

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you have sold or transferred all your shares in Oriental City Group Holdings Limited (the “Company”), you should at once hand this circular accompanying with the form of proxy to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**PROPOSED REFRESHMENT OF GENERAL MANDATE
PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Financial adviser
to the Company**



**Independent Financial Adviser
to the Independent Board Committee and
the Independent Shareholders**



A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 12 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 13 to 18 of this circular.

A notice convening the EGM to be held at Unit 3202, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong on Friday, 20 December 2013 at 11:00 a.m. in respect of the Proposed Refreshment of General Mandate and the Proposed Refreshment of Scheme Mandate Limit is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you intend to attend the EGM, you are requested to complete the accompanying forms of proxy in accordance with the instructions printed thereon and return them to the office of the Company's share registrar in Hong Kong, Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjourned meeting (as the case may be) should you so wish.

This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page and the Company's website at <http://www.o cg.com.hk> for at least seven (7) days from the date of its posting.

4 December 2013

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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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DEFINITIONS

In this circular, the following expressions have the following meanings, unless the context otherwise requires:

“AGM”	the annual general meeting of the Company held on Friday, 2 August 2013
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“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
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held on Friday, 20 December 2013 for approving, among other things, the Proposed Refreshment of General Mandate, and the Proposed Refreshment of Scheme Mandate Limit
“Existing General Mandate”	the general mandate granted to the Directors to exercise the power of the Company to allot, issue and otherwise deal with the Shares up to 20% of the Company’s issued share capital as at the date of the AGM
“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
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the Board comprising all the independent non-executive Directors, namely, Mr. Lee Kin Fai, Mr. Wang Yiming and Mr. Lu Dongcheng, formed for the purpose of advising the Independent Shareholders in relation to the Proposed Refreshment of General Mandate

DEFINITIONS

“Independent Financial Adviser” or “Proton Capital”	Proton Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Proposed Refreshment of General Mandate
“Independent Shareholders”	Shareholders other than Tian Li Holdings Limited, Mr. Cheng Nga Ming Vincent and their respective associates
“Latest Practicable Date”	29 November 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“New General Mandate”	the general mandate which, if approved, would authorise the Directors to exercise the power of the Company to allot, issue and otherwise deal with the Shares up to 20% of the Company’s issued share capital as at the date of the EGM
“Option(s)”	options(s) to subscribe for Shares granted under the Share Option Scheme
“Possible Acquisition”	the possible acquisition of interests in the issued share capital of a target company, which together with its subsidiary, is principally engaged in the payment card business in the PRC, as disclosed in the announcements of the Company dated 26 February 2013, 12 April 2013, 13 May 2013, 28 May 2013, 28 June 2013, 28 August 2013, 2 September 2013 and 1 November 2013, respectively
“Possible Investment”	the possible investment opportunity in relation to operation of prepaid card business and internet payment services in the PRC, as disclosed in the announcements of the Company dated 19 August 2013, 3 October 2013, 4 November 2013 and 25 November 2013, respectively
“PRC”	the People’s Republic of China
“Proposed Refreshment of General Mandate”	the proposed refreshment of the Existing General Mandate and the grant of the New General Mandate

DEFINITIONS

“Proposed Refreshment of Scheme Mandate Limit”	the proposed refreshment of Scheme Mandate Limit and the grant of the refreshed Scheme Mandate limit
“Scheme Mandate Limit”	the maximum number of Shares which may be issued pursuant to the exercise of Options granted under the Share Option Scheme or (following refreshment) the maximum number of Shares which may be issued pursuant to the exercise of Options granted under the Share Option Scheme following the date of such refreshment
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	registered holder(s) of issued Share(s) of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 14 August 2009
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong Dollars, the lawful currency in Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



奧思知集團

Oriental City Group

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)

Executive Directors:

Mr. Cheng Nga Ming Vincent (*Chairman*)

Ms. Cheng Nga Yee

Mr. Cao Guoqi

Mr. Fung Weichang

Non-executive Director:

Mr. Zhang Huaqiao

Independent Non-executive Directors:

