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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)

NOTICE OF THE SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of Palmpay China (Holdings) Limited (the “**Company**”) will be held on Wednesday, 19 December 2007 at 10:30 a.m. 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 resolutions as ordinary resolutions of the Company with votes on resolutions to be taken by way of poll.

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement (the “**Sale and Purchase Agreements**”) as defined in the circular dated 5 November 2007 and despatched to the shareholders of the Company (the “**Circular**”), copy of which have been produced to this meeting marked “A” and signed by the chairman hereof for the purpose of identification, and all transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) any one or more of the directors (the “**Directors**”) of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Sale and Purchase Agreements including but not limited to the allotment and issue of 163,377,778 ordinary shares of HK\$0.05 each in the share capital of the Company (the “**Consideration Shares**”) and the transactions contemplated thereunder;

* *For identification purpose only*

- (c) the issue of the convertible bonds (the “**Convertible Bonds**”) in the principal amount of HK\$80 million to be issued by the Company in accordance with the terms and conditions of the Sale and Purchase Agreements and the transactions contemplated therein be and are hereby approved;
 - (d) any one or more of the Directors of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Sale and Purchase Agreements including but not limited to the allotment and issue of 145,454,545 ordinary shares of HK\$0.05 each in the share capital of the Company (the “**Conversion Shares**”) of which may fall to be allotted and issued upon the exercise of the conversion rights attached to the **Convertible Bonds**”;
 - (e) “the unconditional specific mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with the Consideration Shares be and is hereby approved; and
 - (f) “the unconditional specific mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with the Conversion Shares be and is hereby approved.
2. “**THAT**, to the extent not already exercised, the mandate to allot and issue shares of the Company given to the Directors at the annual general meeting of the Company held on 23 August 2007 (the “**AGM**”) be and is hereby revoked (without prejudice to any valid exercise of such general mandate prior too the passing of this resolution) and replaced by the mandate **THAT**:
- (a) subject to paragraph (c) below, pursuant to the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprises Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares (each a “**Share**”) of HK\$0.05 each in the share capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-laws of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

(aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and

(bb) the nominal amount of any share capital of the Company repurchased by the Company pursuant to the general mandate to repurchase Shares granted to the Directors at the AGM (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of such resolution), and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum of association and Bye-laws of the Company or any other applicable laws of the Cayman Islands to be held; and

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

“Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or

extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

On behalf of the Board
Palmpay China (Holdings) Limited
Chan Francis Ping Kuen
Executive Director

Hong Kong, 3 December 2007

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

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business in Hong Kong:*
Unit 1601, 16/F
Ruttonjee House
Ruttonjee Centre
11 Duddell Street
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Notes:

1. A member entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws of the Company, vote in his/her/its stead. A proxy need not be a member of the Company but must be present in person to represent the member.
2. A form of proxy for use at the Meeting is enclosed to the circular of the Company dated 3 December 2007. In order to be valid, the form of proxy attached to this circular must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, at the offices of the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the Meeting or adjourned meeting. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the above Meeting or any adjournment thereof should he/she/it so wish.
3. Where there are joint holders of any share of the Company, any one of such holders may vote at the Meeting either personally or by proxy in respect of such share as if he/she/it were solely entitled thereto, but if more than one of such holders be present at the Meeting personally or by proxy, then the one of such holders whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for this purpose be deemed joint holders thereof.

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 for at least seven days from the date of its posting and the Company’s website at <http://www.palmpaychina.com>.