



INTERIM REPORT

2012



奧思知集團

Oriental City Group

Oriental City Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8325)

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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.

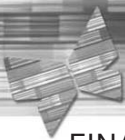
Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of Oriental City Group Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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 report 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 report misleading.



HIGHLIGHTS

- The Group's revenue amounted to approximately HK\$25,048,000 for the six months ended 30 September 2012, which represented an increase of approximately 108% as compared with the Group's revenue recorded in the corresponding period in 2011.
- The loss attributable to equity holders of the Company was approximately HK\$523,000 for the six months ended 30 September 2012, compared with that of approximately HK\$900,000 recorded in the corresponding period in 2011.
- Loss per share for the six months ended 30 September 2012 was approximately HK\$0.09 cents (2011: HK\$0.15 cents).
- The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2012 (2011: Nil).



FINANCIAL STATEMENT

The board of Directors of the Company (the "Board") is pleased to present the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively referred to as "the Group") for the three months and six months ended 30 September 2012 together with the comparative figures for the corresponding periods in 2011 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

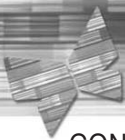
For the three months and six months ended 30 September 2012

	Note	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
		2012 HK\$	2011 HK\$	2012 HK\$	2011 HK\$
Revenue	2	15,638,650	6,481,737	25,048,030	12,035,143
Cost of services rendered		(10,583,074)	(4,185,315)	(16,883,127)	(7,688,605)
Gross profit		5,055,576	2,296,422	8,164,903	4,346,538
Other income		1,314	65,710	23,230	171,878
General administrative expenses		(2,913,083)	(1,879,920)	(5,069,307)	(3,626,240)
Selling and distribution costs		(211,156)	(201,064)	(441,054)	(408,313)
Finance costs	4	(7,693)	(8,020)	(15,315)	(15,899)
Profit before taxation	4	1,924,958	273,128	2,662,457	467,964
Income tax expense	5	(829,629)	(388,698)	(1,459,544)	(712,624)
Profit (Loss) for the period		1,095,329	(115,570)	1,202,913	(244,660)
Attributable to:					
Equity holders of the Company		(79,131)	(474,142)	(523,402)	(900,058)
Non-controlling interests		1,174,460	358,572	1,726,315	655,398
		1,095,329	(115,570)	1,202,913	(244,660)
Loss per share for loss attributable to equity holders of the Company					
Basic and diluted	6	(0.02) HK cents	(0.08) HK cents	(0.09) HK cents	(0.15) HK cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2012

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2012 HK\$	2011 HK\$	2012 HK\$	2011 HK\$
Profit (Loss) for the period	1,095,329	(115,570)	1,202,913	(244,660)
Other comprehensive income (loss)				
Exchange difference on translation of foreign subsidiaries	116,761	(52,627)	8,553	(125,294)
Total comprehensive income (loss) for the period	1,212,090	(168,197)	1,211,466	(369,954)
Attributable to:				
Equity holders of the Company	(11,933)	(501,673)	(512,067)	(972,621)
Non-controlling interests	1,224,023	333,476	1,723,533	602,667
	1,212,090	(168,197)	1,211,466	(369,954)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

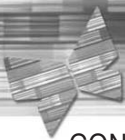
As at 30 September 2012

		Unaudited 30 September 2012 HK\$	Audited 31 March 2012 HK\$
	<i>Note</i>		
Non-current assets			
Property, plant and equipment	7	3,112,408	976,024
Current assets			
Trade and other receivables	8	29,222,078	7,884,137
Restricted bank balances	9	4,170,193	1,018,477
Cash and cash equivalents		15,646,857	16,909,259
		49,039,128	25,811,873
Current liabilities			
Trade and other payables	10	32,810,176	9,165,271
Tax payables		1,271,576	291,909
		34,081,752	9,457,180
Net current assets		14,957,376	16,354,693
Total assets less current liabilities		18,069,784	17,330,717
Non-current liabilities			
Deferred tax liabilities		269,000	174,000
Other long-term liabilities	11	342,961	345,373
		611,961	519,373
NET ASSETS		17,457,823	16,811,344
Capital and reserves			
Share capital	12	6,000,000	6,000,000
Reserves		8,774,392	9,143,626
Equity attributable to equity holders of the Company		14,774,392	15,143,626
Non-controlling interests		2,683,431	1,667,718
TOTAL EQUITY		17,457,823	16,811,344

