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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)

ENTERING INTO A TOURISM CARD COOPERATION AGREEMENT

This announcement is made by the Company pursuant to Rule 17.10(2) of the GEM Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board is pleased to announce that after trading hours on 7 November 2014, the Company and Zhongchao Hismart entered into the TourismCard Cooperation Agreement in respect of collaboration on developing and promoting the TourismCard in Guangdong Province, the PRC. The two parties aim to issue at least 5,000,000 co-brand bank cards with electronic wallet and contactless payment functions and 10,000,000 anonymous prepaid cards and to build an acceptance network of at least 100,000 merchants (including the largest regional public transportation one-pass system in China, connecting 19 cities in Guangdong (including Guangzhou, Zhuhai, Zhongshan, Foshan etc.), Hong Kong (through co-brand card program with Octopus Card) and Macau). Zhongchao Hismart was chosen by Tourism Administration of Guangdong Province and UnionPay Guangdong as the sole operator of Barrier-Free Tourism Card Pilot Program in Guangdong Province.

The TourismCard Cooperation Agreement set out the framework of the cooperation between both parties and they may enter into further agreements to set out further details of the cooperation business. Should the entering into of any of such further agreements constitute a notifiable transaction of the Company under Chapter 19 of the GEM Listing Rules, the Company will comply with relevant provisions of the GEM Listing Rules accordingly.

This announcement is made by China Smartpay Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2) 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 “**SFO**”).

THE TOURISM CARD COOPERATION AGREEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of Company is pleased to announce that after trading hours on 7 November 2014, Shanghai Qijun Investment Consultancy Limited* 上海啟峻投資諮詢有限公司 (“**Shanghai Qijun**”), an indirect wholly-owned subsidiary of the Company and 中鈔海思信息技術(北京)有限公司 (Zhongchao Hismart Information Technology (Beijing) Co., Ltd.*, “**Zhongchao Hismart**”) have entered into a cooperation agreement (the “**TourismCard Cooperation Agreement**”) in respect of collaboration on developing and promoting the travel cards (the “**TourismCard**”) in Guangdong Province, the PRC.

The major terms of the TourismCard Cooperation Agreement are set out as the follows:-

Date: 7 November 2014

Parties: Party A: Shanghai Qijun
Party B: Zhongchao Hismart

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, Zhongchao Hismart and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

Term: The TourismCard Cooperation Agreement shall be valid for a period commencing from 7 November 2014 to 30 June 2018. If the parties to the TourismCard Cooperation Agreement are satisfied with operating results under the TourismCard Cooperation Agreement after its expiry and the agreement between Zhongchao Hismart, Tourism Administration of Guangdong Province and China UnionPay is still valid or has been renewed by that time, the parties to the TourismCard Cooperation Agreement would consider to renew the TourismCard Cooperation Agreement with similar terms. Otherwise, the TourismCard Cooperation Agreement would be deemed to be lapsed.

* For identification purpose only.

Major terms: Zhongchao Hismart has been nominated by the relevant authority under the Guangdong Tourism Bureau of the PRC to be the sole operator to launch and implement 廣東省旅遊刷卡無障礙示範項目 (Barrier-free Tourism Card Pilot Program in Guangdong Province*) (the “**TourismCard Project**”). TourismCard (中國旅遊卡) is an IC card that combines both identification and payment services, and can accommodate various card technologies including stripe cards, contactless card, QuickPass and mobile payment. With TourismCard, a tourist and/or a local resident can use one card to conveniently pay for various services including dining, hotel accommodation, transportation, entertainment, shopping and healthcare. Zhongchao Hismart invited Shanghai Qijun to jointly develop and operate the TourismCard Project.