Mr. Lee Kin Fai

Mr. Wang Yiming

Mr. Lu Dongcheng

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

*Head office and Principal place
of business in Hong Kong:*

Unit 3202, Citicorp Centre

18 Whitfield Road

Causeway Bay

Hong Kong

4 December 2013

To the Shareholders,

Dear Sir or Madam,

**PROPOSED REFRESHMENT OF GENERAL MANDATE
AND
PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME**

INTRODUCTION

The purpose of this circular is to provide you with: (i) details of the Proposed Refreshment of General Mandate and the Proposed Refreshment of Scheme Mandate Limit; (ii) the recommendation from the Independent Board Committee relating to the Proposed Refreshment of General Mandate; (iii) a letter of advice from the Independent Financial Adviser, setting out, among other things, its advice and recommendation to the Independent Board Committee and the Independent Shareholders on the Proposed Refreshment of General Mandate; and (iv) the notice of EGM at which resolutions will be proposed to consider and, if thought fit, to approve the Proposed Refreshment of General Mandate and the Proposed Refreshment of Scheme Mandate Limit.

LETTER FROM THE BOARD

PROPOSED REFRESHMENT OF GENERAL MANDATE

The Existing General Mandate

The Shareholders approved, among others, the ordinary resolution at the AGM for granting to the Directors the Existing General Mandate to allot, issue and otherwise deal with a maximum of 120,000,000 Shares, representing 20% of the then total nominal amount of the share capital of the Company in issue on the date of passing such resolution.

Reasons for refreshment

The Board announces that the Existing General Mandate given to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with up to 120,000,000 Shares, representing 20% of the then issued share capital of the Company as at 2 August 2013 (being the date of AGM) has been fully utilised after completion of the placing of 120,000,000 Shares on 25 October 2013 as announced by the Company on 25 October 2013. In order to provide the Company with flexibility to fund, by way of issue of new Shares, its future operations and/or investments including but not limited to the Possible Investment and/or the Possible Acquisition) if and when any opportunity may arise, the Directors propose to seek the Independent Shareholders' approval at the EGM to refresh the Existing General Mandate. If approved by the Independent Shareholders at the EGM, the New General Mandate will authorise the Directors to allot and issue new Shares up to 20% of the issued share capital of the Company as at the date of the EGM.

As of the Latest Practicable Date, the number of Shares in issue was 720,000,000 Shares. If the New General Mandate is approved and on the basis that no further Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, up to 144,000,000 new Shares will be approved and become effective, representing 20% of the 720,000,000 issued Shares as of the Latest Practicable Date, could be allotted and issued by the Company thereunder. Any issue of new Shares is however subject to approval from the Stock Exchange for the listing of, and permission to deal in, such new Shares.

Sets out below is the capital fund raising activity conducted by the Company in the past twelve (12) months prior to the Latest Practicable Date:

Date of Announcement	Description of the fund raising activities	Net proceeds raised	Intended use of proceeds	Actual use of proceeds
10 October 2013	Placing of 120,000,000 new Shares under the Existing General Mandate	Approximately HK\$119 million	To finance the Possible Investment and/or Possible Acquisition or otherwise as general working capital of the Group	None of the net proceeds have been used as at the Latest Practicable Date

LETTER FROM THE BOARD

Save as and except for the above, the Company had not conducted any other capital fund raising activities in the past twelve (12) months immediately prior to the Latest Practicable Date.

The Directors consider that it is in the interests of the Group and the Shareholders as a whole to grant the New General Mandate so as to maintain the financial flexibility necessary for the Company to raise funds through the issue of new Shares for its general working capital and/or future investment as and when the Directors think appropriate in the future. Apart from equity financing, the Group will also consider debt financing, such as bank borrowings, to be other possible fund raising alternatives available to the Group. However, the ability of the Group to obtain bank borrowings usually depends on its profitability and financial position as well as the prevailing market condition. Furthermore, such alternatives may be subject to lengthy due diligence by and negotiations with banks. In light that debt financing will usually incur interest burden on the Group, the Company considers debt financing to be relatively more uncertain and time-consuming as compared to equity financing through issue of new Shares under the general mandate of the Company to obtain additional funding. With regard to equity financing, although both open offer and rights issue would allow the Shareholders to maintain their respective prorata shareholdings in the Company, such fund raising exercises would be relatively more time-consuming as compared with the placing of new Shares. Under such circumstances, the Company, after due and careful consideration, considers that placing of new Shares is the most practicable financing method available to the Company. On the other hand, the maximum dilution effect on the shareholding of the Company is limited to 20% of its issued share capital as at the date of the EGM and approximately 16.67% of its enlarged issued share capital immediately upon full utilisation of the New General Mandate. Therefore, the Board proposes to seek the approval of the Independent Shareholders in relation to the Proposed Refreshment of General Mandate at the EGM. As at the Latest Practicable Date, a total of 720,000,000 Shares were in issue. Subject to the passing of the ordinary resolution to be proposed for the Proposed Refreshment of General Mandate and on the basis that no Share will be issued or repurchased by the Company since the Latest Practicable Date and up to the date of the EGM, the Company will be allowed under the New General Mandate to issue a maximum of 144,000,000 new Shares.

