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**MAJOR TRANSACTION  
IN RESPECT OF THE ENTERING INTO OF  
THE FRAMEWORK AGREEMENT  
AND  
RESUMPTION OF TRADING**



**Financial Adviser to the Company**

**THE FRAMEWORK AGREEMENT**

The Board is pleased to announce that on 3 November 2013, (1) the PRC Company, (2) Mr. Tan, (3) Mr. Zhang, (4) Goodgate and (5) OCG Hainan entered into the Framework Agreement, pursuant to which the relevant parties will enter into the Control Agreements and the Loan Arrangement upon Completion subject to fulfillment or waiver (as the case may be) of the conditions precedent as set out under the paragraph headed “Conditions precedent” in this announcement. Whereas the Control Agreements will allow OCG Hainan to be provided with effective control over and the rights to enjoy the economic benefits in assets of the PRC Company, including its interests in the Licence Company, the Loan Arrangement will facilitate the acquisition of equity interests in the Licence Company by the PRC Company.

### **(1) The Control Agreements**

Upon Completion, OCG Hainan, an indirect wholly-owned subsidiary of Company will enter into the Control Agreements with the PRC Company. Pursuant to the Control Agreements, OCG Hainan will provide certain technical consultation and service, including but not limited to marketing consultancy, training, technical support, product research and development and business consultation, where the PRC Company will pay the service fee equal to a certain percentage of the net income of the PRC Company. In addition, relevant parties will, upon Completion, enter into certain agreements in relation to, among other things, the pledge of, and grant of exclusive acquisition rights of, the equity interests in the PRC Company, details of which are referred to in the paragraph headed “(1) The Control Agreements” in this announcement.

### **(2) The Loan Arrangement**

Pursuant to the Framework Agreement, OCG Hainan will, upon completion, provide a non-interest bearing loan amounting RMB156 million to the PRC Company solely for the PRC Company’s acquisition of 30% interests in the Licence Company with, among other things such interests to be pledged to OCG Hainan, where OCG Hainan will be granted the exclusive right to acquire such interests from the PRC Company. The total amount of loan to be provided was determined after arm’s length negotiations between OCG Hainan and the PRC Company with reference to the preliminary estimation of the fair value of the Licence Company as at 30 September 2013 as appraised by an Independent Valuer.

### **GENERAL INFORMATION ON THE PRC COMPANY AND THE LICENCE COMPANY**

The PRC Company is principally engaged in the provision of agency services to the payment institution in the PRC. The Licence Company is a company established in the PRC with limited liability which possesses the relevant licence to conduct prepaid card business and internet payment services in the PRC.

## **GEM LISTING RULES IMPLICATIONS**

As the applicable percentage ratios (as calculated in accordance with Rule 19.07 of the GEM Listing Rules) for the Loan Arrangement are more than 25% but less than 100%, the entering into of the Framework Agreement constitutes a major transaction of the Company under Rule 19.06 of the GEM Listing Rules and is subject to the reporting, announcement and the Shareholders' approval requirements under the GEM Listing Rules. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the PRC Company and the Licence Company and their respective associates are independent of and not connected with the Company or any of its connected persons (as defined in the GEM Listing Rules). Therefore, no Shareholder is required to abstain from voting at the relevant general meeting to be convened to approve the Framework Agreement and the transactions contemplated thereunder.

## **GENERAL**

A circular containing, among other things, (i) further information on the Framework Agreement and the transactions contemplated thereunder; (ii) the accountants' report of the PRC Company and the Licence Company prepared by independent accountants; (iii) the valuation report prepared by the Independent Valuer; and (iv) a notice of the EGM, is expected to be despatched to the Shareholders on or before 25 November 2013.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 4 November 2013 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 5 November 2013.

Reference is made to the announcements of the Company dated 19 August 2013 and 3 October 2013 in relation to, amongst other things, the entering into of (a) the non-legally binding MOU by an indirect wholly-owned subsidiary of the Company regarding a possible investment opportunity in operation of the prepaid card business and internet payment services in the PRC and (b) the relevant side letter to amend certain terms of the MOU, respectively.

Subsequent to the entering into of the MOU, the parties to the MOU have studied the structure of the possible investment in relation to operation of pre-paid card business and internet payment services in the PRC and agreed that instead of implementation by a group reorganisation by Mr. Tan and Mr. Zhang for subscription of the share capital of a target company and establishment of a wholly-foreign owned enterprise in the PRC for entering into certain commercial contracts and/or financing agreements with the PRC Company and/or the Licence Company (where the PRC Company intended to acquire 90% (which was subsequently agreed on 1 November 2013 to be changed to be 30%) registered capital of the Licence Company) as referred to in the MOU, the Company will procure its indirect wholly-owned subsidiary, namely OCG Hainan, to enter into the Framework Agreement and the transactions contemplated thereunder with the relevant counterparties.

On 3 November 2013, (1) the PRC Company, (2) Mr. Tan, (3) Mr. Zhang, (4) Goodgate and (5) OCG Hainan entered into the Framework Agreement, pursuant to which the relevant parties will enter into the Control Agreements and the Loan Arrangement upon Completion subject to fulfillment or waiver (as the case may be) of the conditions precedent as set out under the paragraph headed “Conditions precedent” in this announcement. Whereas the Control Agreements will allow OCG Hainan to be provided with effective control over and the rights to enjoy the economic benefits in assets of the PRC Company, including its interests in the Licence Company, the Loan Arrangement will facilitate the acquisition of equity interests in the Licence Company by the PRC Company.

