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China Smartpay Group Holdings Limited

中國支付通集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8325)

FIRST COMPLETION OF THE SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

Reference is made to the announcement (the “**Announcement**”) dated 25 October 2015 of China Smartpay Group Holdings Limited (the “**Company**”) and also its circular (the “**Circular**”) dated 27 November 2015 in relation to, among other things, the Subscription of a total of 422,809,720 Subscription Shares by the Subscribers, namely, LJF and LJZ Fund (or the Designated Subsidiary) at the Subscription Price of HK\$1.90 per Subscription Share with its payment to be made in two tranches. Unless otherwise defined herein, terms used in this announcement shall have the same meaning as those defined in the Announcement and the Circular.

The Board is pleased to announce that all Conditions precedent to the Completion of the Subscription Agreement have been fulfilled, and that with the first tranche of the payment for the Subscription Price of HK\$349,999,000 made by LJF to the Company on 8 January 2016, being the First Completion Date, the Company has issued a total of 184,210,000 Subscription Shares to LJF Payment Company Limited, being LJF’s Designated Subsidiary on the same date in accordance with the terms of the Subscription Agreement (“**First Completion**”).

Pursuant to the Subscription Agreement, the remaining balance of the Subscription Price of HK\$453,339,468 (or the equivalent amount in RMB) will be payable by LJZ Fund to the Company on the Second Completion Date, being the thirtieth Business Day after the First Completion Date or such other date as the Company and the Subscribers may agree; and the Company will issue a total of 238,599,720 Subscription Shares to LJZ Fund (or the Designated Subsidiary (as the case may be)) (“**Second Completion**”). The Company will issue further announcement(s) to provide update on any development of Second Completion as and when appropriate.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The respective shareholding structures of the Company (i) immediately before First Completion; (ii) immediately after First Completion; and (iii) immediately after Second Completion are as follows (assuming there being no other change in the share capital of the Company):

	Immediately before First Completion		Immediately after First Completion		Immediately after Second Completion	
	No. of Shares (Approximately)	%	No. of Shares (Approximately)	%	No. of Shares (Approximately)	%
Substantial Shareholders						
Mr. Cheng Nga Ming Vincent (Note 1)	174,500,000	13.76	174,500,000	12.01	174,500,000	10.32
LJF Payment Company Limited (Note 2)	-	-	184,210,000	12.68	184,210,000	10.89
LJZ Fund (or the Designated Subsidiary) (Note 3)	-	-	-	-	238,599,720	14.11
(A) Sub-total of Substantial Shareholders	174,500,000	13.76	358,710,000	24.69	597,309,720	35.32
Directors						
Dr. Cao Guoqi (Note 4)	62,330,000	4.91	62,330,000	4.29	62,330,000	3.69
Mr. Zhang Huaqiao	6,460,000	0.51	6,460,000	0.45	6,460,000	0.38
(B) Sub-total of Directors	68,790,000	5.42	68,790,000	4.74	68,790,000	4.07
Public Shareholders						
Public Shareholders	1,025,139,159	80.82	1,025,139,159	70.57	1,025,139,159	60.61
(C) Sub-total of public Shareholders	1,025,139,159	80.82	1,025,139,159	70.57	1,025,139,159	60.61
Total (A) + (B) + (C)	1,268,429,159	100.00	1,452,639,159	100.00	1,691,238,879	100.00

Notes:

- 174,500,000 Shares are held by Tian Li Holdings Limited (“**Tian Li**”) which in turn is owned as to 70% and 30% by Mr. Cheng Nga Ming Vincent (“**Mr. Cheng**”) and Ms. Cheng Nga Yee (“**Ms. Cheng**”) respectively. Ms. Cheng is the sister of Mr. Cheng. As Mr. Cheng is the controlling shareholder of Tian Li, he is deemed to be interested in the 174,500,000 Shares held by Tian Li under the SFO.
- LJF Payment Company Limited is a subsidiary of LJF.

3. This represents the shareholding interests in the Company to be held by LJZ Fund or the Designated Subsidiary, as the case may be, upon Second Completion. LJZ Fund is currently under the control and management of LJF.
4. Out of 62,330,000 Shares, 60,960,000 Shares are held by Probest Limited (“**Probest**”), which is in turn wholly-owned by Dr. Cao Guoqi (“**Dr. Cao**”), an executive Director. As Dr. Cao is the sole shareholder of Probest, he is deemed to be interested in these 60,960,000 Shares held by Probest under the SFO. The other 1,370,000 Shares were held by Ms. Zheng Lu who is the spouse of Dr. Cao. Accordingly, Dr. Cao is deemed to be interested in these 1,370,000 Shares held by Ms. Zheng Lu under the SFO.

By Order of the Board
China Smartpay Group Holdings Limited
Zhang Huaqiao
Chairman

Hong Kong, 8 January 2016

As at the date of this announcement, the Board comprises (i) five executive Directors, namely, Mr. Zhang Huaqiao, Dr. Cao Guoqi, Mr. Fung Weichang, Mr. Xiong Wensen and Mr. Song Xiangping; and (ii) three independent non-executive Directors, namely, Mr. Wang Yiming, Mr. Lu Dongcheng and Dr. Yuan Shumin.

This announcement, for which the Board collectively and individually accepts full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Board, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the Company’s website at www.chinasmartpay.com.hk.