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2012

	Attributable to equity holders of the Company									
	Share capital	Share premium	Capital reserve	Exchange reserve	Statutory reserve	Share options reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
					(Remark)	(Note 13)				
For the six months ended 30 September 2012										
At 1 April 2012 (audited)	6,000,000	14,558,608	6,996,322	(248,891)	-	-	(12,162,413)	15,143,626	1,667,718	16,811,344
(Loss) Profit for the period	-	-	-	-	-	-	(523,402)	(523,402)	1,726,315	1,202,913
Other comprehensive income:										
Exchange difference on translation of foreign subsidiaries	-	-	-	11,335	-	-	-	11,335	(2,782)	8,553
Total comprehensive (loss) income for the period	-	-	-	11,335	-	-	(523,402)	(512,067)	1,723,533	1,211,466
Recognition of equity-settled share-based payment expenses	-	-	-	-	-	142,833	-	142,833	-	142,833
Transfer to statutory reserve	-	-	-	-	766,101	-	(766,101)	-	-	-
Dividend paid to non-controlling interest of a non-wholly owned subsidiary	-	-	-	-	-	-	-	-	(707,820)	(707,820)
	-	-	-	-	766,101	142,833	(766,101)	142,833	(707,820)	(564,987)
At 30 September 2012 (unaudited)	6,000,000	14,558,608	6,996,322	(237,556)	766,101	142,833	(13,451,916)	14,774,392	2,683,431	17,457,823



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2012

	Attributable to equity holders of the Company						Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Exchange reserve	Accumulated losses	Total		
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$		
For the six months ended								
30 September 2011								
At 1 April 2011 (audited)	6,000,000	14,558,608	6,996,322	(208,340)	(8,930,763)	18,415,827	1,364,704	19,780,531
Loss for the period	-	-	-	-	(900,058)	(900,058)	655,398	(244,660)
Other comprehensive income:								
Exchange difference on translation of foreign subsidiaries	-	-	-	(72,563)	-	(72,563)	(52,731)	(125,294)
Total comprehensive loss for the period	-	-	-	(72,563)	(900,058)	(972,621)	602,667	(369,954)
At 30 September 2011 (unaudited)	6,000,000	14,558,608	6,996,322	(280,903)	(9,830,821)	17,443,206	1,967,371	19,410,577

(Remark)

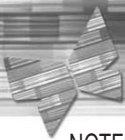
In accordance with the relevant laws and regulations in Thailand, Oriental City Group (Thailand) Company Limited ("OCG Thailand") is required to appropriate not less than 5% of its net profit to the statutory reserve upon each dividend distribution, until the statutory reserve reaches 10% of its registered authorised capital. The statutory reserve is not available for dividend distribution.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2012

	Unaudited Six months ended 30 September	
	2012 HK\$	2011 HK\$
Cash generated from (used in) operations	2,315,606	(102,436)
Interest received	6,672	21,878
Interest paid	(15,315)	–
Income tax paid	(291,909)	(243,830)
Net cash from (used in) operating activities	2,015,054	(324,388)
Net cash used in investing activities	(2,538,819)	(155,746)
Net cash used in financing activities	(707,820)	–
Net decrease in cash and cash equivalents	(1,231,585)	(480,134)
Cash and cash equivalents at beginning of period	16,909,259	19,882,094
Effect on exchange rate changes	(30,817)	(55,809)
Cash and cash equivalents at end of period	15,646,857	19,346,151



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2012

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

Corporate information

The Company was incorporated in the Cayman Islands on 12 December 2007 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company were listed on the GEM of the Stock Exchange on 28 August 2009.

Basis of preparation

The unaudited condensed interim financial statements of the Company for the six months ended 30 September 2012 ("Interim Financial Statements") have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "*Interim Financial Reporting*" issued by Hong Kong Institute of Certified Public Accountants ("HKICPA") and with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

The preparation of the Interim Financial Statements in conformity with HKAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 March 2012, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") which collective term includes all applicable individual HKFRS, HKAS and Interpretation issued by HKICPA. They shall be read in conjunction with the Group's audited financial statements for the year ended 31 March 2012 (the "Annual Report").

The Interim Financial Statements have been prepared on the historical costs basis.

The accounting policies and methods of computation applied in the preparation of the Interim Financial Statements are consistent with those applied in preparing the Annual Report except for the adoption of the accounting policy for share-based payment transactions as follows:



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2012

1. CORPORATE INFORMATION AND BASIS OF PREPARATION *(continued)*

Basis of preparation *(continued)*

Share-based payment transactions: Equity-settled transactions

The Group's employees, including directors, receive remuneration in the form of share-based payment transactions, whereby the employees rendered services in exchange for shares or rights over shares. The cost of such transactions with employees is measured by reference to the fair value of the equity instruments at the grant date. The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a reserve within equity. The fair value is determined using the Binominal Option Pricing Model, taking into account the terms and conditions of the transactions, other than conditions linked to the price of the shares of the Company ("market conditions").