The New General Mandate will, if granted, remain effective until the earliest of

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within the next annual general meeting of the Company is required to be held by the articles of association of the Company or any applicable law; and
- (iii) its revocation or variation by ordinary resolution of the Shareholders in general meeting.

LETTER FROM THE BOARD

PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT UNDER THE SHARE OPTION SCHEME

The Company adopted the Share Option Scheme pursuant to the written resolutions of the then sole shareholder of the Company dated 14 August 2009 (the “**Adoption Date**”). Apart from the Share Option Scheme, the Company has no other share option scheme currently in force. Pursuant to the Share Option Scheme, the total number of Shares available for issue under Options which may be granted under the Share Option Scheme and any other share option scheme(s) adopted by the Company must not, in aggregate, exceed 60,000,000 Shares, representing 10% of the issued share capital of the Company as at the date of listing of the Shares on GEM, and the Board may however refresh the Scheme Mandate Limit by seeking approval of the Shareholders in general meeting provided that:

- (a) the total number of Shares available for issue under Options which may be granted under the Share Option Scheme and any other share option scheme(s) adopted by the Company must not exceed 10% of the issued share capital of the Company as at the date of approval of the Scheme Mandate Limit; and
- (b) Options previously granted under the Share Option Scheme and any other share option scheme(s) adopted by the Company (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme and any other share option scheme(s) adopted by the Company or exercised Options) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

As at the Latest Practicable Date, a total of 720,000,000 Shares were in issue, where the Scheme Mandate Limit to subscribe for 60,000,000 Shares had been granted and no Options could be granted under the Scheme Mandate Limit. In this connection, details of the Options granted are set out below:

Options granted on 7 September 2012

No. of share options granted:	6,000,000
Vested up to the Latest Practicable Date:	2,000,000
Lapsed up to the Latest Practicable Date:	Nil
Cancelled up to the Latest Practicable Date:	Nil

Options granted on 19 November 2013

No. of share options granted:	54,000,000
Vested up to the Latest Practicable Date:	11,000,000
Lapsed up to the Latest Practicable Date:	Nil
Cancelled up to the Latest Practicable Date:	Nil

LETTER FROM THE BOARD

In view of the increase in issued share capital of the Company and the full utilisation of the Scheme Mandate Limit, the Proposed Refreshment of Scheme Mandate Limit will provide more flexibility to the Company. Assuming that there is no change in the issued share capital of the Company during the period from the Latest Practicable Date to the date of the EGM, the number of Shares that may fall to be allotted and issued upon exercise in full of the options that may be granted, after the relevant resolution is passed at the EGM, would be 72,000,000 Shares.

Notwithstanding the foregoing, the Scheme Mandate Limit shall not in any event result in the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company exceeding 30% of the total number of Shares in issue from time to time.

As at the Latest Practicable Date, Options carrying rights to subscribe for 60,000,000 Shares have been granted, all of which are yet to be exercised under the Share Option Scheme. Upon exercise of all outstanding Options, 60,000,000 Shares would fall to be issued, representing approximately 8.33% of the existing issued share capital of the Company as at the Latest Practicable Date.

The Proposed Refreshment of Scheme Mandate Limit is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Proposed Refreshment of Scheme Mandate Limit; and
- (ii) the GEM Listing Committee granting the approval of the listing of, and permission to deal in, the Shares that may be issued pursuant to the exercise of any Options that may be granted under the Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, any Shares, representing 10% of the issued share capital of the Company as at the date of the EGM approving the Proposed Refreshment of Scheme Mandate Limit, to be issued upon the exercise of the Options to be granted under the Scheme Mandate Limit.

The Company proposes to seek the approval by the Shareholders on the Proposed Refreshment of Scheme Mandate Limit with a view to allowing the Company more flexibility to provide incentives or rewards to eligible participants for their contribution to the Group. The Directors consider that it will be for the benefit of the Group and the Shareholders as a whole that the eligible participants of the Share Option Scheme are granted rights to obtain equity holdings of the Company through the grant of the Options and will be motivated to contribute to the success of the Group. For these reasons, the Directors will propose the passing of the ordinary resolution at the EGM for the Proposed Refreshment of Scheme Mandate Limit.

