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PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board announced that on 10 October 2013 (after trading hours), the Company entered into the Placing Agreement with the Placing Agents pursuant to which the Company appointed the Placing Agents as its placing agents to procure not less than six Placee(s) who are Independent Third Parties to subscribe up to 120,000,000 Placing Shares at a price of HK\$1.03 per Placing Share on a several and best effort basis on the terms and subject to the conditions of the Placing Agreement during the Placing Period.

The maximum number of 120,000,000 Placing Shares represents (i) approximately 20.0% of the existing issued share capital of the Company of 600,000,000 Shares as at the date of this announcement; and (ii) approximately 16.7% of the issued share capital of the Company of 720,000,000 Shares as enlarged by the allotment and issue of the Placing Shares.

It is expected that the maximum net proceeds from the Placing (after deducting the placing commission payable to the Placing Agents and other expenses incurred in the Placing) will amount to approximately HK\$119 million. The Company intends to apply the aggregate net proceeds from the Placing to finance the Possible Investment and/or Possible Acquisition (if materialise) or otherwise as general working capital of the Group.

Completion is subject to the satisfaction of certain conditions as described below, including but not limited to the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares. If any of these conditions are not fulfilled, the Placing will not proceed.

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

GENERAL MANDATE

Upon Completion, a maximum of 120,000,000 new Shares in aggregate will be allotted and issued under the General Mandate. The General Mandate entitles the Directors to allot, issue and deal with up to 120,000,000 Shares, representing 20% of the issued share capital of the Company as at the annual general meeting of the Company held on 2 August 2013 approving the General Mandate. As at the date of this announcement, no part of the General Mandate have been utilised by the Company. Accordingly, the Placing is not subject to the Shareholders' approval.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Directors are pleased to announce that on 10 October 2013 (after trading hours), the parties referred to below entered into the Placing Agreement, details of which are described below.

PLACING OF 120,000,000 NEW SHARES

The Placing Agreement

Date: 10 October 2013

Parties

(i) Issuer:	The Company
(ii) Placing Agents:	Oriental Patron Securities Limited First Shanghai Securities Limited SBI E2-Capital Financial Services Limited

Details of the Placing Shares

Placing Shares: up to 120,000,000 new Shares to be allotted and issued by the Company, representing (i) approximately 20.0% of the existing issued share capital of the Company of 600,000,000 Shares; and (ii) approximately 16.7% of the issued share capital of the Company of 720,000,000 Shares as enlarged by the allotment and issue of the Placing Shares. The Placing Agents have conditionally agreed to place a maximum of 120,000,000 Placing Shares on a several and best effort basis during the Placing Period.

Placing Price: The price of HK\$1.03 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agents and represents: (i) a discount of approximately 17.6% over the closing price of HK\$1.25 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 17.6% over the average closing price of approximately HK\$1.25 per Share as quoted on the Stock Exchange for the five trading days of the Share immediately prior to and including the Last Trading Day. The Board is of the opinion that the Placing Price is fair and reasonable, on normal commercial terms, and is in the interests of the Company and the Shareholders as a whole.

Placees: The Placing Shares are expected to be placed by the Placing Agents to not less than six institutional, corporate or independent individual investors who should be (i) Independent Third Parties and is not acting in concert (as defined under the Takeover Codes) with the Company and its connected persons; and (ii) immediately after the Placing, none of the Placees will become a substantial shareholders of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agents and its ultimate beneficial owners are Independent Third Parties.

The Placing Agents will in aggregate receive a placing commission of 2.5% of the amount which is equal to the Placing Price multiplied by the number of Placing Shares being placed by the Placing Agents. The placing commission was arrived at after arm's length negotiations among the Company and the Placing Agents.

Other details:

Conditions Precedent: The Placing is conditional upon the fulfillment of the following conditions by not later than 11 November 2013 (or such later date as may be agreed between the Placing Agents and the Company in writing):

- (i) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment and/or despatch of certificates for the Placing Shares) the listing of, and permission to deal in all of the Placing Shares; and
- (ii) any other approval as may be required by applicable laws or regulations for the Placing.

