

Dated the 14th day of August, 2009

THE PERSONS NAMED IN THE SCHEDULE

in favour of

ORIENTAL CITY GROUP HOLDINGS LIMITED
(奧思知集團控股有限公司)
and its subsidiaries

DEED OF INDEMNITY

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MC/070326/st

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THIS DEED OF INDEMNITY is made on the 14th day of August 2009

BY

THE PERSONS whose names and addresses are set out in Schedule 1 hereto (each an "**Indemnifier**" and collectively, the "**Indemnifiers**").

IN FAVOUR OF:

ORIENTAL CITY GROUP HOLDINGS LIMITED (奥思知集團控股有限公司), a company incorporated under the Companies Law of the Cayman Islands as an exempted company having its registered office at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands (the "**Company**") on its own behalf and as Trustee for **THE SEVERAL COMPANIES** whose names are set out in Schedule 2 (the "**Subsidiaries**" and each the "**Subsidiary**").

WHEREAS:

- (A) The Company has applied for listing of its shares on GEM pursuant to the issue of the Prospectus.
- (B) The Indemnifiers have agreed to give certain indemnities in favour of the Company and the Subsidiaries in this Deed concerning, inter alia, certain taxation and other liabilities.

WITNESSES as follows:

1. INTERPRETATION

- 1.1 In this Deed (including the Recitals), the following expressions shall, except where the context otherwise requires, have the following meanings:

"Accounts" the combined audited accounts of the Company for each of the three years ended 31 March 2009;

"Effective Date" means the date on which the condition referred to in Clause 2 is fulfilled;

"event" includes (without limitation) any omission, event, action or transaction whether or not the Company or any of the Subsidiaries is a party thereto, the death of any person, a change in the residence of any person for any Tax purpose, a failure to make sufficient dividend payments to avoid an apportionment or deemed distribution of income and the listing of the Company on GEM and references to the result of events on or before any date shall include the combined result of two or more events one or more of which shall have taken place on or before such date;

- “GEM”** means The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited;
- “Hong Kong”** means the Hong Kong Special Administrative Region of the PRC;
- “PRC”** means the People’s Republic of China;
- “Prospectus”** means the prospectus of the Company to be dated on or about 21 August, 2009 in relation to the listing by way of placing of 150,000,000 shares of HK\$0.01 each in the share capital of the Company (subject to an Offer Size Adjustment Option (as defined in the Prospectus));
- “relief”** includes (without limitation) any relief, allowance, credit, set off, deduction or exemption for any Tax purpose; and
- “Tax”** all forms of taxation, estate duties, deductions, withholdings, duties, imposts, levies, fees, charges, social security contributions and rates imposed, levied, collected, withheld or assessed by any local, municipal, regional, urban, governmental, state, federal or other body in Hong Kong, the PRC, Thailand, the British Virgin Islands or elsewhere and any interest, additional taxation, penalty, surcharge or fine in connection therewith.
- 1.2 All references to income or profits or gains earned, accrued or received shall include income or profits or gains deemed to have been or treated as or regarded as earned, accrued or received for the purposes of any legislation.
- 1.3 All references to any Tax liability shall include not only any liability to make actual payments of or in respect of Tax but shall also include:
- 1.3.1 the loss or reduction in the amount of, or the setting off against income, profits or gains, or against any Tax liability which shall be incurred on or before the Effective Date and for which no provision has been made in preparing the Accounts of, any relief which would (were it not for the said loss, reduction or setting off) have been available to the Company or any of the Subsidiaries and which relief has been taken into account in computing (and so eliminating or reducing) any provision for deferred Tax which appears (or which but for such relief would have appeared) in the Accounts;
- 1.3.2 the loss or reduction in the amount of, or the setting off against any Tax liability which shall be incurred on or before the Effective Date for which no provision has been made in preparing the Accounts of, a right to

repayment of Tax which has been treated as an asset of the Company or any of the Subsidiaries in preparing the Accounts; and

- 1.3.3 the loss or reduction in the amount of, or the setting off against income, profits or gains earned, accrued or received on or before Effective Date, or against any Tax liability of, any relief which is not available before the Effective Date but which arises in respect of an event occurring after the Effective Date in circumstances where, but for such loss, reduction or setting off, the Company or any of the Subsidiaries would have had a Tax liability in respect of which it or the Company would have been able to make a claim under this Deed;

and in such a case the amount of Tax which could otherwise be saved or relieved by the relief so lost, reduced, or set off (calculated by reference to the rates of Tax in force at the date hereof) or the amount of repayment which would otherwise have been obtained shall be treated as the amount of a Tax liability which has arisen.

