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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)

**RESULTS OF THE OPEN OFFER
OF 627,647,828 OFFER SHARES AT HK\$0.05 PER SHARE
ON THE BASIS OF ONE OFFER SHARE
FOR EVERY EXISTING SHARE
HELD ON THE RECORD DATE
AND
ADJUSTMENTS TO THE SUBSCRIPTION PRICE
AND NUMBER OF THE OUTSTANDING WARRANTS**

RESULTS OF THE OPEN OFFER

The Board announces that all of the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement has not been terminated in accordance with its terms.

At 4:00 p.m. on 9 September 2011, being the Latest Time for Acceptance, a total of 30 valid acceptances of Offer Shares were received for a total of 516,763,119 Offer Shares, representing approximately 82.33% of the total number of the Offer Shares available for subscription under the Open Offer.

The Open Offer became unconditional at 4:00 p.m. on Thursday, 15 September 2011. Based on the results of the Open Offer as set out above, the Open Offer was under-subscribed by 110,884,709 Offer Shares. In accordance with the terms of the Underwriting Agreement, Starryland has subscribed for 49,500,000 Untaken Shares in the first place and Partners has procured subscription for 61,384,709 Untaken Shares in the second place.

It is expected that the share certificates for the Offer Shares in respect of the valid acceptances of the Offer Shares under the Application Forms will be despatched to those relevant Shareholders' addresses (as shown on the register of members of the Company) by ordinary post on Tuesday, 20 September 2011 at their own risks.

* For identification purposes only

Dealing in the Offer Shares is expected to commence on the Stock Exchange at 9:00 a.m. on Thursday, 22 September 2011.

ADJUSTMENTS TO THE SUBSCRIPTION PRICE AND NUMBER OF THE OUTSTANDING WARRANTS

Pursuant to the terms and conditions of the Warrants, the subscription price and number of the outstanding Warrants has been adjusted from HK\$0.91 per Share to HK\$0.591 per Share and from 16,000,000 Warrants to 24,636,209 Warrants respectively as a result of the Open Offer. The said adjustment took effect retroactively on 26 August 2011.

Reference is made to the prospectus (the “**Prospectus**”) of Palmpay China (Holdings) Limited (the “**Company**”) dated 26 August 2011. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE OPEN OFFER

The Board announces that all of the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement has not been terminated in accordance with its terms.

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Underwriting arrangements

Based on the results of the Open Offer as set out above, the Open Offer was under-subscribed by 110,884,709 Offer Shares (“**Untaken Shares**”). In accordance with the terms of the Underwriting Agreement, Starryland has subscribed for 49,500,000 Untaken Shares in the first place and Partners has procured subscription for 61,384,709 Untaken Shares in the second place.

Despatch of share certificates and commencement of dealings in Offer Shares

It is expected that the share certificates for the Offer Shares in respect of the valid acceptances of the Offer Shares under the Application Forms will be despatched to those relevant Shareholders’ addresses (as shown on the register of members of the Company) by ordinary post on Tuesday, 20 September 2011 at their own risks.

Dealing in the Offer Shares is expected to commence on the Stock Exchange at 9:00 a.m. on Thursday, 22 September 2011.

Change in shareholding structure of the Company

	Immediately before completion of the Open Offer		Immediately after completion of the Open Offer	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Starryland	123,452,341	19.67	296,404,682	23.61
Mr. Lau	2,241,600	0.36	4,483,200	0.36
Mrs. Lau	240,000	0.04	480,000	0.04
Hsu Tung Sheng	13,088,666	2.09	26,177,332	2.09
Hsu Tung Chi	15,214,800	2.42	30,429,600	2.42
Other associates	<u>3,620,800</u>	<u>0.57</u>	<u>7,241,600</u>	<u>0.57</u>
Starryland and its concert parties and associates	157,858,207	25.15	365,216,414	29.09
Director				
Mr. Yuan	7,402,400	1.18	14,804,800	1.18
Public	462,387,221	73.67	813,889,733	64.84
Subscribers procured by Partners (<i>Note 1</i>)	<u>—</u>	<u>—</u>	<u>61,384,709</u>	<u>4.89</u>
Total	<u><u>627,647,828</u></u>	<u><u>100.00</u></u>	<u><u>1,255,295,656</u></u>	<u><u>100.00</u></u>

Note:

- Each of the subscribers procured by Partners pursuant to the Underwriting Agreement holds less than 5% of the enlarged issued share capital of the Company immediately after completion of the Open Offer.

ADJUSTMENTS TO THE SUBSCRIPTION PRICE AND NUMBER OF THE OUTSTANDING WARRANTS

Pursuant to the terms and conditions of the Warrants, the subscription price and number of the outstanding Warrants has been adjusted from HK\$0.91 per Share to HK\$0.591 per Share and from 16,000,000 Warrants to 24,636,209 Warrants respectively as a result of the Open Offer. The said adjustment took effect retroactively on 26 August 2011.

Save for the above adjustment, all the other terms and conditions of the Warrants remain unchanged. The above adjustment was computed by the Company in accordance with the terms and conditions of the Warrants and has been reviewed and confirmed by the Company's auditor.

By Order of the Board
Palmpay China (Holdings) Limited
Yuan Shengjun
Chairman

Hong Kong, 19 September 2011

As at the date of this announcement, the executive Directors are Mr. Yuan Shengjun, Mr. Chan Francis Ping Kuen and Mr. Chan Hin Wing, James. The independent non-executive Directors are Mr. Kwok Chi Sun, Vincent, Mr. Yeung Kam Yan and Mr. Cheung Chi Hwa, Justin.

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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website (www.hkgem.com) for at least 7 days from the date of its posting and the Company's website at www.palmpaychina.com.