Termination: If any of the following events occurs at any time prior to 10:00 a.m. on the date of Completion, the Placing Agents may, by giving a written notice to the Company, at any time prior to 10:30 a.m. on the date of Completion rescind the Placing Agreement without liability to the other party hereto or any thereof and, subject to certain part of the Placing Agreement which shall continue, the Placing Agreement shall thereupon cease to have effect and none of the parties hereto shall have any rights or claims by reason thereof, save for any antecedent breaches:

- (i) in the reasonable opinion of the Placing Agents there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or

- (ii) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (iii) any material breach of any of the representations and warranties comes to the knowledge of the Placing Agents or any event occurs or any matter arises on or after the date hereof and prior to 10:00 a.m. on the date of Completion which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (iv) there is any adverse change in the financial position of the Company which in the opinion of the Placing Agents is material in the context of the Placing.

Completion:

Completion is expected to take place on the sixth Business Day following the satisfaction of the conditions precedent (exclusive of the date of satisfaction of all the conditions precedent) or such other date as the Company and the Placing Agents may agree.

Ranking of the Placing Shares:

Placing Shares, when issued and fully paid up, shall rank pari passu in all respects inter se and with all other Shares then in issue.

Application for listing:

Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

GENERAL MANDATE

Upon Completion, a maximum of 120,000,000 new Shares in aggregate will be allotted and issued under the General Mandate. The General Mandate entitles the Directors to allot, issue and deal with up to 120,000,000 Shares, representing 20% of the issued capital of the Company as at the annual general meeting of the Company held on 2 August 2013 approving the General Mandate. As at the date of this announcement, no part of the General Mandate have been utilised by the Company. Accordingly, the Placing is not subject to the Shareholders' approval.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND THE USE OF PROCEEDS

The Group is principally engaged in operating the card acceptance business in Thailand. It is the business strategy of the Group to identify possible investment to enhance its profitability and thereby increase the value of the Company. For instance, 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 in respect of a possible acquisition of interests in the issued share capital of a target company (details of which refer to the announcements of the Company dated 26 February 2013, 12 April 2013, 13 May 2013, 28 May 2013, 28 June 2013 and 28 August 2013). This target company, together with its subsidiary, is principally engaged in the payment card business in the PRC. In addition, as set out in the announcement of the Company dated on 2 September 2013, the Group entered into a confirmation letter with the vendor of such target company so as to further explore the possibility of proceeding the acquisition of the abovementioned target company (the "Possible Acquisition"). On the other hand, as set out in the announcement of the Company dated 19 August 2013, the Group entered into a non-legally binding memorandum of understanding with two third parties in relation to, amongst other things, the possible investment (the "Possible Investment") of the Group in the share capital of a company which, together with its subsidiaries, will be principally engaged in the operation of prepaid card business and internet payment services in the PRC. On 3 October 2013, the Group entered into a side letter with the abovementioned third parties to extend the date for signing of the relevant formal agreement so as to have further time for the Group to carry out the relevant due diligence review. As at the date of this announcement, the Company is still carry out the due diligence reviews in respect of the Possible Investment and the Possible Acquisition.

According to the annual report of the Company for the year ended 31 March 2013, the amount of cash and cash equivalents was approximately HK\$23 million as at 31 March 2013. In view that the existing level of cash and cash equivalents would not be sufficient to support the consideration of the Possible Investment and/or Possible Acquisition, the Company decided to conduct a fund raising exercise by the Placing. However, if either the Possible Investment or Possible Acquisition does not materialise, the proceeds from the Placing will be used as the general working capital of the Group.