## **THE FRAMEWORK AGREEMENT**

Date : 3 November 2013

Parties :

- (1) the PRC Company, a company established in the PRC with limited liability which is principally engaged in the provision of agency services to the payment institution in the PRC.
- (2) Mr. Tan;
- (3) Mr. Zhang;
- (4) Goodgate; and
- (5) OCG Hainan.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the PRC Company and its ultimate beneficial owners (i.e. Mr. Tan and Mr. Zhang) are third parties independent of the Company and its connected persons;

Pursuant to the terms of the Framework Agreement, the Control Agreements and the Loan Arrangement will be entered into by the relevant parties upon Completion, subject to fulfillment or waiver (as the case may be) of the conditions precedent as set out under the paragraphs headed "Conditions precedent" in this announcement. Set out below are the principal terms of the Control Agreements and the Loan Arrangement:

### **(1) THE CONTROL AGREEMENTS**

Upon Completion, relevant parties will, and the PRC Company will procure the Licence Company to, enter into the Control Agreements (being part of the Framework Agreement). Principal terms of each of the Control Agreements are set out below:-

#### **1. Business Cooperation Agreement**

Parties:

- (i) OCG Hainan; and
- (ii) the PRC Company.

Services:

Pursuant to the Business Cooperation Agreement, the PRC Company will appoint OCG Hainan as its exclusive services provider to provide complete technical support, business support and related consulting services during the term of the Business Cooperation Agreement in accordance with its terms and conditions, which may include all necessary services within the scope of the PRC Company's business as may be determined from time to time by the PRC Company and consented by OCG Hainan, such as but not limited to technical services, business consultations, equipment or property leasing, marketing consultancy, system integration, product research and development, system maintenance and assisting the PRC Company to provide necessary services to the Licence Company.

Fees:

The service fee (excluding all out-of-pocket expenses) will be payable to OCG Hainan by the PRC Company within 30 days after the end of each month during the term, where the PRC Company shall pay to OCG Hainan such fees equal to a certain percentage ("Service Fees Rate") of the net income of the PRC Company, which include but are not limited to its operation revenue and 100% of all dividends derived from the interests in the Licence Company held by the PRC Company (provided that when the PRC Company repays the loan amount to OCG Hainan under the Loan Agreement, the service fees would only include 50% of the dividends derived from the interests in the Licence Company shares held by the PRC Company), and the Service Fees Rate will be decided by the parties in written form after the execution of the Business Cooperation Agreement, provided that upon mutual discussion between the parties and the obtaining of the prior written consent by OCG Hainan, the Service Fees Rate may be adjusted based on the services rendered by OCG Hainan in a particular month and the operational needs of the PRC Company.

Term: The Business Cooperation Agreement shall take effect as of date of its execution and shall maintain effective unless terminated by OCG Hainan by giving 30 days' prior notice to the PRC Company or was compelled to terminate under applicable PRC laws and regulations.

## **2. Technical Consultation and Service Agreement**

Parties: (i) OCG Hainan; and

(ii) the PRC Company

Services: Pursuant to the Technical Consultation and Service Agreement, OCG Hainan will be the exclusive consultation and services provider to the PRC Company to provide consultation and services to the PRC Company in the area of fund, human, technology and intellectual properties and assist the PRC Company to provide aforesaid necessary service to the Licence Company, and the PRC Company will accept such consultation and services in accordance with the terms and conditions under the Technical Consultation and Service Agreement. The consultation and services provided by OCG Hainan include (i) research and development of the relevant software and technology according to the request of PRC Company's business and shall license OCG Hainan the right to use software and technology; (ii) development, design, monitor, testing and clearing of fault in connection with the network equipment and web page of the PRC Company; (iii) providing training and technical support to the staff of the PRC Company; (iv) providing consultation services regarding the marketing of the PRC Company; and (v) providing other consultation and services which are necessary for PRC Company's businesses and consented by OCG Hainan.

Fees:

The PRC Company shall pay an annual services fees of RMB1 million to OCG Hainan. Such fees will be payable on quarterly basis and should be settled within 15 business days after the beginning of each quarter. Nevertheless, in the event that the PRC Company does not have sufficient working capital to settle the services fees, the PRC Company has the right not to settle such fees. Apart from the abovementioned annual services fees, the PRC Company should, based on the actual amount of technical consultation and services provided by OCG Hainan in each quarter, pay a quarterly services fee on floating rate basis to OCG Hainan. Such floating fees should be equivalent to the revenue of the PRC Company and the dividends arising from the interests in the Licence Company for each quarter (provided that when the PRC Company repays the loan amount to OCG Hainan pursuant to the Loan Agreement, the service fees would only include 50% of the dividends derived from the interests in the Licence Company held by the PRC Company) or determined after taking into account, among other things, the number and qualification of the staff deployed to provide services and the time spent to provide the services for the relevant quarter.

Term:

The term of the Technical Consultation and Service Agreement is twenty (20) years. The parties agree that the Technical Consultation and Service Agreement can be extended only if OCG Hainan gives its written consent of the extension of the Technical Consultation and Service Agreement before the expiration of the Technical Consultation and Service Agreement and the PRC Company shall unconditionally agree with such extension.



### 3. Pledge Agreement

- Parties:
- (i) OCG Hainan (as pledgee);
  - (ii) Mr. Tan or Mr. Zhang (each of them will enter into a Pledge Agreement separately), each being the holder of 50% interests in the PRC Company (as pledgor); and
  - (iii) the PRC Company.

