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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)**

**VOLUNTARY ANNOUNCEMENT  
FRAMEWORK AGREEMENT  
IN RELATION TO THE PROPOSED COOPERATION —  
DEVELOP BLOCKCHAIN APPLICATION TECHNOLOGY**

This is a voluntary announcement made by the Company.

The Board wishes to announce that on 11 January 2018 (after trading hours), the Company and CTOP entered into the Framework Agreement, pursuant to which the Company intended to cooperate with CTOP in respect of the Business.

**THE FRAMEWORK AGREEMENT**

**Date**

11 January 2018 (after trading hours)

**Parties**

- (1) The Company; and
- (2) CTOP.

CTOP is principally engaged in the Business in the US.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, CTOP and its ultimate beneficial owners are Independent Third Parties.

**Subject matter**

Pursuant to the Framework Agreement, the Company intended to develop blockchain application technology and an innovative financial technology platform. Blockchain technology applications are wide-ranging and this technology is transforming the way data is handled and stored. Blockchain technology can be used to record the transfer of any digital assets, ownership of physical and intellectual property, and establish rights through

smart contracts, among a wide range of other possible applications. The Company plans to provide such blockchain application technology or service to existing and potential clients for their business or ecosystem.

CTOP will be responsible for the research and development of blockchain technology and will strive to provide a sound technology platform for financial services. The Company intends to provide relevant advice to the research and development team on the financial aspect, facilitate the communication with the relevant regulatory authorities and make recommendations on the risk management of the financial services platform from a compliance perspective.

The Parties agree that the Company will be entitled to conduct due diligence review on CTOP after the entering into of the Framework Agreement. CTOP agrees to provide the Company and its professional advisers with relevant documents and information for conducting such due diligence review, and to assist the Company and its professional advisers to conduct such due diligence review.

Upon the completion of the due diligence review by the Company, the Parties will negotiate the terms of the Proposed Cooperation subject to the results of the due diligence review.

### **Validity**

The Framework Agreement shall take effect from the date of signing of the Framework Agreement and shall terminate and be of no legal force and effect (whichever is earlier) (i) on the date of the Formal Cooperation Agreement; or (ii) after the expiry of two years from the date of the Framework Agreement or such later date as the Parties may agree to renew the Framework Agreement; or (iii) on the intended date of termination of the Framework Agreement upon any Party serving three months' written notice.

### **Non-legally binding effect**

Save for certain provisions relating to, inter alia, confidentiality, validity, governing law and jurisdiction which are legally binding, the Framework Agreement is intended to record the preliminary mutual understanding between the Company and CTOP and is not intended to be legally binding.

### **REASONS FOR THE PROPOSED COOPERATION**

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.

Through the Proposed Cooperation, the Company wishes to diversify its business operations, broaden its income sources and explore investment and/or development opportunities which may increase the return to the Shareholders.

The Company is optimistic about the future prospects of blockchain technology and its application in the financial segment. Blockchain technology is safer, more usable, more efficient and smarter than traditional technologies. The Company wishes to use the new

blockchain technology to improve the Company's core competitiveness and provide more investment channels and products to its customers. The Company believes that the Proposed Cooperation presents a valuable opportunity to achieve the above objectives.

The Directors are also of the view that the Proposed Cooperation is in the best interests of the Company and the Shareholders as a whole.

## GENERAL

In the event that the Proposed Cooperation materialises, further announcement(s) will be made by the Company in accordance with the applicable requirements of the Listing Rules as and when appropriate.

**Shareholders and potential investors should note that the Proposed Cooperation may or may not materialise as no formally binding documentation has been entered into and negotiations are still in progress. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, the following definitions shall have the meanings set out below unless the context requires otherwise:

“Board”	board of Directors
“Business”	research and development of blockchain technology and exploration of the application of blockchain technology in the financial segment
“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)
“CTOP”	CTOP Blockchain Technology Inc., a company established in California, US with limited liability
“Directors”	directors of the Company
“Formal Cooperation Agreement”	a formal cooperation agreement upon such terms and conditions as may be agreed by the Parties to be entered into between the Company and CTOP for the purpose of the Proposed Cooperation
“Framework Agreement”	framework agreement dated 11 January 2018 entered into between the Company and CTOP in relation to the Proposed Cooperation
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective associate(s) (as defined in the Listing Rules) which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Party(ies)”	the Company and CTOP
“Proposed Cooperation”	proposed cooperation between the Company and CTOP under the Framework Agreement
“Share(s)”	ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US”	United States of America

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

Hong Kong, 11 January 2018

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

*Executive Directors:*

Mr. Chen Xiaodong (*Chairman*)  
Mr. Yu Qingrui  
Ms. Lam Hay Yin  
Ms. Lee Chau Man Ada

*Independent non-executive Directors:*

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