
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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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)

**(1) PROPOSALS FOR GENERAL MANDATES
TO ISSUE AND TO REPURCHASE SHARES;
(2) RE-ELECTION OF DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (the “AGM”) of China Smartpay Group Holdings Limited (the “Company”) to be held at Hotel Jen Room Hibiscus, 2/F., 508 Queen’s Road West, Hong Kong on Friday, 28 September 2018 at 11:00 a.m., is set out on pages 15 to 19 of this circular. A form of proxy for use at the AGM is enclosed with this circular.

Whether or not you are able to attend the AGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong share registrar and transfer office, Union Registrars 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 later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and, in such event, the form of proxy shall be deemed to be revoked.

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 website of the Company at www.chinasmartpay.com.

16 August 2018

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher 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.

Given the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange 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 shall have the following meanings unless the context otherwise requires:

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held at Hotel Jen Room Hibiscus, 2/F., 508 Queen’s Road West, Hong Kong on 28 September 2018, Friday at 11:00 a.m. or any adjournment thereof;
“Articles of Association”	the articles of association of the Company, as amended from time to time and “Article” shall mean an article of the Articles of Association;
“Board”	the board of Directors;
“close associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules;
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Company”	China Smartpay Group Holdings Limited (中國支付通集團控股有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM;
“core connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules;
“Director(s)”	director(s) of the Company;
“GEM”	GEM of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	8 August 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“PRC”	the People’s Republic of China;

DEFINITIONS

“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;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“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;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Buy-backs; and
“%”	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. Yan Dinggui (*Executive Deputy Chairman*)
Dr. Cao Guoqi
Mr. Fung Weichang
Mr. Song Xiangping

Non-executive Directors:

Mr. Zhang Huaqiao (*Chairman*)
Mr. Xie Zhichun

Independent non-executive Directors:

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

Registered Office:

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

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

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

16 August 2018

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSALS FOR GENERAL MANDATES
TO ISSUE AND TO REPURCHASE SHARES;
(2) RE-ELECTION OF DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

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

LETTER FROM THE BOARD

2. 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 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 1,644,188,693 Shares. Assuming that no further Shares are issued or repurchased prior to the Annual General Meeting, no more than 328,837,738 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 aggregate number of Shares which may from time to time be purchased by the Company pursuant to the Repurchase Proposal to the Share Issue Mandate.

3. RE-ELECTION OF DIRECTORS

The Board currently consists of (i) four executive Directors, namely, Mr. Yan Dinggui, Dr. Cao Guoqi, Mr. Fung Weichang and Mr. Song Xiangping; (ii) two non-executive Directors, namely Mr. Zhang Huaqiao and Mr. Xie Zhichun and (iii) four independent non-executive Directors, namely, Mr. Wang Yiming, Mr. Lu Dongcheng, Dr. Yuan Shumin and Dr. Zhou Jinhuang.

Pursuant to Article 84(1) of the Articles of Association, Dr. Cao Guoqi, Mr. Song Xiangping and Mr. Wang Yiming shall retire as Directors and be eligible for re-election at the AGM. They have offered themselves for re-election at the AGM.

Pursuant to Article 83(3) of the Articles of Association, Mr. Yan Dinggui (who was appointed as an executive Director on 15 September 2017) shall retire as Director and be eligible for re-election at the AGM. He has offered himself for re-election at the AGM.

Details of each of Dr. Cao Guoqi, Mr. Song Xiangping, Mr. Wang Yiming and Mr. Yan Dinggui are set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. AGM AND PROXY ARRANGEMENT

The notice of the AGM is set out on pages 15 to 19 of this circular. At the AGM, resolutions will be proposed to approve, inter alia, (i) the granting of the Share Issue Mandate; (ii) the granting of the Repurchase Proposal and (iii) the re-election of Directors.

Pursuant to 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, all the proposed resolutions will be put to vote by way of poll at the AGM. An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the GEM website (www.hkgem.com) and the Company's website (www.chinasmartpay.com) respectively. Whether or not you are able to attend the AGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority to the Company's Hong Kong share registrar and transfer office, Union Registrars 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 holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and, in such event, the form of proxy shall be deemed to be revoked.

5. RECOMMENDATION

The Board (including the independent non-executive Directors) considers that the ordinary resolutions in relation to (i) the Share Issue Mandate, (ii) the Repurchase Proposal and (iii) the re-election of Directors are all in the best interests of the Company and the Shareholders as a whole and therefore, recommends you to vote in favour of all the relevant resolutions to be proposed at the AGM.

