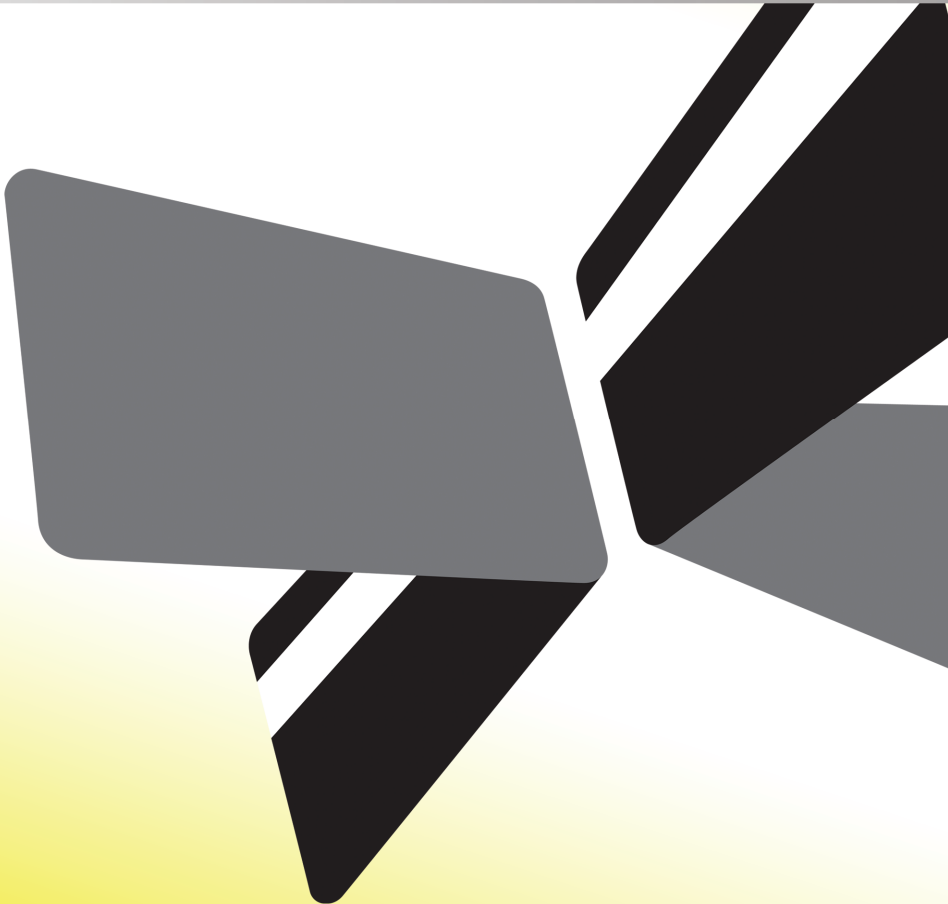


Oriental City Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8325)



Third Quarterly Report 2009

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Oriental City Group Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) 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: (1) the information contained in this report 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 report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

- The Group's revenue amounted to approximately HK\$8,293,000 for the nine months ended 31 December 2009, which represented an increase of approximately 70% as compared with the corresponding period in 2008.
- The loss attributable to equity holders of the Company was approximately HK\$1,362,000 for the nine months ended 31 December 2009 compared with approximately HK\$218,000 for the corresponding period in 2008.
- Loss per share for the nine months ended 31 December 2009 was approximately HK\$0.26 cents.
- The Board does not recommend the payment of a dividend for the nine months ended 31 December 2009.

