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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)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the management accounts of the Group for the year ended 31 March 2016, the Group is expected to record a net profit for the year ended 31 March 2016 as compared to a net loss for the year ended 31 March 2015.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Smartpay Group Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the management accounts of the Group for the year ended 31 March 2016, the Group is expected to record a net profit not less than approximately HK\$70 million for the year ended 31 March 2016 as compared to a net loss of approximately HK\$70.5 million for the year ended 31 March 2015. The net profit excluding share compensation costs is estimated to be no less than HK\$136 million for the year ended 31 March 2016, as compared with a loss of HK\$17 million of last year. The substantial profit growth is attributable to: (i) the fair value gain on fair value through profit and loss in relation to our Group’s recent acquisition of approximately 19.68% of the equity interests in Zhi Cheng Holdings Limited (stock code: 8130); and (ii) substantial improvement of profitability of the payment business.

The Company is still in the process of finalising the audited annual results of the Group for year ended 31 March 2016. The information contained in this announcement is only based on the preliminary review of the unaudited management accounts of the Group and is not based on any figures or information reviewed by the Company's auditors. The audited annual results of the Group for the year ended 31 March 2016 are expected to be announced by the end of June 2016.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 23 May 2016

As at the date of this announcement, the board of the Company comprises five executive Directors, namely, Mr. Zhang Huaqiao, Dr. 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 Rules 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.