LETTER FROM THE BOARD

POTENTIAL DILUTION TO SHAREHOLDING OF THE COMPANY

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and, for illustrative purpose, upon the full utilisation of the New General Mandate (assuming no further Shares are issued or repurchased by the Company after the Latest Practicable Date and up to the date of the EGM):

	As at the Latest Practicable Date		Upon full utilisation of the New General Mandate	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Mr. Cheng Nga Ming Vincent (Note 1)	270,000,000	37.50	270,000,000	31.25
Mr. Cao Guoqi (Note 2)	49,910,000	6.93	49,910,000	5.78
Public Shareholders	400,090,000	55.57	400,090,000	46.30
Maximum number of new Shares which may be issued under the New General Mandate	-	-	144,000,000	16.67
Total	720,000,000	100.00	864,000,000	100.00

Notes:

1. 243,000,000 Shares were held by Tian Li Holdings Limited ("**Tian Li**"), which is in turn owned as to 70% and 30% by Mr. Cheng Nga Ming Vincent ("**Mr. Cheng**") and Ms. Cheng Nga Yee ("**Ms. Cheng**"), both executive Directors, 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 27,000,000 Shares are held by Mr. Cheng in his personal capacity.
2. 49,140,000 Shares were held by Probest Limited ("**Probest**"), which is in turn wholly-owned by Mr. Cao Guoqi ("**Mr. Cao**"), an executive Director. As Mr. Cao is the sole shareholder of Probest, he is deemed to be interested in the 49,140,000 Shares held by Probest under the SFO. In addition, since 770,000 Shares were held by Ms. Zheng Lu, who is the spouse of Mr. Cao., Mr. Cao is deemed to be interested in these 770,000 Shares held by Ms. Zheng Lu under the SFO.

Assuming that (i) the Proposed Refreshment of General Mandate and the Proposed Refreshment of Scheme Mandate Limit are approved at the EGM; and (ii) no Shares are repurchased and no new Shares are issued from the Latest Practicable Date up to the date of the EGM (both dates inclusive), 144,000,000 Shares, which represent approximately 16.67% of the issued share capital of the Company as enlarged by the issue of such Shares, are to be issued upon full utilisation of the New General Mandate. The aggregate shareholding of the existing public Shareholders will be diluted from approximately 55.57% to approximately 46.30% upon full utilisation of the New General Mandate.

LETTER FROM THE BOARD

IMPLICATION UNDER THE LISTING RULES

Pursuant to Rule 17.42A(1) of the GEM Listing Rules, the Proposed Refreshment of General Mandate requires the approval of the Independent Shareholders at the EGM at which any controlling Shareholders (as defined under the GEM Listing Rules) and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Proposed Refreshment of General Mandate. Accordingly, Tian Li, Mr. Cheng and their respective associates, who in aggregate control or are entitled to exercise control over the voting right in respect of 270,000,000 Shares, representing approximately 37.5% of the total Shares in issue as at the Latest Practicable Date, will abstain from voting in favour of the resolution to approve the Proposed Refreshment of General Mandate.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder have material interest in the Proposed Refreshment of Scheme Mandate Limit. Accordingly, no Shareholder is required to abstain from voting in the EGM to approve the Proposed Refreshment of Scheme Mandate Limit.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except for purely procedural or administrative matters. Accordingly, all the proposed resolutions will be put to vote by way of poll at the EGM. An announcement regarding the poll results will be published by the Company after the EGM in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

The Independent Board Committee comprising Mr. Lee Kin Fai, Mr. Wang Yiming and Mr. Lu Dongcheng, all of them being the independent non-executive Directors, has been formed to advise the Independent Shareholders on the Proposed Refreshment of General Mandate.

Proton Capital has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Refreshment of General Mandate.

EGM

The notice convening the EGM to be held at Unit 3202, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong on Friday, 20 December 2013 at 11:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.ocg.com.hk>). Whether or not you intend to attend the EGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, to the share registrar of the Company in Hong Kong in Union Registrars

LETTER FROM THE BOARD

Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish and in such event, the proxy form shall be deemed to have been revoked.