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the periods in which the vesting conditions are to be fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). During the vesting period, the number of share options that is expected to vest ultimately is reviewed. Any adjustment to the cumulative fair value recognised in prior periods is charged/credited to profit or loss for the period of the review, with a corresponding adjustment to the reserve within equity.

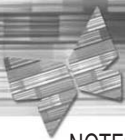
When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained earnings.

Where the terms of an equity-settled award are modified, an additional expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Adoption of new/revised HKFRS

The adoption of the new/revised HKFRS that are relevant to the Group and effective from the current period, did not have any significant effect on the results and financial position of the Group for the current and prior accounting periods.

The Group has not early adopted any new/revised HKFRS that have been issued but are not yet effective for the current period. The Directors have already commenced an assessment of the impact of these new and revised HKFRS but are not yet in a position to reasonably estimate whether these new and revised HKFRS would have a significant impact on the Group's results of operations and financial position.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2012

2. REVENUE

Revenue, which represents transaction fee income and foreign exchange rate discount income from card acceptance business and marketing service fee income, is analysed by category as follows:

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2012 HK\$	2011 HK\$	2012 HK\$	2011 HK\$
Card acceptance transaction fee income	12,263,460	4,664,047	19,540,318	8,576,895
Foreign exchange rate discount income	3,375,190	1,427,690	5,507,712	2,678,248
Marketing service fee income	–	390,000	–	780,000
	15,638,650	6,481,737	25,048,030	12,035,143

3. SEGMENT REPORTING

The Directors have been identified as the chief operating decision makers to evaluate the performance of operating segments and to allocate resources to those segments. Based on risks and returns and the Group's internal financial reporting, the Directors consider that the operating segments of the Group comprise:

- (i) card acceptance business in Thailand; and
- (ii) marketing business in the People's Republic of China (the "PRC").

In addition, the Directors consider that the place of domicile for the Group is Hong Kong, where the central management and control is located.

Segment results, which are the measure reported to the chief operating decision makers for the purposes of resources allocation and assessment of segment performance, represent the profit earned or loss incurred by each segment without allocation of interest and other income, finance costs, general administrative expenses incurred by corporate office and taxation.

In determining the Group's geographical segments, revenue is attributed to the segments based on the location where services are provided, assets and capital expenditure are attributed to the segments based on the location of the assets. The geographical segment information is reflected within operating segment information as the Group's two distinctive business activities are provided in two different locations.

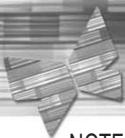
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2012

3. SEGMENT REPORTING (continued)

Six months ended 30 September 2012 (unaudited)

	Card acceptance business HK\$	Marketing business HK\$	Consolidated HK\$
Segment revenue			
Major customer A	6,819,281	–	6,819,281
Major customer B	5,507,712	–	5,507,712
Other customers	12,721,037	–	12,721,037
	25,048,030	–	25,048,030
Segment results	6,188,308	(48,515)	6,139,793
Unallocated interest and other income			23,230
Unallocated finance costs			(15,315)
Unallocated other expenses			(3,485,251)
Profit before taxation			2,662,457
Income tax expense			(1,459,544)
Profit for the period			1,202,913



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2012

3. SEGMENT REPORTING (continued)

Six months ended 30 September 2011 (unaudited)

	Card acceptance business HK\$	Marketing business HK\$	Consolidated HK\$
Segment revenue			
Major customer B	2,678,249	–	2,678,249
Other customers	8,576,894	780,000	9,356,894
	<u>11,255,143</u>	<u>780,000</u>	<u>12,035,143</u>
Segment results	<u>2,355,718</u>	<u>636,548</u>	2,992,266
Unallocated interest and other income			171,878
Unallocated finance costs			(15,899)
Unallocated other expenses			(2,680,281)
Profit before taxation			467,964
Income tax expense			(712,624)
Loss for the period			<u>(244,660)</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2012

3. SEGMENT REPORTING (continued)

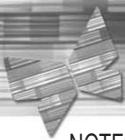
An analysis of the Group's assets and liabilities by operating segments is set out below:

At 30 September 2012 (unaudited)

	Card acceptance business HK\$	Marketing business HK\$	Unallocated HK\$	Consolidated HK\$
Property, plant and equipment	2,779,461	7,076	325,871	3,112,408
Other assets	37,855,258	12,867	11,171,003	49,039,128
Total assets	40,634,719	19,943	11,496,874	52,151,536
Total liabilities	34,277,791	–	415,922	34,693,713

