

10 February 2009

e-pay Asia Limited (EPY) Market Update

e-pay Asia Limited (EPY) wishes to announce that in keeping with the ASX Continuous Disclosure requirements, the Company intends to write-down some of the assets on the books as at the close of the accounts on 31st December , 2008.

The Company's core business in Malaysia continues to trade profitably. However, due to the declining economic conditions, the Company has sought to assess on an ongoing basis the carrying values of its assets in accordance with accounting rules on asset impairment to more accurately reflect the true position of the balance sheet.

EPY Chairman, Jack Tan, said the write-down predominately related to the Company's intangible assets and the outstanding convertible note items. "EPY is continuing to perform in a stable environment in Malaysia. However, due to the current economic conditions, some of our book assets are no longer reflecting their true value."

EPY has re-assessed the book value of the convertible notes and software acquired, based on current estimates, this impairment is \$4.34 million. The net loss after tax attributable to shareholders is to be approximately \$4.36 million. This result is subject to audit confirmation.

Mr Tan said whilst the write-down of assets will result in losses for the whole year, the Company continues to explore the possibility of recovery of value in those assets in particular the convertible note. It has provided a further \$250,000 loan to AsiaNet Technology Limited (Hong Kong) for extended work to assist a proper consideration of the feasibility of exercising the convertible note.

The Final Preliminary Results for the year ended 31 December 2008 will be released by 28 February 2009.

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ABOUT e-pay Asia Limited

e-pay Asia Limited is one of the leading provider of electronic top up services for prepaid mobile users in South East Asia. The e-pay Asia's electronic top up services operates in 3 countries namely Malaysia, Thailand and Pakistan with approximately 15,000 point of sales. e-pay Asia processes more than 100 million prepaid mobile top up transactions per year.

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