RECOMMENDATION

The Directors (including independent non-executive Directors having considered the advice from the Independent Financial Adviser on the Proposed Refreshment of General Mandate) consider that the Proposed Refreshment of General Mandate and the Proposed Refreshment of Scheme Mandate Limit are in the interests of the Group and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM for approving the Proposed Refreshment of General Mandate and the Proposed Refreshment of Scheme Mandate Limit.

The Independent Board Committee, having taken into account the advice of Proton Capital, considers the Proposed Refreshment of General Mandate is fair and reasonable as far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends that the Independent Shareholders should vote in favour of the relevant resolution to be proposed at the EGM to approve the Proposed Refreshment of General Mandate.

Your attention is drawn to the letter of advice from the Independent Financial Adviser set out on pages 13 to 18 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the Proposed Refreshment of General Mandate and the letter from the Independent Board Committee set out on page 12 of this circular which contains its recommendation to the Independent Shareholders in relation to the Proposed Refreshment of General Mandate.

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation, prepared for the purpose of incorporation in this circular, from the Independent Board Committee to the Independent Shareholders regarding the granting of the New General Mandate.



4 December 2013

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular of the Company dated 4 December 2013 (the “**Circular**”) of which this letter forms part. Unless the context requires otherwise, capitalised terms herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders on whether the Proposed Refreshment of General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole. Proton Capital has been appointed as the independent financial adviser to advise us in this respect.

Having taken into account the principal reasons and factors considered by, and the advice and recommendation of the Independent Financial Adviser as set out in its letter of advice to us on pages 13 to 18 of the Circular, we are of the opinion that the terms of the Proposed Refreshment of General Mandate are fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Proposed Refreshment of General Mandate.

Yours faithfully,

For and on behalf on the Independent Board Committee

Mr. Lee Kin Fai

Mr. Wang Yiming

Mr. Lu Dongcheng

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Proton Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Proposed Refreshment of General Mandate for the purpose of inclusion in this circular.



Suites 06-07, 28th Floor, Shui On Centre,
6-8 Harbour Road, Wanchai, Hong Kong

4 December 2013

*To: The independent board committee and the independent shareholders
of Oriental City Group Holdings Limited*

Dear Sirs,

PROPOSED REFRESHMENT OF GENERAL MANDATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the grant of the New General Mandate, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 4 December 2013 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As at the Latest Practicable Date, the Existing General Mandate given to the Directors to exercise the powers of the Company to issue up to 120,000,000 Shares, representing 20% of the then issued share capital of the Company as at 2 August 2013 (being the date of AGM) has been fully utilised after completion of the placing of 120,000,000 Shares on 25 October 2013. The Board proposes to seek approval of the Independent Shareholders at the EGM to refresh the Existing General Mandate such that the Directors will be granted the authority to allot, issue and deal with Shares not exceeding 20% of the total issued share capital of the Company as at the date of passing the relevant resolution at the EGM. Pursuant to Rule 17.42A(1) of the GEM Listing Rules, the Proposed Refreshment of General Mandate requires the approval of the Independent Shareholders at the EGM at which controlling Shareholders (as defined in the GEM Listing Rules) and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Proposed Refreshment of General Mandate. According, Tian Li, Mr. Cheng and their respective associates, who in aggregate control or are entitled to exercise control over the voting right in respect of 270,000,000 Shares, representing approximately 37.5% of the total Shares in issue as at the Latest Practicable Date, will abstain from voting in favour of the resolution to approve the Proposed Refreshment of General Mandate.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising Mr. Lee Kin Fai, Mr. Wang Yiming and Mr. Lu Dongcheng, all of them being the independent non-executive Directors, has been formed to advise the Independent Shareholders on the Proposed Refreshment of General Mandate. We, Proton Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 17.92 of the GEM Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company or its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the grant of the New General Mandate. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company. Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Proton Capital Limited is to ensure that such information has been correctly extracted from the relevant sources.

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PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Proposed Refreshment of General Mandate, we have taken into consideration the following principal factors and reasons:

(1) Background of the grant of the New General Mandate

The Group is principally engaged in operating the card acceptance business in Thailand.

The Directors were authorised to allot, issue and otherwise deal with a maximum of 120,000,000 Shares under the Existing General Mandate which was granted to the Directors at the AGM. With reference to the announcement of the Company dated 10 October 2013, the Company entered into a placing agreement for the placement of up to 120,000,000 new Shares. The Existing General Mandate has been fully utilised after completion of the placing of Shares on 25 October 2013.