At 31 March 2012 (audited)

	Card acceptance business HK\$	Marketing business HK\$	Unallocated HK\$	Consolidated HK\$
Property, plant and equipment	597,788	7,097	371,139	976,024
Other assets	12,441,795	7,307	13,362,771	25,811,873
Total assets	13,039,583	14,404	13,733,910	26,787,897
Total liabilities	9,651,205	–	325,348	9,976,553



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2012

4. PROFIT BEFORE TAXATION

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2012 HK\$	2011 HK\$	2012 HK\$	2011 HK\$
This is stated after charging:				
Finance costs				
Finance costs on other long-term liabilities	7,693	8,020	15,315	15,899
Other items				
Depreciation of property, plant and equipment	261,905	59,887	420,939	105,694
Staff costs, including directors' emoluments and equity-settled share-based payment expenses	1,076,937	720,253	1,875,697	1,498,528
Operating lease charges on premises	278,204	248,523	556,426	523,645

5. TAXATION

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2012 HK\$	2011 HK\$	2012 HK\$	2011 HK\$
Current tax				
Thailand income tax	646,458	388,698	1,258,371	712,624
Withholding tax on dividend declared by a non-wholly owned subsidiary	106,173	–	106,173	–
	752,631	388,698	1,364,544	712,624
Deferred tax				
Withholding tax on undistributed earnings of a non-wholly owned subsidiary	76,998	–	95,000	–
Income tax expense for the period	829,629	388,698	1,459,544	712,624



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2012

5. TAXATION *(continued)*

(i) Hong Kong Profits Tax

Hong Kong Profits Tax has not been provided as the Group had no assessable profits arising in or derived from Hong Kong during the periods.

(ii) Income taxes outside Hong Kong

The Company and its subsidiaries established in the British Virgin Islands ("BVI") are exempted from the payment of income tax in the Cayman Islands and the BVI respectively.

OCG Thailand is subject to Thailand income tax at 23% (2011: 30%).

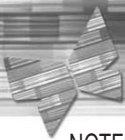
Oriental City Group (Hainan) Services Limited ("OCG China"), being a foreign-invested enterprise established in a special economic zone of the PRC, is subject to PRC enterprise income tax at 18% in year 2008, 20% in year 2009, 22% in year 2010, 24% in year 2011 and 25% in year 2012 (and thereafter), respectively. However, no income tax has been provided as OCG China incurred losses for taxation purposes for the periods.

Dividends payable by a foreign invested enterprise in the PRC/Thailand to its foreign investors are subject to a 10% withholding tax, unless any foreign investor's jurisdiction of incorporation has a tax treaty with the PRC/Thailand that provides for a different withholding arrangement.

6. LOSS PER SHARE

Basic losses per share for the three months and six months ended 30 September 2012 are calculated based on the unaudited consolidated loss for the period attributable to the equity holders of the Company of HK\$79,131 and HK\$523,402 respectively, (2011: HK\$474,142 and HK\$900,058 respectively) and on the weighted average number of 600,000,000 ordinary shares (2011: 600,000,000 ordinary shares) in issue during both periods.

Diluted losses per share is the same as basic loss per share as the effect of potential ordinary shares is anti-dilutive during the six months ended 30 September 2012 and there was no potential ordinary shares during the six months ended 30 September 2011.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2012

7. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2012, the Group spent HK\$2,538,819 (2011: HK\$155,746) on additions to the office equipment.

8. TRADE AND OTHER RECEIVABLES

	Unaudited 30 September 2012 HK\$	Audited 31 March 2012 HK\$
Trade receivables	27,711,991	6,640,669
Other receivables		
Deposits, prepayments and other receivables	1,510,087	1,243,468
	29,222,078	7,884,137

All trade receivables are aged within 30 days based on the invoice date.

The Group allows a credit period up to 90 days to its trade debtors and the trade debtors usually settle the outstanding balance within 90 days from the billing date.

9. RESTRICTED BANK BALANCES

Pursuant to the agreements signed with a card acceptance business partner, the amount represent bank balances in a bank in Thailand solely for the purpose of settlement of outstanding trade payables for the card acceptance business and are restricted for use by the Group for any other purposes. The restricted bank balances are denominated in Baht.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2012

10. TRADE AND OTHER PAYABLES

	Unaudited 30 September 2012 HK\$	Audited 31 March 2012 HK\$
Trade payables	31,490,167	7,646,712
Other payables		
Accrued charges and other payables	1,320,009	1,518,559
	32,810,176	9,165,271

All trade payables are aged within 30 days for the periods presented.

