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If you have sold or transferred all your shares in China Smartpay Group Holdings Limited, you should at once hand this circular and the accompanying 2015/2016 Annual Report and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser.

If you are in any doubt as to any aspect of this circular or as to any action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.



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)

- (1) PROPOSALS FOR GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES;**
(2) RE-ELECTION OF DIRECTORS;
**(3) PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME; AND**
(4) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting of China Smartpay Group Holdings Limited to be held at Hibiscus Room, 2/F., Hotel Jen, 508 Queen's Road West, Hong Kong, on Monday, 22 August, 2016 at 11:00 a.m. is set out on pages 18 to 21 of this circular.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to Union Registrars Limited, the Hong Kong share registrar of China Smartpay Group Holdings Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting (or any adjournment thereof). Completion of the accompanying form of proxy will not preclude you from attending and voting at the Annual General Meeting (or any adjournment thereof) in person if you so wish.

This circular 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.

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, the following expressions have the following meanings, unless the context requires otherwise:

“Annual General Meeting”	the annual general meeting of the Company to be held at Hibiscus Room, 2/F., Hotel Jen, 508 Queen’s Road West, Hong Kong on Monday, 22 August 2016 at 11:00 a.m., the notice of which is set out on pages 18 to 21 of this circular;
“Board”	the board of Directors;
“Close associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules;
“Company”	China Smartpay Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed and traded on GEM (Stock Code: 8325);
“Director(s)”	the director(s) of the Company;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, supplemented and/or otherwise modified from time to time;
“Group”	the Company and its subsidiaries;
“HK\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Last Refreshment Resolution”	the ordinary resolution passed at the extraordinary general meeting of the Company held on 25 February 2015 for the refreshment of the Scheme Mandate Limit;
“Latest Practicable Date”	30 June 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
“Option(s)”	option(s) to subscribe for Shares granted under the Share Option Scheme;
“PRC”	the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;

DEFINITIONS

“Proposed Refreshment of the Scheme Mandate Limit”	the proposed refreshment of the Scheme Mandate Limit and the grant of the Scheme Mandate Limit;
“Repurchase Proposal”	the general and unconditional mandate proposed to be granted to the Directors to empower the Directors to repurchase the Shares, details of which are set out in the section headed “General Mandates to Issue and Repurchase Shares” of the Letter from the Board of, and Appendix I to, this circular;
“Scheme Mandate Limit”	the maximum number of Shares which may be issued pursuant to the exercise of Options granted under the Share Option Scheme or (following refreshment) the maximum number of Shares which may be issued pursuant to the exercise of Options granted under the Share Option Scheme following the date of refreshment of the Scheme Mandate Limit;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented and/or otherwise modified from time to time;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company;
“Share Issue Mandate”	the general and unconditional mandate proposed to be granted to the Directors to empower the Directors to allot, issue and deal with new Shares, details of which are set out in the section headed “General Mandates to Issue and Repurchase Shares” of the Letter from the Board of this circular;
“Share Option Scheme”	the share option scheme adopted by the Company on 14 August 2009;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Zhang Huaqiao (*Chairman*)
Dr. Cao Guoqi
Mr. Fung Weichang
Mr. Xiong Wensen
Mr. Song Xiangping

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Independent Non-executive Directors:

Mr. Wang Yiming
Mr. Lu Dongcheng
Dr. Yuan Shumin
Dr. Zhou Jinhuang

*Head Office and Principal Place
of business in Hong Kong:*

Office No. 01, 31st Floor
Hong Kong Plaza
188 Connaught Road West
Hong Kong

12 July 2016

To the Shareholders,

Dear Sir or Madam,

- (1) PROPOSALS FOR GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES;**
(2) RE-ELECTION OF DIRECTORS;
**(3) PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME; AND**
(4) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide the Shareholders with information regarding the resolutions to be proposed at the Annual General Meeting relating to, inter alia, (i) the Share Issue Mandate, (ii) the Repurchase Proposal, (iii) the re-election of Directors, and (iv) the Proposed Refreshment of the Scheme Mandate Limit to enable the Shareholders to make informed decisions as to whether to vote for or against the resolutions.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