If the New General Mandate is not granted, no more new Share may be further allotted and issued by the Directors under the Existing General Mandate. Given that the Existing General Mandate has been fully utilised as a result of the placing of new Shares on 25 October 2013, the Board proposes to seek approval of the Independent Shareholders for the Proposed Refreshment of General Mandate such that the Directors will be granted the authority to allot and issue new Shares up to 20% of the issued share capital of the Company as at the date of passing the relevant resolution at the EGM.

As of the Latest Practicable Date, the number of Shares in issue was 720,000,000 Shares. If the New General Mandate is approved and on the basis that no further Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, up to 144,000,000 new Shares will be approved and become effective, representing 20% of the existing 720,000,000 issued Shares as of the Latest Practicable Date, could be allotted and issued by the Company thereunder.

(2) Reasons for the grant of the New General Mandate

With reference to the Board Letter, in order to provide the Company with flexibility to fund, by way of issue of new Shares, its future operations and/or investments including but not limited to the Possible Investment and/or the Possible Acquisition, if and when any opportunity may arise, the Directors propose to seek the Independent Shareholders' approval at the EGM to refresh the Existing General Mandate. The Directors consider that it is in the interests of the Group and the Shareholders as a whole to grant the New General Mandate so as to maintain the financial flexibility necessary for the Company to raise funds through the issue of new Shares for its general working capital and/or future investment as and when the Directors think appropriate in the future.

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Having considered the above reason from the Directors, we concur with the Directors that the Proposed Refreshment of General Mandate would allow the Directors to allot, issue and deal with Shares not exceeding 20% of the total issued share capital of the Company as at the date of passing the relevant resolution at the EGM and hence provide the opportunity and financial flexibility to raise funds through the issue of new securities for its general working capital and/or future investment as and when it arises. Accordingly, we are of the view that the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole.

(3) Fund raising activities in the past twelve months

As referred to in the Board Letter, save as and except for the placing of new Shares under the Existing General Mandate with net proceeds of approximately HK\$119 million, the details of which were disclosed in the Company's announcement dated 10 October 2013, the Company had not conducted any other capital fund raising activities in the past twelve months immediately prior to the Latest Practicable Date.

(4) Flexibility in financing

As advised by the Directors, given that no further Shares could be issued under the Existing general Mandate, the Group does not obviate the possibilities of capturing investor interests and obtaining equity financing in a timely manner should there be equity investor(s) indicating interest in the existing and prospective businesses of the Company. The Directors believe that the grant of the New General Mandate will provide the Group with the capability to capture any capital raising or prospective investment opportunity as and when it arises, which is in the interests of the Company and the Shareholders as a whole.

We consider that the Refreshment of General Mandate would provide the Company with the capability to capture any capital raising or prospective investment opportunity as and when it arises. The grant of the New General Mandate would provide the Company with the flexibility as allowed under the Listing Rules to allot and issue Shares for equity fund raising activities, such as placing of Shares as and when such opportunities arise. Given the financial flexibility available to the Company as discussed above, we are of the opinion that the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole.

(5) Other financing alternatives

We have enquired with and understand from the Company that apart from equity financing, the Group will also consider debt financing, such as bank borrowings, to be other possible fund raising alternatives available to the Group. However, the ability of the Group to obtain bank borrowings usually depends on the Group's profitability, financial position and the then prevailing market condition. Furthermore, such alternative may be subject to lengthy due diligence by and negotiations with banks. In light of also that debt financing will usually incur interest burden on the Group, the Company considers debt financing to be relatively uncertain and time-consuming as compared to equity financing through issue of new Shares under the general mandate of the Company to obtain

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additional funding. With regard to equity financing, although both open offer and rights issue would allow the Shareholders to maintain their respective prorata shareholdings in the Company, however, such fund raising exercises would be relatively time consuming as compared with the placing of new Shares. In light of the abovementioned reasons, the Company, after due and careful consideration, considers that placing of new Shares is the most practicable financing method available to the Company.

The Directors confirmed that they would exercise due and careful consideration when choosing the optimal financing method available to the Group to the best of their knowledge and belief. With this being the case, along with the fact that the grant of the New General Mandate will provide the Company with an additional alternative and it is reasonable for the Company to have the flexibility in deciding the financing methods for its future business development, we are of the view that the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole.