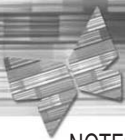
The creditors allow a credit period up to 30 days to the Group.

11. OTHER-LONG TERM LIABILITIES

Other long-term liabilities represent the preference shares issued by OCG Thailand. The holders of such preference shares have the following rights:

- one vote for every five shares held on any resolution of OCG Thailand;
- the right to receive cumulative dividend declared by OCG Thailand at the annual rate of 9% paid up amount of the shares issued, prior to the ordinary shares; and
- the right to receive the distribution of the share capital, in the case of the winding up of OCG Thailand, prior to the ordinary shares, but limited to the paid up amount of each of the preference share.

The preference shares as issued by OCG Thailand are classified as liabilities instead of equity in the Group's unaudited condensed consolidated statement of financial position in accordance with applicable accounting standards because they are not redeemable and the holders of which are entitled to receive cumulative dividends on the paid up amount of the preference shares issued, which is treated as cost of financing, and are only entitled to OCG Thailand's residual assets limited to the nominal value of their paid-up capital.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2012

11. OTHER-LONG TERM LIABILITIES (continued)

As at 30 September 2012, the Group had an outstanding amount due to minority shareholder of Baht 1,375,000 (equivalent to HK\$342,961) (31 March 2012: Baht 1,375,000 (equivalent to HK\$345,373)) in respect of the issued and paid up preference share capital of OCG Thailand, which carries cumulative dividends at 9% per annum. In addition, the relevant dividend on the preference share capital of OCG Thailand was fully settled before 30 September 2012 and 31 March 2012 respectively.

12. SHARE CAPITAL

	Unaudited		Audited	
	At 30 September 2012		At 31 March 2012	
	Number of shares	Nominal value HK\$	Number of shares	Nominal value HK\$
Authorised				
Ordinary shares of HK\$0.01 each	2,000,000,000	20,000,000	2,000,000,000	20,000,000
Issued and fully paid				
Ordinary shares of HK\$0.01 each	600,000,000	6,000,000	600,000,000	6,000,000

13. SHARE OPTION SCHEME

On 14 August 2009, the Company adopted a share option scheme (the "Scheme") for the purpose of recognising and motivating the contribution of the eligible persons to the Company and/or any of its subsidiaries and invested entities.

The total number of the shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes must not exceed 60,000,000 shares, representing 10% of the shares in issue at the date of adoption of the Scheme. The total number of the shares issued and to be issued upon exercise of the options granted to a participant under the Scheme (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares in issue on the last day of such 12-month period unless approval from the shareholders of the Company in general meeting is obtained with such participant and his/her associates abstaining from voting.

The exercise period of an option under the Scheme will be notified by the Board to each participant which shall not exceed 10 years from the date upon which the option is granted. The Scheme does not contain specific provisions on the minimum period during which an option must be held before it can be exercised. Upon acceptance of the option, the eligible person shall pay HK\$1.00 to the Company by way of consideration for the grant. Subject to the early termination provisions of the Scheme, the Scheme will remain valid for a period of 10 years commencing from 14 August 2009.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2012

13. SHARE OPTION SCHEME (continued)

The exercise price for shares under the Scheme will be a price determined by the Board and notified to each grantee and will not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant and (iii) the nominal value of the shares.

On 7 September 2012, options of 6,000,000 shares (the "Share Options") were granted to Mr. Zhang Huaqiao, a non-executive director of the Company appointed on 7 September 2012, under the Scheme to subscribe the Company's ordinary shares at the exercise price of HK\$0.84. The validity period of the Share Options was five years from 7 September 2012, subject to the following vesting conditions:

- 2,000,000 Share Options will be vested on 6 March 2013;
- 2,000,000 Share Options will be vested on 6 March 2014; and
- 2,000,000 Share Options will be vested on 6 March 2015.

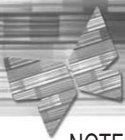
There were no movements of the Share Options from the date of grant (i.e. 7 September 2012) to 30 September 2012.

The fair value of Share Options granted on 7 September 2012 is HK\$0.4285 per option, which is calculated using the Binominal Option Pricing Model with the following key inputs:

Closing price of the share on the date of grant	HK\$0.84
Exercise price	HK\$0.84
Expected volatility	58.78%
Risk free interest rate	0.2910%
Expected dividend yield	Nil

The expected volatility was determined on the historic volatility of the Company's share prices.

During the six months ended 30 September 2012, with reference to the fair value of the Share Options, the Group recognised HK\$143,000 (2011: HK\$Nil) as the equity-settled share based payment expenses.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2012

14. CONNECTED AND RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the Interim Financial Statements, the Group had the following connected and related party transactions during the periods.