An ordinary resolution relating to the Share Issue Mandate will be proposed which, subject to the said resolution being passed at the Annual General Meeting, empowers the Directors to allot, issue and deal with new Shares of not exceeding 20% of the total number of the issued Shares as at the date of passing of the resolution during the period up to (i) the conclusion of the next annual general meeting of the Company, or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the applicable laws or the Articles of Association of the Company to be held, or (iii) the date of revocation or variation of the said resolution by passing an ordinary resolution in general meeting prior to the next annual general meeting, whichever is the earliest. As at the Latest Practicable Date, there were in issue an aggregate of 1,436,049,159 Shares. Assuming that no further Shares are issued or repurchased prior to the Annual General Meeting, no more than 287,209,831 Shares may be allotted and issued by the Company if the Share Issue Mandate is exercised in full.

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general mandate to repurchase the Shares on the Stock Exchange representing up to a maximum of 10% of the total number of the issued Shares as at the date of passing the resolution.

An explanatory statement in connection with the Repurchase Proposal is set out in Appendix I to this circular. The explanatory statement contains all the information reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the relevant resolution.

Subject to the passing of the proposed ordinary resolutions regarding the Share Issue Mandate and the Repurchase Proposal, a separate resolution will also be proposed to grant a general mandate to the Directors to include the total number of issued Shares which may from time to time be purchased by the Company pursuant to the Repurchase Proposal to the Share Issue Mandate.

RE-ELECTION OF DIRECTORS

Pursuant to Article 84(1) of the Company's Articles of Association, Dr. Cao Guoqi, Mr. Fung Weichang and Dr. Yuan Shumin shall retire by rotation at the Annual General Meeting and, all being eligible, offer themselves for re-election. Their biographical details are set out in Appendix II to this circular.

Pursuant to Article 83(3) of the Company's Articles of Association, Dr. Zhou Jinhuan shall hold office until the Annual General Meeting and, being eligible, offers himself for re-election. The biographical details of Dr. Zhou Jinhuan are set out in Appendix II to this circular.

PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT

The Company adopted the Share Option Scheme pursuant to an ordinary resolution passed on 14 August 2009 (the "Adoption Date"). Apart from the Share Option Scheme, the Company has no other share option scheme currently in force. The existing Scheme Mandate Limit is 103,680,000 Shares, being 10% of the Shares in issue as at 25 February 2015, the date of passing of the Last Refreshment Resolution. The Scheme Mandate Limit has been previously refreshed twice since the adoption of the Share Option Scheme by the resolution passed on 20 December 2013 and the Last Refreshment Resolution.

LETTER FROM THE BOARD

Since the date of the passing of the Last Refreshment Resolution and up to the Latest Practicable Date, options carrying the rights to subscribe for a total of 235,680,000 Shares had been granted under the Share Option Scheme.

The following table sets out the details of the Company's share options granted pursuant to the Scheme Mandate Limit as refreshed by the Last Refreshment Resolution as at the Latest Practicable Date:

Total number of share options	As at the Latest Practicable Date
Granted	235,680,000
Exercised	0
Lapsed/cancelled	0
Outstanding	235,680,000

As at the Latest Practicable Date, the Company had utilized a substantial part of the Scheme Mandate Limit as refreshed by the Last Refreshment Resolution. In view of the increase in issued share capital of the Company by the allotment and issue of subscription shares, as disclosed in the announcements of the Company dated 21 April 2015 and 25 October 2015, respectively, the Proposed Refreshment of the Scheme Mandate Limit will provide more flexibility to the Company. If the Scheme Mandate Limit is further "refreshed", on the basis of 1,436,049,159 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of the Annual General Meeting and that no further Options will be granted under the Share Option Scheme prior to the date of the Annual General Meeting, the number of Shares that may fall to be allotted and issued upon exercise in full of the options that may be granted, after the relevant resolution is passed at the Annual General meeting, would be 143,604,915 Shares representing approximately 10% Shares in issue as at the Latest Practicable Date (the "Available Limit").

