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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)

ANNOUNCEMENT

UPDATE ON THE DEVELOPMENT OF A POSSIBLE ACQUISITION

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

Reference is made to the announcements (the “**Announcements**”) of the Company dated 26 February 2013, 12 April 2013, 13 May 2013, 28 May 2013, 28 June 2013, 28 August 2013, 2 September 2013, 1 November 2013, 31 December 2013 and 28 February 2014, respectively, in respect of a possible acquisition of interests in the issued share capital of a target company, which is, together with its subsidiaries, principally engaged in the payment card business in the People’s Republic of China. Unless the context otherwise requires, terms used in this announcement shall have the same meanings as those defined in the Announcements.

In view that further time is required for the parties to negotiate the terms of the Formal Agreement, the parties have, after trading hours of the Stock Exchange on 29 May 2014, entered into a fourth side letter (the “**Fourth Side Letter to the Confirmation Letter**”) to amend the Confirmation Letter (as amended and supplemented by (i) the Third Side Letter to the Confirmation Letter; (ii) the Second Side Letter to the Confirmation Letter; and (iii) the Side Letter to the Confirmation Letter). Such Confirmation Letter shall (except otherwise provided therein) repeat and reinstate all other terms and conditions of the MOU (as amended and supplemented by the Side Letter, the Second Side Letter, the Third Side Letter and the Fourth Side Letter). Pursuant to the Fourth Side Letter to the Confirmation Letter, (a) the parties have agreed to extend the date for signing of the Formal Agreement, which shall take place no later than 31 August 2014 (or such later date as the parties may otherwise agree); and (b) the MOU 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) 31st day of August 2014, or such later date as the parties may otherwise agree in writing.

Save for the above, all other terms and conditions of the MOU and the Confirmation Letter shall remain in full force and effect.

The terms of the Fourth Side Letter to the Confirmation Letter were arrived at after arm's length negotiations between the parties. The Board considers that the entering into of the Fourth Side Letter to the Confirmation Letter is in the interests of the Company and the Shareholders as a whole. The Company will make further announcement regarding the progress of the Possible Acquisition as and when appropriate.

For the avoidance of doubt, the Target Company in this Possible Acquisition is not related to the Licence Company in the Framework Agreement or any transactions contemplated thereunder as defined and detailed in announcements dated 4 November 2013, 25 November 2013, 27 December 2013, 28 February 2014, 30 April 2014 and 27 May 2014, respectively, of the Company.

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

Hong Kong, 30 May 2014

As at the date of this announcement, the Board comprises (i) four executive directors, namely, Mr. Cheng Nga Ming Vincent, Ms. Cheng Nga Yee, Mr. Cao Guoqi and Mr. Fung Weichang; (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 Board 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 Board, 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.ocg.com.hk.