THIRD QUARTERLY RESULTS (UNAUDITED)

The board of directors of the Company (the "Board") is pleased to present the unaudited condensed consolidated financial results of the Group for the three months and nine months ended 31 December 2009 together with the comparative figures for the corresponding periods in 2008 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and nine months ended 31 December 2009

	Note	Unaudited Three months ended 31 December		Unaudited Nine months ended 31 December	
		2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
Revenue	2	4,859,233	1,065,029	8,293,292	4,884,950
Cost of services rendered		(3,153,973)	(668,218)	(5,599,043)	(3,205,169)
Gross profit		1,705,260	396,811	2,694,249	1,679,781
Other income		29,024	4,910	34,656	18,969
General administrative expenses		(1,440,098)	(549,160)	(3,024,968)	(1,608,620)
Selling and distribution costs		(237,919)	(132,663)	(476,102)	(398,737)
Finance costs	4	(7,098)	-	(32,584)	-
Profit (Loss) before taxation	4	49,169	(280,102)	(804,749)	(308,607)
Taxation	5	(243,039)	(12,094)	(278,220)	476,301
(Loss) Profit for the period		(193,870)	(292,196)	(1,082,969)	167,694
Attributable to:					
Equity holders of the Company		(469,706)	(260,970)	(1,362,304)	(217,679)
Minority interests		275,836	(31,226)	279,335	385,373
		(193,870)	(292,196)	(1,082,969)	167,694
Loss per share for loss attributable to equity holders of the Company					
Basic and Diluted	7	(0.08) HK cents	(0.06) HK cents	(0.26) HK cents	(0.05) HK cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 31 December 2009

	Unaudited Three months ended 31 December		Unaudited Nine months ended 31 December	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
(Loss) Profit for the period	(193,870)	(292,196)	(1,082,969)	167,694
Other comprehensive income (loss)				
Exchange difference on translation of foreign subsidiaries	314,682	(37,993)	394,806	(192,443)
Total comprehensive income (loss) for the period	120,812	(330,189)	(688,163)	(24,749)
Attributable to:				
Equity holders of the Company	(164,896)	(297,098)	(999,211)	(274,519)
Minority interests	285,708	(33,091)	311,048	249,770
	120,812	(330,189)	(688,163)	(24,749)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED QUARTERLY FINANCIAL STATEMENT

For the nine months ended 31 December 2009

1. GROUP REORGANISATION AND BASIS OF PREPARATION

Group reorganisation

The Company was incorporated in the Cayman Islands on 12 December 2007 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Pursuant to a group reorganisation completed on 14 August 2009 (the "Reorganisation") to rationalise the corporate structure in preparation for the listing of the Company's shares on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of its subsidiaries (collectively referred to as the "Group"). Details of the Reorganisation were set out in the prospectus of the Company dated 24 August 2009 (the "Prospectus").

The shares of the Company were listed on the GEM on 28 August 2009 (the "Listing").

As the Group were controlled by the ultimate holding company of the Group (the "Controlling Party") before and after the Reorganisation, the Reorganisation is considered as a business combination under common control in a manner similar to pooling-of-interests and the merger accounting under Hong Kong Accounting Guideline 5 "Merger Accounting Under Common Control Combination" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Under this basis, the unaudited condensed consolidated third quarterly financial statements for the nine months ended 31 December 2009 (the "Third Quarterly Financial Statements"), including comparative figures, are presented as if the current group structure had been in existence on 1 April 2008, as appropriate, the beginning of the earliest period presented.

In addition, the Controlling Party provided certain corporate administration services, including sharing of office premises and salary expenses for management team, to the Group without charges prior to the Listing.

Given the cost of those corporate administration services was part of business activities of the Group, the following costs as shared with the Controlling Party have been charged to the condensed consolidated income statements and credited as deemed capital contribution from the Controlling Party in the equity.

	Unaudited Three months ended 31 December		Unaudited Nine months ended 31 December	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
Corporate administration expenses	-	140,000	150,000	290,000

Basis of preparation

The Third Quarterly Financial Statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules").

The Third Quarterly Financial Statements include an explanation of events and transactions that are significant to an understanding of the financial performance of the Group since 31 March 2009, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") which collective term includes all applicable individual HKFRS, HKAS and Interpretation issued by the HKICPA. They shall be read in conjunction with the Group's accountants' report as set out in Appendix I of the Prospectus (the "Accountants' Report").

