his close associates hold 179,533 Shares, and they control or are entitled to exercise over the voting rights in respect of their respective Shares.

PROPOSED RE-ELECTION OF DIRECTOR

Reference is made to the announcement of the Company dated 27 February 2018 in relation to, among others, the appointment of Mr. Xu Ke (“**Mr. Xu**”) as an executive Director and the chief executive officer of the Company with effect from 27 February 2018. Pursuant to the Company's bye-laws, any Director who is appointed either to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the first general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting. Accordingly, Mr. Xu shall retire and, being eligible, has offered himself for re-election at the SGM. The biographical details and other information of Mr. Xu are set out in Appendix IV to this circular.

LETTER FROM THE BOARD

SGM

The notice convening the SGM is set out on pages SGM-1 to SGM-2 of this circular. At the SGM, ordinary resolution(s) will be proposed to approve, among others, the Agreement and the transactions contemplated thereunder and the re-election of Director.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you intend to attend the SGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof should you so wish and in such event the form of proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any votes of the Shareholders at a general meeting must be taken by poll. Accordingly, the resolution(s) in relation to the Agreement and the transactions contemplated thereunder and the re-election of Director to be proposed at the SGM will be voted by way of a poll by the Shareholders.

RECOMMENDATION

The Directors are of the view that the terms of the Agreement and the transactions contemplated thereunder have been negotiated on an arm's length basis and on commercial terms which are fair and reasonable, and are in the interests of the Shareholders and the Company as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the SGM to approve the Agreement and the transactions contemplated thereunder.

Completion is subject to the fulfilment or waiver of the Conditions Precedent, the Proposed Disposal and the Proposed Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

The Directors also recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the re-election of Director.

FURTHER INFORMATION

Your attention is also drawn to the information set out in the Appendices to this circular.

Yours faithfully,
By and on behalf of the Board
China Soft Power Technology Holdings Limited
Chen Xiaodong
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out in this circular the information for the last three financial years with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited statement of financial position together with the notes on the annual accounts for the last financial year for the Group.

The financial information of the Group is disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.cspthl.com>):

- The unaudited consolidated financial statements of the Group for the six months ended 30 September 2017 have been set out on pages 3 to 31 of the interim report 2017 of the Company published on 7 December 2017. Please also see below the link to the interim report 2017:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/1207/LTN20171207366.pdf>

- The audited consolidated financial statements of the Group for the year ended 31 March 2017 have been set out on pages 58 to 144 of the annual report 2016–2017 of the Company published on 11 July 2017. Please also see below the link to the annual report 2016–2017:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0711/LTN20170711380.pdf>

- The audited consolidated financial statements of the Group for the year ended 31 March 2016 have been set out on pages 52 to 160 of the annual report 2015–2016 of the Company published on 18 July 2016. Please also see below the link to the annual report 2015–2016:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0718/LTN20160718195.pdf>

- The audited consolidated financial statements of the Group for the year ended 31 March 2015 have been set out on pages 48 to 175 of the annual report 2014–2015 of the Company published on 13 July 2015. Please also see below the link to the annual report 2014–2015:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0713/LTN20150713305.pdf>

2. FINANCIAL INFORMATION OF SKY EAGLE GLOBAL LIMITED

The Company has completed the acquisition of Sky Eagle Global Limited, a company incorporated in the British Virgin Islands with limited liability on 9 May 2017. The audited consolidated financial statements of Sky Eagle Global Limited for the year ended 31 December 2014, 2015 and nine months ended 30 September 2016 have been set out on pages II-1 to II-39 of the circular published on 31 March 2017. Please also see below the link to the circular:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0331/LTN201703311321.pdf>

3. STATEMENT OF INDEBTEDNESS OF THE GROUP

As at the close of business on 31 January 2018, being the latest practicable date for the purpose of this statement of indebtedness, the indebtedness of the Group was as follows:

	As at 31 January 2018
	<i>HK\$'000</i>
Current	
Bank borrowings — secured and guaranteed	369,515
Other borrowings — secured and guaranteed	408,892
Other borrowings — unsecured	<u>150,000</u>
	928,407
Non-current	
Bank borrowings — secured and guaranteed	296,730
Notes payables	<u>92,100</u>
	388,830
Total indebtedness	<u><u>1,317,237</u></u>

Bank borrowings — secured and guaranteed

The bank borrowings are secured, inter alia, by the following:

- (a) The bank borrowings of approximately HK\$409,899,000 bear interest at range of 2.75% to 3.50% per annum and were secured by pledge of investment property and corporate guarantee provided by the Company;
- (b) The bank borrowings of approximately HK\$155,000,000 bear interest at range of 2.43% to 3.05% per annum and were secured by pledge of equity investments and corporate guarantee provided by the Company; and
- (c) Bank overdraft of approximately HK\$101,346,000 bear interest at range of 5.00% to 5.25% per annum and corporate guarantee provided by the Company.

Other borrowings — secured and guaranteed

The other borrowings are secured, inter alia, by the following:

- (a) a margin loan facility provided by independent securities broker to the Group of up to approximately HK\$74,296,000 at the prime rate quoted on The Hongkong and Shanghai Banking Corporation Limited plus 5% per annum and were secured by pledge of equity investments, corporate guarantee provided by the Company and personal guarantee provided by Mr. Chen Xiaodong, the chairman and Director of the Company, which are repayable within twelve months from the first drawdown date;
- (b) a margin loan facility provided by independent securities broker to the Group of up to approximately HK\$100,596,000 at a prime rate plus 2% per annum and were secured by pledge of equity investments, which are repayable within twelve months; and
- (c) a loan provided by an independent third party with a principal amount of US\$30,000,000 (equivalent to approximately HK\$234,000,000) at a fixed interest rate of 11% per annum and were secured by pledge of equity investments.