Relationship with the Group	Nature of transaction	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
		2012 HK\$	2011 HK\$	2012 HK\$	2011 HK\$
A former fellow subsidiary of the Group <Remark>	Administrative service fee paid	-	19,640	-	49,100

<Remark>

A former executive director of the Company, Mr. Yu Chun Fai, has beneficiary interests in the former fellow subsidiary of the Group.

15. COMMITMENTS

Commitments under operating leases

As at 30 September 2012 and 31 March 2012, the Group had total future aggregate minimum lease payments under non-cancellable operating leases, which are payable as follows:

	Unaudited 30 September 2012 HK\$	Audited 31 March 2012 HK\$
Within one year	94,717	459,206
In the second to fifth years inclusive	-	3,234
	94,717	462,440

Capital expenditure commitments

	Unaudited 30 September 2012 HK\$	Audited 31 March 2012 HK\$
Contracted but not provided for, net of deposits paid	-	490,000

16. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved by the Board on 6 November 2012.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

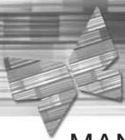
For the six months ended 30 September 2012 (the "Review Period"), the Group continued to focus on the card acceptance business in Thailand. During the Review Period, Oriental City Group (Thailand) Company Limited ("OCG Thailand"), a subsidiary of the Company, entered into a merchant agreement with King Power Duty Free Co., Ltd ("King Power"). Further, OCG Thailand has substantially increased the number of the point-of-sales terminals ("POS terminals") which are installed in the tourist areas mainly in Bangkok, Pattaya and Phuket of Thailand. The number of POS terminals operated by the Group as at 30 September 2012 reached more than 650 comparing with approximately 200 POS terminals at 30 September 2011. As a result, transaction volume handled by the Group increased substantially. The total revenue for the Group was approximately HK\$25,048,000 for the Review Period, representing an increase of approximately 108% as compared with the total revenue of the Group recorded in the corresponding period in year 2011.

BUSINESS OUTLOOK

During the Review Period, the card acceptance business in Thailand was developed with satisfactory result. Such business will continue to be the major business of the Group. However, given the performance of such business is highly depends on the prevailing political, environmental and other circumstances in Thailand, which are beyond the control of the Group, the Group will continue to seek other new opportunities which target to bring synergy effect to the Group's current card businesses, aiming to broaden the revenue base and enhance the profitability of the Group and thereby increase the value of the Company.

FINANCIAL REVIEW

With the expansion of the card acceptance business in Thailand during the Review Period, the card acceptance transaction fee income and the foreign exchange discount income amounted to approximately HK\$19,540,000 and HK\$5,508,000 respectively, representing an increase of 128% and 106% from the corresponding period in year 2011. This was mainly arising from the increase in number of transactions handled by the Group in Thailand during the Review Period. As such, total revenue for the Group was increased by 108% to approximately HK\$25,048,000 for the six months ended 30 September 2012.



MANAGEMENT DISCUSSION AND ANALYSIS

The Group's gross profit for the Review Period was approximately HK\$8,165,000, representing an increase of approximately 88% from approximately HK\$4,347,000 as recorded in the six months ended 30 September 2011. The increase was mainly attributable by the increase in the card acceptance business in Thailand. Gross profit margins were approximately 33% and 36% for the six months ended 30 September 2012 and 2011 respectively. The decrease was mainly caused by the expiration of the marketing service fee agreement in last year, in respect of which its direct cost is minimal.

The general administrative expenses of the Group for the Review Period amounted to approximately HK\$5,069,000, representing an increase of 40% as compared with the same recorded in the corresponding period in year 2011. The increase was mainly resulting from the increase in depreciation and other office expenses relating to the growth in card acceptance business in Thailand and the overall staff costs of the Group.

The selling and distribution costs for the Review Period amounted to HK\$441,000, representing an increase of approximately 8% as compared with the same recorded in the corresponding period in last year. The increase was resulting from the increase in staff cost of the marketing team in Thailand during the Review Period.

As such, the net loss attributable to equity holders of the Company for the Review Period was amounted to approximately HK\$523,000, compared with that of approximately HK\$900,000 recorded in the corresponding period in 2011.

The trade receivables and trade payables of the Group as at 30 September 2012 were amounted to approximately HK\$27,712,000 and HK\$31,490,000 respectively, representing an increase of approximately 317% and 312% from the record of 31 March 2012. Such increase was resulting from the increase in transactions handled by the Group immediately before the balance sheet date and such transactions were not yet settled before 30 September 2012, which comprised a long weekend resulting from the National Day holiday in the People's Republic of China (the "PRC"). As such, a significant increase in both trade receivables and payables was resulted as at the balance sheet date.

