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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)**

**MAJOR TRANSACTION IN RELATION  
TO ACQUISITION OF 35% EQUITY INTEREST  
IN THE TARGET COMPANY BY ISSUING CONSIDERATION  
SHARES UNDER SPECIFIC MANDATE**

**(I) TERMINATION OF PART OF THE ACQUISITION;  
AND  
(II) FURTHER EXTENSION OF THE LONG STOP DATE**

Reference is made to the announcements of the Company dated 15 August 2021, 3 September 2021, 24 September 2021 and 30 November 2021 (collectively, the “**Announcements**”), the circular of the Company dated 26 October 2021 (the “**Circular**”) and the poll results announcement of the Company dated 19 November 2021 in relation to, among other things, the acquisition of the 35% equity interest in the Target Company by the Company pursuant to the Sale and Purchase Agreement dated 15 August 2021. Capitalised terms used herein shall have the same meanings as those defined in the Announcements and the Circular unless otherwise stated.

**TERMINATION OF THE ACQUISITION OF 15% EQUITY INTEREST IN THE TARGET  
COMPANY FROM THE FIRST VENDOR**

On 31 December 2021 (after trading hours), the Company (as purchaser), Mr. Lu Linming (as the First Vendor), Xi'an Jurui Real Estate Co., Ltd.\* (西安聚瑞置業有限公司) (as the Second Vendor), and Mr. Chen Xi (as Guarantor to the Second Vendor) (collectively, the “**Parties**”) entered into a second supplemental deed (the “**2nd Supplemental Deed**”) to the Sale and Purchase Agreement (as amended and supplemented by the Supplemental Agreement dated 30 November 2021).

Pursuant to the 2nd Supplemental Deed, due to the impracticability of satisfying the condition(s) precedent under the Sale and Purchase Agreement by the First Vendor, the First Vendor and the Company agreed to terminate the acquisition of 15% equity interest (the “**15% Acquisition**”) in the Target Company from the First Vendor in accordance with the terms of the Sale and Purchase Agreement (the “**Partial Termination**”).

The Board considers that the termination of the 15% Acquisition will not have any material adverse impact on the existing business of the Group.

## **FURTHER EXTENSION OF THE LONG STOP DATE**

Pursuant to the 2nd Supplemental Deed, the Parties (except for the First Vendor) further agreed that the Partial Termination shall not affect their rights and obligations in relation to the acquisition of 20% equity interest (the “**20% Acquisition**”) in the Target Company from the Second Vendor under the Sale and Purchase Agreement.

As additional time is required to fulfil the conditions precedent to the Sale and Purchase Agreement (as amended and supplemented by the Supplemental Agreement dated 30 November 2021), the Parties (except for the First Vendor) agreed to amend the Long Stop Date by further extending it from 31 December 2021 to 28 February 2022 or such other date as the Parties may agree in writing pursuant to the 2nd Supplemental Deed.

Upon the completion of the 20% Acquisition (the “**Partial Completion**”), the Company will hold 20% of equity interest of the Target Company and the Target Company will be treated as an associate of the Company. Given the Target Company will not be a subsidiary of the Company, its financial results will not be consolidated into the consolidated financial results of the Group.

Save as disclosed above, there are no other changes to the Acquisition and all other terms and conditions of the Sale and Purchase Agreement remain unchanged and continue to be in full force and effect.

The terms of the 2nd Supplemental Deed have been arrived at after arm’s length negotiations between the Parties. The Directors are of the view that the terms and conditions of the 2nd Supplemental Deed are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **ISSUE OF CONSIDERATION SHARES UNDER THE SPECIFIC MANDATE**

As a result of the Partial Termination, and upon the Partial Completion, an aggregate of 516,559,951 Consideration Shares shall be allotted and issued to the Second Vendor (or its nominee(s)) at the Issue Price of HK\$0.2 per Share under the Specific Mandate, whereas no Consideration Shares shall be allotted and issued to the First Vendor, pursuant to the terms and conditions of the Sale and Purchase Agreement.

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement and immediately before the Partial Completion and before allotment and issue of the corresponding Consideration Shares; and (ii) immediately after the Partial Completion and after allotment and issue of the corresponding Consideration Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Consideration Shares from the date of this announcement up to the completion of the issue of the last tranche of Consideration Shares and that there is no downward adjustment of the number of Consideration Shares to be allotted and issued):

	As at the date of this announcement and immediately before the Partial Completion and before allotment and issue of the corresponding Consideration Shares		Immediately after the Partial Completion and after allotment and issue of the corresponding Consideration Shares	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Sino Starlet Limited ( <i>Note</i> )	437,230,000	18.47	437,230,000	15.16
Mr. Zhang Chang	93,090,000	3.93	93,090,000	3.23
First Vendor (or his nominee(s))	—	—	—	—
Second Vendor (or its nominee(s))	—	—	516,559,951	17.91
Public Shareholders	1,837,298,693	77.60	1,837,298,693	63.70
<b>Total</b>	<b>2,367,618,693</b>	<b>100.00</b>	<b>2,884,178,644</b>	<b>100.00</b>

*Note:* Sino Starlet Limited is wholly-owned by Mr. Zhang Chang.

**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 Xi**  
*Chairman*

Hong Kong, 31 December 2021

*As at the date of this announcement, the Board comprises (i) four executive Directors, namely, Mr. Zhang Xi, Mr. Wu Hao, Mr. Lin Xiaofeng 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 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 this announcement misleading.*

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

*\* for identification purpose only*