Pledge: Pursuant to the Pledge Agreement, Mr. Tan or Mr. Zhang (as the case may be) will pledge to OCG Hainan 50% equity interest he holds in the PRC Company (the “Equity Interest”) as security for payment of the consulting and service fees payment obligation by the PRC Company under the relevant Control Agreements and the Loan Agreement and to ensure that Mr. Tan or Mr. Zhang (as the case may be) and the PRC Company fully performs their obligations under the relevant Control Agreements and the Loan Agreement, to pay the relevant service fees and repay the loan amount pursuant to the relevant Control Agreements and the Loan Agreement, respectively, on timely and complete manner to the OCG Hainan and when the same becomes due.

The pledge shall become effective on such date when the pledge of the Equity Interest contemplated therein has been registered with relevant AIC. The pledge shall be continuously valid when the pledge of the Equity Interest contemplated herein has been discharged with the relevant AIC. The parties agree that within three business days following the execution of the Pledge Agreement, Mr. Tan or Mr. Zhang (as the case may be) and the PRC Company shall register the pledge in the shareholders’ register of the PRC Company.

Prior to the full payment of the consulting and service fees described in the relevant Control Agreements during its term or full repayment of the loan described in the Loan Agreement, without written consent of OCG Hainan, Mr. Tan or Mr. Zhang (as the case may be) shall not assign the Equity Interest in the PRC Company.

Termination: Upon the full payment of the consulting and service fees under the relevant Control Agreements, upon the full repayment of the loan amount under the Loan Agreement and upon termination of the obligations of the PRC Company under the Control Agreements and the Loan Agreement, the Pledge Agreement shall be terminated, and OCG Hainan shall then terminate the equity pledge under the Pledge Agreement as soon as reasonably practicable.

#### 4. Share Disposal Agreement

Parties: (i) OCG Hainan;

(ii) Mr. Tan or Mr. Zhang (each of them will enter into a Share Disposal Agreement separately), each being the holder of 50% interests in the PRC Company (as pledgor); and

(iii) the PRC Company.

Option: In consideration of the payment of RMB1 by OCG Hainan, the receipt and adequacy of which is hereby acknowledged by Mr. Tan or Mr. Zhang (as the case may be) hereby irrevocably agrees that, on the condition that it is permitted by the PRC laws, OCG Hainan has the right to require Mr. Tan or Mr. Zhang (as the case may be) to fulfill and complete all approval and registration procedures required under PRC laws for OCG Hainan to purchase, or designate one or more persons (each, a "Designee") to purchase the equity interests of Mr. Tan or Mr. Zhang (as the case may be) in the PRC Company, once or at multiple times at any time in part or in whole at OCG Hainan's sole and absolute discretion and at the price of RMB1 (or if the minimum price allowed by the laws of PRC then in effect is higher than RMB1, then the purchase price shall be the lowest price allowed by the laws of PRC) (such right being the "Equity Interest Purchase Option"). OCG Hainan's Equity Interest Purchase Option shall be exclusive. Except for OCG Hainan and the Designee(s), no other person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests of Mr. Tan or Mr. Zhang (as the case may be). The PRC Company hereby agrees to the grant by Mr. Tan or Mr. Zhang (as the case may be) of the Equity Interest Purchase Option to OCG Hainan.

Without the prior written consent of OCG Hainan, Mr. Tan or Mr. Zhang (as the case may be) shall not have the right to assign or delegate its rights and obligations under the Share Disposal Agreement.

Term: The Share Disposal Agreement shall become effective upon the date of its execution, and remain effective until all the equity interest owned by Mr. Tan or Mr. Zhang (as the case may be) in the PRC Company has been legally transferred to OCG Hainan or the Designee(s) in accordance with the Share Disposal Agreement.

## **5. Voting Rights Proxy Agreement**

Parties: (i) Mr. Tan or Mr. Zhang (each of them will enter into a Voting Rights Proxy Agreement), each being the holder of 50% interests in the PRC Company (as entrusting party);

(ii) OCG Hainan; and

(iii) the PRC Company.

Proxy of voting rights: Pursuant to the Voting Rights Proxy Agreement, OCG Hainan (or its designee) will have the power to, inter alia, exercise all shareholder's voting rights with respect to all matters to be discussed and voted in the shareholders' meeting of the PRC Company, including but not limited to designating and appointing the director, the chief executive officer and other senior management members of the PRC Company.

Term: The Voting Rights Proxy Agreement shall become effective upon the date of its execution with a term of twenty (20) years. The parties agree that the Voting Rights Proxy Agreement can be extended only if OCG Hainan gives its written consent of the extension of the Voting Rights Proxy Agreement before its expiration and the other parties shall unconditionally agree with such extension.

## **6. Spouse Consent**

Party: The spouse of Mr. Tan or Mr. Zhang (as the case may be) (each of them will enter into a Spouse Consent separately)

Particulars: The spouse of Mr. Tan or Mr. Zhang (as the case may be) shall, inter alia, (i) give her consent as to the manner in which the equity interests held by, and registered under the name of, Mr. Tan or Mr. Zhang (as the case may be) in the PRC Company will be dealt with in accordance with the Pledge Agreement, the Share Disposal Agreement and the Voting Rights Proxy Agreement, (ii) confirm that she does not have any interests in the equity interests of the PRC Company and agrees, in case of being entitled to any equity interests of the PRC Company, to be bound by the obligations as its shareholder under such documents (as amended from time to time), and (iii) undertake to sign all the necessary documentation and do all necessary acts to ensure the proper performance of such documents, and to notify OCG Hainan immediately of any breach of such documents or any material change of the PRC Company and to assist OCG Hainan in protecting its legitimate rights and obligations under those documents.