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operation through internally generated cash flow, public fund raisings and other borrowings. As at 30 September 2012, the Group's other long-term borrowings amounted to Baht 1,375,000 (equivalent to approximately HK\$343,000) due to a minority shareholder, representing the issued and paid up preference share capital of OCG Thailand, which carries cumulative dividend at 9% per annum and such dividend was recorded as finance costs. The gearing ratio of the Group, calculated as a ratio of total borrowings to total assets, for both periods ended 30 September 2012 and 2011, was approximately 1%.

As at 30 September 2012, the Group had net current assets of approximately HK\$14,957,000 (31 March 2012: approximately HK\$16,355,000). Current ratio as at 30 September 2012 was 1.44 (31 March 2012: 2.73). The cash and cash equivalents of the Group as at 30 September 2012 was approximately HK\$15,647,000 (31 March 2012: approximately HK\$16,909,000).



MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

Total equity attributable to equity holders of the Company amounted to approximately HK\$14,774,000 as at 30 September 2012 (31 March 2012: approximately HK\$15,144,000).

FOREIGN EXCHANGE EXPOSURE

The Group mainly operates in Hong Kong, the PRC and Thailand with majority of business transactions being denominated and settled in Hong Kong dollars ("HK\$"), Renminbi ("RMB") and Baht, which are the functional currencies of the relevant subsidiaries. The Group's trade receivables arising from the operation of card acceptance business in Thailand are mainly denominated in United States dollars ("US\$"). The Directors and senior management monitor the related foreign currency risk exposure closely and, pursuant to a written foreign currency hedging guideline as approved by the Directors, the Group will enter into foreign currency forward contracts should the need arise. At 30 September 2012, the Group had outstanding foreign currency forward contracts for the exchange of US\$ with Baht of US\$5,000,000 (equivalent to approximately HK\$38,775,000) (31 March 2012: US\$700,000, equivalent to approximately HK\$5,460,000). No material fair value gain or loss has been recognised for the foreign currency forward contracts and no hedging accounting has been adopted. The Directors and senior management will continue to monitor the foreign exchange exposure and will consider other applicable derivatives when necessary. Save as disclosed above, the Group did not have other derivatives for hedging against the foreign exchange rate risk at 30 September 2012.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2012 (2011: Nil).

EMPLOYEES AND REMUNERATION POLICY

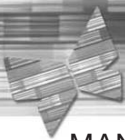
As at 30 September 2012, the Group had a total staff of 14 (31 March 2012: 11) of whom 7 were based in Hong Kong, 6 were based in Thailand and the remaining one was based in the PRC. The Group develops its human resources policies and procedures based on performance, merit and market conditions. The benefits provided by the Group to its employees include discretionary bonuses, medical schemes and share options. Discretionary bonus is linked to the performance of the Group as well as individual performance. The Group also arranges its staff for training to enhance their skills and knowledge.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

The Group has made no material acquisitions, disposals or any significant investments during the Review Period.

CHARGES ON ASSETS

As at 30 September 2012, the Group did not have any charges on its assets.



MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITIES

As at 30 September 2012, the Group did not have any significant contingent liabilities.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2012, the interests of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(a) **Long position in ordinary shares of HK\$0.01 each of the Company ("Shares")**

Name	Capacity	Number of Shares	Percentage of shareholding
Mr. Cheng Nga Ming Vincent ("Mr. Cheng")	Corporate – Interest of controlled corporation <i>(Note)</i>	243,000,000	40.50%
	Beneficial owner	27,000,000	4.50%

Note: These Shares were held by Tian Li Holdings Limited ("Tian Li") which in turn is owned as to 70% and 30% by Mr. Cheng and Ms. Cheng Nga Yee ("Ms. Cheng") respectively. Ms. Cheng is the sister of Mr. Cheng. As Mr. Cheng is the controlling shareholder of Tian Li, he is deemed to be interested in the 243,000,000 Shares held by Tian Li under the SFO.

(b) **Associated corporations**

As at 30 September 2012, Ms. Cheng Nga Yee held 30% equity interests in Tian Li.

Save as disclosed above, as at 30 September 2012, so far as is known to any Directors or chief executives of the Company, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.



MANAGEMENT DISCUSSION AND ANALYSIS

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the Review Period, the Directors and the chief executive of the Company (including their spouse and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company and/or its associated corporations (within the meaning of the SFO).

