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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)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

The Board of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a profit for the six months ended 30 September 2012 as compared to a loss incurred in the same period in 2011. This positive profit alert announcement is only based on the preliminary review on the unaudited consolidated management accounts of the Group for the six months ended 30 September 2012. The actual unaudited interim results of the Group for the six months ended 30 September 2012 have not yet been finalized.

The unaudited interim results of the Group for the six months ended 30 September 2012 is expected to be announced on 13 November 2012.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

This announcement is made by China Neng Xiao Technology (Group) Limited (the “**Company**”) pursuant to Rule 17.10 of the Rules (the “**GEM Listing Rules**”) Governing The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on information currently available, the interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 September 2012 is expected to record a profit as compared to a loss for the six months ended 30 September 2011. The Board believes that such possible profit was mainly attributable to the increase in the Group’s turnover during the period.

* For identification purpose only

The information contained in this announcement is only based on the preliminary assessment by the management of the Company in accordance with the unaudited consolidated management accounts of the Group for the six months ended 30 September 2012 and is not based on any figures or information which has been audited or reviewed by the Company's auditors. The Company is in the process of finalizing the interim results of the Group for the six months ended 30 September 2012. Details of the Group's financial information and performance will be disclosed when the Group's interim results for the six months ended 30 September 2012 are announced.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board of
China Neng Xiao Technology (Group) Limited
Mr. Chan Francis Ping Kuen
Executive Director

Hong Kong, 2 November 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 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 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.