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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)

**COMPLETION OF VERY SUBSTANTIAL DISPOSAL AND
CONNECTED TRANSACTION
INVOLVING DISPOSAL OF THE ENTIRE INTEREST IN
UNION BRIDGE GROUP LIMITED; AND
APPOINTMENT AND RESIGNATION OF EXECUTIVE DIRECTORS**

The Board is pleased to announce that completion of the Disposal took place on 12 March 2008.

The Board also wishes to announce that Mr. Hsu Tung Chi will be appointed as an executive director of the Company with effect from 12 March 2008 and Mr. Lo Ka Tong will resign as an executive director of the Company with effect from 12 March 2008 for his own career development.

COMPLETION OF THE DISPOSAL

Reference is made to the announcements dated 16 January 2008, 5 February 2008, 10 March 2008, and the circular dated 20 February 2008 (the “**Circular**”) in relation to, amongst other things, the disposal of the entire interest in Union Bridge. Capitalized terms used herein shall have the same meaning as those defined in the Circular unless otherwise specified.

The Board is pleased to announce that with all conditions set out in the Disposal Agreements dated 11 January 2008 having been fulfilled, completion of the Disposal took place on 12 March 2008.

Upon Completion, the Company will cease to have any interest in UB Group, and therefore UB Group will cease to be the subsidiaries of the Company.

* *for identification purpose only*

APPOINTMENT OF EXECUTIVE DIRECTORS

The Board is pleased to announce that Mr. Hsu Tung Chi (“**Mr. Hsu**”) will be appointed as an executive director of the Company with effect from 12 March 2008.

Mr. Hsu Tung Chi

Mr. Hsu, aged 39, holds a bachelor’s degree in Economics from Fu Jen Catholic University (輔仁大學) in Taiwan. Mr. Hsu has over 10 years’ experience in advisory on management, operation and strategic planning. Mr. Hsu will be responsible for the management function and business operation of Media Magic Technology Limited and its subsidiaries which are currently principally engaged in the provision of mobile payment gateway services in the PRC.

Save for being directors of three subsidiaries of the Group, namely Media Magic Technology Limited, Multi Channel Technology Limited and PalmPay Technology Co. Ltd., Mr. Hsu does not hold any other positions in the Company or any of its subsidiaries and did not hold any directorship or other major appointments in any other listed public companies in the last three years immediately prior to the date of appointment as an executive director of the Company.

Mr. Hsu has entered into a letter of appointment with the Company for an initial term of one year commencing on 12 March 2008, which will continue thereafter until being terminated by either party by giving not less than one month’s notice. His emolument in connection with his position as an executive director of the Company is HK\$10,000 per month which was determined with reference to market terms, qualifications and work experience of Mr. Hsu, plus a discretionary year-end bonus to be determined by the Board from time to time. Mr. Hsu shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting, and is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the by-laws of the Company.

Save for being the younger brother of Mr. Hsu Tung Sheng, who is currently an executive Director and directors of three subsidiaries of the Group and the younger brother of Ms. Hsu Ying Mei who is currently a member of the senior management of PalmPay Technology Co. Ltd., Mr. Hsu does not have any relationship with any Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders (within the meaning of the GEM Listing Rules).

Save for being interested in 80,561,667 shares and 54,545,454 convertible securities of the Company, Mr. Hsu has no other interests in Shares or underlying shares of the Company which is within the meaning of Part XV of the SFO as at the date of this announcement.

Save as disclosed herein, there is no information relating to Mr. Hsu that is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules.

RESIGNATION OF EXECUTIVE DIRECTOR

The Board also announces that Mr. Lo has resigned as an executive Director of the Company with effect from 12 March 2008 for his own career development and Mr. Lo confirms that he has no disagreement with the Board and there are no matters regarding to his resignation which need to be brought to the attention of the Shareholders.

GENERAL

Save as disclosed above, there are no other matters about Mr. Hsu's appointment as an executive director of the Company which are required to be disclosed pursuant to paragraphs (h) to (v) of Rule 17.50(2) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders. The Board would like to take this opportunity to express its warmest welcome to Mr. Hsu and its appreciation to Mr. Lo for his contributions to the Company during his terms of services.

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

Hong Kong, 12 March 2008

As at the date of this announcement, Mr. Chan Francis Ping Kuen, Mr. Hsu Tung Sheng, Mr. Hsu Tung Chi and Mr. Chan Hin Wing, James are executive directors of the Company, 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 of the Company.

This announcement, for which the directors of the Company collectively and individually accept responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, 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>.