Pursuant to the terms of the Share Option Scheme and the GEM Listing Rules, the Scheme Mandate Limit shall not in any event result in the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company exceeding 30% of the Shares in issue from time to time. On the basis of 1,436,049,159 Shares in issue as at the Latest Practicable Date, the 30% overall limit represents a total of 430,814,747 Shares. As at the Latest Practicable Date, the total number of Shares which might be issued upon the exercise of all outstanding options granted since the adoption of the Share Option Scheme and yet to be exercised was 235,680,000 Shares (the "Outstanding Options") representing approximately 16.41% of the Shares in issue as at the Latest Practicable Date. Accordingly, the number of Shares which might be issued upon the exercise of the Outstanding Options together with the Available Limit arising from the Proposed Refreshment of the Scheme Mandate Limit amounted to a maximum of 379,284,915 Shares representing approximately 26.41% of the issued Shares as at the Latest Practicable Date, and accordingly, would not exceed the 30% overall limit as at the Latest Practicable Date.

As at the Latest Practicable Date, save and except the Proposed Refreshment of the Scheme Mandate Limit, the Company had no intention to grant further share options under the existing Scheme Mandate Limit and had no present intention to grant any share options under the Scheme Mandate Limit to be refreshed upon the Proposed Refreshment of the Scheme Mandate Limit comes to effect.

LETTER FROM THE BOARD

The Proposed Refreshment of the Scheme Mandate Limit is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the Annual General Meeting to approve the Proposed Refreshment of the Scheme Mandate Limit; and
- (ii) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares that may be issued pursuant to the exercise of any share options that may be granted under the Scheme Mandate Limit to be refreshed.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, any Shares to be allotted and issued pursuant to the exercise of the options granted under the Share Option Scheme within the Scheme Mandate Limit as refreshed by the Proposed Refreshment of the Scheme Mandate Limit.

The Company proposes to seek the approval by the Shareholders on the Proposed Refreshment of the Scheme Mandate Limit with a view to allowing the Company more flexibility to provide incentives or rewards to eligible participants for their contribution to the Group. The Directors consider that it will be for the benefit of the Company and the Shareholders as a whole that the eligible participants of the Share Option Scheme are granted rights to obtain equity holdings of the Company through the grant of Options. This will motivate the eligible participants to contribute to the success of the Group. For these reasons, the Directors will propose the passing of an ordinary resolution at the Annual General Meeting for approving the Proposed Refreshment of the Scheme Mandate Limit.

IMPLICATION UNDER THE GEM LISTING RULES

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has material interest in the Proposed Refreshment of the Scheme Mandate Limit and accordingly, no Shareholder is required to abstain from voting in the Annual General Meeting to approve the Proposed Refreshment of the Scheme Mandate Limit.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except for purely procedural or administrative matters. Accordingly, the proposed resolutions will be put to vote by way of poll at the Annual General Meeting. An announcement regarding the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

Notice of the Annual General Meeting is set out on pages 18 to 21 of this circular.

A form of proxy is enclosed with this circular for use at the Annual General Meeting. Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return the enclosed form of proxy to the office of the Company's Hong Kong share registrar, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the

LETTER FROM THE BOARD

Annual General Meeting (or any adjournment thereof). Completion of the accompanying form of proxy will not preclude you from attending and voting at the Annual General Meeting (or any adjournment thereof) in person if you so wish.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at the Annual General Meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

RECOMMENDATION

The Directors are of the opinion that (i) the Share Issue Mandate, (ii) the Repurchase Proposal, (iii) the re-election of Directors and (iv) the Proposed Refreshment of the Scheme Mandate Limit are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board of
China Smartpay Group Holdings Limited
Zhang Huaqiao
Chairman

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE PROPOSAL

THE REPURCHASE PROPOSAL

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given a general mandate to exercise all powers of the Company to repurchase issued and fully paid Shares. Under the Repurchase Proposal, the number of Shares that the Company may repurchase shall not exceed 10 per cent. of the issued share capital of the Company as at the date of the resolution. The Company's authority is restricted to purchases made on the Stock Exchange in accordance with the GEM Listing Rules. If the Company exercises the Repurchase Proposal in full, on the basis that no further Shares will be issued prior to the date of the Annual General Meeting, up to 143,604,915 Shares will be repurchased by the Company.