Other borrowings — unsecured

A loan provided by a subsidiary of FWF with a principal amount of HK\$150,000,000 at an interest rate of 8% per annum and were unsecured.

Notes payables

As at 31 December 2017, seven-year 4% coupon unlisted and unsecured notes with a principal amount of HK\$92,100,000 (the “Notes”) were issued by the Company on 10 January 2017. The Notes will mature on 9 January 2024.

Contingent liabilities

At the close of business on 31 January 2018, the Group did not have any other contingent liabilities in existence.

Save as aforementioned or otherwise disclosed herein, and apart from intra-group liabilities within the Group and normal trade business, at the close of business on 31 January 2018, the Group did not have any other outstanding borrowings, loan capital issued and outstanding or agreed to be issued, bank overdrafts, debt securities, term loans, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantees or other material contingent liabilities.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Reference is made to the interim report of the Group for the six months ended 30 September 2017.

The Group recorded a revenue of approximately HK\$171.3 million for the six months ended 30 September 2017, compared to a revenue of approximately HK\$9.5 million for the corresponding period of 2016. It was mainly attributable to the dividend income from the financial investment and services segment of approximately HK\$165.0 million for the six months ended 30 September 2017. The Group's net profit for the six months ended 30 September 2017 was primarily attributable to the aggregate profit contribution of approximately HK\$412.4 million including dividend income of approximately HK\$157.7 million and the fair value gain on equity investments at fair value through profit or loss of approximately HK\$254.7 million.

Notwithstanding the above, as disclosed in the section headed "Management Discussion and Analysis" of the interim report of the Group for the six months ended 30 September 2017, the Group is cautiously optimistic about the global economic recovery, in particular, the U.S. and the Mainland China, for the year to come. With the implementation of the belt and road initiative and the development of Guangdong-Hong Kong-Macau Greater Bay Area, it is expected that Hong Kong may benefit from the increasing demand for the financial investments and business services. Recognising this trend, the Group will continue to place its efforts in consolidating its existing business and searching for suitable investment opportunities in innovative financial investments and related services for its diversification and expansion. With a view of capitalising on the business opportunities created by the Shanghai-HK Stock Connect, the Shenzhen-HK Stock Connect and the launch of the HK-China Bond Connect in July 2017, the Group intends to diversify into the financial and securities brokerage business.

Upon Completion, the Target Company will no longer be an indirect wholly-owned subsidiary of the Company and its financial information will be deconsolidated from the consolidated financial statements of the Group.

Looking forward, after the Completion, the Group will continue with the existing principal business of the Group in securities brokerage and property investment and financial investments and services. After taking into account the factors set out in the section headed "Reasons for and benefits of the transaction", the Board considers that the Proposed Disposal and Proposed Acquisition are beneficial to the Group as they could strengthen the Group's investment portfolio. The Group will continue to strive for business growth and seize opportunities in order to bring greater returns to the Shareholders.

5. MATERIAL ADVERSE CHANGE

Save as disclosed above, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2017, the date to which the latest published audited financial statements of the Group were made up.

6. WORKING CAPITAL

Taking into account the present financial resources available to the Group, including internally generated funds and available credit facilities, the effect of the Proposed Acquisition and the Proposed Disposal, and in the absence of unforeseeable circumstances, the Directors, after due and careful consideration, are of the opinion that the Group has sufficient working capital for its present requirements for at least 12 months from the date of this circular.

7. EFFECT OF THE PROPOSED DISPOSAL ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

Upon Completion, the Target Company will cease to be an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will be deconsolidated from the Group.

Upon Completion, the investment in the Consideration Shares will be classified as investment in associate in accordance with the Group's accounting policies.

Based on the unaudited pro forma financial information of the Group as set out in Appendix II to this circular, which was prepared assuming that the Proposed Disposal and the Proposed Acquisition had been completed as of 30 September 2017, the financial effect will be (i) an increase in non-current assets by approximately HK\$8.9 million from approximately HK\$2,658.6 million to approximately HK\$2,667.5 million; (ii) a decrease in current assets by approximately HK\$163,000 from approximately HK\$1,669.0 million to approximately HK\$1,668.9 million; and (iii) a decrease in current liabilities by approximately HK\$180.9 million from approximately HK\$1,172.1 million to approximately HK\$991.2 million. A gain on disposal of approximately HK\$189.6 million is recognised as the difference between the fair value of the Consideration Shares and the carrying amounts of the Target Company and the Sale Loan as of 30 September 2017.

(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION**(i) Basis of preparation of the unaudited pro forma financial information of the Group**

The following is the unaudited pro forma consolidated statement of financial position of the Group as if the Proposed Disposal and the Proposed Acquisition had been completed on 30 September 2017. Details of the Proposed Disposal and the Proposed Acquisition are set out in the section headed “Letter from the Board” contained in this circular.

The unaudited pro forma financial information of the Group has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules for the purpose of illustrating the effect of the Proposed Disposal and the Proposed Acquisition pursuant to the terms of the Agreement. The unaudited pro forma financial information of the Group has been prepared for illustrative purposes only, and because of its hypothetical nature, the unaudited pro forma financial information may not give a true picture of the financial position of the Group had the Proposed Disposal and the Proposed Acquisition been completed as of the specified dates or any future date.

