

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF A POSSIBLE ACQUISITION

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

The board (the “**Board**”) of the Directors (the “**Directors**”) is pleased to announce that after trading hours of the Stock Exchange on 31 March 2015, an indirect wholly-owned subsidiary of the Company entered into the non-legally binding memorandum of understanding (“**MOU**”) with a third party (the “**Vendor**”), who is independent of and not connected with the Company and its connected persons (as defined under the GEM Listing Rules) in respect of a possible acquisition (the “**Possible Acquisition**”) of interests in the issued share capital of a target company (the “**Target Company**”). The Target Company is one of the leading providers of high-end membership benefit schemes (including high-end hotel accommodation, gourmet dining and spa sessions) to banks and credit card holders in the People’s Republic of China (the “**PRC**”). Its acceptance network covers more than 200 high-end merchants in 35 cities of the PRC. Its unaudited net profit for the year ended 31 December 2014 and for the two months ended 28 February 2015 were approximately RMB2.09 million and approximately RMB2.11 million, respectively. The Company is principally engaged in payment business in the PRC and South East Asia, and is seeking to develop a high-end membership benefit and loyalty scheme in order to add to the diversity

and profitability of the Company's existing product offerings. The Board considers acquiring an established player in this area may be more cost-effective than developing a new company from scratch.

Following the signing of the MOU, the Group will carry out a due diligence review (the “**Due Diligence Review**”) on the Target Company including, without limitation, its assets, liabilities, contracts, commitments and business and financial and legal aspects. Subject to the Group's satisfaction of the results of the Due Diligence Review, the parties intend to proceed with negotiation and hence finalization of detailed terms and conditions of their investment and cooperation for signing of a legally-binding agreement (the “**Formal Agreement**”) in relation to the Possible Acquisition based on the provisions of the MOU, which shall take place no later than 60 days from the date of the MOU (or such later date as the parties may otherwise agree), which may involve acquisition of the entire share capital of the Target Company. The consideration for the Possible Acquisition shall be determined after arm's length negotiation and mutual agreement between the parties. The MOU shall become effective on the date of the MOU and shall terminate and be of no force and effect on the earlier of (i) the date on which the Formal Agreement is to be executed, or (ii) 90 days from the date of the MOU, or such later date as the parties may otherwise agree in writing.

The Possible Acquisition, if materialized, may constitute a notifiable transaction of the Company under the GEM Listing Rules. The Company will make further announcement(s) in relation to the Possible Acquisition in accordance with the requirements of the GEM Listing Rules and the SFO as and when appropriate.

The Board wishes to emphasize that no legally-binding agreement in relation to the Possible Acquisition has been entered into as the date of this announcement, and that completion of the Formal Agreement and the transactions contemplated therein including, without limitation, the Possible Acquisition, will be subject to fulfilment (or as the case may be, if waivable, waiver) of certain conditions precedent to be set out in the Formal Agreement. Therefore, the Possible Acquisition may or may not proceed. Shareholders of the Company and/or potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 31 March 2015

As at the date of this announcement, the Board comprises (i) five executive Directors, namely, Mr. Cheng Nga Ming Vincent, Mr. Cao Guoqi, Mr. Fung Weichang, Mr. Xiong Wensen and Mr. Song Xiangping; (ii) one non-executive Director, namely, Mr. Zhang Huaqiao; and (iii) three independent non-executive Directors, namely, Mr. Wang Yiming, Mr. Lu Dongcheng and Dr. Yuan Shumin.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rule for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the Company’s website at www.chinasmartpay.com.