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Oriental City Group Holdings Limited
奧思知集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8325)

VOLUNTARY ANNOUNCEMENT
ENTERING INTO CAPITAL INJECTION AGREEMENT

CAPITAL INJECTION AGREEMENT

The Board is pleased to announce that on 20 March 2014 after trading hours, the Investor, an indirect wholly-owned subsidiary of the Company, the Target Company, and the Other Existing Shareholders of the Target Company, entered into the Capital Injection Agreement, pursuant to which, the Investor shall inject capital in the amount totaling RMB20 million (equal to approximately HK\$25 million) to acquire approximately of 22.22% of the enlarged issued share capital of the Target Company and is entitled to an Option, subject to the terms and conditions stipulated therein.

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is pleased to announce that after trading hours of the Stock Exchange on 20 March 2014, (i) the Investor, an indirect wholly-owned subsidiary of the Company; (ii) the Target Company; and (iii) the Other Existing Shareholders of the Target Company (being all holders of the entire issued shares of the Target Company before capital injection), who are independent of and not connected with the Company and its connected persons (as defined under the GEM Listing Rules), entered into the Capital Injection Agreement, pursuant to which, the Investor undertakes to make a capital injection of RMB20 million of which RMB2,857,143 into the registered capital of the Target

Company (representing an approximately of 22.22% of the enlarged issued share capital of the Target Company) by cash and the remaining amount as capital reserve of the Target Company and the Investor is further granted an Option, subject to the terms and conditions stipulated therein.

According to the Capital Injection Agreement, the Investor intends to subscribe for and the Other Existing Shareholders intend to procure the Target Company to issue and allot shares to the investor. The Investor, should within 10 business days, upon the Target Company completing the required procedures for the increase in registered capital and serving of written request, deposit 50% of the investment amount into the Target Company's designated bank account, and within 30 business days from the date of serving such written request, deposit the remaining balance to the designated bank account. The investment amount translated to RMB shall be according to the middle price of exchange rate as published by the People's Bank of China on the respective deposit dates.

After the Investor injecting the whole investment amount, the Target Company should issue to the Investor a capital injection certificate duly sealed and signed by its legal representative. Thereafter the Target Company has to arrange for appropriate registration or filing with the relevant governmental authority in accordance with the Board's instruction. Upon completion of the registration and/or filing, the Target Company becomes a Sino-foreign equity joint venture, and since then, the Investor becomes one of the shareholders of the Target Company and has the legal rights and responsibilities attached to the shares.

In addition, the Investor is granted an Option, which entitles itself, at its absolute discretion, based on the already unanimously agreed valuation amount of RMB70 million on the Target Company, to further invest an additional RMB10 million (equivalent to an approximately HK\$12.5 million) (together with the said capital injection as stated in this announcement, representing an aggregate of 30% of the further enlarged issued share capital of the Target Company) into the registered capital of the Target Company on or before 31 December 2014.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, all the Other Existing Shareholders and their associates are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules). None of the Directors or controlling shareholders (as defined in the GEM Listing Rules) of the Company has any interest, directly or indirectly, in the said capital injection.

CAPITAL INJECTION AGREEMENT

The Capital Injection Agreement contains, inter alia, the following major terms:-

Date: 20 March 2014

Parties: (1) Goodgate Limited, an indirect wholly-owned subsidiary of the Company, as the investor;
(2) the Target Company; and
(3) the Other Existing Shareholders

Investment to be made

Pursuant to the Capital Injection Agreement, the Investor intends to subscribe for, and the Other Existing Shareholders intend to procure the Target Company to issue and allot shares in the registered capital of the Target Company.

Information about the Target Company

The Target Company is a limited company duly incorporated under the laws of the PRC. It is a manufacturer and operator of leading smart point-of-sale terminal (“smart POS”) technology.

