

To: Business Editors

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DESPITE THE MAJOR UNPRECEDENTED UNFAVOURABLE CIRCUMSTANCES IN 2008, PALMPAY'S TURNOVER SURGED OVER 50% AND RECORDED NET PROFIT OF OVER HK\$28 MILLION

Palmpay China (Holdings) Limited ("Palmpay China" or the "Company", together with its subsidiaries, the "Group"; stock code: 8047) today announced its audited annual results for the year ended 31 March 2009. During the year, the Group recorded a revenue of approximately HK\$56.8 million (2008: HK\$36.5 million), representing an increase of approximately 56 per cent from the previous year. During the year, the Group recorded a net profit of approximately HK\$28.7 million and net profit attributable to equity holders of the Company of approximately HK\$20.1 million, compared to a net loss attributable to equity holders of the Company of approximately HK\$18.8 million in the previous year.

The directors of the Group do not recommend the payment of any dividend for the year ended 31 March 2009 (2008: nil).

"With the established business relationship with China Unicom and the solid customer base in the 15 major provinces and municipal cities in the PRC, we are confident that the mobile payment gateway business will continue to make significant and stable profit contribution to the Group in the foreseeable future," said Mr Sean Hsu Tung Sheng, Chairman and Executive Director of Palmpay China.

In view of the introduction of 3G mobile phone, it is expected a growing demand for mobile payment gateway to download 3G content, the Group has developed an online payment gateway based on the Near Field Communication Technology ("NFC"). Such technology is already widely adopted globally and will also become one of the most important payment tools in the very near future in the PRC. The online payment gateway platform, which is based on the NFC technology and developed by the Group, is already in the final testing stage and is expected to be fully operational in the last quarter of 2009.

"Looking ahead, we are optimistic about our business due to the growing consumption and rapid development of 3G mobile telecommunication in the PRC. We have deployed efforts and resources to transform its payment gateway into new dimensions which will integrate with the 3G world in the PRC, and will be positioned to benefit from the development of 3G, especially to facilitate the payment of audio/video contents, in the PRC," Mr. Hsu added.

About Palmpay China

Palmpay China is principally engaged in the provision of mobile payment gateway in the PRC. The Group is authorised by China Unicom (中國聯通), on an exclusive basis, for the provision of the Company's mobile payment gateway system to the subscribers of China Unicom (中國聯通) in the PRC through which a variety of virtual and service products, including the IP Cards of China Unicom (中國聯通), virtual game cards of Baidu (百度) and Shanda (盛大), accident insurance products of PICC Life Insurance Company Limited (中國人民人壽保險股份有限公司) could be purchased by the subscribers of China Unicom (中國聯通) through mobile phone.

The Group has already penetrated its mobile payment gateway business into 15 major provinces and municipal cities in the PRC covering Shanghai (上海), Liaoning (遼寧), Chongqing (重慶), Jilin (吉林), Guangxi (廣西), Hunan (湖南), Hubei (湖北), Heilongjiang (黑龍江), Shaanxi (陝西), Guizhou (貴州), Gansu (甘肅) and Inner Mongolia (內蒙), Yunnan (雲南) and Xinjiang (新疆) and Sichuan (四川); of which, Shanghai (上海), Liaoning (遼寧), Jilin (吉林), Guangxi (廣西), Guizhou (貴州), Hubei (湖北) and Shaanxi (陝西) have been in full operation.

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Palmpay China (Holdings) Limited
(Stock Code: 8047)
Audited Consolidated Income Statement
For The Year Ended 31 March 2009

	2009	2008
	HK\$'000	HK\$'000
TURNOVER		
Continuing operation	56,810	36,523
Discontinued operations	--	105,840
	<u>56,810</u>	<u>142,363</u>
Cost of sales	<u>(6,483)</u>	<u>(94,391)</u>
Gross profit	50,327	47,972
Other revenues and gains	859	3,519
Distribution costs	(4,116)	(4,076)
Administrative expenses	(17,191)	(29,594)
Loss on disposal of subsidiaries, net	--	(17,975)
Finance costs	<u>(142)</u>	<u>(6,314)</u>
PROFIT/ (LOSS) BEFORE TAX		
Continuing operation	29,737	(5,351)
Discontinued operations	--	(1,117)
	<u>29,737</u>	<u>(6,468)</u>
Tax		
Continuing operation	(1,043)	(2,170)
Discontinued operations	--	(374)
	<u>(1,043)</u>	<u>(2,544)</u>
PROFIT/(LOSS) FOR THE YEAR		
Continuing operation	28,694	(7,521)
Discontinued operations	--	(1,491)
	<u>28,694</u>	<u>(9,012)</u>
ATTRIBUTABLE TO:		
Equity holders of the Company	20,063	(18,751)
Minority interests	8,631	9,739
PROFIT/(LOSS) FOR THE YEAR	<u>28,694</u>	<u>(9,012)</u>

Press Release

DIVIDENDS

EARNINGS/(LOSS) PER SHARE (2008: restated)

From continuing and discontinued operations

- basic (HK cent)	1.29	(1.36)*
- diluted (HK cent)	1.28	N/A

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From continuing operation

- basic (HK cent)	1.29	(1.25)*
- diluted (HK cent)	1.28	N/A

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* Restated