(6) Potential dilution to shareholding of the existing public Shareholders

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii), for illustrative purpose, upon the full utilisation of the New General Mandate (assuming no further Shares are issued or repurchased by the Company after the Latest Practicable Date and up to the date of the EGM):

	As at the date of		Upon full utilisation of	
	Latest Practicable Date		the Proposed	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Mr. Cheng Nga Ming Vincent (<i>Note 1</i>)	270,000,000	37.50	270,000,000	31.25
Mr. Cao Guoqi (<i>Note 2</i>)	49,910,000	6.93	49,910,000	5.78
Public Shareholders	400,090,000	55.57	400,090,000	46.30
Maximum number of new shares which may be issued under the New General Mandate	—	—	144,000,000	16.67
Total	<u>720,000,000</u>	<u>100.00</u>	<u>864,000,000</u>	<u>100.00</u>

Notes:

- 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 Nga Ming (“**Mr. Cheng**”) and Ms. Cheng Nga Yee (“**Ms. Cheng**”), both executive Directors, 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 in his personal capacity.
- 49,140,000 Shares were held by Probest Limited (“**Probest**”) which in turn is wholly-owned by Mr. Cao Guoqi (“**Mr. Cao**”), an executive Director. As Mr. Cao is the sole shareholder of Probest, he is

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deemed to be interested in the 49,140,000 Shares held by Probest under the SFO. Another 770,000 Shares were held by Ms. Zheng Lu who is the spouse of Mr. Cao. Accordingly, Mr. Cao is deemed to interested in these 770,000 Shares held by Ms. Zheng Lu under the SFO.

The table above illustrates that the shareholdings of the existing public Shareholders would decrease from approximately 55.57% as at the Latest Practicable Date to approximately 46.30% upon full utilisation of the New General Mandate (assuming no other Shares are issued or repurchased by the Company). Such potential dilution to the shareholdings of the existing public Shareholders represents a dilution of approximately 9.20 percentage point.

Taking into account that the grant of the New General Mandate (i) would provide an alternative to increase the amount of capital which may be raised under the New General Mandate; (ii) would provide more options of financing to the Group; and (iii) the shareholding interests of all the Shareholders in the Company will be diluted in proportion to their respective shareholdings upon any utilisation of the New General Mandate, we are of the opinion that the potential dilution to the shareholdings of the existing public Shareholders as just mentioned is acceptable.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that the Proposed Refreshment of General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Proposed Refreshment of General Mandate and we recommend the Independent Shareholders to vote in favour of the ordinary resolution in this regard.

Yours faithfully,
For and on behalf of
Proton Capital Limited
Josephine Lau
Director – Corporate Finance

NOTICE OF THE EGM



NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “Meeting”) of Oriental City Group Holdings Limited (the “Company”) will be held at Unit 3202, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong on Friday, 20 December 2013 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolutions:

ORDINARY RESOLUTIONS

1. “THAT:
 - (a) subject to paragraph (c), the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company (“Shares”) and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to
 - (i) a Rights Issue (as defined in paragraph (d) below);
 - (ii) the exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
 - (iii) scrip dividend scheme or similar arrangement of the Company; or

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- (iv) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares,

shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the articles of association of the Company or any applicable law; and
- (iii) the revocation or variation of this resolution by ordinary resolution of the shareholders of the Company in general meeting; and

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

- 2. “**THAT** the maximum number of options (the “**Scheme Mandate Limit**”) for Shares of HK\$0.01 each in the share capital the Company which could be granted pursuant to the share option scheme of the Company adopted on 14 August 2009 (the “**Share Option Scheme**”) be refreshed provided that the total number of Shares which may be issued upon the exercise of all options to

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be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10 per cent. of the issued share capital of the Company as at the date of passing of this resolution.”

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

Hong Kong, 4 December 2013

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
Unit 3202, Citicorp Centre
18 Whitfield Road
Causeway Bay
Hong Kong

Notes:

1. A shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more than one proxies to attend and to vote on a poll in his/her stead. On a poll, votes may be given either in person (or in case of a shareholder being a corporation, by its duly authorised representative) or by proxy. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any share, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the Meeting in person or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the office of the Company's share registrar in Hong Kong, Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
4. Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the Meeting if he/she so wishes. In the event that a shareholder who has lodged the form of proxy attends the Meeting, his/her form of proxy will be deemed to have been revoked.
5. The resolutions set out in this notice of the Meeting will be voted by way of a poll.