The Third Quarterly Financial Statements have been prepared on the historical costs basis.

The accounting policies and methods of computation applied in preparation of the Third Quarterly Financial Statements are consistent with those applied in preparing the Accountants' Report, except for the changes in accounting policies set out below.

Changes in accounting policies

The adoption of the following new/revised HKFRS that are relevant to the Group and effective from the current period, did not have any significant effect on the results and financial position of the Group for the current and prior accounting periods, except that certain presentation and disclosures of financial statements items have been revised, as appropriate.

HKAS 1 (Revised): Presentation of Financial Statements

HKAS 1 (Revised) has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements, and has resulted in a number of changes in presentation and disclosure.

The revised standard requires non-owner changes in equity to be shown in a single statement (the statement of comprehensive income) or two linked statements (the income statement and the statement of other comprehensive income). The Group has adopted the "two linked statements" presentation format. The revised standard also requires that when comparative information is restated or reclassified, a restated statement of financial position as at the beginning of the comparative period, in addition to the statements of financial position as at the end of the current period and comparative period, should be presented.

HKFRS 8: Operating Segments

HKFRS 8 replaces HKAS 14: "*Segment Reporting*" and requires segment information to be reported based on internal information used by the chief operating decision makers to evaluate the performance of operating segments and allocate resources to those segments. The Group determined that the operating segments were the same as the business segments previously identified under HKAS 14.

The Group has not early adopted any new/revised HKFRS that have been issued but are not yet effective for the current period. The Group has already commenced an assessment of the impact of these new and revised HKFRS but is not yet in a position to reasonably estimate whether these new and revised HKFRS would have a significant impact on the Group's results of operations and financial position.

2. REVENUE

Revenue represents the marketing service fee and share of annual and transaction fee income from co-branded card partnership business, transaction fee income and foreign exchange rate discount income from card acceptance business and is analysed by category as follows:

	Unaudited Three months ended 31 December		Unaudited Nine months ended 31 December	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
Co-branded card marketing, annual and transaction fee income	224,406	26,263	251,032	74,659
Card acceptance transaction fee income	3,709,487	763,682	6,579,351	3,667,839
Foreign exchange rate discount income	925,340	275,084	1,462,909	1,142,452
	4,859,233	1,065,029	8,293,292	4,884,950

3. SEGMENT REPORTING

The Group has adopted HKFRS 8 with effect from 1 April 2009. However the adoption of this standard has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

The directors of the Company (the "Directors") have been identified as the chief operating decision makers to evaluate the performance of operating segments and to allocate resources to those segments. Based on risks and returns and the Group's internal financial reporting, the Directors consider that the operating segments of the Group comprise:

- (i) card acceptance business in Thailand
- (ii) co-branded card partnership business in the People's Republic of China (the "PRC")

Segment results, which is the measure reported to the chief operating decision makers for the purposes of resources allocation and assessment of segment performance, represent the profit earned or loss incurred by each segment without allocation of interest and other income, corporate administration expenses, other unallocated expenses, finance costs and taxation.

In determining the Group's geographical segments, revenue is attributed to the segments based on the location where services are provided, assets and capital expenditure are attributed to the segments based on the location of the assets. The geographical segment information is already disclosed together with operating segment information as follows:

Nine months ended 31 December 2009 (unaudited)

	Card acceptance business HK\$	Co-branded card partnership business HK\$	Consolidated HK\$
Segment revenue	8,042,260	251,032	8,293,292
Segment results	976,557	34,960	1,011,517
Unallocated corporate administration expenses			(150,000)
Unallocated interest and other income			34,656
Unallocated finance costs			(32,584)
Unallocated other expenses			(1,668,338)
Loss before taxation			(804,749)
Taxation			(278,220)
Loss for the period			(1,082,969)

Nine months ended 31 December 2008 (unaudited)

