



3 March 2011

To the Independent Shareholders

Dear Sir or Madam,

**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

On 13 January 2011, the Offeror and the Company jointly announced that on 5 January 2011, the Offeror and the Vendor entered into the S&P Agreement. Pursuant to the S&P Agreement, the Vendor agreed to sell and the Offeror agreed to acquire 402,000,000 Shares at consideration of HK\$40,200,000 (equivalent to HK\$0.1 per Sale Share). Completion took place immediately after the signing of the S&P Agreement. Immediately following Completion, the Offeror and parties acting in concert with it were interested in 429,000,000 Shares, representing 71.5% of the then entire issued share capital of the Company. Accordingly, the Offeror was 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) under Rule 26.1 of the Takeovers Code.

This letter sets out, among other things, the details of the Offer, information on the Offeror and the intention of the Offeror regarding the Group. The terms of the Offer are set out in this letter, Appendix I to this Composite Document and the Form of Acceptance.

The Independent Shareholders are strongly advised to consider carefully the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee" and the "Letter from Cinda International" as set out in this Composite Document before reaching a decision as to whether or not to accept the Offer.

THE OFFER

As at the Latest Practicable Date, there were 600,000,000 Shares in issue. The Company has no outstanding options, warrants or convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into, Shares.

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:-

For each Offer Share HK\$0.1 in cash

The Offer Price of HK\$0.1 per Offer Share is the same as 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 Encumbrance 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.

The Offer is unconditional and therefore is not conditional upon any minimum level of acceptances being received nor subject to any other conditions.

Comparison of value

The Offer Price of HK\$0.1 is determined based on the price per Sale Share paid by the Offeror under the S&P Agreement and represents:

- (i) a discount of approximately 80.4% to the closing price of HK\$0.510 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 80.4% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 5 Trading Days up to and including the Last Trading Day of approximately HK\$0.510 per Share;
- (iii) a discount of approximately 80.7% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 10 Trading Days up to and including the Last Trading Day of approximately HK\$0.517 per Share;
- (iv) a discount of 90% to the closing price of HK\$1.00 per Share as quoted on the Stock Exchange as at the Latest Practicable Date; and
- (v) a premium of approximately 193.3% over the unaudited consolidated net asset value of the Group attributable to the equity holders of the Company of approximately HK\$0.0341 per Share as at 30 September 2010 (based on the unaudited consolidated accounts of the Company for the six months ended 30 September 2010 and the number of Shares in issue as at the Latest Practicable Date).

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$1.30 per Share (on 30 September 2010) and HK\$0.40 per Share (on 4 and 5 August 2010) respectively.

Value of the Offer

On the basis of the Offer Price of HK\$0.1 per Offer Share and 600,000,000 Shares in issue as at the Latest Practicable Date, the entire issued share capital of the Company is valued at HK\$60,000,000. Excluding the 402,000,000 Sale Shares having been acquired by the Offeror pursuant to the S&P Agreement and 27,000,000 Shares already been owned by the Offeror and parties acting in concert with it, 171,000,000 Shares will be subject to the Offer and are valued at HK\$17,100,000 based on the basis of the Offer Price.

Financial resources available to the Offeror

The financial resources of the Offeror to fund the Offer, amounting to an aggregate of HK\$17,100,000 are financed by the Facility provided by Kingston Securities. The Offeror confirms that (i) payment of the interest and the principal of the Facility; and (ii) security for any liability (contingent or otherwise) under the Facility, would not be dependent to any significant extent on the business of the Group.

Kingston Corporate Finance Limited is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Offer.

Effect of accepting the Offer

By accepting the Offer, Shareholders will sell their Shares to the Offeror free from all Encumbrances and with all rights attached to them on or after the Completion Date, including but not limited to the rights to receive all dividends and distribution declared, paid or made, if any, on or after the Completion Date. As at the Latest Practicable Date, no dividend has been declared but not yet been paid.

Stamp duty

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by relevant Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the cash amount payable by the Offeror on behalf of the relevant Shareholder accepting the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant Independent Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within 10 days of the date on which the relevant documents of title are received by the Offeror to render each such acceptance complete and valid.

Other arrangements

As at the Latest Practicable Date, (i) there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer; (ii) there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; (iii) none of the Offeror nor parties acting in concert with it has received any irrevocable commitment to accept the Offer; and (iv) none of the Offeror nor parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

Overseas Shareholders

The Offer will be in respect of securities of a company incorporated in the Cayman Islands and will be subject to the procedural and disclosure requirements of Hong Kong, which may be different from other jurisdictions. Shareholders who wish to participate in the Offer but with registered address outside Hong Kong will also be subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Offer.

Shareholders who have registered addresses outside Hong Kong and wish to accept the Offer should satisfy themselves as to the full observance of the applicable laws and regulations of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer of other taxes due by such accepting Shareholders in respect of such jurisdiction).

