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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance. The Board wishes to inform the shareholders of the Company and potential investors that, based on the latest unaudited consolidated management accounts of the Company and the information currently available to the Board, the Company expects to record a loss for the six months ended 30 September 2014 against a profit for the six months ended 30 September 2013. In addition, the Company also expects to record a substantial loss attributable to the equity holders for the six months ended 30 September 2014. The information contained in this announcement is only based on the preliminary assessment by the management of the Company on the unaudited consolidated management accounts of the Group for the six months ended 30 September 2014.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

This announcement is made by China Smartpay Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) 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 (the “**GEM Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the latest unaudited consolidated management accounts of the Company and the information currently available to the Board, the Company expects to record a loss after tax of approximately HK\$37,000,000 for the six months ended 30 September 2014 against a profit after tax of approximately HK\$5,600,000 recorded for the six months ended 30 September 2013. In addition, the Company also expects to record a substantial loss attributable to its equity holders for the six months ended 30 September 2014. Such estimated loss was primarily attributable to the increase in the general administrative expenses of the Company which was caused by the increase in the share based payment expenses on share options granted (the “**Share Option Expenses**”).

Based on the latest unaudited consolidated management accounts of the Company and information currently available to the Board, the one off and non-cash Share Option Expenses was estimated to be approximately HK\$38,000,000 for the period ended 30 September 2014. In view of the one-off nature of the Share Option Expenses, the Board remains confident about the Group’s long term prospects. Without the recognition of non-cash Share Option Expenses, the Company could have a profit after tax of approximately HK\$860,000 for the period ended 30 September 2014.

The Company is still in the process of finalising the interim results of the Group for six months ended 30 September 2014. The information contained in this announcement is only based on the preliminary assessment by the management of the Company on the latest unaudited consolidated management accounts of the Company for the six months ended 30 September 2014. Finalised interim results of the Group for the six months ended 30 September 2014 will be disclosed in the interim results announcement of the Group, which is expected to be released on or about 14 November 2014.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 6 November 2014

As at the date of this announcement, the Board comprises (i) four executive directors, namely, Mr. Cheng Nga Ming Vincent, Mr. Cao Guoqi, Mr. Fung Weichang and Mr. Xiong Wensen; (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 of the Company 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 in 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