The unaudited pro forma financial information is based upon the unaudited consolidated interim financial information of the Group as at 30 September 2017, which has been extracted from the Company’s interim report for the six months ended 30 September 2017 and adjusted on a pro forma basis to reflect the effect of the Proposed Disposal and the Proposed Acquisition. These pro forma adjustments are (i) directly attributable to the Proposed Disposal and the Proposed Acquisition and not relating to other future events and decisions; and (ii) factually supported based on the terms of the Agreement.

The unaudited pro forma financial information of the Group should be read in conjunction with the historical financial information of the Group as set out in the published interim report of the Group for the six months ended 30 September 2017 and other financial information included elsewhere in this circular.

(ii) Unaudited pro forma financial information of the Group

	The Group as at 30/09/2017 HK\$'000 Note 1	Pro forma adjustments ^{#1} HK\$'000 Note 2	Pro forma adjustments ^{#2} HK\$'000 Note 3	Pro forma adjustments ^{#3} HK\$'000 Note 4	Pro forma adjustments ^{#4} HK\$'000 Note 5	Total HK\$'000
NON-CURRENT ASSETS						
Property, plant and equipment	5,407	—				5,407
Investment property	738,967	(330,000)				408,967
Investment in associate	—				469,653	469,653
Stock exchange trading right	500	—				500
Available-for-sale equity investments	1,905,700	—	338,897		(469,653)	1,774,944
Deposits	7,979	—				7,979
Total non-current assets	<u>2,658,553</u>	<u>(330,000)</u>	<u>338,897</u>		<u>—</u>	<u>2,667,450</u>
CURRENT ASSETS						
Loan receivables	486,048	—				486,048
Trade receivables	230,501	—				230,501
Prepayments, deposits and other receivables	54,161	(163)				53,998
Equity investments at fair value through profit or loss	691,043	—				691,043
Cash and bank balances	207,253	—				207,253
Total current assets	<u>1,669,006</u>	<u>(163)</u>	<u>—</u>		<u>—</u>	<u>1,668,843</u>
CURRENT LIABILITIES						
Trade payables	167,355	—				167,355
Other payables and accruals	25,354	(839)				24,515
Other borrowings	743,819	—				743,819
Bank borrowings	221,749	(180,000)				41,749
Bank overdrafts	13,179	—				13,179
Tax payable	622	—				622
Total current liabilities	<u>1,172,078</u>	<u>(180,839)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>991,239</u>
NET CURRENT ASSETS	<u>496,928</u>	<u>180,676</u>	<u>—</u>		<u>—</u>	<u>677,604</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>3,155,481</u>	<u>(149,324)</u>	<u>338,897</u>	<u>—</u>	<u>—</u>	<u>3,345,054</u>
NON-CURRENT LIABILITIES						
Notes payable	86,574	—				86,574
Other borrowings	117,000	—				117,000
Total non-current liabilities	<u>203,574</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>203,574</u>
NET ASSETS	<u>2,951,907</u>	<u>(149,324)</u>	<u>338,897</u>	<u>—</u>	<u>—</u>	<u>3,141,480</u>
EQUITY						
Equity attributable to the owners of the parent						
Share capital	127,167					127,167
Reserves	2,824,740			189,573	—	3,014,313
TOTAL EQUITY	<u>2,951,907</u>	<u>—</u>	<u>—</u>	<u>189,573</u>	<u>—</u>	<u>3,141,480</u>

Notes:

1. The amounts are extracted from the unaudited consolidated financial information of the Group for the six months ended 30 September 2017, as set out in the published 2017/18 interim report of the Group.
2. Pursuant to the Company's announcement dated 29 December 2017, the Agreement was entered into with Wise Victory Group Limited, a wholly-owned subsidiary of FWF, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 572), on 29 December 2017 in relation to the disposal of the Sale Share and the Sale Loan of the Target Company, a wholly-owned subsidiary of the Company which holds a property located at No. 1, Lincoln Road, Kowloon, Hong Kong, in exchange of the acquisition of 1,793,103,448 Consideration Shares to be allotted and issued.

Assuming the Proposed Disposal had been completed on 30 September 2017, the Target Company ceased to be a subsidiary of the Group from 30 September 2017. The Proposed Disposal is accounted for as a loss of control of a subsidiary in accordance with Hong Kong Financial Reporting Standard 10, Consolidated Financial Statement. The pro forma adjustment represents the derecognitions of the Target Company and the Sale Loan from the unaudited consolidated statement of financial position of the Group as of 30 September 2017.

3. Assuming the Proposed Acquisition had been completed on 30 September 2017, the Company acquires 1,793,103,448 shares newly allotted and issued by FWF. The pro forma adjustment represents the recognition of additional investment in FWF, based on the market value of the Consideration Shares as of 30 September 2017.
4. Assuming the Proposed Acquisition had been completed on 30 September 2017, a gain on disposal of approximately HK\$189,573,000 is recognised as the difference between the market value of the Consideration Shares and the carrying amounts of the Target Company and the Sale Loan as of 30 September 2017.
5. The Company, through its subsidiaries, was interested in 691,830,188 shares of FWF, representing approximately 8.48% of the issued share capital of FWF as at 30 September 2017. The Group's investments in FWF was accounted for as available-for-sale equity investments in accordance with Hong Kong Accounting Standard 39, Financial Instruments: Recognition and Measurement ("HKAS 39"), and measured at fair value in the unaudited consolidated financial information of the Group for the six months ended 30 September 2017, as set out in the published 2017/18 interim report of the Group.