Smart POS has a clear competitive advantage over traditional POS. The function of traditional POS is narrow, and the merchants are often forced to work with various POS machines at the same time, creating inconvenience for both merchants and customers. By contrast, smart POS can support multiple acceptance agencies and multiple payment methods on one single machine, including magnetic stripe card, IC card, near-field-communication, barcode, QR Code and sound wave payment. Therefore, apart from traditional bank card acceptance, smart POS can also realize the possibility of mobile payment technology, and has the potential to capture a leading position in the mobile payment industry.

In the meantime, smart POS supports smart merchant application system and third-party apps, which allows merchants to provide multi-dimensional value-added internet services for the consumers, and is a powerful tool to create closed loop for the Online-To-Offline (O2O) business model.

Consideration

The consideration for subscription of the equity interests in the Target Company by the Investor (the “**Consideration**”) is determined after arm’s length negotiation and based on unanimously agreed valuation amount of RMB70 million on the Target Company. The Investor will make a capital injection totaling RMB20 million (equivalent to an approximately HK\$25 million) of which RMB2,857,143 into the registered capital of the Target Company (representing an approximately of

22.22% of the enlarged issued share capital thereof) by cash and the remaining amount as capital reserve of the Target Company.

In addition, the Investor, is granted an Option which entitles itself, in its absolute discretion, based on the unanimously agreed valuation amount of RMB70 million on the Target Company, to further invest an additional RMB10 million (equivalent to an approximately HK\$12.5 million) (together with the said capital injection as stated in this announcement, representing an aggregate of approximately of 30% of the further enlarged issued share capital of the Target Company) into the registered capital to the Target Company by 31 December 2014.

Condition Precedent and Completion Procedures

Condition precedent and completion procedures of the Capital Injection Agreement and the transactions contemplated there-under are as follows:-

- a) The Target Company should obtain the Certificate of Approval for establishment of Enterprises with Foreign Investment in the PRC.
- b) Then to apply for registration of the changes with the Administration for Industry & Commerce of the PRC and obtain the business licence for Sino-foreign joint equity enterprises.
- c) Within 30 days from the issuance of the business licence, the Target Company should apply with the relevant foreign exchange control authority for approval certificate and open a foreign currency account.
- d) Upon successful opening of the foreign currency account, the Target Company should serve a written request to the Investor instructing that 50% of the investment amount should be deposited into the designated bank account within 10 business days and the remaining balance of 50% to the said designated bank account within 30 business days.
- e) After the whole investment amount has been injected, the Target Company shall within 15 days, issue to the Target Company, a capital injection certificate, duly sealed and signed by the legal representative, and the certificate should include, but not limited to, details and/or particulars of the Target Company's name, its date of incorporation, name of the Investor, the amount injected and the date of injection, the shareholding percentage etc.
- f) Besides, the Target Company should, in accordance with the agreed board members' direction, to arrange for notification/filing of the board changes.

Upon successful of the filing/notification of the board changes, the Investor becomes one of the shareholders of the Target Company and the Target Company will change into a Sino-foreign equity joint venture.

Other Existing Shareholders' Undertaking and Warranties

All Other Existing Shareholders' undertake and warrant that:-

- 1) The Target Company is a legally established limited corporation in the PRC and is legally in existence.
- 2) All rights and benefits of the current company name, brand, trademark and relevant rights etc., belong solely and exclusively to the Target Company after the capital injection.
- 3) The total assets of the Target Company have no charges, mortgages, guarantees (it includes but not limited to any security, charges, lien and other undertakings) or third party interests thereon.
- 4) All documents, including the Target Company's shareholdings, submitted to the Investor are true, in full force, accurate, complete and reflect facts.
- 5) The Target Company has never engaged or participated in any illegal acts which is or may lead to the cancellation of the business licence, penalties or other improper impact on the business of the Target Company.
- 6) They have never concealed or misrepresented in any litigation, arbitration, investigation and other administration procedures which is related, finalized, still undergoing or probably to be kicked off.
- 7) Upon signing the Capital Injection Agreement, all terms therein shall be in full force and bind all the Other Existing Shareholders.