The Repurchase Proposal allows the Company to make or agree to make purchases only during the period ending on the earliest of:

- (a) the date of the next annual general meeting;
- (b) the date by which the next annual general meeting of the Company is required to be held by the articles of association of the Company or by the applicable laws; or
- (c) the date upon which the Repurchase Proposal is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company.

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Proposal will afford the Company the flexibility to make such repurchase when appropriate and beneficial to the Company.

Such repurchases may enhance the net value and/or earnings per Share. As compared with the financial position of the Company as at 31 March 2016 (being the date of its latest audited accounts), the Directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the Repurchase Proposal is to be exercised in full during the proposed repurchase period.

No purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

The Company is empowered by its memorandum and articles of association to purchase its Shares. The laws of the Cayman Islands provide that the amount of capital repaid in connection with a share repurchase may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on redemption may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or out of the share premium of the Company. Under the laws of the Cayman Islands, the repurchased shares will remain part of the authorised but unissued share capital of the Company.

The Directors intend to apply the profits that would otherwise be available for distribution by way of dividend for any purchase of the Shares.

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE PROPOSAL

Directors, their close associates and core connected persons

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of their respective close associates has any present intention, in the event that the Repurchase Proposal is approved by the shareholders, to sell Shares to the Company.

No core connected person of the Company (as defined in the GEM Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make purchases of Shares.

Undertaking of the Directors

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the GEM Listing Rules, all applicable laws of the Cayman Islands and the regulations set out in the memorandum and articles of association of the Company.

Effect of Takeovers Code

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, the following persons are the only substantial shareholders holding more than 10 per cent. of the issued share capital of the Company:—

Name	Capacity	Number of Shares	Percentage of shareholding
LJF Payment Company	Corporate	184,210,000	12.82%
Tian Li Holdings Limited ("Tian Li") (Note)	Beneficial owner	174,500,000	12.15%

Note:

1. As at the date thereof, 174,500,000 Shares were held by Tian Li Holdings Limited ("Tian Li") which is in turn owned as to 70% and 30% by Mr. Cheng Nga Ming Vincent ("Mr. Cheng") and Ms. Cheng Nga Yee ("Ms. Cheng"). 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 Securities and Futures Ordinance ("SFO")(Chapter 571 of the Laws of Hong Kong).

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE PROPOSAL

In the event that the Repurchase Proposal is to be exercised in full, the interest of LJF Payment Company Limited in the Company would be increased to 14.25 per cent. of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

In the event that the Repurchase Proposal is to be exercised in full, the interest of Mr. Cheng in the Company would be increased to 13.5 per cent. of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

GEM Listing Rules in relation to repurchases of Shares

The GEM Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(a) Shareholders' approval

The GEM Listing Rules provide that all repurchases of shares on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, which may be by way of general mandate, or by specific approval in relation to the repurchase transactions.

(b) Source of funds

Repurchases must be funded out of funds legally available for the purpose.

General

During each of the six months preceding the date of this circular, 16,590,000 Shares have been repurchased and cancelled by the Company:

Month	Shares repurchased	Share cancelled
January 2016	–	–
February 2016	8,780,000	–
March 2016	7,810,000	–
April 2016	–	–
May 2016	–	–
June 2016 (up to the Latest Practicable Date)	–	16,590,000

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE PROPOSAL

During each of the previous twelve calendar months preceding the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange per month were as follows:

Month	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2015		
June	4.08	2.20
July	2.82	0.95
August	2.09	1.17
September	1.78	1.26
October	2.18	1.51
November	2.06	1.76
December	2.11	1.80
2016		
January	1.99	1.34
February	1.75	1.27
March	1.71	1.53
April	1.57	1.35
May	1.54	1.31
June (up to the Latest Practicable Date)	1.54	1.29

The following is the information required to be disclosed under the GEM Listing Rules on the Directors standing for re-election at the Annual General Meeting:

DR. CAO GUOQI (“DR. CAO”), AGED 52, EXECUTIVE DIRECTOR

Position held in the Company’s group

Dr. Cao was appointed as an executive director on 18 September 2013. Dr. Cao was appointed as a compliance officer, an authorised representative and a member of the compliance committee of the Company on 30 June 2015.