Acceptances of the Offer by any such person will be deemed to constitute a warranty by such person that such person is permitted under all applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. The Overseas Shareholders are recommended to seek professional advice on deciding whether or not to accept the Offer.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) immediately before the Completion; (ii) as at the Latest Practicable Date; and (iii) immediately following the Completion and completion of the Placing Agreement:

Shareholders	Immediately before Completion		As at the Latest Practicable Date		Immediately following the Completion and completion of the Placing Agreement	
	Approximate%		Approximate%		Approximate%	
	Number of Shares	of issued Shares	Number of Shares	of issued Shares	Number of Shares	of issued Shares
The Vendor (<i>Note 1</i>)	402,000,000	67.0%	-	-	-	-
Offeror and parties acting in concert with it	27,000,000	4.5%	429,000,000	71.5%	420,000,000	70.0%
Mr. Yu Chun Fai (<i>Note 2</i>)	24,000,000	4.0%	24,000,000	4.0%	24,000,000	4.0%
Ms. Wong Lai Chun (<i>Note 3</i>)	6,000,000	1.0%	6,000,000	1.0%	6,000,000	1.0%
Sub-total	459,000,000	76.5%	459,000,000	76.5%	450,000,000	75.0%
Public Shareholders	141,000,000	23.5%	141,000,000	23.5%	150,000,000	25.0%
Total	<u>600,000,000</u>	<u>100.0%</u>	<u>600,000,000</u>	<u>100.0%</u>	<u>600,000,000</u>	<u>100.0%</u>

Notes:

- These Shares were held by Oriental City Group Asia Limited which is in turn wholly-owned by Oriental City Group International Limited, a company wholly-owned by Oriental City Group plc, a company having its entire issued share capital listed on the quoted market of The PLUS Stock Exchange in the United Kingdom.
- Mr. Yu Chun Fai is an executive Director and the chairman of the Company and is personally interested in 24,000,000 Shares.
- Ms. Wong Lai Chun is a non-executive Director and is personally interested in 6,000,000 Shares.

As at the Latest Practicable Date, (i) the Company had no outstanding options, warrants or convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into, Shares; and (ii) save for the Sale Shares acquired through the Acquisition and 27,000,000 Shares already owned by the Offeror and parties acting in concert with it, none of the Offeror, its directors, nor the parties acting in concert with the Offeror has held, owned or controlled any Shares, derivatives, warrants or convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into, Shares during the Relevant Period.

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.

DEALINGS IN SECURITIES OF THE COMPANY

Kingston Securities and its ultimate beneficial owners are independent third parties not connected with the Offeror or any of its connected persons save to the extent that, by virtue of the provision of the Facility to the Offeror, Kingston Securities is presumed to be a party acting in concert with the Offeror under the Takeovers Code.

All Shares to be acquired by the Offeror under the Offer by the use of the Facility provided by Kingston Securities shall be deposited to the margin account opened by the Offeror with Kingston Securities from time to time as collateral for the Facility, and shall be released to the Offeror upon full repayment of all the outstanding amount of the Facility (including all the outstanding principal amount, accrued interest, fees and charges) by the Offeror to Kingston Securities. Save as aforesaid, the Offeror has no intention to transfer, charge or pledge the Shares acquired in pursuance with the Offer to any other persons.

Save for the acquisition of the Sale Shares under the S&P Agreement and the entering into of the Placing Agreement, none of the Offeror nor parties acting in concert with it has dealt in the Shares and any outstanding options, derivatives, warrants or other securities convertible into Shares during the Relevant Period. As at the Latest Practicable Date, the Offeror and parties acting in concert with it have not entered into any arrangements or contracts in relation to the outstanding derivatives in respect of securities in the Company nor have any of its members borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company. As at the Latest Practicable Date, save for the Sale Shares held by the Offeror and the 27,000,000 Shares already owned by the Offeror and its associates, the Offeror and parties acting in concert with it did not hold, own or control any Shares, outstanding options, derivatives, warrants or other securities convertible or exchangeable into Shares.

COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any powers of compulsory acquisition of the Shares after the close of the Offer.

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI with limited liability. The Purchaser is legally and beneficially owned as to 70% by Mr. Cheng and as to 30% by Ms. Cheng. Immediately before Completion, the Offeror and parties acting in concert with it were interested in 27,000,000 Shares, of which Mr. Cheng was personally interested in 27,000,000 Shares, representing 4.5% of the entire issued share capital of the Company as at the Latest Practicable Date. Immediately prior to the entering into of the S&P Agreement, each of the Offeror and its ultimate beneficial shareholders are Independent Third Parties. Other than the entering into of the S&P Agreement and the Placing Agreement, the Offeror has not conducted any business since its incorporation.

Mr. Cheng, aged 40, graduated from California State University, Sacramento with major in finance. He is a private investor who has extensive experience in investment management and securities analysis. He has about 15 years of experience in investment with hedge fund groups responsible for investment portfolios with a primary focus in Asia.

Ms. Cheng, aged 37, graduated from San Francisco State University with major in marketing. She is the sister of Mr. Cheng. She has about 10 years of experience in investment. She also has about 3 years' experience as business consultant in Wang On Group Limited, a company listed in the main board of the Stock Exchange.

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.