	Card acceptance business HK\$	Co-branded card partnership business HK\$	Consolidated HK\$
Segment revenue	4,810,291	74,659	4,884,950
Segment results	271,680	(297,722)	(26,042)
Unallocated corporate administration expenses			(290,000)
Unallocated interest and other income			18,969
Unallocated other expenses			(11,534)
Loss before taxation			(308,607)
Taxation			476,301
Profit for the period			167,694

4. PROFIT (LOSS) BEFORE TAXATION

	Unaudited Three months ended 31 December		Unaudited Nine months ended 31 December	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
This is stated after charging:				
Finance costs				
Finance costs on other long-term liabilities	7,098	-	18,884	-
Interest on other short-term loan	-	-	13,700	-
	7,098	-	32,584	-
Other items				
Depreciation of property, plant and equipment	64,935	116,344	268,057	301,827
Staff costs, including directors' emoluments	626,400	240,354	1,307,985	773,757
Operating lease charges on premises	91,716	16,942	194,812	24,640

5. TAXATION

	Unaudited Three months ended 31 December		Unaudited Nine months ended 31 December	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
Current tax	-	-	-	-
Deferred tax				
Reversal (Benefit) of tax losses	243,039	12,094	278,220	(476,301)
Total charge (credit) for the period	243,039	12,094	278,220	(476,301)

(i) Hong Kong Profits Tax

Hong Kong Profits Tax has not been provided as the Group had no assessable profits arising in or derived from Hong Kong during the periods.

(ii) Income taxes outside Hong Kong

The Company is incorporated in the Cayman Islands as an exempted company and, accordingly, is exempted from payment of Cayman Islands income tax.

The Company's subsidiaries established in the BVI are incorporated under International Business Act of the BVI and, accordingly, are exempted from payment of the BVI income tax.

Oriental City Group (Thailand) Company Limited ("OCG Thailand"), the Company's subsidiary established in Thailand is subject to Thailand income tax at 30%. However, no Thailand income tax has been provided for the periods as OCG Thailand's assessable profits are wholly absorbed by unrelieved tax losses brought forward from previous periods. The Group initially recognised the deferred tax assets arising from the unused tax losses carried forward by OCG Thailand of approximately HK\$1,500,000 during the nine months ended 31 December 2008 because it is probable that future taxable profit will be available against which OCG Thailand can utilise the benefits before their expiry.

奧思知(海南)服務有限公司 ("OCG China"), the Company's subsidiary established in the PRC, is subject to the statutory enterprise income tax rate of 25% for the periods under the income tax rules and regulations of the PRC. OCG China is entitled for special tax benefits in special economic zones under a preferential lower tax rate of 18%, 20%, 22%, 24% and 25% for the years ending from year 2008 to 2012, respectively. However, no income tax has been provided as OCG China incurred losses for taxation purposes during the periods.

6. DIVIDEND

The Board does not recommend the payment of a dividend for the nine months ended 31 December 2009 (2008: Nil).

7. LOSS PER SHARE

Basic loss per share for the three and nine months ended 31 December 2009 are calculated based on the unaudited consolidated loss for the period attributable to the equity holders of the Company of HK\$469,706 and HK\$1,362,304 respectively (2008: HK\$260,970 and HK\$217,679 respectively) and on the weighted average number of 600,000,000 and 518,727,273 ordinary shares, respectively, (2008: 450,000,000 and 450,000,000 ordinary shares respectively) in issue during the periods.

In determining the weighted average number of ordinary shares in issue, 1,000,000 ordinary shares issued on incorporation of the Company, as consideration for the acquisition by the Company for issued share capital of Charm Act Group Limited ("Charm Act") and the share allotments to other shareholders and the capitalisation issue of 449,000,000 ordinary shares upon the Listing on 28 August 2009 were deemed to have been in issue on 1 April 2008 for the purpose of the calculation of basic loss per share.

Basic and diluted loss per share amounts are the same as the Company did not have any dilutive potential ordinary shares during the periods.

