

Execution Copy

DATE: 24 September 2010

ORIENTAL CITY GROUP HOLDINGS LIMITED
(as the Company)

AND

KINGSTON SECURITIES LIMITED
(as Underwriter)

UNDERWRITING AGREEMENT
relating to a rights issue of
300,000,000 Rights Shares
of HK\$0.01 each in the capital of
ORIENTAL CITY GROUP HOLDINGS LIMITED
on the basis of one Rights Share for every two Shares held on the Record Date
(with Bonus Shares in the proportion of one Bonus Share
for every one Rights Share taken up under the Rights Issue)

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THIS AGREEMENT is dated 24 September 2010

BETWEEN:

- (1) **ORIENTAL CITY GROUP HOLDINGS LIMITED**, an exempted company incorporated in the Cayman Islands with limited liability and having its registered office at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and having its head office and principal place of business in Hong Kong at 16th Floor, Queen's Road Centre, 152 Queen's Road Central, Hong Kong (the "**Company**"); and
- (2) **KINGSTON SECURITIES LIMITED**, a company incorporated in Hong Kong and having its registered office at Suite 2801, 28th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong (the "**Underwriter**").

WHEREAS:

- (A) The Company is incorporated in the Cayman Islands whose issued Shares are listed on GEM and has an authorised share capital of HK\$20,000,000 divided into 2,000,000,000 Shares of which 600,000,000 Shares have been issued and are fully paid or credited as fully-paid. As at the date hereof, the Company has no outstanding options, warrants or convertible securities which are exchangeable for, or convertible into, Share(s).
- (B) The Company proposes to offer by way of rights of 300,000,000 Rights Shares to holders of Shares on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date together with the Bonus Shares. Subject to the terms and upon conditions as set out in this Agreement, the Bonus Shares will be issued (for no additional payment) to the first registered holders of Rights Shares on the basis of one (1) Bonus Share for every one (1) Rights Share taken up under the Rights Issue.
- (C) The Underwriter has agreed to underwrite 300,000,000 Underwritten Shares, on the terms and subject to the conditions hereinafter appearing.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS

1.1 In this Agreement including the Recitals and Schedules, unless the context otherwise requires, the following expressions have the following meanings:

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|-----------------------|---|
| "Announcement" | the announcement to be made by the Company concerning, among others, the Rights Issue and the Bonus Shares in the agreed form, a draft of which is set out in this Agreement as Exhibit |
| "associate(s)" | has the meaning ascribed thereto in Chapters 1 and 20 of the GEM Listing Rules |
| "Board" | the board of Directors or a duly authorised committee thereof |

“Bonus Shares”	the bonus Shares to be issued (for no additional payment) to the first registered holders of Rights Shares on the basis of one (1) Bonus Share for every one (1) Rights Share taken up under the Rights Issue subject to the terms and upon the conditions as set out in this Agreement
“business day”	any day (other than a Saturday, a Sunday or a public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Circular”	the circular to Shareholders, which will have annexed thereto the Notice, proposed to be despatched to the Shareholders on or about 22 October 2010 (or such other date as may be agreed by the Company and the Underwriter) in the agreed form
“Circular Documents”	the Circular and the proxy form for use at the EGM in the agreed form
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Directors”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held on or about 16 November 2010 (or such other date as may be agreed by the Company and the Underwriter) to consider and approve the Rights Issue, the issue and allotment of the Bonus Shares and the transactions contemplated thereunder
“Excess Application Form”	the form of application for excess Rights Shares in the agreed form
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Shareholder(s)”	Shareholders not required under the GEM Listing Rules to abstain from voting on the resolution(s) approving the Rights Issue, the issue and allotment of the Bonus Shares and the transactions contemplated thereunder at the EGM
“Latest Lodging Date”	4:30 p.m., 10 November 2010 or such other date and/or time as the Underwriter and the Company may agree as the latest time for lodging transfer of the Shares in order to qualify for the Rights Issue
“Latest Time for Acceptance”	4:00 p.m. on 30 November 2010 or such other time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the offer of the Rights Shares
“Latest Time for Termination”	4:00 p.m. on the third business day after the Latest Time for Acceptance or such other time as may be agreed between the Company and the Underwriter
“Nil-paid Rights”	the nil-paid rights of Shareholders to be allotted pursuant to the Rights Issue
“Notice”	the notice of EGM contained in the Circular in the agreed form
“Overseas Shareholder(s)”	Shareholders whose registered addresses as shown in the register of members of the Company on the Record Date are outside of Hong Kong
“Prohibited Shareholder(s)”	those Overseas Shareholders to whom the Company considers it necessary or expedient not to offer the Rights Shares and/or the Bonus Shares based on the enquiry made pursuant to Clause 5.1
“Prospectus”	the prospectus in relation to the Rights Issue expected to be dated on or about 17 November 2010 or such other date as may be agreed between the Company and the Underwriter
“Prospectus Documents”	the Prospectus, Provisional Allotment Letter and Excess Application Form
“Prospectus Posting Date”	17 November 2010 or such other date as the Underwriter may agree in writing with the Company
“Provisional Allotment Letter”	the provisional allotment letter to be used in connection with the Rights Issue in the agreed form
“Qualifying Shareholder(s)”	Shareholders whose names appear on the register of members of the Company on the Record Date, other

