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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)**

**UPDATES ON THE PROPOSED SECOND COMPLETION OF  
THE SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

Reference is made to the announcements (the “**Announcement(s)**”) respectively dated 25 October 2015, 8 January 2016, 24 February 2016 and 29 April 2016 of China Smartpay Group Holdings Limited (the “**Company**”) and also its circular (the “**Circular**”) dated 27 November 2015 in relation to, among other things, (a) 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, (b) fulfilment of all Conditions precedent to the Completion of the Subscription Agreement with the First Completion taking place on 8 January 2016, and (c) extension of the Second Completion Date to any Business Day falling on or before 30 April 2016 (and subsequently 31 May 2016) or such other date as the Company and LJZ Fund may otherwise agree. Unless otherwise defined herein, terms used in this announcement shall have the same meaning as those defined in the Announcements and the Circular.

**FAILURE OF LJZ FUND TO PERFORM PAYMENT OBLIGATION ON OR BEFORE THE  
EXTENDED SECOND COMPLETION DATE**

Pursuant to the Subscription Agreement, the remaining balance of the Subscription Price of HK\$453,339,468 (or the equivalent amount in RMB) (the “**Remaining Subscription Price**”) will be payable by LJZ Fund 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)).

On 18 May 2016, the Company, through its legal advisers, wrote to LJZ Fund to request for their performance of payment obligation under the Subscription Agreement on or before 31 May 2016 as agreed. However, as at the date of this announcement, payment of the Remaining Subscription Price has become due and it has not yet been paid by LJZ Fund. In addition, no further extension of the Second Completion Date was agreed by the parties to the Subscription Agreement.

## **CLARIFICATION OF THE RELATIONSHIP BETWEEN LJF AND LJZ FUND**

It was disclosed in the Announcement of 25 October 2015 and the Circular that LJZ Fund was under the control and management of LJF as at the date of that Announcement and the Latest Practicable Date, respectively. However, LJF recently notified the Company that LJZ Fund was no longer under the control and management of LJF, and that LJZ Fund shall discharge their payment obligation in compliance with the Subscription Agreement.

## **POTENTIAL JOINT LEGAL ACTION(S) TO BE TAKEN WITH LJF AGAINST LJZ FUND**

As LJZ Fund has failed to perform the payment obligation on the extended Second Completion Date as agreed, the Company will seek advice from its legal advisers as regards the possibility of pursuing any of its claims against LJZ Fund by commencing, jointly with LJF, appropriate legal action(s) in accordance with the terms of the Subscription Agreement.

The Company will make further announcement(s) regarding any significant development of the above matter as and when appropriate.

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

Hong Kong, 31 May 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](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.hk](http://www.chinasmartpay.com.hk).*