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CHINA NENG XIAO TECHNOLOGY (GROUP) LIMITED **中國能效科技(集團)有限公司***

(formerly known as Palmpay China (Holdings) Limited 中國掌付(集團)有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock code: 8047)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (“**Meeting**”) of China Neng Xiao Technology (Group) Limited (the “**Company**”) will be held at 10:30 a.m., on Wednesday, 21 November 2012 at Unit 1601, 16/F., Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution of the Company:

SPECIAL RESOLUTION

“**THAT**, conditional upon (i) the GEM Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in the New Shares (as defined below) arising from the Capital Reorganization (as defined below); and (ii) compliance by the Company with the relevant procedures and requirements under Bermuda law and the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “**GEM Listing Rules**”) to effect the Capital Reorganization (as defined below), with effect from 9:00 a.m. on the business day (as defined in the Listing Rules) immediately following the date on which this resolution is passed by the shareholders of the Company (the “**Shareholders**”):

- (a) the issued share capital of the Company be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.04 on each of the issued shares of HK\$0.05 each (the “**Share**”) of the Company so that the nominal value of each issued Share shall be reduced from HK\$0.05 to HK\$0.01 so as to form a new share with nominal value of HK\$0.01 each (“**New Share**”) (the aforesaid capital reduction to be referred to as the “**Reduction of Issued Share Capital**”);
- (b) each of the authorised but unissued Shares of HK\$0.05 each (including those arising from the Reduction of Issued Share Capital) be sub-divided into 5 New Shares of HK\$0.01 each (the aforesaid share sub-division to be referred to as the “**Share Subdivision**”);

* For identification purpose only

- (c) the entire sum standing to the credit of the Company's share premium account as at the date of the Meeting be cancelled (the aforesaid cancellation of the entire sum standing to the credit of the Company's share premium account to be referred to as the "**Share Premium Reduction**", together with the Reduction of Issued Share Capital and Share Subdivision, the "**Capital Reorganization**");
- (d) the credit arising from the Reduction of Issued Share Capital and the Share Premium Reduction be transferred to the contributed surplus account of the Company and the Directors be and are hereby authorised to apply the entire amount standing to the credit of the contributed surplus account of the Company in such manner as they consider appropriate, including but not limited to setting off against the accumulated losses of the Company from time to time (the "**Authorisation**"); and
- (e) any one director of the Company be and is hereby authorised to take all such acts and things and execute all such documents, including under seal where applicable, as he/she considers necessary or expedient in his/her opinion to implement and/or give effect to the Capital Reorganization and the Authorisation."

By the Order of the Board
China Neng Xiao Technology (Group) Limited
Yuan Shengjun
Chairman

Hong Kong, 26 October 2012

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of business
in Hong Kong:*
Unit 1601, 16/F.,
Ruttonjee House
Ruttonjee Centre
11 Duddell Street
Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or if he is the holder of two or more shares, more than one proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. A form of proxy for use at the Meeting is enclosed herewith.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney, duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

4. To be valid, the instrument appointing a proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no less than 48 hours before the time for holding the Meeting or any adjournment thereof.
5. Delivery of an instrument appointing a proxy will not preclude a member from attending and voting in person at the Meeting if the member so desires and in such event, the instrument appointing the proxy shall be deemed to be revoked.
6. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto but if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

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 China Neng Xiao Technology (Group) 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.nengxiao.com.hk