Assuming the Proposed Acquisition and the allotment of Consideration Shares had been completed on 30 September 2017, the Company holds 2,484,933,636 shares of FWF, representing approximately 24.97% of the issued share capital of FWF, as of 30 September 2017. The Group has significant influence over FWF upon completion of the Proposed Acquisition. The Proposed Acquisition is accounted for as an acquisition of an associate in accordance with Hong Kong Accounting Standard 28, Investments in Associates and Joint Ventures ("HKAS 28"), using equity method of accounting. The pro forma adjustment represents the derecognition of the available-for-sale equity investments in FWF in accordance with HKAS 39 and the recognition of the investment in associate in FWF in accordance with HKAS 28, based on the market value of FWF Shares as of 30 September 2017.

6. The difference between (i) the aggregate of the market value of the Consideration Shares as at 30 September 2017 and the fair value of the existing FWF Shares held by the Group as at 30 September 2017; and (ii) the share of fair value of the net assets attributable to shareholders of FWF as at 30 September 2017 will be accounted for as goodwill and be included in the carrying amount of the Group's investment in associates. Such goodwill is calculated as below:

	<i>HK\$'000</i>
Consideration	
Market value of the Consideration Shares as at 30 September 2017	338,897
Add: Fair value of the existing FWF Shares held by the Group as at 30 September 2017	<u>130,756</u>
Total consideration	<u>469,653</u>
Less: share of fair value of the identified assets acquired and liabilities assumed of FWF as at 30 September 2017 (<i>Note a</i>)	<u>268,703</u>
Goodwill arising from the Proposed Acquisition (<i>Note b</i>)	<u><u>200,950</u></u>

Notes:

- a. Assuming the Proposed Disposal and the Proposed Acquisition had been completed on 30 September 2017, FWF, through its subsidiaries, has control over the Target Company and the acquisition of the Target Company is accounted for in FWF's consolidated financial information as an acquisition of a subsidiary in accordance with Hong Kong Financial Reporting Standard 3, Business Combination. Identifiable assets of the Target Company acquired and the liabilities assumed are recognised in FWF's consolidated financial information. For the purpose of measuring the goodwill arising from the Proposed Acquisition disclosed as part of the unaudited pro forma financial information of the Group, the net assets value of the Target Company as of 30 September 2017 forms part of the net assets in FWF's consolidated financial information, and should be included in the "share of fair value of the identified assets acquired and liabilities assumed of FWF as at 30 September 2017".

The amounts of fair values of the identifiable assets and liabilities of FWF are referenced to the net assets attributable to the equity holders of FWF as at 30 June 2017 as set out in the published 2017 interim report of FWF and adjusted for the net assets value of the Target Company as of 30 September 2017. These amounts are subject to change upon the completion of the valuation of the fair values of the identifiable assets and liabilities of FWF on Completion. Consequently, the carrying amount of the investment in an associate and the share of profit or loss of the associate for subsequent periods, will likely result in different amounts than those stated in this unaudited pro forma financial information.

- b. According to HKAS 28, on acquisition of the interest in an associate, goodwill relating to an associate, being the excess of the purchase consideration over the fair value of the net identifiable assets of FWF, is included in the carrying amount of the investment in an associate.
7. According to HKAS 28, HKAS 39 and Hong Kong Accounting Standard 36, Impairment of Assets ("HKAS 36"), after initial recognition, the entire carrying amount of the investment in an associate is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount, whenever there is indicator that the investment in an associate may be impaired.

For the purpose of the unaudited pro forma financial information, the Company has ensured the steps taken on the assessment of impairment are performed in accordance with HKAS 36. The Directors have assessed the impairment of the investment in an associate by considering whether the carrying amount of the investment in an associate will exceed its recoverable amount, being higher of value in use and fair value less costs to sell, as at 30 September 2017 for the unaudited pro forma consolidated statement of financial position as if the Proposed Acquisition had been completed on 30 September 2017. The Directors conclude there is no impairment on the investment in associate as of 30 September 2017.

The Group will adopt consistent accounting policies, valuation method and principal assumptions as used in the unaudited pro forma financial information to assess the impairment of the investment in FWF in the future financial period ends.

8. No adjustment has been made to the unaudited pro forma financial information for acquisition-related costs (including fees to legal advisers, reporting accountants, printer and other expenses) as the Directors determined that such costs are insignificant.
9. No adjustment has been made to the unaudited pro forma financial information to reflect any trading results of the Group entered into subsequent to 30 September 2017.
10. The Directors confirm that the basis used in the preparation of the unaudited pro forma financial information is consistent with the accounting policies of the Group, and the accounting policies and the principal assumptions will be consistently adopted in the first set of the financial statements of the Company after the Completion.

(B) *The following is the text of the report dated 21 March 2018, prepared for the sole purpose of inclusion in this circular, received from the independent reporting accountants, Ernst & Young, in respect of the unaudited pro forma financial information of the Group.*



22nd Floor
CITIC Tower
1 Tim Mei Avenue, Central
Hong Kong

21 March 2018

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of China Soft Power Technology Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Soft Power Technology Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 September 2017, and related notes as set out in Appendix II of the circular dated 21 March 2018 issued by the Company (the “**Circular**”) (collectively, the “**Unaudited Pro Forma Financial Information**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information is set out on Appendix II of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed disposal of Goodview Assets Limited (the “**Proposed Disposal**”) and the proposed acquisitions of 1,793,103,448 shares of Future World Financial Holdings Limited (the “**Proposed Acquisition**”) on the Group’s financial position as at 30 September 2017 as if the Proposed Disposal and the Proposal Acquisition had taken place at 30 September 2017. As part of this process, information about the Group’s financial position as at 30 September 2017 has been extracted by the Directors from the Group’s financial statements for the six months ended 30 September 2017 published in the Group’s 2017/18 Interim Report, on which no audit or review report has been published.

