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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)**

### **CONVERSION OF THE CONVERTIBLE BONDS**

#### **CONVERSION OF CONVERTIBLE BONDS A AND CONVERTIBLE BONDS B**

On 8 June 2015, the Company received a conversion notice from each of Subscriber A and Subscriber B in respect of the exercise of the conversion rights attached to the Convertible Bonds A in the principal amount of US\$10 million (equivalent to approximately HK\$77.55 million) held by Subscriber A and the Convertible Bonds B in the principal amount of US\$10 million (equivalent to approximately HK\$77.55 million) held by Subscriber B at the Conversion Price of HK\$1.85 per Conversion Share. As a result of the conversions, the Company allotted and issued a total of 41,918,918 Conversion Shares A and 41,918,918 Conversion Shares B to Subscriber A's nominee and Subscriber B, respectively, on 12 June 2015.

#### **CONVERSION OF CONVERTIBLE BONDS C**

On 10 June 2015, the Company received a conversion notice from a holder of the Convertible Bonds C in respect of the exercise of the conversion rights attached to the Convertible Bonds C in the principal amount of US\$8.5 million (equivalent to approximately HK\$65,917,500) held by such holder at the Conversion Price of HK\$1.85 per Conversion Share. As a result of this conversion, the Company will allot and issue a total of 35,631,081 Conversion Shares C to the nominee of such holder of the Convertible Bonds C on or about 17 June 2015 accordingly.

As a result, on 12 June 2015, the Company has given mandatory conversion notices to each of the holders of the Convertible Bonds C who have not yet exercised the conversion rights attached to the Convertible Bonds C held by them, requesting the conversion of the Convertible Bonds C in an aggregate principal amount of US\$11.5 million (equivalent to approximately HK\$89,182,500) at the Conversion Price of HK\$1.85 per Conversion Share. As a result of this conversion, an aggregate total of 48,206,754 Conversion Shares C will be issued to the respective holders of the Convertible Bonds C on or about 22 June 2015, accordingly.

Reference is made to the announcements (the “**Announcements**”) of China Smartpay Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 12 April 2015, 14 April 2015, 15 April 2015, 27 April 2015 and 30 April 2015 in relation to, among others, the subscription and the placing of the convertible bonds due on 30 April 2018. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

#### **CONVERSION OF CONVERTIBLE BONDS A AND CONVERTIBLE BONDS B**

On 8 June 2015, the Company received a conversion notice from each of Subscriber A and Subscriber B in respect of the exercise of the conversion rights attached to the Convertible Bonds A in the principal amount of US\$10 million (equivalent to approximately HK\$77.55 million) held by Subscriber A and the Convertible Bonds B in the principal amount of US\$10 million (equivalent to approximately HK\$77.55 million) held by Subscriber B at the Conversion Price of HK\$1.85 per Conversion Share. As a result of the conversions, the Company allotted and issued a total of 41,918,918 Conversion Shares A and 41,918,918 Conversion Shares B to Subscriber A’s nominee and Subscriber B, respectively, on 12 June 2015.

The 41,918,918 Conversion Shares A and the 41,918,918 Conversion Shares B issued represent approximately 4.04% and 4.04%, respectively, of the existing issued share capital of the Company as at the date of this announcement; approximately 3.74% and 3.74%, respectively, of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon the full conversion of the Convertible Bonds A and the Convertible Bonds B; and approximately 3.48% and 3.48%, respectively, of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon the full conversion of the Convertible Bonds.

Following the conversions, all the Convertible Bonds A and the Convertible Bonds B issued by the Company in accordance with the First Subscription Agreement and the Second Subscription Agreement have been converted.

## CONVERSION OF CONVERTIBLE BONDS C

On 10 June 2015, the Company received a conversion notice from a holder of the Convertible Bonds C in respect of the exercise of the conversion rights attached to the Convertible Bonds C in the principal amount of US\$8.5 million (equivalent to approximately HK\$65,917,500) held by such holder at the Conversion Price of HK\$1.85 per Conversion Share. As a result of this conversion, the Company will allot and issue a total of 35,631,081 Conversion Shares C to the nominee of such holder of the Convertible Bonds C on or about 17 June 2015 accordingly.

Pursuant to the terms and conditions of the Convertible Bonds C, at any time during the Conversion Period, the Company may, having given not less than ten (10) nor more than fifteen (15) days' notice in writing to the holders of the Convertible Bonds C, mandatorily convert the principal amount outstanding under the Convertible Bonds C in whole into Shares at the then prevailing conversion price ("**Mandatory Conversion**") provided that no such conversion may be made unless the closing price of the Shares as quoted on the Stock Exchange for each of five consecutive trading day is at least HK\$3.00. Since the closing price of the Shares as quoted on the Stock Exchange for each of five consecutive trading days from 8 June 2015 to 12 June 2015 (both dates inclusive) is at least or above HK\$3.00, the condition for the Mandatory Conversion of the Convertible Bonds C has been fulfilled.

