

Executive Director:

Mr. Yu Chun Fai (*Chairman*)

Non-executive Director:

Ms. Wong Lai Chun

Independent Non-Executive Directors:

Mr. Chan Chun Wai

Mr. Chan Wing Cheung, Joseph

Mr. Tsang Siu Tung

Registered office:

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

Head office and

principal place of business:

Unit 3202
Citicorp Centre
18 Whitfield Road
Causeway Bay
Hong Kong

3 March 2011

To the Independent Shareholders

Dear Sirs or Madams,

**UNCONDITIONAL MANDATORY CASH OFFER BY
KINGSTON SECURITIES LIMITED
FOR AND ON BEHALF OF
TIAN LI HOLDINGS LIMITED
FOR ALL THE ISSUED SHARES IN
ORIENTAL CITY GROUP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED
BY TIAN LI HOLDINGS LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Joint Announcement in relation to, among other things, the S&P Agreement and the Offer.

Pursuant to the S&P Agreement dated 5 January 2011 entered into between the Purchaser and the Vendor, the Vendor agreed to sell and the Purchaser agreed to acquire 402,000,000 Shares, representing 67% of the entire issued share capital of the Company as at the Latest Practicable Date. The consideration for the Sale Shares is HK\$40,200,000 (equivalent to HK\$0.1 per Sale Share) which was agreed between the Purchaser and the Vendor after arm's length negotiations. Completion of the S&P Agreement took place immediately after the signing of the S&P Agreement and the consideration for the Sale Shares was paid by the Purchaser to the Vendor in cash upon signing of the S&P Agreement.

Immediately following Completion, the Offeror and parties acting in concert with it are interested in 429,000,000 Shares, representing 71.5% of the entire issued share capital of the Company as at the Latest Practicable Date. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make the Offer for all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it).

The Independent Board Committee comprising all the non-executive Directors has been established to advise the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and as to its acceptance. The Independent Board Committee has appointed Cinda International as the independent financial adviser to advise the Independent Board Committee on the terms of the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to its acceptance.

The purpose of this Composite Document is to provide you with, among other things, information in relation to the Company, the Offeror and the Offer, to set out the "Letter from the Independent Board Committee" containing the recommendation of the majority of the Independent Board Committee to the Independent Shareholders and a statement of Ms. Wong Lai Chun (the dissenting member of the Independent Board Committee) recommending the Independent Shareholders not to accept the Offer and the "Letter from Cinda International" containing its advice and recommendation to the Independent Board Committee in respect of the Offer.

SHARE CAPITAL AND SHAREHOLDING STRUCTURE OF THE COMPANY

The authorised share capital of the Company as at the Latest Practicable Date was HK\$20,000,000.

The issued share capital of the Company as at the Latest Practicable Date comprised:

	Number of Shares held as at the Latest Practicable Date	Approximate percentage of shareholding (%)
The Offeror and parties acting in concert with it	429,000,000	71.5%
Director – Mr. Yu Chun Fai	24,000,000	4%
Director – Ms. Wang Lai Chun	<u>6,000,000</u>	<u>1%</u>
Subtotal	459,000,000	76.5%
Public Shareholders	<u>141,000,000</u>	<u>23.5%</u>
Total	<u><u>600,000,000</u></u>	<u><u>100.00%</u></u>

All existing issued Shares rank pari passu in all respect including all rights as to dividends, voting and interests in capital.

No new Shares have been issued since 31 March 2010 (being the date on which the latest published audited consolidated financial statements of the Company were made up) and up to the Latest Practicable Date.

As at the Latest Practicable Date, the Company has no outstanding options, warrants or convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into, Shares.

UNCONDITIONAL MANDATORY CASH OFFER

Immediately following Completion, the Offeror and parties acting in concert with it are interested in 429,000,000 Shares, representing 71.5% of the entire issued share capital of the Company as at the date of the Joint Announcement. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make the Offer for all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it).

Mr. Yu Chun Fai did not intend to accept the Offer in respect of his own beneficial holdings of Shares and Ms. Wong Lai Chun did not intend to accept the Offer in respect of her own beneficial holdings of Shares and the remaining Directors were not interested in any Shares. As stated in the “Letter from the Independent Board Committee” as set out on page 22 to page 23 of this Composite Document, Ms. Wong Lai Chun does not consider the terms of the Offer to be fair and reasonable and does not recommend the Independent Shareholders to accept the Offer because the Offer Price represents discounts to the recent market prices of the Shares and might not appear to be attractive to the Independent Shareholders.

Details of the Offer are set out in the “Letter from Kingston Securities” on pages 6 to 15 of this Composite Document and in the Form of Acceptance.

Principal terms of the Offer

Kingston Securities is making the Offer for and on behalf of the Offeror in compliance with the Takeovers Code on the following terms:-

Share Offer

For every Offer Share HK\$0.1 in cash

The Offer Price is equal to the price per Sale Share paid by the Offeror under the S&P Agreement.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all liens, charges, encumbrances, right of pre-emption and any other third party rights of any nature and together with all rights accruing or attaching to them on or after the Completion Date or subsequently become attached to them, including the rights to receive in full all dividends and distributions, if any, declared, made or paid on or after the Completion Date.

