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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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Palmpay China (Holdings) Limited (“the **Company**”) will be held at Unit 1601, 16/F Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong on Friday, 1 August 2008 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors (the “**Directors**”) and auditors of the Company and its subsidiaries for the year ended 31 March 2008;
2. (i) To re-elect the retiring Directors namely:
 - (a) Mr. Hsu Ting Sheng;
 - (b) Mr. Hsu Tung Chi;
 - (c) Mr. Kwok Chi Sun, Vincent;
 - (d) Mr. Yeung Kam Yan; and
 - (e) Mr. Chan Kai Wing.
- (ii) To authorise the board of Directors (the “**Board**”) to fix their remuneration;
3. To re-appoint Vision A. S. Limited as the auditors of Company and authorise the Board to fix their remuneration;

* *For identification purpose only*

and, as special business, to consider and, if thought fit, to pass with or without amendments, the following proposed resolutions numbered 4 to 9 as ordinary resolutions of the Company:

Ordinary Resolutions

4. “**THAT** the authorized share capital of the Company be and is hereby increased from HK\$100,000,000 to HK\$200,000,000 by creation of 2,000,000,000 new Shares of HK\$0.05 each and that, upon issue, such new Shares shall rank *pari passu* in all respects with the existing Shares.”
5. “**THAT** conditional upon the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares (as defined in paragraph (a) of this resolution):
 - (a) upon the recommendation of the Directors, an amount of not less than HK\$16,071,129 standing to the credit of the share premium account of the Company be capitalized and the Directors be and are hereby authorized to apply a maximum amount in paying up in full at par 321,422,584 new Shares of HK\$0.05 each in the capital of the Company (“**Bonus Shares**”) to be allotted, issued and distributed, credited as fully paid, to the members of the Company whose names appear on the principal or branch register of members of the Company in Hong Kong (the “**Register of Members**”) as at the close of business at 4:00 p.m. on 1 August 2008 (the “**Record Date**”), other than those members whose addresses as shown on the Register of Members at the close of business on the Record Date are in places outside Hong Kong and in respect of whom the Directors consider the exclusion from the Bonus Issue (as defined below) to be necessary or expedient in accordance with the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the bye-laws of the Company (the “**Bye-laws**”), and the Directors be authorised to settle, as they consider appropriate, any difficulty arising therefore, on the basis of one Bonus Share for every 5 existing Shares of HK\$0.05 each in the capital of the Company then held by them respectively (“**Bonus Issue**”);
 - (b) the Bonus Shares to be issued pursuant to this resolution shall, subject to the memorandum of association of the Company and Bye-laws, rank *pari passu* in all respects with the existing issued Shares of HK\$0.05 each in the capital of the Company, except that they will not be eligible for the Bonus Issue of Shares mentioned in this resolution and the final dividend for the year ended 31 March 2008, if any; and
 - (c) the Directors be and are hereby authorized to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares.”

6. **“THAT**

- (i) subject to paragraph (iii) of this resolution, pursuant to the GEM Listing Rules 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 additional shares (“**Shares**”) in the capital of the Company and to make or grant offers, agreements and options (including bonds, notes, warrants, debentures and securities convertible into Shares) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) of this resolution 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;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (i) of this resolution, otherwise than pursuant to (a) a Rights Issue (as defined below); or (b) the exercise of options granted under any ordinary share option scheme adopted by the Company; or (c) an issue of Shares in lieu of whole or part of a dividend on Shares in accordance with the Bye-laws; or (d) 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:
 - (a) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this resolution; and
 - (b) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company (the “**Shareholders**”)) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this resolution).

and the authority pursuant to paragraph (i) of this resolution shall be limited accordingly;
and

- (iv) for the purpose of this resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;

- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or the Company Act 1981 of Bermuda (as amended) or any applicable laws of Bermuda to be held; and
- (c) the date on which the authority sets out in this resolution is revoked or varied by the passing of an ordinary resolution by Shareholders in general meeting.

“**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 of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to overseas Shareholders or 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).”

7. **“THAT**

- (i) subject to paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase Shares on GEM or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, subject to and in connection with all applicable laws and/or the requirements of the GEM Listing Rules or of any other stock exchange as amended from time to time, be and the same is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of Shares which the Company is authorised to repurchase pursuant to the approval in paragraph (i) of this resolution shall not exceed 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 this resolution, and this approval shall be limited accordingly; and
- (iii) for the purpose of this resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or the Company Act 1981 of Bermuda (as amended) or any applicable laws to be held; and

- (c) the date on which the authority sets out for this resolution is revoked or varied by the passing of an ordinary resolution by Shareholders in general meeting.”
8. “**THAT** conditional upon ordinary resolutions numbered 6 and 7 above being passed, the aggregate nominal amount of Shares which are repurchased by the Company under the authority granted to the Directors as mentioned in ordinary resolution numbered 7 above shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to ordinary resolution numbered 6 above.”
9. “**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares which may fall to be allotted and issued pursuant to the exercise of options which may be granted under the refreshed scheme mandate limit (the “**Scheme Mandate Limit**”) pursuant to this resolution under the share option scheme of the Company adopted on 18 October 2001 (the “**Share Option Scheme**”) and any other scheme(s) of the Company, representing 10 per cent. of the issued share capital of the Company as at the date on which this resolution is passed:
- (i) approval be and is hereby granted for refreshing the Scheme Mandate Limit of up to 10 per cent. of the Shares in issue as at the date on which this resolution is passed; and
- (ii) the Directors be and are hereby authorised, at their absolute discretion, (i) to grant options to subscribe for Shares within the refreshed Scheme Mandate Limit in accordance with the rules of the Share Option Scheme, and (ii) to allot, issue and deal with Shares pursuant to the exercise of options granted under the Share Option Scheme within the refreshed Scheme Mandate Limit.”

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

Hong Kong, 9 July 2008

Head office and principal

place of business in Hong Kong:

Unit 1601,
16/F.,
Ruttonjee Centre
Ruttonjee House
11 Duddell Street
Central
Hong Kong

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Notes:

- (i) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his/her/its proxy to attend and, on a poll, vote instead of him/her/it. A proxy need not be a member of the Company.
- (ii) In order to be valid, the proxy form together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be deposited with the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 48 hours before the time appointed for holding the meeting or any adjourned meeting.
- (iii) Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

As at the date of this announcement, the executive Directors are Mr. Chan Francis Ping Kuen, Mr. Hsu Tung Sheng, Mr. Hsu Tung Chi 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 Kai Wing.

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:– (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.