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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)

INSIDE INFORMATION
IN RELATION TO SUBSCRIPTION OF NEW SHARES ISSUED BY
ZHI CHENG HOLDINGS LIMITED

On 5 February 2016 (after trading hours), the Company entered into a conditional subscription agreement with the Issuer to subscribe 508,000,000 Subscription Shares at a total consideration of HK\$68,580,000 payable in cash.

On completion of the Subscription, the Company will own approximately 20.01% of the issued share capital of the Issuer as enlarged by the issue and allotment of a total of 1,600,000,000 new shares.

This announcement is made pursuant to Rule 17.10(2) of the GEM Listing Rules and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 18 December 2015 and 15 January 2016 (the “**Announcements**”). Terms used herein shall have the same meanings as defined in the Announcements unless the context requires otherwise.

CONDITIONAL SUBSCRIPTION AGREEMENT IN RELATION TO SUBSCRIPTION OF
NEW SHARES ISSUED BY THE ISSUER

On 5 February 2016 (after trading hours), the Company entered into a conditional subscription agreement (the “**Conditional Subscription Agreement**”) with the Issuer to subscribe 508,000,000 new shares to be issued by the Issuer at a total consideration of HK\$68,580,000 payable in cash.

The principal terms of the Conditional Subscription Agreement are as follows:

Date: 5 February 2016

Parties: (a) the Company (the Company may direct any of its wholly-owned subsidiaries to subscribe partly or all of the Subscription Shares)

(b) the Issuer

To the best of the Directors' knowledge, information and belief, each of the Issuer and where applicable, its substantial shareholder(s) (as defined under the GEM Listing Rules) and/or controlling shareholder(s) (as defined under the GEM Listing Rules) (as the case maybe) is a third party independent of, and not connected with, the Company and its connected persons (as defined under the GEM Listing Rules).

Subscription Shares: 508,000,000 new shares to be issued by the Issuer

Consideration: HK\$68,580,000 payable in cash

Lock-up: The Company has agreed that the Subscription Shares will be subject to a lock-up period of 6 months after completion.

Conditions Precedent: The obligations of the parties to effect completion is conditional upon:

(a) the Company shall have been reasonably satisfied with the results of the Due Diligence Review;

(b) the shareholders of the Issuer shall have approved this Agreement and other transactions contemplated thereunder including grant of specific mandate at a special general meeting of the Issuer in accordance with the GEM Listing Rules;

(c) the Listing Committee of the Stock Exchange shall have granted the approval for listing of, and permission to deal in, the Subscription Shares;

(d) subscription and placing of the other 1,092,000,000 new shares of the Issuer shall have become unconditional in all respects;

- (e) the Company shall have been reasonably satisfied that all the Issuer's representations and warranties remain true and accurate and not misleading in any material respect and no event or circumstance has occurred that would result in any material adverse change of the business of the group of the Issuer at all times from the date of the Conditional Subscription Agreement up to Completion;
- (f) the Company shall have obtained all necessary approvals, consents and/or waivers from relevant governmental or regulatory authorities with respect to entering into of the Conditional Subscription Agreement and other transactions contemplated thereunder; and
- (g) any other approval, consent and/or waiver as may be required by any applicable laws, rules and/or regulations for the Conditional Subscription Agreement and other transactions contemplated thereunder shall have been obtained.

If the conditions precedent are not fulfilled on or before 31 May 2016 or such later date as may be agreed between the Company and the Issuer, the Conditional Subscription Agreement will lapse and become null and void and the parties will be released from all obligations thereunder, save for the liabilities for any antecedent breaches thereof. As at the date of this announcement, none of the conditions precedent has been fulfilled.

Due Diligence Review:

The Company shall be entitled (but not obliged) to carry out a due diligence review and investigation on each member company of the Issuer including (without limitation to) its assets, liabilities, contracts, commitments and business and financial and legal aspects.

Completion:

Completion is to take place on a day falling within five (5) Business Days following the date on which the conditions precedent are fulfilled, which shall in any event be no later than one (1) month after grant of the special mandate of the Issuer.

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

Hong Kong, 5 February 2016

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rule 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 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.