## **(2) THE LOAN ARRANGEMENT**

### **1. The Loan Agreement**

Parties: (i) OCG Hainan; and  
(ii) the PRC Company

Loan:

Pursuant to the Loan Agreement, OCG Hainan (as lender) shall lend to the PRC Company (as borrower), a non-interest bearing loan amounting to RMB156 million solely for the purpose of the acquisition of 30% interests in the Licence Company by the PRC Company. The first loan amounting to RMB109.2 million will be lent to the PRC Company upon receipt of a written notice from the PRC Company within 30 business days after the relevant governmental authority has approved the transfer of 30% interests in the Licence Company to the PRC Company. The second loan amounting to RMB46.8 million will be lent to the PRC Company upon receipt of a written notice from the PRC Company within three business days after the completion of registration of such transfer with the relevant AIC.

The term of the loan shall commence on the date on which OCG Hainan has transferred the loan amount to the bank account as designated by the PRC Company and shall end on the date on which the PRC Company has fully settled the abovementioned loan.

The PRC Company will use the dividend arising from its holding of 15% interests in the Licence Company to repay the abovementioned loan. Repayment can be made in single, after obtaining the prior written consent of OCG Hainan or multiple installments on 31 December of each year. If the loan amount cannot be repaid during the term of the loan, the PRC Company shall pay the daily penalty equivalent to 0.01% of the outstanding amount of the loan until the completion of the transfer of the 30% interests in the Licence Company by the PRC Company.

## 2. LC Pledge Agreement

- Parties:
- (i) OCG Hainan (pledgee);
  - (ii) the PRC Company (pledgor); and
  - (iii) the Licence Company

Pledge:

As a part of the Loan Agreement, upon Completion, OCG Hainan (as pledgee), the PRC Company (as pledgor) and the Licence Company will enter into the LC Pledge Agreement. Pursuant to the LC Pledge Agreement, the PRC Company will pledge the 30% interests in the Licence Company to OCG Hainan for a period commencing from the date on which the registration of the equity interest pledge with the relevant AIC to the date on which the abovementioned registration is discharged or released (the “Pledge Period”). Before the full discharge of the obligations under the Control Agreements and the full settlement of the loan pursuant to the Loan Agreement, the PRC Company cannot transfer its interests in the Licence Company unless written consent of OCG Hainan is obtained. During the Pledge Period, OCG Hainan is entitled to receive the share of profit arising from the interests in the Licence Company pledged by the PRC Company and such dividends will be used to settle the services fees or repay the loan payable by the PRC Company to OCG Hainan under the relevant Control Agreements and the Loan Agreement, respectively. Furthermore, the PRC Company (as a shareholder of the Licence Company) and the Licence Company will undertake, inter alia, not to issue new shares or to dilute the existing shareholdings and distribute dividends unless consent of OCG Hainan is obtained.

Pursuant to the LC Pledge Agreement, the Licence Company will undertake, among other things, unless obtaining the prior written consent of OCG Hainan, the PRC Company (as a shareholder of the Licence Company) and the Licence Company will not (i) sell, transfer, pledge or dispose of in other way the legal or beneficial interests arising from its asset, business or revenue or allow any charge on the same during the term of the LC Pledge Agreement; and (ii) incur, guarantee or allow existence of any liability (save for those arising from ordinary course of business but not in form borrowings and those already disclosed to and agreed by OCG Hainan).

### **3. LC Share Disposal Agreement**

Parties: (i) OCG Hainan;

(ii) the PRC Company; and

(iii) the Licence Company

Option: As a part of the Loan Agreement, upon Completion, OCG Hainan, the PRC Company and the Licence Company will enter into the LC Share Disposal Agreement. Pursuant to the LC Share Disposal Agreement, OCG Hainan has the exclusive right to purchase from the PRC Company its 30% interests in the Licence Company. The consideration of the aforesaid interests should be RMB1 (or if the minimum price allowed by the laws of PRC then in effect is higher, then the consideration shall be the lowest price allowed by the laws of PRC).

The PRC Company and the Licence Company will undertake, among other things, (i) not to supplement, change or amend the article of the Licence Company, increase or reduce the capital of the Licence Company or alter the capital structure of the Licence Company by other means; (ii) not to sell, transfer, pledge or dispose of in other way the legal or beneficial interests arising from its asset, business or revenue or allow any charge on it during the term of the LC Share Disposal Agreement; (iii) not to distribute dividends by any mean (but upon the request of OCG Hainan, the Licence Company should distribute all its distributable profit to its shareholders) unless prior consent of OCG Hainan is obtained.

#### **4. LC Voting Rights Proxy Agreement**

Parties: (i) the PRC Company;

(ii) OCG Hainan; and

(iii) the Licence Company

Proxy of voting rights: Pursuant to the LC Voting Rights Proxy Agreement, OCG Hainan (or its designee) will have the power to exercise all shareholder's voting rights with respect to all matters to be discussed and voted in the shareholders' meeting of the Licence Company, including but not limited to designating and appointing the director, the chief executive officer and other senior management members of the Licence Company.