The Directors consider the Placing offers a good opportunity to raise further capital and broaden the shareholders base of the Company thereby increasing the liquidity of the Shares as well as to strengthen the financial position of the Group. The Directors consider that the terms of Placing Agreement are fair and reasonable and the Placing is in the interests of the Company and its Shareholders as a whole.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Shares do not exceed 20% of the issued share capital of the Company. As at the date of this announcement, save for the 6,000,000 share options granted under the share option schemes of the Company, there are no other securities issued which confer any other subscription rights in the Shares.

EFFECT ON SHAREHOLDING OF THE PLACING

As at the date of this announcement, the issued share capital of the Company comprised 600,000,000 Shares. The shareholding structure of the Company before and after Completion are as follows:

	Existing Shareholding		Immediately after Completion	
	No. of Shares	Approximate per cent.	No. of Shares	Approximate per cent.
Mr. Cheng Nga Ming Vincent (Note)	270,000,000	45.00	270,000,000	37.50
Placees	–	–	120,000,000	16.67
Public Shareholders	330,000,000	55.00	330,000,000	45.83
Total	600,000,000	100.00	720,000,000	100.00

Note: 243,000,000 Shares were held by Tian Li Holdings Limited (“Tian Li”) which in turn is owned as to 70% and 30% by Mr. Cheng and Ms. Cheng Nga Yee (“Ms. Cheng”) respectively. Ms. Cheng is the sister of Mr. Cheng. As Mr. Cheng is the controlling shareholder of Tian Li, he is deemed to be interested in the 243,000,000 Shares held by Tian Li under the SFO. The remaining interest in 27,000,000 Shares are held by Mr. Cheng Nga Ming Vincent in his personal capacity.

FUND RAISING DURING THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activity during the past twelve (12) months immediately preceding the date of this announcement.

DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“Board”	the board of Directors
“Business Day”	any day on which banks in Hong Kong are open for business (other than Saturday and any day on which a tropical cyclone warning No.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon)
“Company”	Oriental City Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the GEM
“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with up to 120,000,000 Shares, representing 20% of the issued share capital of the Company as at the annual general meeting of the Company held on 2 August 2013
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the GEM listing committee of the Stock Exchange

“GEM Listing Rules”	The Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) who is(are) third party(ies) independent of the Company and connected persons (as defined under the GEM Listing Rules) of the Company
“Last Trading Date”	10 October 2013, being the last day on which the Shares were traded on the Stock Exchange prior to the issue of the announcement
“Placee(s)”	any person or entity whom the Placing Agents has procured to subscribe for the Placing Shares
“Placing”	the placing of the Placing Shares to the Placee(s) pursuant to the Placing Agreement
“Placing Agents”	<ul style="list-style-type: none"> (i) Oriental Patron Securities Limited, a licensed corporation to carry out types 1 and 4 regulated activities under the SFO; (ii) First Shanghai Securities Limited, a licensed corporation to carry out types 1 and 4 regulated activities under the SFO; and (iii) SBI E2-Capital Financial Services Limited, a licensed corporation to carry out types 1 and 4 regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 10 October 2013 between the Company and the Placing Agents in respect of the Placing
“Placing Period”	period commencing upon the execution of the Placing Agreement and terminating at 5:00 p.m. (Hong Kong time) on the 21st day immediately after the date of the Placing Agreement

“Placing Price”	HK\$1.03 per placing Share
“Placing Share(s)”	up to 120,000,000 new Shares, to be allotted and issued pursuant to the Placing Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Codes”	The Hong Kong Code on Takeovers and Mergers
“%”	per cent

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

Hong Kong, 10 October 2013

As at the date of this announcement, the Board comprises (i) four executive Directors, namely Mr. Cheng Nga Ming Vincent, Ms. Cheng Nga Yee, Mr. Cao Guogi and Mr. Fung Weichang; (ii) one non-executive Director, namely Mr. Zhang Huaqiao; and (iii) three independent non-executive Directors, namely Mr. Lee Kin Fai, Mr. Wang Yiming and Mr. Lu Dongcheng.