- 1.4 All references to a payment in respect of Tax includes (without limitation) a payment for the surrender of losses or other amounts by way of group relief or for the surrender or transfer of any other relief, a repayment of any such payment and a payment by way of reimbursement, recharge, indemnity or damages.

- 1.5 In this Deed:

- (a) unless the context otherwise requires, words denoting the singular number include the plural thereof, words importing one gender include both genders and the neuter and references to persons include firms, companies and corporations, in each case, vice versa;
- (b) references to Clauses and the Schedules are to the clauses of and the schedules to this Deed; and
- (c) headings are for ease of reference only and do not form part of this Deed.

2. CONDITION PRECEDENT

The provisions contained in this Deed are conditional upon the conditions stated in the paragraph headed "Conditions of the Placing" under the section headed "Structure and Conditions of the Placing" in the Prospectus being fulfilled. If such conditions are not fulfilled on or before the date falling 30 days after the date of the Prospectus, this Deed shall become null and void and cease to have effect.

3. TAX INDEMNITY

- 3.1 Subject as hereinafter provided, each Indemnifier hereby jointly and severally covenants with and undertakes to indemnify each of the Company and the Subsidiaries and to keep them indemnified against:
- (a) any Tax liability of the Company and/or any of the Subsidiaries resulting from or by reference to any income, profits or gains earned accrued or received on or before the Effective Date or any event on or before the Effective Date whether alone or in conjunction with other circumstances and whether or not such Tax is chargeable against or attributable to any other person;
 - (b) any Tax liability of the Company and/or any of the Subsidiaries which is regarded as such pursuant to the provisions of Clause 1.3;
 - (c) any Tax liability of the Company and/or any of the Subsidiaries that arises after the Effective Date as a result of an act, omission or transaction by a person other than the Company or any of its Subsidiaries and which liability to Tax falls upon the Company or any of its Subsidiaries as a result of its having been in the same group for Tax purposes as that person at any time before the Effective Date; and
 - (d) all costs and expenses (on a full indemnity basis) which are incurred by the Company and/or any of the Subsidiaries in connection with any of the matters referred to in this Clause 3 or in taking or defending or settling any action under this Deed (including, without prejudice to the generality of the foregoing, all legal and other professional fees and disbursements).
- 3.2 The indemnities given under this Clause 3 do not apply to any liability:
- (a) to the extent that provision has been made for such Tax liability in the Accounts;
 - (b) which would not have arisen but for any act or omission by the Company and/or any of the Subsidiaries voluntarily effected without the prior written consent or agreement of the Indemnifiers;
 - (c) to the extent that such claim arises or is incurred as a result of the imposition of Tax as a consequence or any retrospective change in the law or the interpretation or practice thereof by the Hong Kong Inland Revenue Department or any other relevant authority coming into force after the date hereof or to the extent such claim arises or is increased by an increase in rates of Tax after the date hereof with retrospective effect;
 - (d) to the extent any provision or reserve made for taxation in the Accounts which is finally established to be an over-provision or any excessive reserve in which case the Indemnifiers' liability (if any) in respect of such taxation shall be reduced by an amount not exceeding such provision or reserve, provided that such over provision or excessive reserve applied referred to in this sub-paragraph (d) to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter; and

- (e) for which the Company or any of the Subsidiaries is or may become primarily liable as a result of any event occurring or deemed occurring or income, profits or gains earned, accrued or received or transactions in the ordinary course of their business after the date hereof.

