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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)

**MAJOR AND CONNECTED TRANSACTION
INVOLVING ACQUISITION OF 25% INTERESTS IN
MEDIA MAGIC TECHNOLOGY LIMITED
WITH ISSUE OF CONSIDERATION SHARES
AND CONVERTIBLE BONDS**

**FURTHER DELAY IN DESPATCH OF CIRCULAR
AND
EXTENSION OF LONG STOP DATE**

As time required for the preparation of the accountants' reports of the Media Magic Group is longer than initially expected at the time when the Company applied for the first extension waiver, further time is required to finalize the financial information to be included in the Circular, including (i) the accountants' report of the Media Magic Group; and (ii) unaudited pro forma financial information of the Enlarged Group. Therefore, the Company has further applied to the Stock Exchange for a waiver from strict compliance with Rule 19.38 and 20.49 of the GEM Listing Rules and a further extension of time for the despatch of the Circular to on or before 11 May 2009.

At the same time, the Vendors and the Purchaser have also agreed to extend the long stop date of the Sale and Purchase Agreement from 15 May 2009 to 5 June 2009.

Reference is made to the announcement (the "**First Announcement**") dated 2 March 2009 issued by Palmpay China (Holdings) Limited (the "**Company**") in relation to, among other matters, the major and connected transaction on the part of the Company and the announcement (the "**Second Announcement**") dated 20 March 2009 in relation to the delay in despatch of the circular (the "**Circular**"). Definitions and terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the First Announcement.

FURTHER DELAY IN DESPATCH OF CIRCULAR

Pursuant to Rule 19.38 and 20.49 of the GEM Listing Rules, the Company is required to despatch the Circular containing, among other things, details of the Acquisition and a notice of SGM to the Shareholders within 21 days after the publication of the First Announcement, which shall be on or before 23 March 2009.

As set out in the Second Announcement, the time for despatch of the Circular has been extended to on or before 20 April 2009. As time required for the preparation of the accountants' reports of the Media Magic Group is longer than initially expected at the time when the Company applied for the first extension waiver, further time is required to finalize the financial information to be included in the Circular, including (i) the accountants' report of the Media Magic Group; and (ii) unaudited pro forma financial information of the Enlarged Group. Therefore, the Company has further applied to the Stock Exchange for a waiver from strict compliance with Rule 19.38 and 20.49 of the GEM Listing Rules and a further extension of time for the despatch of the Circular to on or before 11 May 2009.

EXTENSION OF LONG STOP DATE

The original long stop date of the Sale and Purchase Agreement is 15 May 2009. The Vendors and the Purchaser have agreed to extend the long stop date of the Sale and Purchase Agreement from 15 May 2009 to 5 June 2009. Save as the aforesaid extension of the long stop date, all other terms of the Sale and Purchase Agreement shall remain unchanged.

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

Hong Kong, 20 April 2009

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 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.

* *For identification purpose only*