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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 MEMORANDUM OF UNDERSTANDING WITH LAOX

The Board is pleased to announce that on 12 June 2015 after trading hours, the Company and Laox, Japan's largest duty-free chain, entered into the Laox MOU in respect of collaboration on mobile payment, card acquiring and value-added services based on smart terminals.

The Laox MOU is a strategic cooperation between the Company and Laox 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 is a voluntary announcement made by the Company.

The board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to announce that on 12 June 2015 after trading hours, the Company and Laox Co., LTD. ("**Laox**") have entered into a memorandum of understanding (the "**Laox MOU**") in respect of the collaboration on mobile payment, card acquiring and value-added services based on smart terminals.

The major terms of the Laox MOU are set out as the follows:

Date: 12 June 2015

Parties: The Company
Laox

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

Major Terms: Based on smart terminals provided by the Company and deployed in the sales points owned by Laox, the Company will provide Laox with 1) mobile payment services allowing Laox to accept payments from electronic wallets operated by all of the major Chinese internet companies; 2) card acquiring services; 3) value-added services.

Within 30 days following the signing of Laox MOU both parties will negotiate the terms and conditions of the formal contract (the “**Contract**”). The preliminary target date for signing the Contract is no later than 1 August 2015.

Term and Termination: The Laox MOU shall come into force upon signing by both parties and shall continue in effect until the occurrence of either of the following events:

1. The replacement of Laox MOU with the Contract or further agreement;
2. One month after either party receives a written notice for termination from the other party.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LAOX MOU

The Group is principally engaged in payment, e-commerce and internet finance business in the PRC and South East Asia.

Laox is a comprehensive retailer of consumer electronics as well as other consumer goods. Laox is also the largest duty-free chain in Japan and is a popular brand for Japan-bound Chinese tourists.

To further enhance the growth potential of the Group, the Group has been actively looking for cross-border payment and e-commerce business opportunities. Accordingly, the Group has formed strategic partnerships with NETS (Singapore's national payment system), Haitong International Securities Group Limited and a subsidiary of Yunnan Provincial People's Government, details of which are set out in the announcements of the Company dated 27 January 2015, 12 April 2015 and 13 May 2015, respectively.

The Board believes that the Laox MOU is in line with the Group's strategy enabling it to expand its existing services, revenue base and growth potential in cross-border payment, e-commerce, and internet finance business. Accordingly, the Board considers the Laox MOU is in the interest of the Company and its shareholders as a whole.

GENERAL

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

Hong Kong, 12 June 2015

As at the date of this announcement, the board of the Company comprises (i) six executive Directors, namely, Mr. Zhang Huaqiao, Mr. Cao Guoqi, Mr. Fung Weichang, Mr. Xiong Wensen, Mr. Song Xiangping and Mr. Cheng Nga Ming Vincent; 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 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.