Directors’ responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Proposed Disposal and the Proposed Acquisition on unadjusted financial information of the Group as if the Proposed Disposal and the Proposed Acquisition had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Disposal and the Proposed Acquisition at 30 September 2017 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Proposed Disposal and the Proposed Acquisition, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the Proposed Disposal and the Proposed Acquisition in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong

21 March 2018

The following is the text of a letter and valuation certificate dated 22 December 2017 prepared for the purpose of incorporation in this circular received from Royal Assets Appraisal Limited, an independent valuer, in connection with its valuation as at 22 December 2017 of the property interests held by the Target Company.

22 December 2017

Royal Assets Appraisal Limited

Room 907,
Albion Plaza,
2–6 Granville Road,
Tsimshatsui, Hong Kong

Dear Sirs,

Re: Valuation Certificate of No. 1 Lincoln Road, Kowloon Tong, Kowloon (“the Property”)

INSTRUCTION

In accordance with the instruction of China Soft Power Technology Holdings Limited (the “Company”) for us to value the Property, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 22 December 2017. This letter, forming part of our valuation report, identifies the Property being valued, explains the basis and methodology of our valuation and lists out the assumptions and the title investigation we have made in the course of our valuation, as well as the limiting conditions.

BASIS OF VALUATION

Our valuation is our opinion of the market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”

VALUATION METHOD

Unless otherwise stated, the property interests have been valued on open market basis assuming sale with the benefit of vacant possession by the comparison method where comparison based on prices realized or market prices of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at fair comparison of capital values.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the property interests in the open market in their existing state without the benefit of deferred terms contracts, leasebacks, joint ventures, management agreements or any other similar arrangement which would serve to increase or decrease the values of the property.

We have relied to a very considerable extent on the information provided by the instructing party and have accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenure, particulars of occupation, site area, floor areas, and all other relevant matters which can affect the value of the property interests.

TITLE INVESTIGATION AND LIMITING CONDITIONS

The property was inspected by Mr. Andy Wu on 18 December 2017. At the time of our inspection, we did not take detailed on-site measurements to verify the site area and floor area of the property. We have assumed that the site areas and floor areas supplied to us or as shown on the documents handed to us are correct. We have no reason to doubt the truth and accuracy of the information provided to us by the instructing party and other public sources. We were also advised that no material factors have been omitted from the information to reach an informed view, and have no reason to suspect that any material information has been withheld.

In the course of our valuation, we have caused title searches to be made for the property. However, no investigations have been made to verify ownership or to ascertain the existence of any amendments which may not appear on the copies handed to us. All documents and title deeds have been used as a reference only. All dimensions, measurements and areas are approximate.

No structural surveys or relevant enquiries have been made and we are therefore unable to report as to whether the property is free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

No allowance has been made in our valuation for any charges, mortgages or amount owing on the property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise, it is assumed that the property interests are free from encumbrances, restrictions and outgoing of an onerous nature which could affect the value.

Yours faithfully,

For and on behalf of
Royal Assets Appraisal Limited
Andy Wu
FRICS FHKIS RPS
Chartered Valuation Surveyor

Note: Mr. Andy Wu is a chartered valuation surveyor, and a registered professional surveyor and has over 25 years of experience in the valuation of properties located in Hong Kong, China and other countries.

VALUATION CERTIFICATE OF THE PROPERTY

CHINA SOFT POWER TECHNOLOGY HOLDINGS LIMITED

Property held for owner occupation

Property	Description and tenure	Particulars of occupancy	Open Market Value in existing state as at 31st December 2017
No. 1 Lincoln Road, Kowloon Tong, Kowloon.	The properties comprise three 3 storey terraced houses built on a rectangular site with a registered area of 10,656 square feet (or 990 square metres approximately.)	The subject properties were currently vacant at the time of inspection.	HKD400,000,000 (Hong Kong Dollars Four Hundred Million Only)
New Kowloon Inland Lot No. 712	Existing houses were completed in October 2008 and according to the information, the properties were renovated in 2014.		
	At the time of inspection, the Ground Floor of the properties were designated as entrances, car parking spaces, caretaker rooms and ancillary accommodation for non-domestic uses.		
	House A is subdivided into two residential units (Flat A1 and Flat A2) while Houses B and C were designated with two duplex units each.		
	The saleable area of the properties are shown as below:		
	A1 & A2 having a total area of 240 square metres plus top roof and garden, yard and terrace of 189.9 square metres		
	Houses B and C having a total area of 400.3 square metres plus area of ancillary accommodation of 438.4 square metres.		

Notes:

1. Our recent land search revealed the following:

The lots are held under a Government Lease for a term of 75 years renewable for 24 years commencing from 1st July 1898 and statutorily extended to 30 June 2047 according the Sino British Joint Declaration. The Government rent is HK\$2,196 per annum.

The registered owner is Goodview Assets Limited vide Memorial No.06101400530093 dated 21st September 2006.

A Mortgage in favour of Public Bank vide Memorial No.17102700820058 dated 13th October 2017.

A Rental Assignment in favour of Public Bank vide Memorial No.17102700820064 dated 13th October 2017.

2. The Lot Particulars are as below:

The subject lot is zoned as “Residential (Group C)1” under Kowloon Tong Outline Zoning Plan No. S/K18/21 exhibited on 15 December 2017. According to the attached notes, any new development, or addition, alternation and/or modification to or redevelopment of an existing building shall not exceed a plot ratio of 0.6 and three storey disregarding the floor space for carpark and ancillary accommodation, etc.

