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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)

**COMPLETION OF SUBSCRIPTION OF NEW SHARES
UNDER SPECIFIC MANDATE
AND
APPOINTMENT OF CHAIRMAN OF COMPLIANCE COMMITTEE**

The Board would like to emphasise that this announcement is not related to the trading halt of the shares of the Company on The Stock Exchange of Hong Kong Limited which took effect on 15 July 2015.

COMPLETION OF SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

The Board is pleased to announce that all the Subscription Conditions have been fulfilled on 30 June 2015 and the Subscription Completion took place on 15 July 2015 in accordance with the terms of the Subscription Agreement and 63,953,488 new Shares have been issued to the Vendors at the Subscription Price of HK\$2.15 per Subscription Share.

The gross proceeds and the net proceeds arising from the Subscription amount to approximately HK\$137.5 million and approximately HK\$137.4 million respectively. The net subscription price for the Subscription is approximately HK\$2.148 per Subscription Share.

APPOINTMENT OF CHAIRMAN OF THE COMPLIANCE COMMITTEE

The Board is also pleased to announce that Dr. Cao Guoqi has been appointed as the chairman of the Compliance Committee of the Company with effect from 15 July 2015.

COMPLETION OF SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

Reference is made to the circular (the “**Circular**”) of China Smartpay Group Holdings Limited (the “**Company**”) to its shareholders dated 12 June 2015 in relation to, among other things, the Subscription and the announcement of the Company dated 8 July 2015 in relation to, among other things, the completion of the Acquisition. Unless otherwise defined herein, terms used in this announcement shall have the same meaning as those defined in the Circular.

The Board is pleased to announce that all the Subscription Conditions have been fulfilled on 30 June 2015 and following the completion of the Acquisition on 8 July 2015, the Subscription Completion took place on 15 July 2015 in accordance with the terms of the Subscription Agreement and 63,953,488 new Shares in aggregate have been issued to the Vendors at the Subscription Price of HK\$2.15 per Subscription Share.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and immediately after the allotment and issue of the Subscription Shares pursuant to the Subscription Completion is as follows (assuming there being no other change in the share capital of the Company):

	Immediately before the allotment and issue of the Subscription Shares under the Subscription Completion		Immediately after the allotment and issue of the Subscription Shares under the Subscription Completion	
	No. of Shares	%	No. of Shares	%
Substantial Shareholder				
Mr. Cheng Nga Ming Vincent (<i>Note 1</i>)	174,500,000	14.49	174,500,000	13.76
(A) <i>Sub-total of Substantial Shareholder</i>	174,500,000	14.49	174,500,000	13.76
Directors				
Dr. Cao Guoqi (<i>Note 2</i>)	56,930,000	4.73	56,930,000	4.49
Mr. Zhang Huaqiao	5,310,000	0.44	5,310,000	0.42
(B) <i>Sub-total of Directors</i>	62,240,000	5.17	62,240,000	4.91
Public Shareholders				
Mr. Zhang Junzhen	–	–	18,987,791	1.50
Mr. Ru Tianshu	–	–	18,322,674	1.44
Mr. Shan Wei Dong	–	–	1,330,233	0.10
Mr. Li Dong Hai	–	–	12,656,395	1.00
Mr. Fan Peng Kun	–	–	12,656,395	1.00
Other public shareholders	967,735,671	80.34	967,735,671	76.29
(C) <i>Sub-total of Public Shareholders</i>	967,735,671	80.34	1,031,689,159	81.33
Total (A) + (B) + (C)	1,204,475,671	100.00	1,268,429,159	100.00

Notes:

1. 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.
2. Of 56,930,000 Shares, 55,560,000 Shares were held by Probest Limited (“**Probest**”) which in turn is 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 55,560,000 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.

The gross proceeds and the net proceeds arising from the Subscription amount to approximately HK\$137.5 million and approximately HK\$137.4 million respectively. The net subscription price for the Subscription is approximately HK\$2.148 per Subscription Share.

APPOINTMENT OF CHAIRMAN OF THE COMPLIANCE COMMITTEE

The Board is pleased to announce that Dr. Cao has been appointed as the chairman of the Compliance Committee of the Company with effect from 15 July 2015.

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

Hong Kong, 15 July 2015

As at the date of this announcement, the board of the Company 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 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.