8. MOVEMENTS OF EQUITY

	Attributable to equity holders of the Company					Total HK\$	Minority interests HK\$	Total equity HK\$
	Share capital HK\$	Share premium HK\$	Capital reserve HK\$	Exchange reserve HK\$	Accumulated losses HK\$			
For the nine months ended 31 December 2009								
At 1 April 2009 (audited)	-	-	6,855,255	(479,758)	(3,718,641)	2,656,856	364,355	3,021,211
Loss for the period	-	-	-	-	(1,362,304)	(1,362,304)	279,335	(1,082,969)
Exchange difference on translation of foreign subsidiaries	-	-	-	363,093	-	363,093	31,713	394,806
Total comprehensive loss for the period	-	-	-	363,093	(1,362,304)	(999,211)	311,048	(688,163)
Reorganisation	10,000	-	(8,933)	-	-	1,067	-	1,067
Placing of shares	1,500,000	33,000,000	-	-	-	34,500,000	-	34,500,000
Capitalisation issue	4,490,000	(4,490,000)	-	-	-	-	-	-
Share placement expenses	-	(13,951,392)	-	-	-	(13,951,392)	-	(13,951,392)
Deemed capital contribution from equity holders of the Company	-	-	150,000	-	-	150,000	-	150,000
	6,000,000	14,558,608	141,067	-	-	20,699,675	-	20,699,675
At 31 December 2009 (unaudited)	6,000,000	14,558,608	6,996,322	(116,665)	(5,080,945)	22,357,320	675,403	23,032,723

	Attributable to equity holders of the Company					Total HK\$	Minority interests HK\$	Total equity HK\$
	Share capital HK\$	Share premium HK\$	Capital reserve HK\$	Exchange reserve HK\$	Accumulated losses HK\$			
For the nine months ended 31 December 2008								
At 1 April 2008 (audited)	-	-	6,555,255	(340,754)	(3,573,190)	2,641,311	-	2,641,311
Profit for the period	-	-	-	-	(217,679)	(217,679)	385,373	167,694
Exchange difference on translation of foreign subsidiaries	-	-	-	(56,840)	-	(56,840)	(135,603)	(192,443)
Total comprehensive income for the period	-	-	-	(56,840)	(217,679)	(274,519)	249,770	(24,749)
Deemed capital contribution from equity holders of the Company	-	-	290,000	-	-	290,000	-	290,000
At 31 December 2008 (unaudited)	-	-	6,845,255	(397,594)	(3,790,869)	2,656,792	249,770	2,906,562

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

With the receding threat of H1N1 on the travel industry and the increasing stability of the political situation in Thailand, the Group experienced a significant rebound on its card transaction volume starting from July 2009 and maintained its position as the market leader in processing China Unionpay (the "CUP") card acceptance business in Thailand during the nine months ended 31 December 2009 (the "Review Period"). During the Review Period, the revenue generated from Thailand was approximately HK\$8,042,000 (2008: approximately HK\$4,810,000) representing an increase of 67% as compared to the same period in 2008. For the co-branded card business, the Group launched a promotion campaign for its Golf Card Program in partnership with Bank of Communication and signed a marketing service agreement with an independent third party to provide marketing services which mainly include data analysis, merchant supports and marketing consultancy in the 4th quarter of 2009.

Although the Group achieved positive growth of revenue in comparison to the same period last year, the loss increased due to the general increase in administrative and operating expenses. In addition, the Group recorded a deferred tax credit for the nine months ended 31 December 2008 which was the initial recognition in that period, but no such further deferred tax credit was recorded for the Review Period.

