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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)

CLARIFICATION AND RESUMPTION OF TRADING

Reference is made to the announcement of Palmpay China (Holdings) Limited (the “Company”) dated 12 July 2012 in relation to the issue of warrants (the “Announcement”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

The Directors would like to provide further information in relation to the calculation of the number New Shares to be allotted and issued upon exercise of the Warrants. It is set out under the Announcement that “Each Warrant carries the right to subscribe for one Share”, the Board would like to clarify that such statement shall be read as “Each Warrant carries the right to subscribe for initially one New Share *(subject to adjustment of the Subscription Price pursuant to the terms of the Warrants)*”

Under the terms of each of the Subscription Agreements, the Warrants to be issued to the First Subscriber, the Second Subscriber, the Third Subscriber and the Fourth Subscriber will confer rights upon the holders thereof to subscribe for in aggregate of up to HK\$6,800,000, HK\$6,800,000, HK\$5,100,000 and HK\$4,250,000 respectively for the New Shares at the initial Subscription Price. In the event the Subscription Price, being initially at HK\$0.085 per Warrant is adjusted pursuant to the terms of the Warrants (the “Adjusted Subscription Price”), such number of New Shares to be issued and allotted to the holder of the Warrants will be adjusted by dividing the total subscription moneys under the respective Warrants by the Adjusted Subscription Price. The subscription monies and the initial number of New Shares to be allotted and issued upon exercise of the Warrants at the initial Subscription Price under the respective Warrants Subscription Agreements are as follows:

	Subscription monies and the initial number of New Shares to be allotted and issued upon exercise of the Warrants at the initial Subscription Price
The First Warrants	$\text{HK\$6,800,000} / \text{HK\$0.085} = 80,000,000$ New Shares
The Second Warrants	$\text{HK\$6,800,000} / \text{HK\$0.085} = 80,000,000$ New Shares
The Third Warrants	$\text{HK\$5,100,000} / \text{HK\$0.085} = 60,000,000$ New Shares
The Fourth Warrants	$\text{HK\$4,250,000} / \text{HK\$0.085} = 50,000,000$ New Shares

In addition, after further commercial negotiation among the Company and the Subscribers, it is agreed that supplemental agreements will be entered shortly to amend the term of the Subscription Agreements to the effect that in the event that following any adjustments of the Subscription Price made in accordance with the terms and conditions of the Warrants, the number of the Excess New Shares which may fall to be allotted and issued pursuant to the exercise of the subscription rights attaching to the Warrants which exceed the authorization under the General Mandate will not be issued. As such, the entire New Shares will be issued pursuant to the General Mandate, and the Warrant Subscription is not subject to any further Shareholders' approval.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 13 July 2012 at the request of the Company pending the publication of this announcement. The Company has applied to the Stock Exchange of Hong Kong Limited for resumption of trading of the Shares of the Company with effect from 9:00 a.m. on 16 July 2012.

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

Hong Kong, 13 July 2012

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.

* For identification purposes only