Previous experience including other directorships held in listed public companies in the last three years and other major appointments and qualifications

Dr. Cao has a Ph.D. in Economics and graduated from the Shanghai University of Finance and Economics, the University of Hong Kong, and the Shanghai Academy of Social Sciences. He has over 20 years of experience in project financing and investment, finance, fund investment and management, mergers and acquisitions, and corporate advisory. Dr. Cao is the executive director and general manager of Probest Limited and Master Energy Inc. He is also the deputy president of Asian Economics Research Institute at the Shanghai University of Finance and Economics, an EMBA professor of Hunan University, a MBA supervisor at the Advanced Institute of Finance of Shanghai Jiaotong University, and a research fellow at the Shanghai Institute of Development Strategy. Currently, he acts as an independent non-executive director of Century Ginwa Retail Holdings Ltd., whose shares are listed on the Main Board of the Stock Exchange and an independent non-executive director of Dongwu Cement International Ltd., whose shares are listed on the Main Board of the Stock Exchange. From April 2014, he has taken up the position as the Chairman of SBI China Capital Group.

Dr. Cao was a probationary Economist in the International Currency Department of the Economic and Financial Affairs Councils, European Communities, as well as a Project Coordinator of the World Bank. From 1998 to 1999, he also acted as CEO of Sui Chong Holdings Limited, whose shares were listed on the Main Board of the Stock Exchange. He co-founded Shanghai Jingcheng Internet Consulting Co. Ltd. with Shanghai Jiaotong University, and was elected as Chairman and CEO. In the early 2000s, Dr. Cao acted as the director and CEO of Shanghai Lingang New City Investment and Development Group Co., Ltd., and was in charge of the development of the Yangshan Deep Water Port and Lingang New City. He was also a director of Donghai Bridge Project Construction Co. Ltd., which built Donghai Bridge, the longest cross-sea bridges in the world with 32-kilometre cross-sea portion distance.

Save as disclosed, Dr. Cao had not held any directorship in any other public listed companies or had any other major appointment in the last three years.

Length or proposed length of services with the Company

Dr. Cao has entered into service contract with the Company for an initial fixed term of three years commencing from 18 September 2013 and expiring on 17 September 2016 subject to retirement and re-election under the Articles of Association of the Company.

Relationships with any directors, senior management or substantial or controlling shareholders of the Company

Save as disclosed above, Dr. Cao is not related to any director or senior management or substantial or controlling Shareholders.

Interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance

Long position in the Shares:

Number	Capacity	Approximate Percentage of interest in Shares
62,890,000	Corporate – Interests of corporation (<i>Note 1</i>)	4.38%
11,000,000	Beneficial owner (<i>Note 2</i>)	0.77%
1,370,000	Interest of spouse (<i>Note 3</i>)	0.10%

Notes:

1. These 62,890,000 Shares were held by Probest Limited (“Probest”) which in turn is wholly owned by Dr. Cao. As Dr. Cao is the controlling shareholder of Probest, he is deemed to be interested in these 62,890,000 Shares held by Probest under the SFO.
2. These Shares represent the options of shares granted to Dr. Cao pursuant to the Company’s share option scheme. Accordingly, he is deemed to be interested in these Shares under the SFO.
3. These 1,370,000 Shares were held by Ms. Zheng Lu who is the wife 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.

Save as disclosed above and as at the date of this circular, Dr. Cao does not have any interest in the Shares within the meaning of Part XV of the SFO.

Director’s emoluments and the basis of determining the director’s emoluments; and

Dr. Cao is entitled to an annual emolument of HK\$240,000 which is determined by the Board with reference to his duties and responsibilities with the Company.

In addition, Dr. Cao accepted 6,000,000 and 5,000,000 share options on 19 November 2013 and 21 April 2015 to subscribe for 6,000,000 and 5,000,000 Shares respectively under and subject to and upon the terms and conditions of the share option scheme adopted by the Company on 14 August 2009.

