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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 MAJOR TRANSACTION INVOLVING THE ACQUISITION OF 55% EQUITY INTERESTS IN BOOMTECH LIMITED

Reference is made to the circular dated 4 May 2012 (the “**Circular**”) of Palmpay China (Holdings) Limited (the “**Company**”) in relation to the major transaction involving the acquisition of 55% equity interests in Boomtech Limited. Unless otherwise defined herein, terms used herein shall have the same meanings as defined in the Circular.

The Board is pleased to announce that with all the conditions of the Agreement having been fulfilled, Completion has taken place on 23 May 2012. Upon Completion, the Company is interested in 55% equity interests in the Target Company and members of the Target Group will be accounted for as indirect non wholly-owned subsidiaries of the Company.

The Company has allotted and issued 345,000,000 Consideration Shares to the Vendor to satisfy part of the Consideration pursuant to the terms and conditions of the Agreement.

By order of the Board
Palmpay China (Holdings) Limited
Yuan Shengjun
Chairman

Hong Kong, 23 May 2012

* *For identification purposes only*

As at the date of this announcement, the executive Directors are Mr. Yuan Shengjun, Mr. Chan Francis Ping Kuen 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 of Palmpay China (Holdings) Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 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 (www.hkgem.com) for at least 7 days from the date of its posting and the Company’s website at www.palmpaychina.com.