The Government Lease restricted the lot to be developed to a dwelling house of the same type, elevation, character and description and shall front and range in an uniform manner with the buildings immediately adjacent thereto.

Set out below are the biographical details and other information of the Director proposed to be re-elected as executive Director at the SGM.

The biographical details of Mr. Xu are set out below:

Mr. Xu, aged 39, holds a bachelor degree in Economics from Shandong University of Finance and Economics, a master degree in Economics from Carleton University and a doctor degree in business administration from Business School Netherlands. He has extensive experience in the financial and securities sector. Mr. Xu has served as the deputy managing director of Industrial Securities Co., Ltd since 2012 and is responsible for the development and audit of bond financing projects as well as the promotion and marketing of certain bond projects. Mr. Xu served as a director of Guotai Junan Securities Co., Ltd from 2007 to 2012 and was responsible for the sales and marketing and project coordination of debt financing projects in Three Northeastern Provinces, Guizhou Province and Shandong Province in China. He was also responsible for the implementation and design of the lead underwriting projects and has executed lead underwriting projects involving urban infrastructure, transportation, electricity and energy, coal production and other industries. From 2001 to 2003, Mr. Xu was appointed as the program executive of the China Chamber of International Commerce (Shandong Province) and was responsible for liaison with foreign business partners during their business trips in China and negotiations on business cooperation with foreign educational institutions. Mr. Xu has not held other directorships in the last three years in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Xu 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 Mr. Xu, Mr. Xu is entitled to receive remuneration package of HK\$1,200,000 per year plus a discretionary bonus as may be determined by the Board with reference to his performance. The foregoing emolument of Mr. Xu is recommended by the Company's Remuneration Committee and approved by the Board with reference to his qualifications, experience and responsibilities with the Company.

As far as the Board is aware, as at the Latest Practicable Date, Mr. Xu has an interest of 549,727,571 Shares, representing approximately 4.32% of the issued share capital of the Company. Save as disclosed above, Mr. Xu 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 SFO. In addition, Mr. Xu does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company.

As confirmed by Mr. Xu and as far as the Board is aware, Mr. Xu 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 Mr. Xu's re-election that need to be brought to the attention of the Shareholders.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests of the Directors and chief executives of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange, were as follows:

(1) Long position in the Shares:

Name of Director	Capacity	Number of Shares interested	Approximate percentage* of the Company's issued share capital
Chen Xiaodong	Beneficial Owner	4,180,246	0.03%
Yu Qingrui	Beneficial Owner	5,563,610	0.04%
Lee Chau Man Ada	Beneficial Owner	28,261,150	0.22%
Mai Qijian	Beneficial Owner	179,533	0.01%
Xu Ke	Beneficial Owner	549,727,571	4.32%

* The percentage represents the number of Shares interested divided by the number of the Shares in issue as at the Latest Practicable Date.

(2) Long position in underlying Shares — physically settled unlisted equity derivatives

Name of Director	Capacity	Number of underlying Shares in respect of the share options granted	Approximate percentage* of the underlying Shares over the Company's issued share capital
Chen Xiaodong	Beneficial Owner	89,600,000	0.70%
Yu Qingrui	Beneficial Owner	89,600,000	0.70%

* *The percentage represents the number of underlying Shares interested divided by the number of the Shares in issue as at the Latest Practicable Date.*

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interests or short positions in any Shares or underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange.

The Directors confirm that there is no contract or arrangement subsisting at the date hereof in which a Director is materially interested and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which, since 31 March 2017, the date to which the latest published audited financial statements of the Group were made up, have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, Mr. Chen Xiaodong and Mr. Yu Qingrui, being executive Directors, are also executive directors of FWF. As at the Latest Practicable Date, FWF (through its subsidiaries) is interested in 1,070,621,316 Shares, representing approximately 8.42% of the existing issued share capital of the Company. Save as disclosed above, none of the Directors was a director or employee of a company which had any interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into a service contract with any member of the Group which does not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

4. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors, the following persons (other than a Director or chief executive of the Company) had or were deemed or taken to have an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long position in Shares:

Name of substantial shareholder	Capacity	Number of Shares interested	Approximate percentage* of the Company's issued share capital
Huang Chuan	Beneficial Owner	8,610,000	0.07%
	Interest held by a controlled corporation (<i>Note 1</i>)	2,000,000,000	15.73%
Chen Xiangru	Beneficial Owner	1,853,992,000	14.58%
FWF	Interest held by a controlled corporation (<i>Note 2</i>)	1,070,621,316	8.42%

* The percentage represents the number of Shares interested divided by the number of the Shares in issue as at the Latest Practicable Date.

Notes:

1. These Shares were held by Dragon Regal Holding Limited which was controlled by Huang Chuan.
2. These Shares were held by Golden Horse Hong Kong Investment Limited which was controlled by FWF.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified of any other interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

5. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

6. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates had any interest in a business which competes or may compete, either directly or indirectly, with the business of the Group, or has or may have any other conflicts of interest with the Group pursuant to Rule 8.10 of the Listing Rules.

7. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business of the Group, were entered into by the Company or its subsidiaries within the two years immediately preceding the date of this circular and are or may be material:

- (a) the agreement dated 30 March 2016 entered into between Hoshing Limited (as vendor) and the China Culture Silicon Valley Limited (as purchaser) in relation to the disposal of one ordinary share of US\$1.00 each in the share capital of PLD Holdings Limited and the assignment of the entire amount of the unsecured and non-interest bearing shareholder's loan owing from the PLD Holdings Limited and Pacific Light Data Communication Co Ltd. to the Company being HK\$78,045,998 as at the date of the agreement by the vendor to the purchaser pursuant to the agreement;
- (b) the agreement dated 16 June 2016 entered into between Hoshing Limited (as vendor) and D9ING International Limited (as purchaser) pursuant to which the vendor has conditionally agreed to sell and assign, and the purchaser has conditionally agreed to purchase one ordinary share of US\$1.00 each in the share capital of the CSPT Holdings Limited and accept the assignment of the entire amount of the unsecured and non-interest bearing shareholder's loan owing from CSPT Holdings Limited and its subsidiaries to the Company being approximately HK\$77,759,000 as at the date of the agreement at the consideration of US\$10.5 million (equivalent to approximately HK\$81.9 million);
- (c) the loan agreement dated 12 July 2016 entered into between Top Billion Finance Limited (as lender) and Magnum Pacific Limited (as 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;

- (d) the loan agreement dated 24 August 2016 entered into between Top Billion Finance Limited (as lender) and Mr. Chen Xiaodong (as borrower) pursuant to which, the lender has conditionally agreed to provide the loan facility of HK\$31,900,000 to the borrower for a term of nine months commencing from the day of drawing appearing on the first notice of drawing given by the borrower;
- (e) the placing agreement dated 22 December 2016 entered into between the Company and Central Wealth Securities Investment Limited pursuant to which the Company has agreed to issue and Central Wealth Securities Investment Limited has agreed to act as placing agent, on a best effort basis, to procure places to subscribe for various 4% coupon unlisted and unsecured notes with maturity ranging from two to seven years to be issued by the Company with an aggregate principal amount of up to HK\$170,000,000;
- (f) the agreement dated 28 November 2016 entered into between Celestial Lodge Limited (as purchaser) and Gold Mission Limited (as vendor), pursuant to which Celestial Lodge Limited has conditionally agreed to acquire from Gold Mission Limited one share in the issued share capital of Sky Eagle Global Limited and the shareholder's loan owing from Sky Eagle Global Limited and its subsidiaries to Gold Mission Limited for a total consideration of HK\$227,000,000, as supplemented by an extension letter dated 28 February 2017 and a supplemental agreement dated 7 March 2017;
- (g) the placing agreement dated 6 April 2017 entered into between the Company and Central Wealth Securities Investment Limited, pursuant to which Central Wealth Securities Investment Limited has conditionally agreed to act as placing agent, on a best effort basis, to procure a total of not less than six places to subscribe for a maximum of 1,793,025,796 Shares at the placing price of HK\$0.155 per placing share;
- (h) the placing agreement dated 6 April 2017 entered into between the Company and Central Wealth Securities Investment Limited, pursuant to which Central Wealth Securities Investment Limited has conditionally agreed to act as placing agent, on a best effort basis, to procure a total of not less than six places to subscribe for the convertible bonds in the aggregate principal amount of HK\$342,463,000;
- (i) the deed of guarantee dated 5 May 2017 entered into between the Company as guarantor in favour of a licensed commercial bank in Hong Kong as lender, pursuant to which the Company agreed to guarantee the repayment obligations of the Central Wealth Securities Investment Limited under the facility agreement dated 27 March 2017 entered into between the bank and Central Wealth Securities Investment Limited;
- (j) the deed of guarantee dated 27 June 2017 entered into between the Company as guarantor in favour of a licensed commercial bank in Hong Kong as lender, pursuant to which the Company agreed to guarantee the repayment obligations of Central

Wealth Securities Investment Limited under the facility agreement dated 27 June 2017 entered into between the bank and Central Wealth Securities Investment Limited;

- (k) the agreement dated 14 July 2017 entered into between Winsey Enterprises Limited (as purchaser) and an independent third party (as vendor), pursuant to which Winsey Enterprises Limited has conditionally agreed to acquire from the independent third party one share in the issued share capital of Dragon Huge Development Limited and the shareholder's loan owing from Dragon Huge Development Limited to the independent third party for a total consideration of HK\$16,000,000;
- (l) the deed of guarantee dated 21 July 2017 entered into between the Company as guarantor in favour of a licensed commercial bank in Hong Kong as lender, pursuant to which the Company agreed to guarantee the repayment obligations of Central Wealth Securities Investment Limited under the facility agreement dated 21 July 2017 entered into between the bank and Central Wealth Securities Investment Limited;
- (m) the share swap agreement dated 27 July 2017 entered into between the Company and FWF, pursuant to which (i) the Company shall subscribe for (or procure its designated subsidiary to subscribe for), and FWF shall allot and issue to the Company (or its designated subsidiary), 470,000,000 FWF Shares under general mandate, credited as fully paid at a price of HK\$0.11 per FWF Share, for a total consideration of HK\$51,700,000 and (ii) FWF shall subscribe for (or procure its designated subsidiary to subscribe for), and the Company shall allot and issue to FWF (or its designated subsidiary), 470,000,000 Shares under general mandate, credited as fully paid at a price of HK\$0.11 per Share, for a total consideration of HK\$51,700,000;
- (n) the agreement dated 1 September 2017 entered into between Mr. Siu Gee Tai (as vendor) and the Company (as purchaser), pursuant to which the Company has conditionally agreed to acquire from Mr. Siu Gee Tai 1,320 shares in the issued share capital of Instant Achieve Limited;
- (o) the agreement dated 1 September 2017 entered into between Globally Finance Limited (as assignor) and the Company (as assignee), pursuant to which the Company has conditionally agreed to acquire from Globally Finance Limited the loan due and owed to Globally Finance Limited by Instant Achieve Limited;
- (p) the agreement dated 7 September 2017 entered into between Winsey Enterprises Limited (as purchaser) and Dragon Huge Development Limited (as vendor), pursuant to which Winsey Enterprises Limited has conditionally agreed to acquire from Dragon Huge Development Limited one share in the issued share capital of Goodview Assets Limited for a total consideration of HK\$150,000,000;
- (q) the memorandum of understanding dated 28 December 2017 entered into between the Company and 遨珀(上海)新能源汽车有限公司 (Amber (Shanghai) New Energy Car Company Limited*), pursuant to which the Company intended to cooperate with