Matters that need to be brought to the attention of the shareholders of the Company

Save as disclosed above, there are no further information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules and there is no other matter which needs to be brought to the attention of the shareholders of the Company in respect of the appointment of Dr. Cao.

MR. FUNG WEICHANG (“MR. FUNG”), AGED 67, EXECUTIVE DIRECTOR**Position held in the Company’s group**

Mr. Fung was appointed as an executive director on 18 September 2013 and the chief executive officer of the Company on 7 November 2013.

Previous experience including other directorships held in listed public companies in the last three years and other major appointments and qualifications

Mr. Fung obtained a master degree in business administration from the Santa Clara University in California in the US in 1976. He had worked for MasterCard International from October 1992 to December 2008 and his last position was Executive Vice President and General Manager of the Greater China region for MasterCard International, Asia Pacific Region. From January 2009 to December 2010, Mr. Fung was the Senior Consultant of MasterCard International, Asia Pacific Region. Prior to joining the Company, Mr. Fung provided consultancy services in respect of mobile payment. Mr. Fung had not held any directorship in any other public listed companies or had any other major appointment in the last three years.

Save as disclosed, Mr. Fung had not held any directorship in any other public listed companies or had any other major appointment in the last three years.

Length or proposed length of services with the Company

Mr. Fung has entered into letter of appointment with the Company for an initial fixed term of three years commencing from 18 September 2013 and expiring on 17 September 2016 subject to retirement and re-election under the Articles of Association of the Company.

Relationships with any directors, senior management or substantial or controlling shareholders of the Company

Save as disclosed above, Mr. Fung is not related to any director or senior management or substantial or controlling Shareholders.

APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

Interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance*Long position in the Shares:*

Number	Capacity	Approximate Percentage of interest in Shares
2,000,000	Beneficial owner (<i>Note</i>)	0.14%

Note:

1. These 2,000,000 Shares represent the options of shares granted to Mr. Fung pursuant to the Company's share option scheme. Accordingly, Mr. Fung is deemed to be interested in these Shares under the SFO.

Save as disclosed above and as at the date of this circular, Mr. Fung does not have any interest in the Shares within the meaning of Part XV of the SFO.

Director's emoluments and the basis of determining the director's emoluments; and

Mr. Fung is entitled to an annual emolument of HK\$360,000 which is determined by the Board with reference to his duties and responsibilities with the Company.

In addition, Mr. Fung accepted 2,000,000 share options on 19 November 2013 to subscribe for 2,000,000 Shares under and subject to and upon the terms and conditions of the share option scheme adopted by the Company on 14 August 2009.

Matters that need to be brought to the attention of the shareholders of the Company

Save as disclosed above, there are no further information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules and there is no other matter which needs to be brought to the attention of the shareholders of the Company in respect of the appointment of Mr. Fung.

DR. YUAN SHUMIN ("DR. YUAN"), AGED 67, INDEPENDENT NON-EXECUTIVE DIRECTOR**Position held in the Company's group**

Dr. Yuan was appointed as an independent non-executive director of the Company on 19 May 2014. Dr. Yuan is the Company's compliance officer, the chairman of the Company's audit committee, the Company's remuneration committee and the Company's internal control committee and a member of the Company's nomination committee and the Company's compliance committee.

Previous experience including other directorships held in listed public companies in the last three years and other major appointments and qualifications

Dr. Yuan was a member of the Chinese Institute of Certified Public Accountants. He obtained a doctorate degree in Science (part-time doctorate program) in the School of Management from Fudan University (復旦大學管理科學系) in January 1998.