Save as disclosed above and in the share option scheme of the Company, at no time during the Review Period was the Company, any of its subsidiaries, its associated companies, its fellow subsidiaries or its holding companies a party to any arrangements to enable the Directors or the chief executive of the Company to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company and/or its associated corporations (within the meaning of the SFO).

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES DISCLOSEABLE UNDER THE SFO

As at 30 September 2012, so far as is known to the Directors, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

The Company

Long positions in Shares

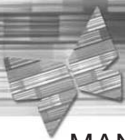
Name	Capacity	Number of Shares	Percentage of shareholding
Tian Li	Beneficial owner	243,000,000	40.50%

Note: Tian Li is a company owned as to 70% and 30% by Mr. Cheng and Ms. Cheng respectively. Ms. Cheng is the sister of Mr. Cheng. As Mr. Cheng is the controlling shareholder of Tian Li, he is deemed to be interested in the 243,000,000 Shares held by Tian Li under the SFO. Mr. Cheng is a director of Tian Li.

Save as disclosed above, as at 30 September 2012, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

COMPETING INTERESTS

During the Review Period, none of the Directors or the controlling shareholders of the Company or their respective associates (as defined in the GEM Listing Rules) had an interest in any business which competes or may compete, either directly or indirectly, with the business of the Group nor any conflicts of interest which has or may have with the Group.



MANAGEMENT DISCUSSION AND ANALYSIS

SHARE OPTION SCHEME

On 14 August 2009, the Company adopted a share option scheme (the "Scheme") for the purpose of recognising and motivating the contribution of the eligible participants. Eligible participant of the Scheme include, without limitation, employees, Directors, shareholders of the Group.

For the six months ended 30 September 2012, the Company has granted the following share options to Mr. Zhang Huaqiao, the non-executive Director of the Company, upon his appointment on 7 September 2012 under the Scheme:

Date of grant	:	7 September 2012
Exercise price of the Share Options granted	:	HK\$0.84 per Share
Number of the Share Options granted	:	6,000,000
Closing price of the Share on the date of grant	:	HK\$0.84 per Share
Validity period of the Share Options	:	five years (7 September 2012 to 6 September 2017)
Vesting date of the Share Options	:	2,000,000 Share Options will be vested on 6 March 2013; 2,000,000 Share Options will be vested on 6 March 2014; and 2,000,000 Share Options will be vested on 6 March 2015.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Review Period.

CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company has complied with all the code provisions as set out in Appendix 15 to the GEM Listing Rules during the Review Period, except the code provision A.2.1 which requires that the roles of chairman and chief executive ("CEO") should be separate and should not be performed by the same individual. Mr. Cheng is the chairman and responsible for the duties of the CEO of the Company. Mr. Cheng has about 16 years of experience in financial sector. The Board considers that vesting the roles of chairman and CEO in Mr. Cheng provided the Group with consistent leadership in the development and execution of long-term business strategies. However, the Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of the chairman and the CEO is necessary.



MANAGEMENT DISCUSSION AND ANALYSIS

Besides, the Company established an internal control committee and a compliance committee on 14 August 2009 to ensure the Group's proper and appropriate control and the compliance with the applicable rules and regulations. The two committees will meet on a quarterly basis.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings as set out in Rules 5.46 to 5.67 of the GEM Listing Rules as the code of conduct regarding the Directors' transactions in the securities of the Company. Having made specific enquiry of all Directors, the Company was confirmed by each of the Directors that he/she has complied with the required standard of dealings as set out in the adopted code of conduct regarding Directors' securities transactions from 1 April 2012 to 30 September 2012.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the GEM Listing Rules. The Audit Committee comprises Mr. Chan Chun Wai, Mr. Lee Kin Fai and Mr. Chow King Lok, all of whom are independent non-executive Directors. Mr. Chan Chun Wai has been appointed as the chairman of the Audit Committee.

The primary responsibilities of the Audit Committee are (i) to review the annual report and accounts, half yearly reports and quarterly reports and provide advice, comments thereon to the Board and (ii) to review and supervise the financial reporting process and internal control system of the Group.

The Group's unaudited quarterly results for the six months ended 30 September 2012 have been reviewed by the Audit Committee, which was of the opinion that such results complied with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosures had been made.

On behalf of the Board
Cheng Nga Ming Vincent
Chairman

Hong Kong, 6 November 2012

As at the date of this report, the Board of Directors of the Company comprises two executive Directors, namely Mr. Cheng Nga Ming Vincent and Ms. Cheng Nga Yee, one non-executive Director, namely Mr. Zhang Huaqiao and three independent non-executive Directors, namely Mr. Chan Chun Wai, Mr. Lee Kin Fai and Mr. Chow King Lok.