Further details of the Offer

Further details of the Offer, among other things, including the terms and conditions of the Offer and the procedures for acceptance and settlement of the Offer, are contained in the “Letter from Kingston Securities” on pages 6 to 15 of and in Appendix I to this Composite Document, and in the Form of Acceptance.

INFORMATION ON THE GROUP

The Company is an investment holding company incorporated in the Cayman Islands and through its subsidiaries, is principally engaged in the cards and payment related businesses, namely the card acceptance business and the co-branded card partnership business in Thailand and the PRC respectively.

The Group recorded audited loss attributable to equity holders of the Company of HK\$145,451 for the financial year ended 31 March 2009 and audited loss attributable to equity holders of the Company of HK\$1,879,136 for the financial year ended 31 March 2010. The unaudited consolidated net assets value attributable to equity holders of the Company as at 30 September 2010 was approximately HK\$20,455,000.

A summary of the audited results of the Company for each of the 3 financial years ended 31 March 2008, 2009 and 2010 are set out in Appendix II to this Composite Document.

Further Information

Further information in relation to the Company is set out in Appendix III to this Composite Document. An expected timetable in relation to the Offer is set out under the section headed “Expected timetable” of this Composite Document.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “Information on the Offeror” in the “Letter from Kingston Securities” as set out on page 11 of this Composite Document.

OFFEROR’S INTENTION ON THE GROUP

The Directors note from the “Letter from Kingston Securities” that the Offeror intends that the Company will continue its existing principal businesses. Your attention is drawn to the section headed “Offeror’s Intention on the Group” in the “Letter from Kingston Securities” as set out on page 12 of this Composite Document.

The Directors have noted the intentions of the Offeror in respect of the Company and its employees, as disclosed in the “Letter from Kingston Securities” on page 13 of this Composite Document.

PROPOSED CHANGE OF COMPOSITION OF THE BOARD

As at the Latest Practicable Date, the Board comprises one executive Director, namely Mr. Yu Chun Fai, one non-executive Director, namely Ms. Wong Lai Chun, and three independent non-executive Directors, namely Mr. Chan Chun Wai, Mr. Chan Wing Cheung, Joseph and Mr. Tsang Siu Tung.

Your attention is drawn to the section headed “Proposed change of composition of the Board” in the “Letter from Kingston Securities” on page 13 of this Composite Document.

After the despatch of this Composite Document, the Offeror will nominate new Director(s) to the Board. Any changes to the Board composition will be made in compliance with the Takeovers Code and the GEM Listing Rules and a further announcement will be made accordingly.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends the Company to remain listed on GEM. The directors of the Offeror and the new directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

To ensure that immediately upon closing of the Offer, the Shares held in the public hands will not be less than 25% of the Company’s entire issued share capital, on 5 January 2011, the Offeror has entered into the Placing Agreement with Kingston Securities, who acts as the placing agent for the Offeror, on a best effort basis, to secure other investors who are independent investors not connected with the directors, the chief executives and the substantial shareholders of the Offeror and the Company and their respective subsidiaries and associates, to place, on or before the day falling on the 30th calendar day after closing of the Offer, (i) 9,000,000 existing Shares beneficially owned by the Offeror and (ii) not exceeding 141,000,000 Shares to be acquired by the Offeror and parties acting in concert with it pursuant to the Offer, totally up to 150,000,000 Shares, to the extent that at least 25% of the entire issued share capital of the Company will be held by the public.

If, upon the close of the Offer, less than 25% of the issued Shares are held by the public or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- there are insufficient Shares in public hands to maintain an orderly market,

then the Stock Exchange may exercise its discretion to suspend trading in the Shares. In this connection, it should be noted that upon the close of the Offer, there may be insufficient public float for the Shares and therefore trading in the Shares may be suspended until a sufficient level of public float is attained.

RECOMMENDATIONS

Your attention is drawn to the “Letter from the Independent Board Committee” set out on pages 22 to 23 of this Composite Document, which contains the recommendation of the majority of the Independent Board Committee to the Independent Shareholders and a statement of Ms. Wong Lai Chun (the dissenting member of the Independent Board Committee) recommending the Independent Shareholders not to accept the Offer and the “Letter from Cinda International” set out on pages 24 to 41 of this Composite Document, which sets out its advice and recommendation to the Independent Board Committee in respect of the terms of the Offer, and the principal factors and reasons which it has considered before arriving at its advice to the Independent Board Committee.

ADDITIONAL INFORMATION

Your attention is drawn to the “Letter from Kingston Securities” as set out on pages 6 to 15 of and Appendix I to this Composite Document and the Form of Acceptance, which contain details of the Offer. Your attention is also drawn to the information set out in the appendices to this Composite Document.

In considering which action is to be taken in connection with the Offer, the Independent Shareholders should consider their own tax positions and, if they are in any doubt, they should consult their professional advisers.

For and on behalf of
Oriental City Group Holdings Limited



Mr. Yu Chun Fai
Executive Director