Dr. Yuan was the supervisor of teaching department, the assistant supervisor and the assistant dean of the School of Accountancy in Shanghai University of Finance and Economics (上海財經大學會計學院) from 1993 to 2000; and the standing assistant dean and the dean of the School of Adult Education in Shanghai University of Finance and Economics (上海財經大學成人教育學院) from 2000 to 2005. Dr. Yuan has joined the School of Accountancy in Shanghai Finance University (上海金融學院) since September 2005 and had been the president of that School of Accountancy until 2013. From 2008 to March 2014, Dr. Yuan was an independent director of Shanghai Tofflon Science and Technology Co., Ltd. (上海東富龍科技股份有限公司), whose shares are listed on the Chinext of Shenzhen Stock Exchange. Dr. Yuan is an independent director of (i) Deluxe Family Co., Ltd. (華麗家族股份有限公司); (ii) Shanghai Jiabao Industry & Commerce (Group) Co., Ltd. (上海嘉寶實業(集團)股份有限公司), the shares of these companies are listed on the Shanghai Stock Exchange; and (iii) Shanghai Morn Electric Equipment Co., Ltd. (上海摩恩電氣股份有限公司), the shares of this company are listed on the Shenzhen Stock Exchange.

Dr. Yuan is also an independent non-executive director of Shanghai Jiaoda Withub Information Industrial Company Limited, whose shares are listed on the GEM.

Save as disclosed, Dr. Yuan had not held any directorship in any other public listed companies or had any other major appointment in the last three years.

Length or proposed length of services with the Company

Dr. Yuan has entered into a letter of appointment with the Company for an initial fixed term of one year commencing from 19 May 2016 and expiring on 18 May 2017 subject to retirement and re-election under the Articles of Association of the Company.

Relationships with any directors, senior management or substantial or controlling shareholders of the Company

Save as disclosed above, Dr. Yuan is not related to any director or senior management or substantial or controlling Shareholders.

Interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance

As at the date of this circular, Dr. Yuan does not have any interest in the Shares within the meaning of Part XV of the SFO.

Director's emoluments and the basis of determining the director's emoluments; and

Dr. Yuan is entitled to an annual emolument of HK\$72,000 which is determined by the Board with reference to his duties and responsibilities with the Company.

Matters that need to be brought to the attention of the shareholders of the Company

Save as disclosed above, there are no further information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules and there is no other matter which needs to be brought to the attention of the shareholders of the Company in respect of the appointment of Dr. Yuan.

DR. ZHOU JINHUANG ("DR. ZHOU"), AGED 50, INDEPENDENT NON-EXECUTIVE DIRECTOR**Position held in the Company's group**

Dr. Zhou was appointed as an independent non-executive director on 8 June 2016.

Previous experience including other directorships held in listed public companies in the last three years and other major appointments and qualifications

Dr. Zhou, aged 50, obtained a Master of Economics from the School of Economics of the Beijing University (北京大學經濟學院) in 1997 and a Doctorate degree in Economics from the Beijing Normal University (北京師範大學) in 2007. He has over 19 years of experience in banking and finance in the PRC. Dr Zhou is currently the vice-president of Shanghai Huarui Bank (上海華瑞銀行副行長). Prior to joining Shanghai Huarui Bank, Dr. Zhou has been the deputy director of the payment system department of the People's Bank of China (人民銀行支付結算司副司長), the director of the general office of the payment system department of the People's Bank of China (人民銀行支付結算司綜合處處長) and the deputy director and secretary of the secretariat department of the general office of the People's Bank of China (人民銀行辦公廳秘書處秘書、副處長).

Dr. Zhou had not held any directorship in any other public listed companies or had any other major appointment in the last three years.

Length or proposed length of services with the Company

Dr. Zhou has entered into a service contract with the Company for an initial fixed term of 3 years commencing from 8 June 2016 and expiring on 7 June 2019, subject to retirement by rotation and re-election under the Articles of Association of the Company.

Relationships with any directors, senior management or substantial or controlling shareholders of the Company

Dr. Zhou is not related to any director or senior management or substantial or controlling Shareholders.

Interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance

As at the date of this circular, Dr. Zhou does not have any interest in the Shares within the meaning of Part XV of the SFO.

Director's emoluments and the basis of determining the director's emoluments; and

Dr. Zhou is entitled to a fee of HK\$6,000 per month for acting as an independent non-executive director of the Company which is determined by the Board with reference to his duties and responsibilities with the Company.