Pursuant to the TourismCard Cooperation Agreement, the goal of the TourismCard Project is to:

- 1) issue at least 5,000,000 TourismCards (co-brand bank cards with electronic wallet and contactless payment functions) in Guangdong Province;
- 2) issue at least 10,000,000 TourismCards (anonymous prepaid cards) in Guangdong Province;
- 3) Build an extensive acceptance network connecting at least 100,000 merchants in the dining, hotel accommodation, transportation, tourism, retail and entertainment markets (including but not limited to highway manual toll collection booths, tourism parks, hotels, restaurants, shopping malls, supermarkets, the largest regional public transportation one-pass system in China, connecting 19 cities in Guangdong (including Guangzhou, Zhuhai, Zhongshan, Foshan etc.), Hong Kong (through co-brand card program with Octopus Card) and Macau.)

Pursuant to the TourismCard Cooperation Agreement, Zhongchao Hismart will be responsible for (i) the consolidation of resources of Tourism Administration of Guangdong Province, China UnionPay and cooperating banks and development and management of the TourismCard Project; (ii) designating Shanghai Qijun as the partner for prepaid card and electronic wallet business; (iii) the construction and maintenance of the small-amount payment application platform for the TourismCard Project and connect with cooperating banks, third party application partners and prepaid card system of Shanghai Qijun; (iv) the liaison with the cooperating bank to enter into the cooperation agreement and appointment of bank to carry out settlement services, custodian of funds and receipt of administration fees in respect of card issuance; (v) the establishment of the technological specifications and standards in relation to the

connection and security of the TourismCards and carrying out the security management and testing between the connection amongst the TourismCards, POS terminals, software system and application system.

Meanwhile, pursuant to the TourismCard Cooperation Agreement, Shanghai Qijun will be responsible for (i) formation and management of the operating team, including but not limited to recruitment, training, employee welfare and benefits; and (ii) provision of general working capital for the operating team. Also, Shanghai Qijun and its related entities are entitled to use and promote TourismCard trademark within the licencing scope of Zhongchao Hismart and cooperating banks.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TOURISM CARD COOPERATION AGREEMENT

The Group is principally engaged in operating electronic payment, trading and settlement platforms in Mainland China, Hong Kong and Thailand. Starting from 2013, the Company has endeavored tremendous amount of efforts to develop Online-to-Offline payment services based on industry-specific co-brand payment cards, innovative personal prepaid account service and virtual payment cards and coupons. The Group is establishing the contractual arrangements with a PRC company (the “**Licence Company**”) which is engaged in the issuance and acceptance of prepaid card and internet payment services in the PRC and it possesses a licence which allows it to issue and accept prepaid cards within the PRC on a nationwide basis (Please refer to the circular of the Company 1 September 2014 for details). The aforesaid contractual arrangements have been approved by the Shareholders’ at the extraordinary general meeting held on 18 September 2014.

Zhongchao Hismart is principally engaged in digitalization of currency and the provision of information solutions, in particular the application of payment technology solutions, especially application technology in multiple sectors, such as finance, transportation, tourism, commercial, retail etc.

In 2012, China National Tourism Administration and China UnionPay partnered to develop the 旅遊刷卡障礙示範項目 (barrier-free tourism card pilot project) and introduced the TourismCard. Tourism Administration of Guangdong Province was responsible for promoting the 廣東省旅遊刷卡無障礙示範項目 (Guangdong Province barrier-free tourism card pilot project) and together with UnionPay Guangdong selected Zhongchao Hismart as the only operator of the project and responsible for issuing and managing the TourismCard in Guangdong Province, the PRC.

The Board believes that by partnering with Zhongchao Hismart in relation to the TourismCard Project, the Company can tap into the digitalization of huge tourism industry in Guangdong Province, the PRC. Besides, the Company will be benefited as the Company owns 30% of the Licence Company under contractual arrangements and the cooperation under the TourismCard Project will greatly expand the acceptance network of the cards issued by Licence Company in Southern China, thus creating synergy among the Group's China prepaid card assets. Accordingly, the Board considers the TourismCard Cooperation Agreement can potentially have a significantly positive impact on the Company's profitability and is in the interest of the Company and its shareholders as a whole.

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

Hong Kong, 9 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 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.