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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement of the Company dated 27 January 2011 (the “**Announcement**”) in relation to the supplemental agreement in relation to the discloseable transaction involving the acquisition of 50.1% equity interests in China Optic Communication Technology Limited. The Company wishes to clarify a typographical error in relation to the Consideration Shares which was inadvertently made in the Announcement. The Consideration Shares to be issued at the Issue Price and credited as fully paid on Completion to the Vendors shall be 90,400,000 New Shares instead of 90,4000,000 New Shares.

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

Hong Kong, 2 February 2011

* *For identification purposes only*

As at the date of this announcement, the executive Directors are Mr. Yuan Shengjun, Mr. Hsu Tung Chi, 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 of Palmpay China (Holdings) Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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.