4. FURTHER INDEMNITIES

4.1 Subject as hereinafter provided, each Indemnifier hereby jointly and severally further covenants with and undertakes to indemnify each of the Company and the Subsidiaries and to keep them indemnified against:-

- (a) any losses, damages, penalties and liabilities suffered and costs incurred by the Company and/or any of the Subsidiaries as a result of the non-registration of the co-operative agreement dated 15 February 2008 entered into between Bank of Communications Co., Ltd. Hainan Branch and Oriental City Group (Hainan) Services Ltd. (奥思知(海南)服务有限公司) (“OCG China”) under which the lease arrangement of portion of business hall on Level 2, Yintong International Center, No. 45 Guomao Avenue, Jinmao District, Haikou Shi, Hainan Province, the PRC is made;
- (b) any losses, damages, penalties and liabilities suffered and costs incurred by the Company and/or any of the Subsidiaries as a result of the non-appointment of director of OCG China from the date of its establishment until 10 January 2007;
- (c) any losses, damages, penalties and liabilities suffered and costs incurred by the Company and/or any of the Subsidiaries as a result of the offering or issuance of the cash coupons by merchants as benefits to members of payment cards co-branded by the Company or any of the Subsidiaries including The Pacific-OCG Golf Cards;
- (d) any losses, damages, penalties and liabilities suffered and costs incurred by the Company and/or any of the Subsidiaries as a result of the late payment of the social insurance contribution by OCG China on or before the Effective Date;
- (e) any losses, damages, liabilities and penalties suffered and costs incurred by the Company and/or any of the Subsidiaries as a result of the contractual arrangements of Oriental City Group (Thailand) Company Limited (“OCG Thailand”) as set out in the paragraph headed “Former Contractual Arrangements of OCG Thailand prior to the Restructuring” under the section headed “Business” of the Prospectus; and
- (f) any loss, damages, liabilities and penalties suffered and costs incurred by the Company and/or any of the Subsidiaries as a result of the preference shares structure arrangement of OCG Thailand as set out in the paragraph headed “Preference Shares Structure Arrangement of OCG Thailand” in the section headed “Business” of the Prospectus.

5. TAX CLAIM

- 5.1 In the event of any claim of Tax Liability arising, the Company, the Subsidiaries or any of them shall by way of covenant but not as a condition precedent to the liability of the Indemnifiers hereunder give or procure that notice thereof and all information and particulars necessary to enable the Indemnifiers to object to or contest the claim are as soon as reasonably practicable given to the Indemnifiers; and, as regards any such claim, the Company, the Subsidiaries or any of them shall consult with the Indemnifiers regarding their or its conduct of such claim and shall at the request of the Indemnifiers take such action, or procure that such action be taken, as the Indemnifiers may reasonably request by notice to the Company, the Subsidiaries or any of them (provided that the Indemnifiers make such request within a reasonable time of receipt by the Indemnifiers of the notice and all information and particulars necessary to enable the Indemnifiers to object to or contest the claim given by the Company, the Subsidiaries or any of them) to cause such claim to be withdrawn, or to dispute, resist, appeal against, compromise or defend such Claim and any determination in respect thereof (if appropriate, with lawyers reasonably satisfactory to the Company, the Subsidiaries or any of them) Provided that the Company, the Subsidiaries or any of them shall be fully indemnified and secured to its or their reasonable satisfaction by the Indemnifiers against all losses (including additional Tax), costs, damages and reasonable expenses which may be thereby incurred. None of the Company and the Subsidiaries shall accept, pay or compromise any such claim without giving the Indemnifiers an opportunity to resist it.
- 5.2 Neither Company nor any of the Subsidiaries shall in any event be required to take any steps which would require any admission of guilt or liability relating to matters connected with the claim in question or which would affect the future conduct of the business of the Company or any of the Subsidiaries.
- 5.3 Without the prior written approval of the Company (which approval shall not be unreasonably withheld or delayed), the Indemnifiers shall make no settlement of any claim for Tax Liability nor agree on any matter in the course of disputing any such claim likely to affect the amount thereof or the future taxation liability of the Company or any of the Subsidiaries.

6. PAYMENTS

- 6.1 Payments under this Deed shall be due on:-
- (a) where the payment relates to a liability of the Company or any of the Subsidiaries to make an actual payment of or in respect of Tax, the date which is seven days before the date on which such actual payment is due to be made to the relevant authority;
 - (b) where the payment relates to a matter falling within Clauses 4.1(e) and 4.1(f), the date falling seven days after the Indemnifiers have been notified by the

Company, the Subsidiaries or any of them that the auditors or the legal advisors for the time being of the Company or the relevant Subsidiary have certified at the request of the Company or the relevant Subsidiary that the Indemnifiers have a liability;

(c) where the payment relates to a matter falling within Clause 4.1 (other than Clauses 4.1(e) and 4.1(f)), the date on which such losses, damages, liabilities and/or penalties are incurred; and

(d) in the case of costs and expenses within the indemnity covered under this Deed, the date on which such costs and/or expenses are incurred.

