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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)

PROPOSED CHANGE OF AUDITORS

The Board announces that Vision A. S. Limited has resigned as the auditors of the Group with effect from 9 April 2010. The Board proposes to appoint Mazars CPA Limited as the new auditors of the Group to fill the vacancy following the resignation of Vision A. S. Limited subject to the approval by the Shareholders at a special general meeting.

The board (the “**Board**”) of directors (the “**Directors**”) of Palmpay China (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that Vision A. S. Limited has resigned as auditors of the Group with effect on 9 April 2010. The Board proposes to appoint Mazars CPA Limited as the new auditors of the Group to fill the vacancy following the resignation of Vision A. S. Limited. Pursuant to the Bye-laws of the Company, such appointment has to be approved by the shareholders of the Company (the “**Shareholders**”) at a special general meeting.

Vision A. S. Limited has confirmed that there were no matters that needed to be brought to the attention of the Shareholders. Moreover, the Board was not aware of any matters, including any disagreement or any unresolved issues between the Group and Vision A. S. Limited that should be brought to the attention of the Shareholders and creditors of the Group in relation to the resignation of Vision A. S. Limited. No audit work has been commenced by Vision A. S. Limited in respect of the audit of the Group’s financial statements for the year ended 31 March 2010.

The reason for the change of the Group’s auditors is due to the fact that the Company could not reach consensus with Vision A. S. Limited on the audit fee for the year ended 31 March 2010 and a lower audit fee chargeable by Mazars CPA Limited which the Board considers it to be in the interests of the Shareholders as a whole.

A notice convening a special general meeting to approve the appointment of Mazars CPA Limited as the auditors of the Group will be despatched to the Shareholders as soon as practicable.

* *for identification purpose only*

The Board would like to take the opportunity to thank Vision A. S. Limited for their professional services and support in the past.

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

Hong Kong, 9 April 2010

As at the date of this announcement, the executive Directors are Mr. Hsu Tung Sheng, Mr. Chan Francis Ping Kuen, Mr. Yuan Shengjun, Mr. Hsu Tung Chi 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 purposes 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.