Use of proceeds

As stated in the Prospectus, the Group planned to expand its card acceptance and co-branded card partnership businesses in the forthcoming future. As of the date of this report, the Group does not anticipate any material change to our plan for the use of proceeds from the Placing. During the period between 14 August 2009, being the latest practicable date as defined in the Prospectus ("LPD") and 31 December 2009, the proceeds from the Placing were applied by the Company in accordance with the Directors' assessment of the development of the market condition:

1. Since the Listing on 28 August 2009, the Group proceeded to commence with its expansion and business development. The remaining proceeds were partially applied by the end of December 2009 in order for the Group to specially monitor the on-going and developing situation of political instability in Thailand and its implications for the Group's China Unionpay card acceptance business;

2. On its co-branded card business, the Group is at the negotiation stage on the detailed partnership terms with potential partnership banks. During the Review Period, the Group focused on the Golf Card usage and promotion campaigns for the Pacific-OCG Golf Card in Hainan Province, China;
3. On its card acceptance business, the Group has been expanding cautiously in Thailand following the global financial crisis, and is continuing to monitor the travelling pattern of the Chinese tourists closely in Thailand and Asia. During the Review Period, the Group was in the negotiation and development stage for expanding the card acceptance business in the country of Laos (located next to Thailand). The business license and tax license in respect of such business in Laos are still in the process of application while the Foreign Investment License has just been obtained successfully in January 2010;
4. On expenditure relating to working capital, it mainly consisted of the payment of general and administrative expenses, including staff costs (including directors' remuneration), professional fees and other general operating expenses; and
5. The remaining net proceeds as at 31 December 2009 have been placed in interest-bearing deposit accounts in banks and financial institutions in Hong Kong.

BUSINESS OUTLOOK

With the positive economic outlook for the Chinese economy since the financial crisis in 2008 and the solid growth in 2009, the Group projects a continuous growing momentum for the number of Chinese outbound tourists visiting Thailand and the surrounding countries in South East Asia. The Group has been conducting intensive marketing research and study in other major countries in South East Asia which have significant market potential for Chinese tourists, and targets to establish another key market for China Unionpay Card Acceptance business. With the policy of the Chinese government in promoting Hainan province to be a key travel-destination, the Group is also conducting a study to strengthen its lifestyle Golf Card promotion campaign in Hainan, China.

FINANCIAL REVIEW

The Group's revenue for the Review Period amounted to approximately HK\$8,293,000, representing an increase of approximately 70% as compared to HK\$4,885,000 for the corresponding period in 2008. The net loss attributable to equity holders of the Company was approximately HK\$1,362,000 for the Review Period compared with approximately HK\$218,000 for the corresponding period in 2008.

The increase in the Group's revenue was mainly due to the significant increase in CUP Cards acceptance transaction volume as a result of the growing number of Chinese tourists visiting Thailand for the Review Period. The transaction volume reached approximately Baht1,852 million (equivalent to approximately HK\$425 million) for the nine months ended 31 December 2009 compared to approximately Baht1,046 million (equivalent to approximately HK\$244 million) for the nine months ended 31 December 2008.

The loss was mainly attributable to the general increase in administrative and operating expenses. In addition, the Group recorded a deferred tax credit amounting to approximately HK\$476,000 for the nine months ended 31 December 2008 which was the initial recognition in that period, but no such further deferred tax credit was recorded for the Review Period.

The gross profit for the Review Period was approximately HK\$2,694,000, representing an increase of approximately 60% from the nine months ended 31 December 2008. This was primarily attributable to the increase in card acceptance fee income from Thailand and the marketing service fee from co-branded card business in China.

The general administrative expenses of the Group for the Review Period amounted to approximately HK\$3,025,000, representing an increase of approximately 88% as compared to the corresponding period in 2008. The increase in administrative expenses was mainly due to general increase in administrative and operating expenses, including rental expenses, staff costs (including directors' remuneration), professional fees and other general expenses.

