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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)

VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION INVOLVING DISPOSAL OF THE ENTIRE EQUITY INTEREST IN UNION BRIDGE GROUP LIMITED

DELAY IN DESPATCH OF CIRCULAR

As additional time is required for finalizing the contents of the Circular including the pro forma financial statements, the Company expects that the despatch of the Circular will be delayed from 6 February 2008 to on or before 20 February 2008.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rules 19.38 and 20.49 of the GEM Listing Rules such that the despatch of the Circular is to be postponed to on or before 20 February 2008.

Reference is made to the announcement (the “**Announcement**”) of Palmpay China (Holdings) Limited (the “**Company**”) published on 16 January 2008 in relation to, among other matters, the very substantial disposal and connected transaction on the part of the Company. Definitions and terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the Announcement.

Pursuant to Rules 19.38 and 20.49 of the GEM Listing Rules, the Company is required to despatch the circular (the “**Circular**”) containing, among other things, details of the Disposal and a notice of SGM to the Shareholders within 21 days after the publication of the Announcement, which shall be on or before 6 February 2008. As additional time is required for finalizing the contents of the Circular including the pro forma financial statements, the Company expects that the despatch of the Circular will be delayed from 6 February 2008 to on or before 20 February 2008.

* For identification purposes only

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rules 19.38 and 20.49 of the GEM Listing Rules such that the despatch of the Circular is to be postponed to on or before 20 February 2008.

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

Hong Kong, 5 February 2008

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 enquires, confirm that, to the best of their knowledge and belief:– (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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 (www.hkgem.com) for at least 7 days from its date of publication and the Company’s website at www.palmpaychina.com.