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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)

VOLUNTARY ANNOUNCEMENT INVESTMENT IN DALIAN YOUWAWA

The Board is pleased to announce that on 8 October 2015, Shanghai Qijun, an indirect wholly-owned subsidiary of the Company, entered into the Investment Agreement with Dalian Youwawa (one of the PRC's leading providers of smart tourism solutions) and the Existing Shareholder A, pursuant to which, among others, Shanghai Qijun has agreed to inject RMB6,000,000 into Dalian Youwawa for subscription of the newly increased registered capital in Dalian Youwawa of RMB300,000, representing 20% of the registered capital of Dalian Youwawa upon its completion.

The transaction contemplated under the Investment Agreement does not constitute any notifiable transaction of the Company under Chapter 19 of the GEM Listing Rules as the applicable percentage ratios under Chapter 19 of the GEM Listing Rules in respect of the capital injection by Shanghai Qijun under the Investment Agreement are less than 5%. This announcement is published by the Company on a voluntary basis.

This is a voluntary announcement made by the Company to inform the Shareholders and potential investors of the latest development of the Group.

THE INVESTMENT AGREEMENT

The Board is pleased to announce that on 8 October 2015, Shanghai Qijun, an indirect wholly-owned subsidiary of the Company, entered into the Investment Agreement with Dalian Youwawa and the Existing Shareholder A, pursuant to which (i) the registered capital

of Dalian Youwawa will be increased from RMB1,200,000 to RMB1,500,000; (ii) Shanghai Qijun has agreed to inject RMB6,000,000 into Dalian Youwawa upon the Group's satisfaction of the results of due diligence investigation and review on the legal, financial, business and other aspects of Dalian Youwawa, of which RMB300,000 will be applied towards such increase in the registered capital of Dalian Youwawa, and the remaining balance of RMB5,700,000 will be recognised as its capital reserve. As at the date of this announcement, Dalian Youwawa is owned as to 99% by the Existing Shareholder A and as to 1% by the Existing Shareholder B. Meanwhile, the Existing Shareholder B will transfer 1% of the equity interest currently held by him in Dalian Youwawa to the Existing Shareholder A, who would therefore become the sole shareholder of Dalian Youwawa. Upon completion of such equity interest transfer and the Investment Agreement, Dalian Youwawa will be owned as to 80% by the Existing Shareholder A and as to 20% by Shanghai Qijun.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, both of Dalian Youwawa and the Existing Shareholder A are third parties independent of and not connected with the Company and its connected persons.

INFORMATION ABOUT DALIAN YOUWAWA

Dalian Youwawa was founded in April 2013 and is one of the PRC's leading providers of smart tourism solutions. It currently operates two platforms, namely, the B2C platform youwawa.com and the B2B platform Youwawa Tourism Distribution Platform, in the PRC, which are linked with the PRC's leading B2C merchants including Ctrip.com, Tuniu.com, Qunar.com, Lvmama.com, Meituan.com, Dianping.com, Nuomi.com and Tmall.com.

Dalian Youwawa is the official electronic ticketing partner for Northeast Tourist Attraction Alliance (“東北旅遊景區聯盟”), which includes 23 top tourist attractions in the Northeast China. Dalian Youwawa is usually the exclusive ticketing partner for the tourist attractions it serves. It also operates an innovative “E-Passport” product, which allows tourists to gain access into a variety of tourist attractions using their mobile phones, with a single purchase.

Prior to signing of the Investment Agreement, Dalian Youwawa has already partnered with the Group to develop smart tourism solution and cross-attractions, multi-merchant one pass solution. Through this partnership, tourists can purchase electronic tickets through Dalian Youwawa or its downstream partners (such as Ctrip.com), and then redeem those tickets (as well as any associated electronic coupons or discounts) using their mobile phones at the smart POS terminals installed by the Group at relevant tourist attractions. Currently, Dalian Youwawa is applying to the CNTA for this smart tourism partnership to become the model electronic ticketing solution to be promoted nationwide.

REASONS FOR AND BENEFIT OF ENTERING INTO OF THE INVESTMENT AGREEMENT

The Group is principally engaged in pan-Asian payment, internet finance and cross-border e-commerce business and possesses one of the only six business licences to operate a nationwide prepaid and internet payment network in the PRC. As stated in the 2015 annual report of the Group, we view “internet+prepaid” and merchant O2O as two of our four core strategic areas.

By capital injection into Dalian Youwawa, the Group is able to cover additional merchant O2O services value chain in the tourism industry, which would broaden the service network of the Group’s payment and O2O solutions in general.

Dalian Youwawa’s “E-Passport” product also has a natural synergy with the Group’s multi-merchant prepaid product. The combined products enable tourists to not only access diverse tourist attractions, but also make purchases at all of the nearby merchants (such as hotels, restaurants, gift shops, parking, etc.) with a single mobile-based product.

Moreover, as Dalian Youwawa is applying for the smart tourism partnership with the Group to become the national model solution for electronic ticketing, the Company may be able to capture the potential to conduct “internet+prepaid” and merchant O2O services across the tourism industry of PRC upon successful application by Dalian Youwawa.

The Directors are of the view that the Investment Agreement is entered into on normal commercial terms, and the terms of which are fair and reasonable and in the interests of the Shareholders as a whole.

GENERAL

The transaction contemplated under the Investment Agreement does not constitute a notifiable transaction of the Company under Chapter 19 of the GEM Listing Rules as the applicable percentage ratios under Chapter 19 of the GEM Listing Rules in respect of the capital injection by Shanghai Qijun under the Investment Agreement are less than 5%. This announcement is made by the Company on a voluntary basis.

DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“B2B”	Business-to-Business
“B2C”	Business-to-Consumer
“Board”	the board of Directors
“CNTA”	China National Tourism Administration
“Company”	China Smartpay Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM
“connected persons”	has the meaning ascribed thereto in the GEM Listing Rules
“Dalian Youwawa”	大連游娃娃商務服務有限公司 (transliterated as Dalian Youwawa Business Service Limited*), a company incorporated in the PRC with limited liability
“Director(s)”	the director(s) of the Company
“Existing Shareholder A”	an existing individual shareholder holding 99% of the equity interest in Dalian Youwawa as at the date of this announcement and a third party independent of and not connected with the Company and its connected persons
“Existing Shareholder B”	an existing individual shareholder holding 1% of the equity interest in Dalian Youwawa as at the date of this announcement and a third party independent of and not connected with the Company and its connected persons
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investment Agreement”	an agreement dated 8 October 2015 entered into among Shanghai Qijun, Dalian Youwawa and the Existing Shareholder A, pursuant to which, among others, Shanghai Qijun has agreed to inject RMB6,000,000 into Dalian Youwawa for subscription of the newly increased registered capital in Dalian Youwawa of RMB300,000, representing 20% of the registered capital of Dalian Youwawa upon its completion
“O2O”	Online-to-Offline
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency in the PRC
“Shanghai Qijun”	上海啟峻投資有限公司 (transliterated as Shanghai Qijun Investment Limited*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 8 October 2015

As at the date of this announcement, the board of the Company comprises (i) five executive Directors, namely, Mr. Zhang Huaqiao, Mr. Cao Guoqi, Mr. Fung Weichang, Mr. Xiong Wensen, 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 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 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.

* For identification purpose only