The selling and distribution costs for the Review Period amounted to approximately HK\$476,000, representing an increase of approximately HK\$77,000 compared with the corresponding period in 2008. The increase was mainly due to the introduction of marketing research activity relating to the development for Laos market and the promotion campaign for the Golf Card Program in Hainan during the Review Period.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2009, the interests of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long position in ordinary shares of HK\$0.01 each of the Company ("Shares")

Name	Capacity	Number of Shares	Percentage of shareholding
Mr. Yu Chun Fai ("Mr. Yu")	Corporate – Interest of controlled corporation (Note 1)	402,000,000	67%
	Beneficial owner	24,000,000	4%
Ms. Wong Lai Chun	Beneficial owner	6,000,000	1%

Note 1: These Shares were held by Oriental City Group Asia Limited which is wholly-owned by Oriental City Group International Limited, a company wholly-owned by Oriental City Group plc. As Mr. Yu is the beneficial owner of the entire issued share capital of Straum Investments Limited, a controlling shareholder of Oriental City Group plc, Mr. Yu is deemed to be interested in the 402,000,000 Shares held by Oriental City Group Asia Limited under the SFO.

Mr. Yu's interests in the associated corporations

Name of associated corporations	Capacity	Number of shares	Percentage of shareholding
Oriental City Group Asia Limited ("OCG Asia")	Corporate	23,116,988	100%
Oriental City Group International Limited ("OCG International")	Corporate	23,116,988	100%
Oriental City Group plc ("OCG UK")	Corporate	15,026,374	41.59%
Straum Investments Limited	Corporate	1 share of US\$1	100%
Oriental City Group Hong Kong Limited	Corporate (Note 2)	1 share of US\$1	100%
Oriental City Group Limited	Corporate (Note 2)	23,116,988 shares of HK\$0.00001 each	100%
Oriental City Group Bank Limited	Corporate (Note 3)	1,000 shares of US\$1,000 each	100%

Notes:

- (2) As Oriental City Group Hong Kong Limited and Oriental City Group Limited are the fellow subsidiaries of the Company, Mr. Yu is deemed to be interested in these shares under the SFO.
- (3) As Oriental City Group Bank Limited is wholly-owned by Oriental City Group International Limited, Mr. Yu is deemed to be interested in its shares under the SFO.

Save as disclosed above, as at 31 December 2009, none of the Directors or chief executive of the Company had an interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above and in the Prospectus, at no time during the Review Period, did the Directors and the chief executive of the Company (including their spouse and children under 18 years of age) have any interest in, or have been granted, or exercised, any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company and/or its associated corporations (within the meaning of the SFO).

Save as disclosed above and in the Prospectus, at no time during the Review Period was the Company, any of its subsidiaries, its associated companies, its fellow subsidiaries or its holding companies a party to any arrangements which enable the Directors or the chief executive of the Company to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company and/or its associated corporations (within the meaning of the SFO).

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES DISCLOSEABLE UNDER THE SFO

As at 31 December 2009, so far as is known to the Directors, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

The Company

Long positions in Shares

Name	Capacity	Number of Shares	Percentage of shareholding
OCG Asia	Beneficial owner	402,000,000	67%
OCG International	Corporate – Interest of controlled corporation (Note)	402,000,000	67%
OCG UK	Corporate – Interest of controlled corporation (Note)	402,000,000	67%
Straum Investments Limited	Corporate – Interest of controlled corporation (Note)	402,000,000	67%

Note: OCG Asia is a company wholly-owned by OCG International which is wholly-owned by OCG UK, a company incorporated in England and Wales and listed on the PLUS-quoted market of the United Kingdom and of which Straum Investments Limited is the controlling shareholder. Accordingly, each of OCG International, OCG UK and Straum Investments Limited is deemed to be interested in 402,000,000 Shares held by OCG Asia under the SFO. The deemed interests of OCG International, OCG UK, Straum Investments Limited and Mr. Yu and the interest of OCG Asia in the 402,000,000 Shares were in respect of the same interest and duplicated each other.

