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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 ANNOUNCEMENT

Reference is made to the announcement (the “**Announcement**”) of the Company dated 19 December 2007. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated.

The directors of the Company (the “**Directors**”) noted that there were clerical errors in the Announcement. It was erroneously stated in the Announcement that the total number of Shares entitling holders thereof to attend and vote only against Ordinary Resolution 2 was nil while Mr. Hsu Tung Sheng, Dr. Ho Hoi Lap and Vendor A and their respective associates, were abstained from voting in favour of Ordinary Resolution 2. The Directors wish to clarify that the total number of Shares entitling holders thereof to attend and vote only against Ordinary Resolution 2 was 22,340,000 Shares.

By Order of the Board
Palmpay China (Holdings) Limited
Chan Francis Ping Kuen
Executive Director

Hong Kong, 20 December 2007

* *for identification purpose only*

As at the date of this announcement, the executive Directors are Mr. Chan Francis Ping Kuen, Mr. Hsu Tung Sheng, Mr. Lo Ka Tong and Mr. Chan Hin Wing, James. The non-executive Director and the chairman of the Company is Dr. Ho Hoi Lap. The independent non-executive Directors are Mr. Kwok Chi Sun, Vincent, Mr. Yeung Kam Yan and Mr. Chan Wing Chiu.

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 appear and remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and the Company’s website at www.palmpaychina.com.