6. 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.

LETTER FROM THE BOARD

7. GENERAL INFORMATION

Your attention is also drawn to the Appendix I (Explanatory Statement Relating to Share Repurchase) and the Appendix II (Details of Directors Proposed to be Re-elected at the AGM) to this circular.

Yours faithfully,
For and on behalf of the Board of
China Smartpay Group Holdings Limited
中國支付通集團控股有限公司
Yan Dinggui
Deputy Executive Chairman

This Appendix I serves as an explanatory statement, as required by the GEM Listing Rules, to provide certain information to you for your consideration of the 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% 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 164,418,869 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 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.

The Directors believe that the Repurchase Proposal is in the best interests of the Company and the Shareholders. Such repurchases may enhance the net value and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole. As compared with the financial position of the Company as at 31 March 2018 (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.

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 (as defined in the GEM Listing Rules) 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 persons 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.

APPENDIX I**EXPLANATORY STATEMENT RELATING TO
SHARE REPURCHASE**

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, the following Shareholders are interested in 5% or more of the issued Shares as recorded in the register of interests in Shares and short positions of the Company under Section 336(1) of Part XV of the SFO:

Name	Capacity/Nature of interest	Number of Shares (Note 1)	Approximate percentage of shareholding (Note 2)
Mr. Zhang Chang ("Mr. Zhang")	Interest of controlled corporation (Note 3)	170,000,000 (L)	10.34%
	Beneficial owner (Note 3)	93,090,000 (L)	5.66%
Sino Starlet Limited ("Sino Starlet")	Beneficial owner (Note 3)	170,000,000 (L)	10.34%
Mr. Yan Dinggui ("Mr. Yan")	Interest of controlled corporation (Note 4)	490,019,430 (L)	29.80%
上海嘉捷資產管理有限公司	Interest of controlled corporation (Note 4)	386,110,512 (L)	23.48%
Gayang (HongKong) Co., Limited ("Gayang")	Beneficial owner (Note 4)	386,110,512 (L)	23.48%
Jiayin Finance Holding Group Co., Limited ("Jiayin")	Beneficial owner (Note 4)	103,908,918 (L)	6.32%
Lujiazui Finance (Hong Kong) Limited	Beneficial owner (Note 5)	114,210,000 (L)	6.95%

Notes:

1. "L" denotes long position.
2. The percentages were calculated based on the Company's issued share capital of 1,644,188,693 Shares as at the Latest Practicable Date and on the assumption that there is no other change in the issued share capital of the Company.
3. Of 263,090,000 Shares, 170,000,000 Shares were held by Sino Starlet, which in turn is wholly owned by Mr. Zhang Chang. As Mr. Zhang Chang is the controlling shareholder of Sino Starlet, he is deemed to be interested in these 170,000,000 Shares held by Sino Starlet pursuant to Part XV of the SFO.
4. 103,908,918 Shares were held by Jiayin and 386,110,512 Shares were held by Gayang. As Mr. Yan, an executive Director, is the ultimate controlling shareholder of Jiayin and Gayang, he is deemed to be interested in those 490,019,430 Shares held by Jiayin and Gayang pursuant to Part XV of the SFO.
5. Information is extracted from the corporate substantial shareholder notice filed by Lujiazui Finance (Hong Kong) Limited on 27 July 2018. According to the notice, (i) LJF Payment Company Limited has entered into voluntary liquidation, therefore LJF Payment Company Limited transferred 114,210,000 Shares to its parent company, Lujiazui Finance (Hong Kong) Limited as a result of the liquidation assets processing and (ii) Lujiazui Finance (Hong Kong) Limited or its directors are accustomed or obliged to act in accordance with the directions or instructions of 上海陸家嘴金融發展有限公司, 上海陸家嘴金融貿易區開發股份有限公司 and 上海陸家嘴(集團)有限公司.

In the event the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Proposal, the interest of Mr. Yan, 上海嘉捷資產管理有限公司, Gayang and Jiayin (“**Mr. Yan’s Group**”) will be increased to approximately 33.11% of the issued share capital of the Company, assuming there is no change in the number of Shares held by Mr. Yan’s Group and there is no other change to the issued share capital of the Company. In the event of such increase, Mr. Yan’s Group may be obliged to make a mandatory offer under Rule 26 of the Takeovers Code as its shareholding percentage would increase to more than 30% of the voting rights of the Company.