6.2. If any payment due to be made by the Indemnifiers under this Deed is not made on the due date for payment thereof the same shall carry interest from such due date of payment until actual payment at the rate of 2 per cent above the best lending rate from time to time of the Hongkong and Shanghai Banking Corporation Limited compounded on the last days of March, June, September and December in each year.

6.3 If any sum payable by the Indemnifiers to the Company and/or any of the Subsidiaries under this Deed shall be subject to Tax (whether by way of deduction or withholding or direct assessment of the person entitled thereto) such payment shall be increased by such an amount as shall ensure that after deduction, withholding or payment of such Tax the recipient shall have received an amount equal to the payment otherwise required hereby to be made.

7. BINDING EFFECT

The indemnities, agreements and undertakings herein contained shall bind the successors and assigns of each of the Indemnifiers and shall ensure for the benefit of each party's successors and assigns.

8. FURTHER UNDERTAKING

The Indemnifiers undertake to each of the Company and the Subsidiaries that they will on demand severally do all such acts and things and execute all such deeds and documents as may be necessary to carry into effect or to give legal effect to the provisions of this Deed and the indemnities hereby contemplated.

9. ASSIGNMENT

The whole or any part of the benefit of this Deed may be assigned by the Company or the Subsidiaries or any of them.

10. SEVERABILITY

Any provision of this Deed prohibited by or which is unlawful or unenforceable under any applicable law actually applied by any court of competent jurisdiction shall, to the extent required by such law, be severed from this Deed and rendered ineffective so far as is possible without modifying the remaining provisions of this Deed. Where, however, the provisions of any such applicable law may be waived, they are hereby waived by the parties hereto to the full extent permitted by such law to the end that this Deed shall be valid, binding and enforceable in accordance with its terms.

11. NOTICES

- 11.1 All notices delivered hereunder shall be in writing and shall be communicated to the following addresses or such other address(es) as may be notified by a party hereto to the other parties hereto in writing :

If to the Company and the Subsidiaries, to:

Oriental City Group Holdings Limited
Room 505, 5th Floor
Nan Fung Tower
173 Des Voeux Road Central &
Nos.84 – 86 Connaught Road Central
Hong Kong

Fax No. : 2546-3330
Email : andy.sung@ocg.com.hk
Attention : Mr. Andy Sung

If to the Indemnifiers,

Oriental City Group Asia Limited
2602 Golden Centre
188 Des Voeux Road Central
Hong Kong

Fax No. : 2546-3330
Email : yuh@ocg.com.hk
Attention : Mr. Yu Chun Fai

Mr. Yu Chun Fai
Flat 1, 5th Floor
Block A, Park Place
7 Tai Tam Reservoir Road
Hong Kong

Fax No. : 2546-3330
Email : yuh@ocg.com.hk

Ms. Wong Lai Chun

Flat K, 32nd Floor, Block 2
Royal Peninsula
8 Hung Lai Road
Kowloon, Hong Kong

Fax No. : 2956-1219
Email : agnes@asia-aaa.com

- 11.2 Any such notice shall be served either by hand or by sending it through the post or by facsimile or by electronic transmission. Any notice shall be deemed to have been served, if served by hand or by electronic transmission, when delivered; if sent by post, 48 hours after it is posted; and if sent by facsimile on confirmation of transmission.

12. WAIVER

No failure or delay by any party hereto in exercising any right, power or remedy under this Deed shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy. Without limiting the foregoing, no waiver by any party hereto of any breach of any provision hereof shall be deemed to be a waiver of any subsequent breach of that or any other provision hereof.

13. MISCELLANEOUS

- 13.1 Time or indulgence given by any of the Company and the Subsidiaries to the Indemnifiers in its absolute discretion does not in any way prejudice or affect its rights against the Indemnifiers under the same or a like liability.
- 13.2 Subject to Clause 6, in the event that any claim subject to the indemnity hereunder is or has been discharged by any of the Company and the Subsidiaries the indemnities given hereunder shall take effect as covenants by each of the Indemnifiers jointly and severally forthwith to reimburse the Company, the Subsidiaries or such of them as have so discharged the claim of any loss or payment so discharged within a reasonable time after being so notified by any of the Company and the Subsidiaries in writing.
- 13.3 This Deed may be executed in any number of counterparts, which when taken together shall constitute one and the same instrument and is binding on each and every party.