Amber (Shanghai) New Energy Car Company Limited* in respect of the development of technology, consultancy service, transfer and provision of services in the field of new energy automobile technology;

- (r) the Agreement as amended and supplemented by the Supplemental Agreement; and
- (s) the framework agreement dated 11 January 2018 entered into between the Company and CTOP Blockchain Technology Inc., pursuant to which the Company intended to cooperate with CTOP Blockchain Technology Inc. in respect of the research and development of blockchain technology and exploration of the application of blockchain technology in the financial segment.

8. EXPERT AND CONSENT

The following is the qualifications of the experts who have given an opinion or advice contained in this circular:

Name	Qualification
Ernst & Young	Certified public accountants
Royal Assets Appraisal Limited	Independent professional valuer

As at the Latest Practicable Date, none of the above experts had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report or statements and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of the above experts had any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2017, being the date to which the latest published audited financial statements of the Company were made up.

9. MISCELLANEOUS

- (a) The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The principal place of business in Hong Kong is located at Unit 6706B–08A, Level 67, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.
- (c) The principal share registrar and transfer office of the Company in Bermuda is located at MUFG Fund Services (Bermuda) Limited, 26 Burnaby Street, Hamilton HM 11, Bermuda.

- (d) The branch share registrar and transfer office of the Company in Hong Kong is located at Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) The company secretary of the Company is Mr. Szeto Pui Tong Patrick. He is a fellow member of the Hong Kong Institute of Certified Public Accountants.
- (f) In case of any discrepancy, the English text of this circular and the form of proxy shall prevail over the Chinese text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company at Unit 6706B-08A, Level 67, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong during normal business hours on any weekday (except public holidays) from the date of this circular up to and including the date of the SGM:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the Agreement as amended and supplemented by the Supplemented Agreement;
- (c) the annual reports of the Company for each of the two financial years ended 31 March 2017 and the interim report of the Company for the six months ended 30 September 2017;
- (d) the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this circular;
- (e) the property valuation report from Royal Assets Appraisal Limited, the text of which is set out in Appendix III to this circular;
- (f) the material contracts referred to in the section headed "7. Material Contracts" in this Appendix;
- (g) the written consents of experts referred to in the section headed "8. Experts and Consents" in this Appendix; and
- (h) this circular.



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT a special general meeting (the “**SGM**”) of China Soft Power Technology Holdings Limited (the “**Company**”) will be held at Studio 5, 7/F, W Hong Kong, 1 Austin Road West, Kowloon Station, Hong Kong on Friday, 13 April 2018 at 9:30 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions:

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the agreement (the “**Agreement**”) dated 29 December 2017 (as supplemented by a supplemental agreement dated 16 March 2018) entered into between Wise Victory Group Limited as purchaser and Winsey Enterprises Limited as vendor (the “**Vendor**”) in relation to the disposal of the entire issued share capital of Goodview Assets Limited and the shareholder’s loan owing from Goodview Assets Limited to the Vendor for a total consideration of HK\$260,000,000 (the “**Proposed Disposal**”) (a copy of the Agreement has been produced to the meeting, marked “A” and initialed by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder (including but not limited to the acquisition by the Company of the 1,793,103,448 consideration shares of HK\$0.001 each to be allotted and issued by Future World Financial Holdings Limited to the Vendor (or at its directions) under the Agreement), be and are hereby approved, confirmed and ratified; and
- (b) the directors of the Company be and are hereby authorised to implement and take all such steps and do all such acts and things and execute all such documents (including under seal, where applicable) which they consider necessary, desirable or expedient to give effect to the Agreement, the Proposed Disposal and the transactions contemplated thereunder and to agree with such variation, amendment or waiver as, in the opinion of the Directors, in the interests of the Company and its shareholders as a whole.”

NOTICE OF SGM

2. “**THAT** the re-election of Mr. Xu Ke to serve as an executive Director with immediate effect be and is hereby approved, and the board of Directors be and is hereby authorised to fix his remuneration.”

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

Hong Kong, 21 March 2018

As at the date hereof, Mr. Chen Xiaodong, Mr. Xu Ke, Mr. Yu Qingrui, Ms. Lam Hay Yin and Ms. Lee Chau Man Ada are the executive Directors and Mr. Kwok Chi Kwong, Mr. Chen Youchun and Mr. Mai Qijian are the independent non-executive Directors.

Notes:

- (a) Any member of the Company entitled to attend and vote at the SGM is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
- (b) In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM (i.e. not later than 9:30 a.m. on Wednesday, 11 April 2018) or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the SGM or any adjournment thereof and in such event the form of proxy shall be deemed to be revoked.
- (c) For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Tuesday, 10 April 2018 to Friday, 13 April 2018, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the SGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 9 April 2018.
- (d) References to time and dates in this notice are to Hong Kong time and dates.