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PALMPAY CHINA (HOLDINGS) LIMITED

中國掌付(集團)有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8047)

COMPLETION OF SUBSCRIPTION OF NEW SHARES AND PRIVATE PLACING OF NON-LISTED WARRANTS

The Board is pleased to announce that completion of the Share Subscription and Warrant Subscription took place on 12 April 2010 in accordance with the terms of the Share Subscription Agreements and Warrant Placing Agreements. An aggregate of 207,000,000 Warrants has been issued at the Warrant Issue Price and an aggregate of 207,000,000 Placing Shares had been allotted and issued at the Placing Price of HK\$0.185 to the Subscribers.

Reference is made to the announcement of the Company dated 23 March 2010 (the “**Announcement**”) in relation to the subscription of up to 207,000,000 Placing Shares and private placing of up to 207,000,000 non-listed Warrants. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated.

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* *for identification purpose only*

The shareholding structure of the Company upon completion of the Share Subscription and Warrant Subscription is as follows:

Shareholders	Immediately after completion of the Share Subscription and Warrant Subscription (assuming none of the subscription rights attaching to the Warrants are exercised)		Immediately after full exercise of the subscription rights attaching to the Warrants	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Starryland Profits Limited (<i>Note 1</i>)	537,354,000	21.00%	537,354,000	19.43%
Mr. Lau Kim Hung, Jack (<i>Note 1</i>)	<u>12,408,000</u>	<u>0.48%</u>	<u>12,408,000</u>	<u>0.44%</u>
Subtotal	549,762,000	21.48%	549,762,000	19.87%
The First Subscriber	120,000,000	4.69%	240,000,000	8.68%
The Second Subscriber	47,000,000	1.84%	94,000,000	3.40%
The Third Subscriber	<u>40,000,000</u>	<u>1.56%</u>	<u>80,000,000</u>	<u>2.89%</u>
Subtotal	207,000,000	8.09%	414,000,000	14.97%
Hsu Tung Sheng (<i>Note 2</i>)	11,900,000	0.46%	11,900,000	0.43%
Hsu Tung Chi (<i>Note 2</i>)	76,074,000	2.97%	76,074,000	2.75%
Chan Francis Ping Kuen (<i>Note 2</i>)	13,000,000	0.51%	13,000,000	0.47%
Chan Hin Wing, James (<i>Note 2</i>)	11,000,000	0.43%	11,000,000	0.40%
Yuan Shengjun (<i>Note 2</i>)	<u>37,012,000</u>	<u>1.45%</u>	<u>37,012,000</u>	<u>1.34%</u>
Subtotal	148,986,000	5.82%	148,986,000	5.39%
Public Shareholders	<u>1,653,491,143</u>	<u>64.61%</u>	<u>1,653,491,143</u>	<u>59.77%</u>
Total	<u>2,559,239,143</u>	<u>100.00%</u>	<u>2,766,239,143</u>	<u>100.00%</u>

Notes:

1. Starryland Profits Limited is wholly and beneficially owned by Mr. Lau Kim Hung, Jack (“Mr. Lau”) who does not hold any position in the Group. Mr. Lau has a personal interest of 11,208,000 Shares and is deemed to be interested in 537,354,000 Shares held by Starryland Profits Limited. In addition, by virtue of being spouse of Ms. Chan Yiu Kan Katie, he is also deemed to be interested in 1,200,000 Shares held by Ms. Chan Yiu Kan Katie.
2. Mr. Hsu Tung Sheng is an executive Director and chairman of the Company. Mr. Chan Francis Ping Kuen is an executive Director and deputy chairman of the Company. Mr. Yuan Shengjun is an executive Director and chief executive officer of the Company. Mr. Chan Hin Wing, James and Mr. Hsu Tung Chi are executive Directors.

By order of the Board
Palmpay China (Holdings) Limited
Chan Francis Ping Kuen
Executive Director

Hong Kong, 12 April 2010

As at the date of this announcement, the executive Directors are Mr. Hsu Tung Sheng, Mr. Chan Francis Ping Kuen, Mr. Yuan Shengjun, Mr. Hsu Tung Chi and Mr. Chan Hin Wing, James. The independent non-executive Directors are Mr. Kwok Chi Sun, Vincent, Mr. Yeung Kam Yan and Mr. Cheung Chi Hwa, Justin.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purposes of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its posting and the Company’s website at www.palmpaychina.com.