Term: The LC Voting Rights Proxy Agreement shall become effective upon the date of execution with a term of twenty (20) years. The parties agree that, the LC Voting Rights Proxy Agreement can be extended if OCG Hainan gives its written consent to the extension of the LC Voting Rights Proxy Agreement before its expiration and the other parties shall unconditionally agree with this extension.



The amount of the loan pursuant to the Loan Agreement is determined after arm's length negotiation between OCG Hainan and the PRC Company and with reference to the preliminary estimation of the fair value of the Licence Company as at 30 September 2013 as appraised by an Independent Valuer under market-based approach by using the ratio of price-to-annual issuing amount of payment card and price-to-book.

### **Conditions precedent**

Completion is subject to fulfillment or waiver (as the case may be) of the following conditions:

- (a) OCG Hainan having been reasonably satisfied with the relevant due diligence results in respect of, amongst others, the financial, legal, operational aspect of the PRC Company and the Licence Company and not discovered any material adverse change thereof before the Completion;
- (b) the due and proper completion of acquisition of the 30% interest in the Licence Company by the PRC Company to the absolute satisfaction of OCG Hainan;
- (c) the PRC legal advisors having issued a PRC legal opinion relating to due incorporation, shareholdings and business scope of the PRC Company and the Licence Company in the form and substance to the reasonable satisfaction of OCG Hainan;
- (d) the Company having obtained the approval of the Shareholders at the EGM approving the Framework Agreement and the transactions contemplated thereunder;
- (e) compliance with all other applicable laws, rules and regulations including but not limiting to the GEM Listing Rules for the transactions contemplated under the Framework Agreement and the transactions contemplated thereunder;
- (f) the Independent Valuer having issued a valuation report on the business or assets (as the case may be) of the PRC Company and the Licence Company in the form and substance to the reasonable satisfaction of OCG Hainan;
- (g) the reporting accountants (being acceptable to OCG Hainan), having issued the accountant's report on (i) the audited accounts of the PRC Company for the three financial years ended 31 December 2012 and the seven months ended 31 July 2013 and (ii) the audited accounts of the Licence Company for the period from 8 November 2010 (the date of incorporation of the Licence Company) to 31 December 2010, the two years ended 31 December 2012 and the seven months ended 31 July 2013 in the form and substance to the reasonable satisfaction of OCG Hainan;
- (h) the grant of any necessary approvals, consents and/or waivers by the relevant governmental or regulatory authorities or bodies, whether in Hong Kong, the PRC or elsewhere (including but not limiting to the Stock Exchange, the Securities and Futures Commission of Hong Kong and/or the PBOC); and
- (i) the Company having completed the relevant fund-raising activities with sufficient net proceeds for completion of the Framework Agreement and the transactions contemplated thereunder;

In the event that the abovementioned conditions precedent are not fulfilled or waived (other than paragraphs (d), (e), (h) and (i) above which cannot be waived), fully or partially, in writing by the parties to the Framework Agreement on or before 31 December 2013, or such later date as the parties to the Framework Agreement may agree, the Framework Agreement shall become null and void and be of no further effect whatsoever and all the obligations and liabilities of the parties thereunder shall cease and determine.

## **Completion**

Completion shall take place on the date as specified by OCG Hainan after fulfillment or waiver (as the case may be) of the conditions precedent of the Framework Agreement as set out under the paragraph headed “Conditions precedent” in this announcement.

## **EFFECT OF THE FRAMEWORK AGREEMENT**

Through the Control Agreements, the Group will be able to have full effective control over the finance and operation of the PRC Company and in effect to obtain the entire economic interest and benefits in the PRC Company. Accordingly, the accounts of the PRC Company will be fully consolidated into the financial statements of the Group upon Completion.

The Business Cooperation Agreement and the Technical Consultation and Services Agreement are to ensure the profits or income generated by the PRC Company will be directed to OCG Hainan in the form of service fees.

The Pledge Agreement is to secure the due performance of obligations of the PRC Company under the Business Cooperation Agreement and the Technical Consultation and Services Agreement and to ensure that the ultimate owners of the PRC Company cannot transfer their respective equity interest in the PRC Company to the other parties unless with the consent of OCG Hainan.

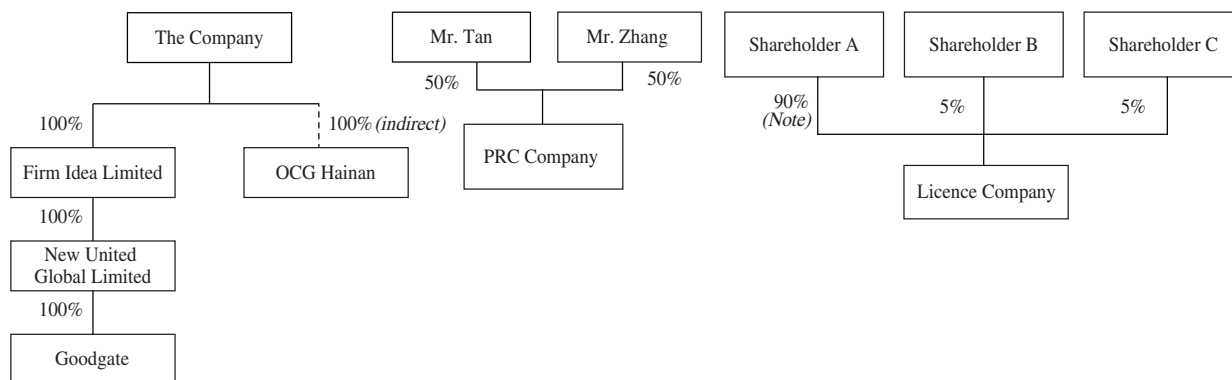
The Voting Rights Proxy Agreement and the Share Disposal Agreement are to grant OCG Hainan voting rights in respect of the equity interests of the ultimate owners of the PRC Company in the PRC Company so that OCG Hainan can control the PRC Company; and when (i) the ultimate owners of the PRC Company act against the interests of OCG Hainan, OCG Hainan can designate another person to acquire their equity interests in the PRC Company at the agreed exercise price; and (ii) the PRC law lifts the restrictions on market admission, OCG Hainan may acquire and hold equity interest in the Licence Company directly at the agreed exercise price.