than the Prohibited Shareholders

“Record Date”	16 November 2010 or such other date as may be agreed between the Company and the Underwriter
“Registrars”	Union Registrars Limited of 18 th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, the Hong Kong branch share registrars of the Company
“Rights Issue”	the issue by way of rights of the Rights Shares on the terms and subject to the conditions as set out in this Agreement and in the Prospectus
“Rights Share(s)”	300,000,000 new Shares proposed to be offered to Qualifying Shareholders by way of rights on the terms set out in this Agreement and in the Prospectus
“Settlement Date”	6 December 2010, being the fourth business day following (but excluding) the Latest Time for Acceptance or such later date as the Company and the Underwriter may agree
“SFC”	Securities and Futures Commission of Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued and unissued share capital of the Company
“Shareholder(s)”	holders of issued Shares
“Share Option(s)”	options to subscribe for Shares granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company adopted on 14 August 2009
“Specified Event”	an event occurring or matter arising on or after the date hereof and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of the warranties contained in Clause 10.1 untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the issue price of HK\$0.07 per Rights Share at which the Rights Shares are proposed to be offered for subscription
“subsidiary”	has the same meaning as in section 2 of the Companies Ordinance

“Takeovers Code”	The Code on Takeovers and Mergers and Share Repurchases
“this Agreement”	this underwriting agreement as amended from time to time
“Underwritten Share(s)”	the total number of Rights Shares to which holders of Shares are entitled pursuant to the Rights Issue, being 300,000,000 Rights Shares
“Untaken Shares”	those (if any) of the Rights Shares for which duly completed Provisional Allotment Letter(s) (accompanied by cheques or banker’s cashier order for the full amount payable on application which are honoured on first or, at the option of the Company, subsequent presentation) have not been lodged for acceptance, or received, as the case may be, on or before Latest Time for Acceptance which shall not be more than 300,000,000 Rights Shares (with Bonus Shares)
“Verification Notes”	the verification notes to be prepared by Michael Li & Co. relating to the Prospectus
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

1.2 References to the singular number include the plural and vice versa and references to one gender include every gender.

1.3 Any reference to a document being “**in the agreed form**” means in such form as may following the date of this Agreement be agreed between the Company and the Underwriter.

1.4 References to Clauses, Recitals and the Schedule are to clauses of and recitals and schedule to, this Agreement.

2. CONDITIONS

2.1 The Rights Issue is conditional upon:

- (a) the passing by the Shareholders (or where appropriate, the Independent Shareholders) at the EGM of the necessary resolution(s) (such vote shall be taken by way of poll) to approve:
 - (i) the amendments to the articles of association of the Company to allow the allotment and issue of the Bonus Shares not in proportions to the shareholding of the Shareholders by way of capitalisation of the share premium account of the Company;
 - (ii) the Rights Issue; and

- (iii) the allotment and issue of the Bonus Shares;
- (b) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and otherwise in compliance with the GEM Listing Rules and the Companies Ordinance;
- (c) the posting of the Prospectus Documents to Qualifying Shareholders on the Prospectus Posting Date;
- (d) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms) and the Bonus Shares by no later than their respective first day of dealing;
- (e) the obligations of the Underwriter becoming unconditional and that this Agreement is not terminated in accordance with its terms; and
- (f) compliance with and performance of all the undertakings and obligations of the Company under Clauses 4.1 and 4.2.