Matters that need to be brought to the attention of the shareholders of the Company

Save as disclosed above, there are no further information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules and there is no other matter which needs to be brought to the attention of the shareholders of the Company in respect of the appointment of Dr. Zhou.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of China Smartpay Group Holdings Limited (the “Company”) will be held at Hibiscus Room, 2/F., Hotel Jen, 508 Queen’s Road West, Hong Kong, on Monday, 22 August 2016 at 11:00 a.m. for the following purposes:

As ordinary business

1. To receive and adopt the audited financial statements of the Company and the Reports of the Directors and the Auditors for the year ended 31 March 2016.
2.
 - (i) To re-elect Dr. Cao Guoqi as an executive Director;
 - (ii) To re-elect Mr. Fung Weichang as an executive Director;
 - (iii) To re-elect Dr. Yuan Shumin as an independent non-executive Director;
 - (iv) To re-elect Dr. Zhou Jinhuang as an independent non-executive Director; and
 - (v) To authorise the remuneration committee of the Company to fix the remuneration of the Directors.
3. To re-appoint Mazars CPA Limited as the auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

As special business

4. To consider, and if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:–
 - A. **“THAT:**
 - (a) subject to paragraph (c), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the total number of issued shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue or scrip dividend scheme or similar arrangement of the Company or the exercise of the subscription rights under the share option scheme of the Company shall not exceed 20 per cent. of the total number of the issued shares of the Company as at the date of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

B. “THAT:

- (a) the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

(b) the total number of issued shares of the Company purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the total number of the issued shares of the Company as at the date of this resolution and the said approval be limited accordingly; and

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

C. “**THAT** conditional upon resolution no. 4B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in resolution no. 4B above shall be added to the total number of issued shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 4A above.”

5. To consider, and if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:–

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of, and permission to deal in, such number of shares of the Company (the “Shares”) which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme adopted by the Company pursuant to an ordinary resolution of the shareholders of the Company passed on 14 August 2009 (the “Share Option Scheme”), representing 10% of the issued share capital of the Company as at the date on which this resolution is passed, pursuant to the rules of the Share Option Scheme:

- (a) approval be and is hereby granted for refreshing the 10% limit under the Share Option Scheme (the “Refreshed Scheme Mandate”) provided that the total number of Shares which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company or its subsidiaries under the limit as refreshed hereby shall not exceed 10% of the issued share capital of the Company as at the date of passing of this resolution (options previously granted under the Share Option Scheme and any other share option schemes of the Company or its subsidiaries (including options outstanding, cancelled, lapsed or

NOTICE OF ANNUAL GENERAL MEETING

exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company or its subsidiaries) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate); and

- (b) the directors of the Company or a duly authorised committee thereof be and is/are hereby authorised: (i) at its/their absolute discretion, to grant options to subscribe for Shares within the Refreshed Scheme Mandate in accordance with the rules of the Share Option Scheme, and (ii) to allot, issue and deal with Shares pursuant to the exercise of options granted under the Share Option Scheme within the Refreshed Scheme Mandate.”

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

Hong Kong, 12 July 2016

Head Office and Principal Place of Business in Hong Kong:

Office No. 01, 31st Floor
Hong Kong Plaza
188 Connaught Road West
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. A form of proxy for the meeting is enclosed herewith. Completion and return of the form of proxy will not preclude a member from attending the meeting if he/she so wishes. In the event that a member who has lodged a form of proxy attends the meeting, his/her form of proxy will be deemed to have been revoked.
3. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority must be deposited at Union Registrars Limited, the Hong Kong share registrar of the Company, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting thereof.
4. If Typhoon Signal No. 8 or above, or a “black” rainstorm warning is in effect any time after 8:00 a.m. on the date of the annual general meeting, the meeting will be postponed. The Company will post an announcement on the website of Company at www.chinasmartpay.com and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and place of the rescheduled meeting.

As at the date of this circular, 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) four independent non-executive directors, namely, Mr. Wang Yiming, Mr. Lu Dongcheng, Dr. Yuan Shumin and Dr. Zhou Jinhuang.