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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)

EARLY REDEMPTION OF CONVERTIBLE BONDS

Reference is made to (I) the announcements (the “**CB Announcements**”) of the Company dated 31 July 2016, 2 August 2016 and 12 August 2016, respectively in relation to, among other matters, the issue of fixed rate senior secured convertible bonds (the “**Convertible Bonds**”) in the aggregate principal amount of US\$12,000,000 pursuant to (i) a subscription agreement dated 29 July 2016 (the “**First Subscription Agreement**”) and the convertible bonds instrument dated 12 August 2016 (the “**CB Instrument**”); and (ii) another subscription agreement dated 2 August 2016 (the “**Second Subscription Agreement**”) and the supplemental instrument incorporating the CB Instrument dated 12 August 2016 (the “**Supplemental Instrument**”, together with the First Subscription Agreement, the CB Instrument and the Second Subscription Agreement, the “**CB Documents**”) entered into among the Company and the Subscribers (as defined herein below), as the case may be; and (II) its announcement (the “**Disposal Announcement**”) dated 14 February 2019 in relation to the disposal of 508,000,000 shares of Zhi Cheng Holdings Limited (stock code: 8130) at a consideration of HK\$90,424,000 (completion of which took place on 19 February 2019) (the “**2019 Transaction**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meaning as those defined in the CB Announcements and the Disposal Announcement.

On 21 March 2019, the Company has, notwithstanding the provisions of the CB Documents, sought written consent from each of the subscribers (the “**Subscribers**”) of the Convertible Bonds, namely, (i) Haitong Global Investment SPC III acting on behalf and for the account of Haitong Dynamic Investment Fund II S.P. (formerly known as Haitong Dynamic Multi-Tranche Investment Fund II S.P.) (the holder of the Convertible Bonds in the principal amount of USD5,000,000 (as subsequently transferred from Haitong International Investment Fund SPC acting on behalf of and for the account of Haitong International Investment Fund SPC – Fund I SP); (ii) Haitong International Asset Management (HK) Limited (formerly known as Haitong Assets Management (HK) Limited) (the holder of the Convertible Bonds in the principal amount of USD1,000,000); (iii) Sun Create Richly Holdings (Asia) Limited (the holder of the Convertible Bonds in the principal amount of USD2,000,000); and (iv) Honour Grace Investments Limited (the holder of the Convertible Bonds in the principal amount of USD4,000,000), for the early redemption of the Convertible Bonds in

the aggregate outstanding principal amount of USD12,000,000 on 22 March 2019 (the “**Early Redemption Date**”) at a total redemption price (the “**Redemption Price**”) of USD15,224,000 (equivalent to approximately HK\$119,660,640) (including the outstanding principal amounts, outstanding interest and any additional amount, costs, and expenses (as referred to in the CB Documents) payable up to the Early Redemption Date) (the “**Early Redemption**”).

The Convertible Bonds shall be fully redeemed upon the settlement of the Early Redemption Price on the Early Redemption Date by the Subscribers and the parties shall undertake to each other as follows: (i) the CB Documents and other documents incidental thereto in relation to the Convertible Bonds shall be terminated and shall cease to be binding upon the parties; (ii) neither of the parties shall have any claims against each other for breach of any provision or otherwise howsoever in connection with the CB Documents and any other documents incidental thereto in relation to the Convertible Bonds; and (iii) the parties shall mutually release and discharge each other from all obligations, duties, responsibilities, claims, constraints, covenants and liabilities whatsoever of whatever nature owed to any other party (if any) arising out of or in connection with the CB Documents and any other documents incidental thereto in relation to the Convertible Bonds, with effect from 22 March 2019.

As disclosed under the section headed “Reasons for and Benefit of the 2019 Transaction” of the Disposal Announcement, the net proceeds (the “**Proceeds**”) from the 2019 Transaction are expected to be applied for the Early Redemption. In this connection, the Company and Joy Grand have, on 21 March 2019, sought written consent from each of the Subscribers (being the subscribers of both the Bonds and the Convertible Bonds) to transfer the Proceeds to the bank accounts as designated by each of the Subscribers for such purpose, pursuant to the undertaking given by the Company as disclosed in the CB Announcements.

On 22 March 2019, the Board is pleased to announce that the Company has settled the Early Redemption Price in full, which is financed partly through the Proceeds, and partly through the Company’s internal resources, and completion of the Early Redemption has taken place on the same date. The aggregate outstanding amount due by the Company to the Subscribers under the Convertible Bonds has become zero following completion of the Early Redemption.

The Directors consider that the Early Redemption could reduce the Group’s debt position and improve the gearing ratio of the Group, thereby optimizing the corporate capital structure. Also, the Early Redemption provides incentive to the Subscribers in agreeing on better redemption terms which further benefits the financial position of the Group. Therefore, the Directors consider that it is in the interests of the Group and the Shareholders as a whole to make the Early Redemption.

The Directors are also of the view that there is no material adverse impact on the operation and financial position of the Group as a result of the Early Redemption.

For the purpose of this announcement, the exchange rate of USD1 = HK\$7.86 has been used for currency conversions. This is for the purpose of illustration only and does not constitute a representation that any amounts in USD or HK\$ have been, could have been or may be converted at such rate or any other exchange rate.

Save for the exchange rate, all numerical figures are rounded to the nearest integer.

By Order of the Board
China Smartpay Group Holdings Limited
Yan Dinggui
Executive Deputy Chairman

Hong Kong, 22 March 2019

As of the date of this announcement, the Board comprises (i) three executive Directors, namely, Mr. Yan Dinggui, Dr. Cao Guoqi and Mr. Song Xiangping; (ii) one non-executive Director, namely, Mr. Zhang Huaqiao; and (iii) four independent non-executive Directors, namely, Mr. Wang Yiming, Mr. Lu Dongcheng, Dr. Yuan Shumin and Dr. Zhou Jinhuang.

This announcement, for which all 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 in this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at for at least 7 days from the date of its posting. This announcement will also be published on the Company’s website at <http://www.chinasmartpay.com>.