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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  
DISCLOSEABLE AND CONNECTED TRANSACTION  
INVOLVING EXERCISE OF OPTION FOR  
THE ACQUISITION OF 100% EQUITY INTERESTS  
IN  
PALMPAY TECHNOLOGY CO. LTD.  
(北京互聯視通科技有限公司)**

The Board is pleased to announce that completion of the Acquisition took place on 18 October 2007.

**COMPLETION OF ACQUISITION**

Reference is made to the announcement dated 21 June 2007, the circular dated 13 July 2007 (the “Circular”) and the announcement dated 23 August 2007 of the Company in relation to, amongst other things, the acquisition of the entire equity interests in PalmPay (互聯視通). Capitalized terms used herein shall have the same meaning as those defined in the Circular.

The Board is pleased to announce that with all conditions set out in the Sale and Purchase Agreement dated 15 June 2007 having been fulfilled, which include transformation of PalmPay (互聯視通) into a wholly foreign owned enterprise, completion of the Acquisition took place on 18 October 2007.

Prior to the Acquisition, the accounts of PalmPay (互聯視通) has been consolidated with that of the Group for accounting purpose. Upon completion of the Acquisition, as the Purchaser owns 51% equity interest in Media Magic which indirectly owns 100% equity interest in PalmPay (互聯視通), the Group will continue to consolidate the results of PalmPay (互聯視通) with that of the Group.

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

Hong Kong, 18 October 2007

\* *For identification purpose only*

*As at the date of this announcement, Mr. Chan Francis Ping Kuen, Mr. Hsu Tung Sheng, Mr. Lo Ka Tong and Mr. Chan Hin Wing, James are executive Directors, Dr. Ho Hoi Lap is a non-executive Director and chairman of the Company, and Mr. Kwok Chi Sun, Vincent, Mr. Yeung Kam Yan and Mr. Chan Wing Chiu are independent non-executive Directors.*

*This announcement, for which the Directors 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: (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](http://www.hkgem.com) for at least seven days from the date of its posting and the Company’s website at <http://www.palmpaychina.com>.*