

MANAGEPAY SYSTEMS BERHAD (“ManagePay” or “Company”)

- Memorandum of Understanding entered into between Sina Technologies Sdn Bhd, a wholly-owned subsidiary of ManagePay, and Taisea Capital Limited, a wholly-owned subsidiary of Taisea Fund Limited.

1. Introduction

The Board of Directors of ManagePay is pleased to announce that Sina Technologies Sdn Bhd (“**Sinatec**”), a wholly-owned subsidiary of the Company, had on 13 July 2011 signed a Memorandum of Understanding (“**MoU**”) with Taisea Capital Limited (“**Taisea**”) to jointly develop Malaysian swift nest online business.

2. Information on Taisea

Taisea was incorporated on 10 August 2009 in Hong Kong. Taisea is a wholly-owned subsidiary of Taisea Fund Limited, a company incorporated in the Cayman Island. Taisea has the right to exclusive use of NewAsia.com, which is owned by Taisea’s affiliated company, Tekhill Holding Limited, a company incorporated in the British Virgins Island.

The principal activities of Taisea are business investment and management. The authorised share capital of Taisea is HKD7 million shares comprising 7 million ordinary shares. The issued and paid-up share capital of Taisea is HKD2.1 million ordinary shares comprising 2.1 million ordinary shares.

3. Details of the MoU

3.1 Objectives of the MoU

Sinatec and Taisea will each commit itself to the other for an exclusive business engagement in the Swift Nest business both on line and off line. Sinatec shall source and supply Swift Nest products to Taisea while Taisea shall procure from Sinatec and resell via Taisea’s e-commerce portal.

3.2 Salient terms of the MoU

3.2.1 Sinatec is responsible:

- (a) to apply and obtain Malaysian Government approval to promote Radio-Frequency Identification (“**RFID**”) installation for Malaysian Swift Nest industry;
- (b) to assure that the supply of Swift Nest are of Malaysia products and are certified and authenticated by the following methods but not limited to:-
 - (i) endorsed by Malaysian Ministry of Agriculture or its authorised agency;

- (ii) endorsed by Malaysian Digital Enterprise Exchange (A governmental E-Commerce Platform supported by Multimedia Development Corporation (“**MDeC**”) under the purview of Ministry of Science, Technology and Innovation (“**MOSTI**”));
 - (iii) supported by SME Corporation Malaysia (“**SMECorp**”); and
 - (iv) possess the Certificate of Origin issued by Malaysia Chamber of Commerce or DagangNet.
- (c) immediately after signing the formal cooperation agreement with Taisea, Sinatec will start to qualify and to recruit Malaysian Swift Nest vendors and Swift Nest related industries (such as swift nest tonic, ready to eat swift nest drink, swift nest soap, swift nest souvenir etc) to participate in the e-commerce platform as vendors and members of supplier to Taisea;
 - (d) to promote the installation of RFID to Malaysian Swift Nest vendors, to take orders from Taisea, to place orders to Malaysian vendors, to supervise the shipment, to collect/receive and ship the orders to Taisea; and
 - (e) to ascertain country of origin of the swift nest.

3.2.2 Taisea is responsible to:

- (a) provide the complete RFID system (including both software, hardware (RFID chips), and the online tracking/tracing system) for an agreeable price per RFID chip to Sinatec;
- (b) procure the Swift Nest from Sinatec for inventory on a mutual agreeable terms and conditions; and
- (c) establish Malaysia Swift Nest website, web pages and malls to promote Malaysian Swift Nest and Swift Nest related products to the world.

4. Rationale

Multimedia Prospect Sdn Bhd, a wholly-owned subsidiary of ManagePay, is engaged by MDeC to operate Malaysia Digital Enterprise Exchange (“**MDEX**”), a government Information and Communications Technology (“**ICT**”) initiative project to promote the ICT adoption especially e-commerce solutions among small and medium enterprises in Malaysia.

MDEX platform also promotes and supports bilateral online trades between Malaysia and the countries worldwide. MDEX will power a private label portal, operate and owned by Sinatec, to source and facilitate the online trades between China B2B platform NewAsia.com and Malaysia’s swiftnest producers.

5. Effects of the MoU

The MoU is not expected to have any material effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholding of the Company for the financial year ending 31 December 2011.

6. Directors' and major shareholders' interest

None of the Directors and/or major shareholders of ManagePay and/or any persons connected to them have any interest, direct or indirect, in the MoU.

7. Statement by Directors

The Board of Directors of ManagePay, having taken into consideration all aspects of the MoU, is of the opinion that the MoU is in the best interest of the Company and its subsidiaries.

8. Approvals required

The MoU is not subject to approval of the shareholders of ManagePay and any relevant government authorities.

9. Document available for inspection

The MoU is available for inspection at the Registered Office of MangePay at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan during normal office hours from Monday to Friday (except for Public Holidays) for a period of one (1) month from the date of this announcement.

This announcement is dated 14 July 2011