The 83,837,835 Conversion Shares C to be issued represent approximately 8.09% of the existing issued share capital of the Company as at the date of this announcement; approximately 7.48% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon the full conversion of the Convertible Bonds C; and approximately 6.96% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon the full conversion of the Convertible Bonds.

As a result, on 12 June 2015, the Company has given mandatory conversion notices to each of the holders of the Convertible Bonds C who have not yet exercised the conversion rights attached to the Convertible Bonds C held by them, requesting the conversion of the Convertible Bonds C in an aggregate principal amount of US\$11.5 million (equivalent to approximately HK\$89,182,500) at the Conversion Price of HK\$1.85 per Conversion Share. As a result of this conversion, an aggregate total of 48,206,754 Conversion Shares C will be issued to the respective holders of the Convertible Bonds C on or about 22 June 2015, accordingly.

Following the conversions, all the Convertible Bonds C issued by the Company in accordance with the Placing Agreement has been converted.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 1,036,800,000 Shares in issue. For illustrative purpose only, the shareholding structure of the Company (i) as at the date of the announcement; and (ii) immediately after the issue and allotment of the Conversion Shares A and Conversion Shares B upon the full conversion of the Convertible Bonds A and the Convertible Bonds B; and (iii) immediately after the issue and allotment of all the Conversion Shares upon the full conversion of the Convertible Bonds, is set out below (assuming that there is no other change in the shareholding structure of the Company prior to such conversions and no adjustment to the Conversion Price):

	As at the date of this announcement		Immediately after the issue and allotment of the Conversion Shares A and the Conversion Shares B upon the full conversion of the Convertible Bonds A and the Convertible Bonds B		Immediately after the issue and allotment of all the Conversion Shares upon the full conversion of all the Convertible Bonds	
	No. of Shares	Approximate per cent.	No. of Shares	Approximate per cent.	No. of Shares	Approximate per cent.
<b>Directors</b>						
Mr. Cheng Nga Ming Vincent (Note 1)	174,500,000	16.83	174,500,000	15.57	174,500,000	14.49
Mr. Cao Guoqi (Note 2)	52,040,000	5.02	52,040,000	4.64	52,040,000	4.32
Mr. Zhang Huaqiao	4,750,000	0.46	4,750,000	0.42	4,750,000	0.39
(A) Sub-total of Directors	231,290,000	22.31	231,290,000	20.64	231,290,000	19.20
<b>Public Shareholders</b>						
Subscriber A	–	–	41,918,918	3.74	41,918,918	3.48
Subscriber B	–	–	41,918,918	3.74	41,918,918	3.48
Holder of the Convertible Bonds C	–	–	–	–	83,837,835	6.96
Other public Shareholders	805,510,000	77.69	805,510,000	71.88	805,510,000	66.88
(B) Sub-total of public Shareholders	805,510,000	77.69	889,347,836	79.36	973,185,671	80.80
<b>Total (A) + (B)</b>	<b>1,036,800,000</b>	<b>100.00</b>	<b>1,120,637,836</b>	<b>100.00</b>	<b>1,204,475,671</b>	<b>100.00</b>

### Notes:

- 174,500,000 Shares were 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.
- Of 52,040,000 Shares, 51,270,000 were held by Probest Limited (“**Probest**”) which in turn is wholly-owned by Mr. Cao Guoqi (“**Mr. Cao**”), an executive Director. As Mr. Cao is the sole shareholder of Probest, he is deemed to be interested in these 51,270,000 Shares held by Probest under the SFO. The other 770,000 Shares were held by Ms. Zheng Lu who is the spouse of Mr. Cao. Accordingly, Mr. Cao is deemed to be interested in these 770,000 Shares held by Ms. Zheng Lu under the SFO.

*In this announcement, the translation of US\$ into HK\$ is based on the exchange rate of US\$1:HK\$7.755, for illustration purposes only.*

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

Hong Kong, 12 June 2015

*As at the date of this announcement, the board of the Company comprises (i) six executive Directors, namely, Mr. Zhang Huaqiao, Mr. Cao Guoqi, Mr. Fung Weichang, Mr. Xiong Wensen, Mr. Song Xiangping and Mr. Cheng Nga Ming Vincent; and (ii) 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](http://www.hkgem.com) for at least 7 days from the date of its posting and on the Company’s website at [www.chinasmartpay.com](http://www.chinasmartpay.com).*