2.2 The Company shall use all reasonable endeavours to procure the fulfillment of the conditions set out in Clause 2.1 by the Latest Time for Termination or such other time as stated in Clause 2.1 and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the listing of the Rights Shares and the Bonus Shares.

2.3 The Company shall make application to the Stock Exchange for the listing of and permission to deal in the Rights Shares, in their nil-paid and fully-paid forms, and the Bonus Shares.

2.4 The conditions set out in Clause 2.1 are incapable of being waived. If the conditions referred to in Clause 2.1 is not satisfied by the Latest Time for Termination, or where appropriate, the times stipulated in Clause 2.1, or such later time as the Underwriter may agree with the Company in writing, this Agreement shall terminate and (save in respect of any provisions of Clause 8.2 or Clauses 9, 11, 14 and 16 and any rights or obligations which may accrue under this Agreement prior to such termination) no party will have any claim against any other party for costs, damages, compensation or otherwise.

3. PUBLICATION OF THE ANNOUNCEMENT

3.1 Subject to approval by the Stock Exchange and/or the SFC (if appropriate), as the case may be, the Company shall arrange for the Announcement to be published on the websites of the Stock Exchange and the Company as soon as reasonably practicable following the signing of this Agreement.

3.2 The Company shall use its reasonable endeavours to procure the posting of the

Circular to Shareholders on or about 22 October 2010 (or such other date as may be agreed by the Company and the Underwriter). The Company shall deliver to the Underwriter a certified copy of the resolution of the Board approving the Circular Documents and authorising the despatch thereof as soon as reasonably practicable and in any event within two business days from the date of despatch of the Circular Documents.

4. PROVISIONAL ALLOTMENT OF RIGHTS SHARES

4.1 Subject to fulfillment of the conditions specified in Clause 2.1, on or before the Prospectus Posting Date:

- (a) the Company shall procure that the Rights Shares (nil-paid) are provisionally allotted by a resolution of the Board on the terms set out in the Prospectus Documents to the Qualifying Shareholders;
- (b) the Company shall deliver to the Underwriter certified copy of the resolutions referred to in Clause 4.1(a); and
- (c) the Company shall procure the posting of the Prospectus Documents to the Qualifying Shareholders.

4.2 Prior to the despatch of the Prospectus Documents pursuant to Clause 4.1(c), the Company shall deliver to the Underwriter:

- (a) the Verification Notes relating to the Prospectus duly signed by or on behalf of the Directors; and
- (b) letter(s) from the auditors, financial advisers or reporting accountants of the Company, as appropriate, addressed to the Company reporting on the proforma net tangible asset value of the Group, and where necessary, working capital of the Group, confirming the indebtedness statement and other financial information to be contained in the Prospectus and consenting to the issue of the Prospectus with the inclusion of their names and the references thereto in the form and context in which they are included.

4.3 The Company shall make available for subscription by the Qualifying Shareholders by means of Excess Application Form Rights Shares representing:

- (a) any Rights Shares for which Provisional Allotment Letters (accompanied by the appropriate remittances which are honoured on first or, at the sole and absolute discretion of the Underwriter, subsequent presentation and otherwise in compliance with the procedure for acceptance as described in the Prospectus Documents) have not been lodged prior to the Latest Time for Acceptance;
- (b) subject to Clause 6.1, any Rights Shares provisionally allotted to a nominee of the Company which are left unsold pursuant to the procedures set out in Clause 5.3; and
- (c) any Rights Shares created by adding together fractions of Rights Shares.