14. GOVERNING LAW AND JURISDICTION

- 14.1 This Deed is governed by and shall be construed in accordance with the laws of Hong Kong and the parties hereto hereby irrevocably submit to the non-exclusive

jurisdiction of the courts of Hong Kong in relation to any proceedings arising out of the or in connection with this Deed.

- 14.2 Oriental City Group Asia Limited hereby irrevocably appoints Mr. Yu Chun Fai of Flat 1, 5th Floor, Block A, Park Place, 7 Tai Tam Reservoir Road, Hong Kong as its agent to receive and acknowledge on its behalf service of any writ, summons, order, judgment or other notice of legal process in Hong Kong. If for any reason the agent named above (or its successor) no longer serves as agent of Oriental City Group Asia Limited for this purpose, Oriental City Group Asia Limited shall promptly appoint a successor agent satisfactory to the Company, notify the Company thereof and deliver to the Company a copy of the new process agent's acceptance of appointment **Provided** that until the Company receives such notification, it shall be entitled to treat the agent named above (or its said successor) as the agent of Oriental City Group Asia Limited for the purposes of this Clause. Such Indemnifier agrees that any such legal process shall be sufficiently served on it if delivered to such agent for service at its address for the time being in Hong Kong whether or not such agent gives notice thereof to such Indemnifier.

SCHEDULE 1

The Indemnifiers


<u>Name</u>	<u>Address</u>
Oriental City Group Asia Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands
Mr. Yu Chun Fai	Flat 1, 5 th Floor, Block A, Park Place, 7 Tai Tam Reservoir Road, Hong Kong
Ms. Wong Lai Chun	Flat K, 32 nd Floor, Block 2, Royal Peninsula, 8 Hung Lai Road, Kowloon, Hong Kong

SCHEDULE 2


The Subsidiaries

<u>Name</u>	<u>Place of incorporation</u>
Charm Act Group Limited	British Virgin Islands
Oriental City Group China Limited	British Virgin Islands
奥思知(海南)服务有限公司 (Oriental City Group (Hainan) Services Limited)	PRC
Oriental City Group Thailand Limited	British Virgin Islands
Oriental City Group (Thailand) Co., Ltd.	Thailand

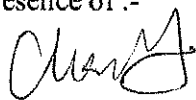
SEALED with the Common Seal of
ORIENTAL CITY GROUP ASIA LIMITED
and SIGNED by Yu Chun Fai, its sole
director in the presence of :-


Ho Wing Chi
F. Zimmern & Co.
Solicitor
Hong Kong, SAR


SIGNED SEALED AND DELIVERED
by **YU CHUN FAI**
in the presence of :-


Ho Wing Chi
F. Zimmern & Co.
Solicitor
Hong Kong, SAR

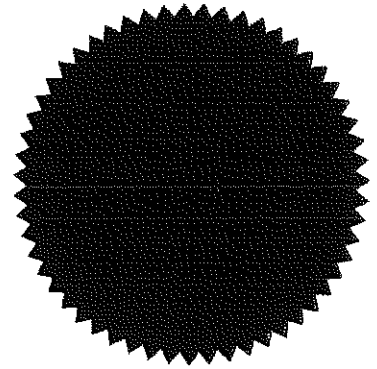
SIGNED SEALED AND DELIVERED
by **WONG LAI CHUN**
in the presence of :-


Ho Wing Chi
F. Zimmern & Co.
Solicitor
Hong Kong, SAR

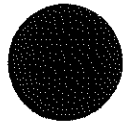
SIGNED by *Mr Yu Chun Fai*
its director for and on behalf of
**ORIENTAL CITY GROUP HOLDINGS
LIMITED (奧思知集團控股有限公司)**
in the presence of :-


Ho Wing Chi
F. Zimmern & Co.
Solicitor
Hong Kong, SAR

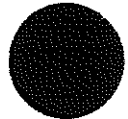
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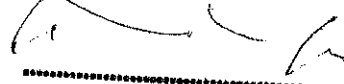


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For and on behalf of
ORIENTAL CITY GROUP HOLDINGS LIMITED


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Authorized Signature(s)