The Loan Agreement is to facilitate the acquisition of interests in the Licence Company by providing capital to the PRC Company. The LC Pledge Agreement is to secure the interests in the Licence Company by OCG Hainan through the PRC Company and restrict the transfer thereof. The LC Share Disposal Agreement is to provide an exclusive rights to OCG Hainan for acquiring the interests in the Licence Company.

## STRUCTURE CHARTS

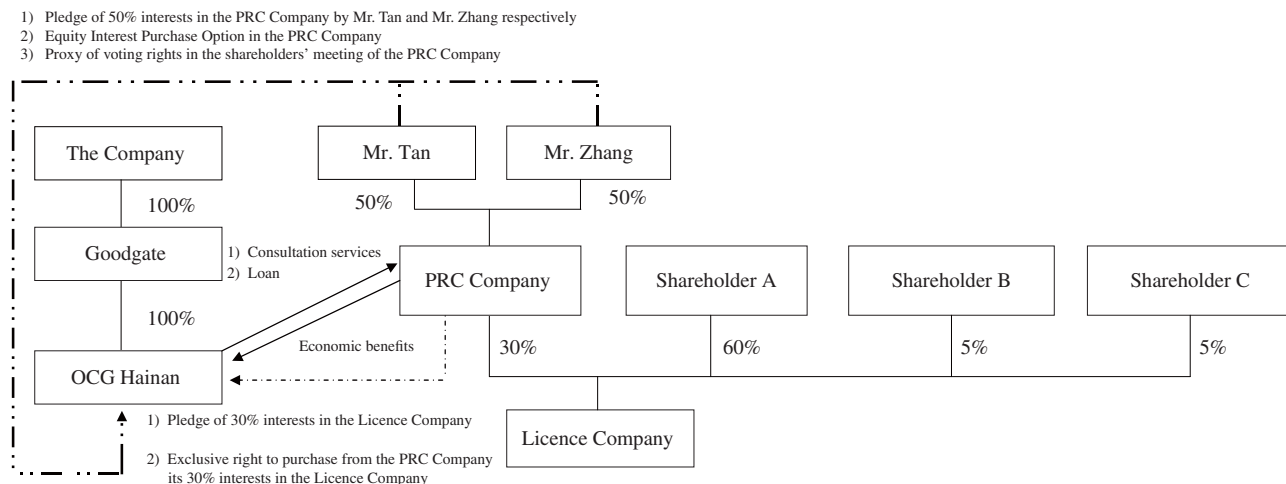
The structure chart of the Group's interest in the PRC Company and the Licence Company immediately (i) before the signing of the Framework Agreement; and (ii) after the Completion are as follows:

### Structure chart immediately before the signing of the Framework Agreement



Note: As at the date of this announcement, the PRC Company was acquiring 30% interests in the Licence Company from Shareholder A and such acquisition was not completed.

### Structure chart immediately after the Completion



If there is any material change to the terms of the Framework Agreement, the Company will comply with the relevant requirements of the GEM Listing Rules.

## **INFORMATION ON THE PARTIES TO THE FRAMEWORK AGREEMENT**

OCG Hainan, a wholly-foreign-owned enterprise established in the PRC, is indirectly and wholly-owned by the Company as at the date of this announcement. The principal business of OCG Hainan is co-branded and partnership business.

Each of Mr. Tan and Mr. Zhang, being the ultimate shareholders of the PRC Company, owns 50% interests in the PRC Company as at the date of this announcement.

The PRC Company, a company established in the PRC with limited liability, is principally engaged in the provision of agency services to the payment institution in the PRC. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the PRC Company and its ultimate beneficial owners (i.e. Mr. Tan and Mr. Zhang) are third parties independent of the Company and its connected persons.

The Licence Company, a company established in the PRC with limited liability which is principally engaged in prepaid card business and internet payment services in the PRC. As at the date of this announcement, it is owned by (i) Shareholder A as to 90% (of which 30% is being acquired by the PRC Company but the acquisition is not yet completed as at the date of this announcement); (ii) Shareholder B as to 5%; and (iii) Shareholder C as to 5%. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Licence Company and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

## **FINANCIAL INFORMATION ON THE PRC COMPANY AND THE LICENCE COMPANY**

Set out below are the key financial figures of (i) the PRC Company for the three years ended 31 December 2012 and the seven months ended 31 July 2013 and (ii) the Licence Company for the period since 8 November 2010 (i.e. its date of incorporation) to 31 December 2010, the two years ended 31 December 2012 and the seven months ended 31 July 2013 as extracted from their unaudited financial statements prepared in accordance with the Hong Kong Financial Reporting Standards.