4.4 The Rights Shares and the Bonus Shares, when issued and fully paid, shall rank pari passu in all respects with the Shares in issue on the date of allotment of the Rights Shares and the Bonus Shares, including the right to receive all dividends and distributions which may be declared, made or paid on or after such date.

4.5 The Company will allot and issue the Bonus Shares by way of bonus to the first registered holders of the Rights Shares immediately following completion of the Rights Issue in the proportion of one (1) Bonus Share for every one (1) Rights Share taken up under the Rights Issue subject to the terms and conditions stated in the Announcement and the Prospectus Documents.

5. PROHIBITED SHAREHOLDERS

5.1 The Company shall immediately after the Latest Lodging Date but in any event before the Record Date make such enquiry regarding the legal restrictions, if any, under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange in the place where the Overseas Shareholders reside.

5.2 The Company shall, on or within two business days after the Prospectus Documents are posted to Shareholders in accordance with Clause 4.1(c), post copies of the Prospectus and a letter in the agreed form to the Prohibited Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue.

5.3 The Company shall provisionally allot the Rights Shares which represent the entitlements of the Prohibited Shareholders, if any, to a nominee of the Company in nil-paid form and the Company shall procure that such nominee shall endeavour to sell the rights as soon as practicable after dealings in Nil-paid Rights commence and in any event before the Latest Time for Acceptance at a net premium (nil-paid). If and to the extent that such rights can be so sold, the nominee shall account to the Company for the net proceeds of sale (after deducting the expenses of sale, if any), on the basis that the net proceeds after deducting the expenses of sale (if any) attributable to the sale of the Rights Shares that would otherwise have been allotted to the Prohibited Shareholders shall be distributed pro rata (but rounded down to the nearest cent) to the Prohibited Shareholders provided that individual amounts of HK\$100 or less shall be retained by the Company for its own benefit. Any of such Nil-paid Rights which are not sold as aforesaid will be dealt with as Rights Shares not accepted in accordance with Clause 6.1.

6. ACCEPTANCE OF RIGHTS SHARES AND APPLICATION FOR EXCESS RIGHTS SHARES BY THE UNDERWRITER AND UNDERWRITING OBLIGATIONS

6.1 The Underwriter's obligations under Clauses 6.1 to 6.5 (both inclusive) shall terminate if, before the Latest Time for Acceptance:

- (a) Provisional Allotment Letters in respect of all the Underwritten Shares (including any Rights Shares falling within the provisions of Clause 5.3) have been lodged for acceptance (whether by the persons to whom the Underwritten Shares were provisionally allotted or by renounees of the right to accept allotment) in accordance with the terms of the Prospectus Documents, together with cheques or bankers' cashier orders or other remittances for the full

amount payable thereunder which are honoured on first or, at the discretion of the Underwriter, subsequent presentation (the Underwritten Shares comprised in Provisional Allotment Letters which are so lodged together with such remittances are herein referred to as having been "accepted"); or

- (b) the number of Underwritten Shares applied for under Excess Application Forms which have been lodged in accordance with the terms of the Prospectus Documents, together with cheques or banker's cashier orders or other remittances for the full amount payable in connection with the relevant applications which are honoured on first or, at the sole and absolute discretion of the Underwriter, subsequent presentation, is equal to or greater than the aggregate of the number of Underwritten Shares which have not been accepted under the Provisional Allotment Letters.

6.2 If Excess Application Forms have been lodged in accordance with the terms of the Prospectus Documents, together with cheques or banker's cashier orders or other remittances for the full amount payable in connection with the relevant applications which are honoured on first or, at the sole and absolute discretion of the Underwriter, subsequent presentation, then the Company shall accept such applications which are honoured on first or, at the sole and absolute discretion of the Underwriter, subsequent presentation, provided that the Company shall only be obliged to accept applications for the aggregate number of the Underwritten Shares which shall not have been accepted and, if that aggregate number is less than the number of Shares applied for under the relevant Excess Application Forms, the Company shall be entitled to determine on a fair and equitable basis (in accordance with the relevant stipulations in the Prospectus Documents) which applications are to be accepted and which rejected, after consulting with the Underwriter. Underwritten Shares which have either been accepted or which are the subject of accepted applications under Excess Application Forms are herein referred to as having been "taken up".