Save as disclosed above, as at 31 December 2009, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

COMPETING INTERESTS

Mr. Yu, an executive Director of the Company, is also the chairman and the director of OCG UK, the Company's ultimate holding company. He holds approximately 42% beneficial interest in OCG UK. In view of the fact that following the listing of the Shares on GEM, (i) Mr. Yu has been involved in the day-to-day management of the business of the Company whilst Ms. Wong Lai Chun, the other director of OCG UK and the non-executive Director of the Company, has mainly been responsible for the management of OCG UK and (ii) the Company remains a subsidiary of OCG UK and one of the group members of OCG UK, the Company considers that there will be no material conflict of interest resulting from the overlapping positions of Mr. Yu and Ms. Wong Lai Chun as directors of the Company and OCG UK. Mr. Yu and Ms. Wong Lai Chun are merely business associates. Following the listing of the Shares, Mr. Yu's role in OCG UK has been focused on business development strategies and Ms. Wong's role in OCG UK has been focused on providing business development advice. With effect from 4 September 2009, Mr. Yu ceased to have any executive role in OCG UK and remains appointed as the non executive chairman of OCG UK and Ms. Wong Lai Chun has been appointed as the chief executive officer of OCG UK.

The non-payment golf membership card business operated by OCG UK through Oriental City Group Limited is relatively much smaller in scale (in terms of revenue and resources allocated) than the card acceptance business operated by OCG Thailand and the co-branded card partnership business operated by Oriental City Group (Hainan) Services Ltd.. Accordingly, the Directors consider that Mr. Yu can devote sufficient attention to manage the business and affairs of the Group. Each of OCG UK, Mr. Yu and Ms. Wong Lai Chun has entered into a non-competition undertaking on 14 August 2009 pursuant to which, inter alia, OCG UK together with its subsidiaries (including Oriental City Group Bank Limited) and associates (other than the Group), shall not conduct any business that will be in competition with that of the Group.

Save as disclosed above, during the Review Period, none of the Directors or management shareholders of the Company or their respective associates had an interest in any business which competes or may compete, either directly or indirectly, with the business of the Group nor any conflicts of interest which has or may have with the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its listed shares during the Review Period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares during the Review Period.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with all the code provisions as set out in Appendix 15 to the GEM Listing Rules from the date of Listing up to 31 December 2009, except the code provision A.2.1 that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Yu has over 8 years of experience in card payment industry and 12 years of experience in financial services and card industry. The Board considers that vesting the roles of chairman and chief executive officer in the same individual provided the Group with consistent leadership in the development and execution of long-term business strategies.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding the Directors' securities transactions in securities of the Company. Having made specific enquiry of all Directors, the Directors have confirmed that they have complied with the required standard of dealings as set out in the adopted code of conduct regarding Directors' securities transactions from the date of Listing up to 31 December 2009.

INTEREST OF THE COMPLIANCE ADVISER

As notified by SBI E2-Capital (HK) Limited ("SBI"), the Company's compliance adviser, neither SBI nor any of its directors or employees or associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as at 31 December 2009.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The audit committee of the Company (the "Audit Committee") comprises three independent non-executive directors, namely Mr. Chan Chun Wai (Chairman), Mr. Tsang Siu Tung and Mr. Chan Wing Cheung, Joseph. The primary responsibilities of the Audit Committee are (i) to review the annual report and accounts, interim reports and quarterly reports and provide advice, comments thereon and recommendations to the Board and (ii) to review and supervise the financial reporting process and internal control system of the Group. The Group's unaudited results for the nine months ended 31 December 2009 have been reviewed by the Audit Committee. The Board is of opinion that the preparation of such financial information complied with the applicable accounting standards, the requirements under the GEM Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

On behalf of the Board

Yu Chun Fai

Chairman

Hong Kong, 3 February 2010

As at the date of this report, the executive director of the Company is Mr. Yu Chun Fai; the non-executive director is Ms. Wong Lai Chun; and the independent non-executive directors are Mr. Chan Chun Wai, Mr. Chan Wing Cheung, Joseph and Mr. Tsang Siu Tung.