## The PRC Company

	<b>For the year ended 31 December 2010 (RMB'000)</b>	<b>For the year ended 31 December 2011 (RMB'000)</b>	<b>For the year ended 31 December 2012 (RMB'000)</b>	<b>For the seven months ended 31 July 2013 (RMB'000)</b>
Revenue	–	202	525	48
(Loss) Profit before taxation	(16)	2	(208)	(93)
Net (Loss) Profit (after taxation)	(16)	2	(208)	(93)
Total Assets	395	442	359	266
Net Assets	394	396	188	95

## The Licence Company

	<b>For the period from 8 November 2010 (being the date of incorporation of the Licence Company) to 31 December 2010 (RMB'000)</b>	<b>For the year ended 31 December 2011 (RMB'000)</b>	<b>For the year ended 31 December 2012 (RMB'000)</b>	<b>For the seven months ended 31 July 2013 (RMB'000)</b>
Revenue	119	19,739	27,155	18,563
Loss (before taxation)	542	2,061	2,381	1,358
Net Loss (after taxation)	542	2,061	2,381	1,358
Total Assets	355,112	422,378	574,093	540,297
Net Assets	99,458	98,480	98,040	97,769

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE FRAMEWORK AGREEMENT**

The Group is principally engaged in operating the card acceptance business in Thailand. As disclosed in the first quarterly report of the Company for the three months ended 30 June 2013, the Group is negotiating for the acquisition of the equity interest of a company which, together with its subsidiary, is principally engaged in the prepaid card business in the PRC. Meanwhile, the Group will continue to seek new opportunities aiming to broaden the revenue base and enhance the profitability of the Group and therefore to increase the value of the Company.

The Licence Company has been engaged in the issuance and acceptance of prepaid card and internet payment services in the PRC. A substantial portion of revenue and profit was derived from its prepaid card business. The Licence Company generates revenue via its prepaid card business by (i) charging card issuance service fee on a percentage of face value of prepaid cards upon the issuance of cards to cardholders; (ii) charging merchant services fees on a percentage of transaction amount to merchants (such as supermarkets and chain-stores) who accept the payment cards issued by the Licence Company and use the point-of-sales (“POS”) system supplied by the Licence Company in settlement process; (iii) receiving interest income arising from the deposit of cardholders; and (iv) receiving administration fee (such as card replacement and re-issuance fee for name-registered payment card).

The payment service business currently engaged by the Licence Company is subject to regulations in accordance with, among others, the administrative measures relating to payment services by non-financial institutions issued by the PBOC (the “Payment Service Measures”) which came into effect on 1 September 2010. The Payment Service Measures stipulate that non-financial institutions must not engage in the provision of payment services (such as online payments, the issue and acceptance of prepaid cards, and POS systems) without first obtaining approval and a payment services licence (支付業務許可證) from the PBOC. In accordance with Article 9 of the Payment Service Measures, regulations and rules addressing the scope of business and ownership restrictions for foreign investment in non-financial institutions engaged in payment services shall be separately stipulated by the PBOC and approved by the State Council of the PRC. As at the date of this announcement, the PBOC has not yet stipulated any relevant rules and regulations nor granted any Payment Services Licence to any foreign invested enterprise engaged in the provision of prepaid card business and/or online payment services.

Since foreign invested enterprises are not granted approval and licences to engage in prepaid card business and online payment services in the PRC, the Group cannot conduct such business by acquisition of interests in the Licence Company. Instead, upon completion of acquisition of the 30% interests in the Licence Company by the PRC Company and signing of

the Control Agreements, the Group is able to manage and operate the business of the Licence Company, and exercise effective control over and, to the extent permitted by PRC laws and regulations, have the right to acquire the equity interest in the Licence Company, with the financial results of the PRC Company (as mainly contributed by its 30% interests in the Licence Company) to be consolidated into the Group. As a result, the Control Agreements, taken as a whole, will allow the Group to effectively control the PRC Company and therefore recognise and receive substantially all of the economic benefits of the business and operations of the PRC Company, as derived from its 30% interests in the Licence Company.

In light of the abovementioned, the Directors consider that the entering into of the Framework Agreement and the transactions contemplated thereunder are in line with the business strategy of the Group and will enhance the business portfolio of the Group. The Directors consider that the terms of the Framework Agreement and the transactions contemplated thereunder are fair and reasonable and are arrived at after arm's length negotiation between the parties and that the entering into of the Framework Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole. In respect of the Loan Arrangement, the Company will use its internal resources and conduct further fund raising activities, if necessary.

## **GEM LISTING RULES IMPLICATIONS**

As certain applicable percentage ratios (as calculated in accordance with Rule 19.07 of the GEM Listing Rules) for the Loan Arrangement are more than 25% but less than 100%, the entering into of the Framework Agreement and the transactions contemplated thereunder constitute a major transaction of the Company under Rule 19.06 of the GEM Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements under the GEM Listing Rules.

## **GENERAL**

The Company will convene an EGM for the Shareholders to consider, and if thought fit, approve by way of poll, the Framework Agreement and the transactions contemplated thereunder. As no Shareholder is regarded to have material interests in the Framework Agreement, all Shareholders are eligible to vote on the relevant resolutions to be proposed at the EGM for approving the Framework Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further information on the Framework Agreement and the transactions contemplated thereunder; (ii) the accountants' report of the PRC Company and the Licence Company to be prepared by independent accountants; (iii) the valuation report to be prepared by the Independent Valuer; and (iv) a notice of the EGM, is expected to be despatched to the Shareholders on or before 25 November 2013.