As at the Latest Practicable Date, the Company has not entered into any agreement, arrangement, undertaking, intention or negotiation about any:

- (i) disposal/termination/scaling-down of the existing business of cards and payment related business (namely the card acceptance business, co-branded card partnership business in Thailand and the PRC); and
- (ii) acquisition of new assets or businesses.

OFFEROR'S INTENTION ON THE GROUP

The Offeror considers that the acquisition of a majority stake in the share capital of the Company is an appealing investment opportunity. After performing a preliminary review on the business currently engaged by the Group, the Offeror was attracted by the Company's good reputation in the card acceptance business, its streamlined management structure and simple corporate structure of the Group. Whilst the Offeror and its ultimate beneficial owners do not have any experience in the business currently engaged by the Group, it is considered that with the extensive experience of the Offeror and its ultimate beneficial owners in the investment management and with aids from the existing management team of the Company, the Company would be an ideal platform for the Offeror and its ultimate beneficial owners to start a long-term business and to realise their business ambition.

It is the intention of the Offeror that the Group will continue with its existing principal businesses. The Offeror does not intend to introduce any major changes to the existing operations and business of the Company after the Offer. The Offeror will, shortly after the close of the Offer, conduct a more detailed review on the operations of the Group with a view to formulate a comprehensive business strategy for the Group and subject to the result of the review, the Offeror may explore other business opportunities and consider whether any assets and/or business acquisitions by the Group will be appropriate in order to enhance its growth. The Offeror has no intention to discontinue the employment of the employees (save for a change in the composition of the Board) or to dispose of or deploy the assets of the Group (other than those in its ordinary course of business). As at the Latest Practicable Date, the Offeror has no intention or plans for any acquisition or disposal of assets and/or business by the Group.

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.

The Offeror intends that it will nominate Mr. Cheng and Ms. Cheng as executive Directors and Mr. Lee Kin Fai and Mr. Chow King Lok as independent non-executive Directors on such date as the Takeovers Code permits. Ms. Wong Lai Chun will resign as non-executive Director and Mr. Chan Wing Cheung Joseph and Mr. Tsang Siu Tung will resign as independent non executive Directors after the close of the Offer or such date as the Takeovers Code permits.

The biographies of Mr. Cheng and Ms. Cheng are set out in the paragraph headed "Information on the Offeror" above. The biographies of the other proposed Directors are set out below:

Mr. Lee Kin Fai ("Mr. Lee"), aged 38, is a fellow member of the Association of Chartered Certified Accountants and an associate member of Hong Kong Institute of Certified Public Accountants. He holds a Master of Business Administration from the Manchester Business School of University of Manchester, United Kingdom. He was an executive director of Apollo Solar Energy Technology Holdings Limited (Stock Code: 566), a company listed on the main board of the Stock Exchange, during January 2009 to August 2010. Mr. Lee is currently an independent non-executive director of ePRO Limited (Stock Code: 8086), a company listed on GEM.

Prior to joining Apollo Solar Energy Technology Holdings Limited in 2004, he worked in another company listed on the main board of the Stock Exchange and an international accounting firm. Mr. Lee has more than 10 years' experience in accounting, audit and taxation field.

Mr. Chow King Lok ("Mr. Chow"), aged 63, is currently a committee member of Hong Kong Shatin Industries and Commerce Association Ltd., and a director of an engineering company. He has a bachelor degree in Mechanical Engineering from Cheng Kung University, Taiwan. Mr. Chow was an independent non-executive director of Apollo Solar Energy Technology Holdings Limited (Stock Code: 566), a company listed on the main board of the Stock Exchange during August 2008 to August 2010.

MAINTENANCE OF 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.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 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 it will consider exercising its discretion to suspend dealings in the Shares.

TAX IMPLICATIONS

The Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the tax implications that may arise from accepting the Offer. It is emphasized that none of the Offeror and parties acting concert with it, the Company, Kingston Corporate Finance Limited, Kingston Securities, Cinda International, the Registrar or any of their respective directors or professional advisers or any other parties involved in the Offer or any of their respective agents accepts any responsibility for any tax effect on, or liabilities of, the Independent Shareholders as a result of their acceptance of the Offer.

ACCEPTANCE AND SETTLEMENT

Your attention is drawn to the further details regarding the procedures for acceptance and settlement and acceptance period as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

GENERAL

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Offer Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.


The attention of the Overseas Shareholders is drawn to paragraph 7(h) in Appendix I to this Composite Document.

All documents and remittances sent to the Independent Shareholders by ordinary post will be sent to them at their own risk. Such documents and remittances will be sent to the Independent Shareholders at their respective addresses as they appear in the register of members of the Company or in the case of joint Independent Shareholders, to the Independent Shareholders whose name appears first in the register of members of the Company. None of the Offeror and parties acting concert with it, the Company, Kingston Corporate Finance Limited, Kingston Securities, Cinda International, the Registrar or any of their respective directors or any other parties involved in the Offer will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document which forms part of this Composite Document.

Yours faithfully,
For and on behalf of
Kingston Securities Limited



Nicholas Chu
Director