The Investors' Undertaking and Warranties

The Investor, as a new shareholder, undertakes and warrants that:-

- 1) The Investor is a legal entity incorporated in Hong Kong with limited liability and is in existence.
- 2) It has never engaged or participated in any illegal acts which is or may lead to the cancellation of its business licence, penalties or other improper impact on its business.

Business Scope of the Target Company

The Target Company is principally engaged in manufacturing and operating smart POS. After the capital injection, its scope of businesses continues and remains no change. At the same time, the management will seek potential opportunity to develop new businesses. Business scope must be determined and approved by all shareholders at general meetings in the end and is subject to the approval and confirmation by the relevant business or administrative governmental authority in the PRC.

Use of newly injected capital

The newly injected capital will be used for all around development of the Target Company. The actual and concrete plan for capital use shall be determined by all new shareholders at general meetings to authorize or to be authorized in accordance with the manner as set out in the articles of association of the Target Company.

REASONS FOR, AND BENEFITS OF, ENTERING INTO THE CAPITAL INJECTION AGREEMENT

The Group is principally engaged in operating the card acceptance business in Thailand. As disclosed in the 2013 Annual Report and the 2013 Third Quarterly Report of the Company, the Group will continue to seek new opportunities, including but not limited to, e-commerce, e-finance and e-payment, aiming to broaden its revenue base and enhance the profitability of the Group and therefore to increase the value of the Company.

The Target Company is principally engaged in manufacturing and operating smart POS in the PRC. Accordingly, the Directors consider that the investment in the Target Company is in line with the business strategy of the Group and allows the Group to capture a strategic position in the payment industry. At the same time, the success of smart POS creates synergy with the Group's existing business, and provides solid support for the Group's future business development in China's prepaid card and payment industry.

GENERAL

The Company shall make further announcement(s) as and when necessary, or if circumstances arise by under the GEM Listing Rules.

DEFINITIONS

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

“associate(s)”	shall have the same meaning as ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
"Capital Injection Agreement"	the capital injection agreement dated 20 March 2014 entered into between the Investor, the Target Company and the Other Existing Shareholders
“Company”	Oriental City Group Holdings Limited, a company incorporated in the Cayman Islands and the issued shares of which are listed on the GEM of the Stock Exchange
“Completion”	completion of the Capital Injection Agreement in accordance with its terms and conditions
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market 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 in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Option”	an option granted to the Investor under the Capital Injection Agreement which entitled the Investor, at its absolute discretion to inject a further RMB10 million to the Target Company by 31 December 2014
“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
“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
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
"the Investor"	Goodgate Limited, an indirect wholly-owned subsidiary of the Company, a company duly incorporated in Hong Kong with limited liability
"the Other Existing Shareholders"	the existing shareholders of the Target Company holding the entire issued share capital of the Target Company as at the date of this announcement
"Target Company"	上海網絡科技有限公司 (Shanghai Koolcloud Technology Limited Co., *), a company duly incorporated in Shanghai, the PRC

By Order of the Board
Oriental City Group Holdings Limited
Zhang Huaqiao
Chairman

Hong Kong, 20 March 2014

** For identification purposes only*

**Unless otherwise specified in this announcement, amounts denominated in RMB have been converted into Hong Kong dollars at the rate of HK\$1.00 =RMB0.8. This exchange rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at the above rate or any other rates.*

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Cheng Nga Ming Vincent, Ms. Cheng Nga Yee, Mr. Cao Guoqi and Mr. Fung Weichang; one non-executive director, namely Mr. Zhang Huaqiao; and three independent non-executive directors, namely Mr. Lee Kin Fai, Mr. Wang Yiming and Mr. Lu Dongcheng.

This announcement, for which the directors of the Company 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 Company’s website at www.ocg.com.hk.