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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 PRIVATE PLACING OF NON-LISTED WARRANTS

The Board is pleased to announce that completion of the Warrant Placing took place on 14 July 2009 in accordance with the terms of the Warrant Placing Agreement. 100,000,000 Warrants had been issued to the Subscriber at the Warrant Issue Price of HK\$0.0075 per Warrant.

Reference is made to the announcement of the Company dated 3 July 2009 (the “**Announcement**”) in relation to the Warrant Placing. Unless otherwise stated, terms used in this announcement shall have the same meanings as defined in the Announcement.

The Board is pleased to announce that, with all conditions of the Warrant Placing having been fulfilled, in particular, the listing approval for the New Shares having been granted by the GEM Listing Committee of the Stock Exchange, completion of the Warrant Placing took place on 14 July 2009 in accordance with the terms of the Warrant Placing Agreement. 100,000,000 Warrants had been issued to the Subscriber at the Warrant Issue Price of HK\$0.0075 per Warrant.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company (as defined under the GEM Listing Rules). As at the date of this announcement, the Company has 1,985,291,759 Shares in issue. Assuming full exercise of the subscription rights attaching to the Warrants today, a total of 100,000,000 New Shares will be issued, representing (i) approximately 5.04% of the issued share capital of the Company as at the date of this

* *for identification purpose only*

announcement; and (ii) approximately 4.80% of the issued share capital of the Company as enlarged by the allotment and issue of the New Shares.

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

Hong Kong, 14 July 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, Mr. Chan Hin Wing, James and Mr. Yuan Shengjun. 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 Group. 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 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 www.palmpaychina.com.