Save as disclosed above, the Directors are not aware of any consequence which may arise under the Takeovers Code as a result of any repurchase made under the Repurchase Proposal. Further, the Directors have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Proposal to such an extent as would trigger a mandatory offer under Rule 26 of the Takeovers Code, or would result in the number of Shares being held by the public falling below the relevant minimum prescribed percentage as required by the Stock Exchange, which is currently 25% of the entire issued share capital of the Company.

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 Latest Practicable Date, no Shares have been repurchased by the Company.

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

Year/Month	Highest Price <i>HK\$</i>	Lowest Price <i>HK\$</i>
2017		
August	0.99	0.85
September	0.98	0.81
October	1.16	0.93
November	1.14	0.88
December	1.57	1.01
2018		
January	1.13	1.00
February	1.01	0.90
March	1.04	0.86
April	1.35	0.82
May	1.19	0.97
June	1.04	0.90
July	0.95	0.85
August (up to the Latest Practicable Date)	0.90	0.84

Details of the following Directors who will retire and be eligible for re-election at the AGM in accordance with the Articles of Association are set out as follows:

EXECUTIVE DIRECTORS**Mr. Yan Dinggui (嚴定貴先生) (“Mr. Yan”)**

Mr. Yan, aged 50, was appointed as an executive Director and the executive deputy chairman of the Company on 15 September 2017. Mr. Yan obtained a Master degree of Business Administration in 2016. He was appointed as the manager of the production department of 南京同創信息產業集團 (Nanjing Tongchuang Information Industry Group*) from May 1993 to July 1995 and was promoted as the deputy general manager of the Beijing Marketing Area of Nanjing Tongchuang Information Industry Group from July 1995 to December 1997. From January 1998 to December 1999, Mr. Yan served as the deputy director of Nanjing Tongchuang Information Industry Group Shanghai preparatory office. From January 2000 to December 2006, Mr. Yan was appointed as the general manager of 上海同天信息技術有限公司 (Shanghai Tongtian Information Technology Co., Ltd*). From March 2007 to December 2010, Mr. Yan served as the general manager of the Zhejiang Region of 北京天融信網絡安全技術有限公司. From September 2015, Mr. Yan was appointed as the Chairman of Shanghai Jiayin Financial Technology Co., Ltd. Mr. Yan is currently the chairman of Shanghai Jiayin Financial Technology Co., Ltd. From July 2011, he was also appointed as executive director of Shanghai Niwodai Internet Financial Information Service Co., Ltd.

As at the Latest Practicable Date, Mr. Yan is interested in 490,019,430 Shares, representing approximately 29.80% of the total number of Shares.

Mr. Yan has entered into a service contract with the Company for an initial fixed term of three years commencing from 15 September 2017, subject to retirement from office by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Yan 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.

Dr. Cao Guoqi (曹國琪博士) (“Dr. Cao”)

Dr. Cao, aged 54, was appointed as an executive Director in September 2013. 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 Shanghai University of Finance and Economics, an EMBA professor of Hunan University, a MBA supervisor at Advanced Institute of Finance of Shanghai Jiaotong University, and a research fellow at 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 Main Board 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 takes 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 a 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.

As at the Latest Practicable Date, Dr. Cao is interested in 22,520,000 Shares, representing approximately 1.37% of the total number of Shares.

Dr. Cao has entered into a letter of appointment with the Company for a term of three years commencing from 18 September 2016, subject to retirement from office by rotation and re-election in accordance with the Articles of Association. 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.

Mr. Song Xiangping (宋湘平先生) (“Mr. Song”)

Mr. Song, aged 54, was appointed as an executive Director in January 2015. He graduated from the Faculty of Electrification of 武漢鋼鐵學院 (Wuhan Institute of Iron and Steel Engineering*) in November 1983. He also obtained a degree of executive master of business administration from Cheung Kong Graduate School of Business in September 2013. Mr. Song joined the Industrial and Commercial Bank of China as engineering in August 1988. From October 2004 to June 2006, Mr. Song was the deputy general manager and overseas representative of the marketing department and the Hong Kong Branch of 上海銀商資訊有限公司 (China Union Loyalty Co. Ltd.*) and was promoted to the general manager of its Beijing and Hong Kong Branches from July 2006 to December 2007. From December 2007 to November 2010, Mr. Song joined 開聯信息技術有限公司 (Open Union Information Technology Co. Ltd.*) as the executive vice president and the general manager of the prepaid card business department. Since November 2010, Mr. Song has been the director and the president of Open Union.