**As Completion is subject to the fulfillment of certain conditions precedent which may or may not proceed in the future, Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 4 November 2013 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 5 November 2013.

## **DEFINITIONS**

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“AIC”	Industrial and Commercial Administration Bureau in the PRC
“associate(s)”	shall have the same meaning as ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Cooperation Agreement”	the agreement in relation to, among other things, the scope of business cooperation between OCG Hainan and the PRC Company
“Company”	Oriental City Group Holdings Limited, a company incorporated in the Cayman Island and the issued Shares of which are listed on the GEM
“Completion”	completion of the Framework Agreement in accordance with its terms and conditions
“Control Agreements”	the Business Cooperation Agreement, the Technical Consultation and Services Agreement, the Pledge Agreement, the Share Disposal Agreement, the Voting Rights Proxy Agreement and the Spouse Consent to be entered into by the relevant parties upon Completion



“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company proposed to be convened and held to consider and approve, among other things, the Framework Agreement, and the transactions contemplated thereunder
“Framework Agreement”	the framework agreement dated 3 November 2013 in relation to establishment of the business cooperation relationship entered into among the PRC Company, Mr. Tan, Mr. Zhang, Goodgate and OCG Hainan
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Goodgate”	Goodgate Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Valuer”	Roma Appraisals Limited, an independent professional valuer to conduct the business valuation on the Licence Company
“LC Pledge Agreement”	the agreement in relation to, among other things, the pledge of interests in the Licence Company to be acquired by the PRC Company to OCG Hainan
“LC Share Disposal Agreement”	the agreement in relation to, among other things, the option and exclusivity of OCG Hainan to acquire the interests in the Licence Company
“LC Voting Rights Proxy Agreement”	the agreement in relation to entrusting OCG Hainan as the proxy of the PRC Company to vote at the shareholders’ meeting of the Licence Company

“Licence Company”	開聯通網路技術服務有限公司 (Open Union Network Technology Services Limited*), a company established in the PRC with limited liability which holds the licence to conduct the prepaid card business and internet payment services in the PRC
“Loan Agreement”	the agreement in relation to the provision of loan to the PRC Company by OCG Hainan
“Loan Arrangement”	the provision of a non-interest bearing loan in the amount of RMB156 million by OCG Hainan for the PRC Company’s acquisition of 30% interest in the Licence Company, upon the terms of the Loan Agreement (together with the LC Pledge Agreement, the LC Share Disposal Agreement and the LC Voting Rights Proxy Agreement)
“MOU”	the non-legally binding memorandum of understanding dated 19 August 2013 (as amended and supplemented by a side letter dated 3 October 2013) entered into between (i) Victory Pacific Investments Limited, an indirect wholly-owned subsidiary of the Company; (ii) the PRC Company; and (iii) Mr. Tan and Mr. Zhang, being the ultimate shareholders of the PRC Company in relation to the proposed investment in the Licence Company
“Mr. Tan”	Mr. Tan Zhihui, a PRC citizen and a shareholder holding 50% equity interest in the PRC Company
“Mr. Zhang”	Mr. Zhang Baojian, a PRC citizen and a shareholder holding 50% equity interest in the PRC Company
“OCG Hainan”	奧思知(海南)服務有限公司 (Oriental City Group (Hainan) Service Co., Ltd.*), a wholly-foreign-owned enterprise established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“PBOC”	the People’s Bank of China
“Pledge Agreement”	the agreement in relation to the pledge of interests in the PRC Company
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan

“PRC Company”	深圳市快易捷信息技術有限公司(Shenzhen Kuai Yi Jie Information Technology Co. Ltd.*), a company established in the PRC with limited liability
“RMB”	Renminbi, the lawful currency in the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Disposal Agreement”	the agreement in relation to the sale and purchase of the equity interests in the PRC Company
“Shareholder(s)”	holder(s) of Share(s)
“Shareholder A”	開聯通信息技術有限公司 (Kai Lian Xin Xi Technology Limited*), a company established in the PRC with limited liability, which is one of the shareholders holding 90% interests of the Licence Company as at the date of this announcement
“Shareholder B”	北京開聯商通數碼科技有限公司 (Beijing Kai Lian Shangton Digital Technology Limited), a company established in the PRC with limited liability, which is one of the shareholders holding 5% interests of the Licence Company as at the date of this announcement
“Shareholder C”	北京開聯和盛投資擔保有限公司 (Beijing Kai Lian Hesheng Investment Guarantee Limited*), a company established in the PRC with limited liability, which is one of the shareholders holding 5% interests of the Licence Company as at the date of this announcement
“Spouse Consent”	the letter of consent to be signed by the spouse of Mr. Tan or Mr. Zhang (as the case may be) in relation to dealing in of the equity interests held by, and registered under the name of Mr. Tan or Mr. Zhang (as the case may be) in the PRC Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Technical Consultation and Services Agreement”	the agreement in relation to the provision of technical consultation and services to the PRC Company
“Voting Rights Proxy Agreement”	the agreement in relation to entrusting OCG Hainan as the proxy of Mr. Tan or Mr. Zhang to vote at the shareholders’ meeting of the PRC Company

\* For identification purposes only

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

Hong Kong, 4 November 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 Guoqi 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.*

*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](http://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](http://www.ocg.com.hk).*