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MEMORANDUM OF UNDERSTANDING IN RESPECT OF A POSSIBLE ACQUISITION

This announcement is made by Oriental City Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of Directors (the “**Directors**”) is pleased to announce that after trading hours of the Stock Exchange on 26 February 2013, an indirect wholly-owned subsidiary of the Company as purchaser entered into a non-legally binding memorandum of understanding (the “**MOU**”) with a third party as vendor, which is independent of and not connected with the Company and its connected persons (as defined under the GEM Listing Rules) in respect of a possible acquisition (the “**Possible Acquisition**”) of interests in the issued share capital of a target company (the “**Target Company**”, together with its subsidiaries, the “**Target Group**”).

The Target Group is principally engaged in the payment card business in the People’s Republic of China. As disclosed in the third quarterly report of the Company for the nine months ended 31 December 2012, the Group will continue to maintain a conservative approach to evaluate other business opportunities related to card business in order to deliver long-term value to the shareholders of the Company (the “**Shareholders**”). Accordingly, the Directors consider that the Possible Acquisition will be in line with the business strategy of the Group and will enhance its profitability and thereby increase the value of the Company.

Following the signing of the MOU, the Group will carry out a due diligence review and investigation (the “**Due Diligence Review**”) on each member of the Target Group including without limitation to its assets, liabilities, contracts, commitments and business and financial and legal aspects. Subject to the Group’s satisfaction of the results of the Due Diligence Review, the parties to the MOU intend to

proceed with negotiation and hence finalization of detailed terms and conditions of their investment and cooperation for signing of a legally-binding agreement (the “**Formal Agreement**”) in relation to the Possible Acquisition based on the provisions of the MOU, which shall take place no later than 45 days from the date of the MOU (or such later date as the parties to the MOU may otherwise agree). The consideration for the Possible Acquisition shall be determined after arm’s length negotiation and mutual agreement between the parties to the MOU. In this connection, the Group shall make reference to the valuation to be conducted by an independent international valuer to be appointed by the Group. The MOU shall become effective on the date of the MOU and shall terminate and be of no force and effect on the earlier of (i) the date on which the Formal Agreement is to be executed, or (ii) 90 days from the date of the MOU, or such later date as the parties to the MOU may otherwise agree in writing.

The Possible Acquisition, if materialized, may constitute a notifiable transaction of the Company under the GEM Listing Rules. The Company will make further announcement(s) in relation to the Possible Acquisition in accordance with the requirements of the GEM Listing Rules and the SFO as and when appropriate.

The Board wishes to emphasize that no legally binding agreement in relation to the Possible Acquisition has been entered into as the date of this announcement, and that completion of the Formal Agreement and the transactions contemplated therein including, without limitation, the Possible Acquisition, will be subject to fulfilment (or as the case may be, if waivable, waiver) of certain conditions precedents to be set out in the Formal Agreement. Therefore, the Possible Acquisition may or may not proceed. The Shareholders and/or potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Oriental City Group Holdings Limited
Cheng Nga Ming Vincent
Chairman

Hong Kong, 26 February 2013

As at the date of this announcement, the Board comprises (i) two executive Directors, namely Mr. Cheng Nga Ming Vincent and Ms. Cheng Nga Yee; (ii) one non-executive Director Mr. Zhang Huaqiao; and (iii) three independent non-executive Directors, namely Mr. Chan Chun Wai, Mr. Lee Kin Fai and Mr. Chow King Lok.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at www.ocg.com.hk.