As at the Latest Practicable Date, Mr. Song is interested in 5,000,000 Shares, representing approximately 0.30% of the total number of Shares.

Mr. Song has entered into a letter of appointment with the Company for a term of three years commencing from 16 January 2018, subject to retirement from office by rotation and re-election in accordance with the Articles of Association. Mr. Song is entitled to an annual emolument of HK\$1,200,000 which is determined by the Board with reference to his duties and responsibilities with the Company.

INDEPENDENT NON-EXECUTIVE DIRECTOR**Mr. Wang Yiming (王亦鳴先生) (“Mr. Wang”)**

Mr. Wang, aged 51, was appointed as an independent non-executive Director in August 2013. Mr. Wang is a member of the Company’s audit committee, remuneration committee, nomination committee, internal control committee and compliance committee. Mr. Wang holds a bachelor degree in electronic and a master degree in business administration from Shanghai Jiao Tong University. He was appointed as an executive director of Shanghai Jiaoda Withub Information Industrial Company Limited, a company listed on GEM, in September 2004. Mr. Wang had resigned as the chief executive officer and the executive director of Shanghai Jiaoda Withub Information Industrial Company Limited in June 2014. He is currently the general manager of 上海申廣科技發展有限公司 (Shanghai Shenguang Technology Development Ltd.*).

Mr. Wang has entered into a letter of appointment with the Company for a term of one year commencing from 2 August 2017, subject to retirement from office by rotation and re-election in accordance with the Articles of Association. Mr. Song 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.

Save as disclosed above, as at the Latest Practicable Date, none of Mr. Yan, Dr. Cao, Mr. Song and Mr. Wang holds any other positions in the Company or any of its subsidiaries or holds any directorship in any listed companies in the past three years preceding the Latest Practicable Date or has other major appointments and professional qualifications, and nor are they related to any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company, or interested in any Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, there are no other matters that are required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there are no other matters relating to their re-election that need to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



China Smartpay Group Holdings Limited
中國支付通集團控股有限公司
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(Stock Code: 8325)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of China Smartpay Group Holdings Limited 中國支付通集團控股有限公司 (the “**Company**”) will be held at Hotel Jen Room Hibiscus, 2/F., 508 Queen’s Road West, Hong Kong on Friday, 28 September 2018 at 11:00 a.m. (the “**Meeting**”) for the following purposes:

1. To receive and adopt the audited financial statements of the Company and its subsidiaries and the reports of the directors and auditors for the year ended 31 March 2018.
2.
 - (i) To re-elect Mr. Yan Dinggui as an executive director of the Company;
 - (ii) To re-elect Dr. Cao Guoqi as an executive director of the Company;
 - (iii) To re-elect Mr. Song Xiangping as an executive director of the Company;
 - (iv) To re-elect Mr. Wang Yiming as an independent non-executive director of the Company; and
 - (v) To authorise the remuneration committee of the Company to fix the remuneration of the directors of the Company.
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.

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As special business, to consider and, if thought fit, pass with or without modification, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

4. 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;
- (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% 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

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“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;
- (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% 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 the Company in general meeting.”

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- C. “**THAT** conditional upon resolutions no. 4A and 4B above being passed, the aggregate 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.”

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

Hong Kong, 16 August 2018

Head Office and Principal Place of Business in Hong Kong:

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

Registered Office:

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

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. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting or at any adjournment thereof 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 and transfer office 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 adjournment thereof.
4. The register of members of the Company will be closed from Monday, 24 September 2018 to Friday, 28 September 2018, both days inclusive, during which period no share transfers will be effected. In order to ascertain shareholders' rights for attending and voting at the meeting, all transfers accompanied by the relevant share certificates must be lodged with Union Registrars Limited, the Hong Kong share registrar and transfer office of the Company, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Friday, 21 September 2018.

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5. 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 meeting, the meeting will be postponed. The Company will publish an announcement on the website of the Company at www.chinasmartpay.com and on the GEM website at www.hkgem.com to notify members of the date, time and venue of the rescheduled meeting.

As at the date of this circular, the Board comprises (i) four executive directors, namely, Mr. Yan Dinggui, Dr. Cao Guoqi, Mr. Fung Weichang and Mr. Song Xiangping; (ii) two non-executive directors, namely Mr. Zhang Huaqiao and Mr. Xie Zhichun; and (iii) four independent non-executive directors, namely, Mr. Wang Yiming, Mr. Lu Dongcheng, Dr. Yuan Shumin and Dr. Zhou Jinhuang.

This notice 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 website of the Company at www.chinasmartpay.com.