6.3 If, however, by the Latest Time for Acceptance any of the Underwritten Shares has not been taken up, the Company shall as soon as practicable thereafter and in any event before 4:00 p.m. on the first business day after the Latest Time for Acceptance notify or procure the Registrars on behalf of the Company to notify the Underwriter in writing of the number of Underwritten Shares not taken up, and the Underwriter shall subscribe or procure subscription on the terms of the Prospectus Documents (so far as the same are applicable) for such Untaken Shares by 5:00 p.m. on the Settlement Date in full.

6.4 The Underwriter shall, not later than 5:00 p.m. on the Settlement Date, pay or procure payment to the Company by way of bank transfer or banker's draft or cashier's order drawn on a bank in Hong Kong of the aggregate Subscription Price in respect of the Untaken Shares for which it is obliged to subscribe or procure subscription in accordance with this Clause 6, less any amounts payable to the Underwriter pursuant to Clause 8.1. The Company shall arrange for delivery to the Underwriter or its nominee of share certificates in respect of the fully paid Underwritten Shares together with the relevant Bonus Shares for which the Underwriter has subscribed or procured subscription in such names and in such denominations as the Underwriter may reasonably require at the same time as share certificates are despatched generally to persons who have taken up Rights Shares or, where the Underwriter has designated an investor participant or CCASS participant stock account for deposit of all or part of the Rights Shares and the Bonus Shares, evidence to the satisfaction of the Underwriter that such documents and instructions required to effect the crediting of such Rights Shares and the Bonus Shares have been signed or given, as the case

may be.

6.5 If the Underwriter shall default in complying with its obligations under Clause 6.3, the Company shall be entitled (and is hereby irrevocably authorised) to treat this Agreement as an application by the Underwriter for the relevant Underwritten Shares which have not been taken up on the terms of the Prospectus Documents (so far as the same are applicable) and to allot and issue the same to the Underwriter and register the same in the name of the Underwriter and payment therefor at the aggregate Subscription Price less any amounts payable to the Underwriter for the account of the Underwriter pursuant to Clause 8.1 shall be made by the Underwriter forthwith. The Company shall deliver to the Underwriter (or as it may direct) documentary evidence of entitlement to the relevant Underwritten Shares reasonably satisfactory to the Underwriter.

6.6 Subject to the requirements of the GEM Listing Rules and the relevant laws, the Underwriter may, in its absolute discretion, appoint any of its affiliates or appoint any person to be sub-underwriter(s) for the purposes of arranging for the sub-underwriting of the Underwritten Shares (with Bonus Shares) provided that all costs and expenses relating thereto be borne by the Underwriter out of the underwriting commission to be paid by the Company (which shall remain unchanged) under Clause 8.1(a).

6.7 In the event of the Underwriter being called upon to subscribe for or procure subscribers of the Untaken Shares pursuant to Clause 6.3:

- (1) the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Rights Issue; and
- (2) the Underwriter shall use its best endeavours to ensure that each of the subscribers of the Untaken Shares procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Directors or chief executive of the Company or substantial shareholders of the Company or their respective associates (as defined in the Listing Rules); and (ii) save for the Underwriter itself and its associates, shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10.0% or more of the voting rights of the Company upon completion of the Rights Issue.

7. OBLIGATIONS OF THE UNDERWRITER

7.1 Any transaction carried out by the Underwriter pursuant to Clause 6 (other than the obligations contained in Clause 7.2) shall constitute a transaction carried out at the request of the Company and as its agent and not in respect of the Underwriter's own account. The Underwriter shall not be responsible for any loss or damage to any persons arising from any such transaction or for any alleged insufficiency of any dealing price at which any of the Rights Shares or Nil-paid Rights may be sold by any such person or for the timing of any such transaction, except where such loss or damage arises from the negligence or default of the Underwriter or any agent appointed by it for such purpose.

7.2 In acting as agent of the Company hereunder, the Underwriter shall comply with all

applicable laws and shall not do or omit anything, the doing or omission of which shall or may cause the Company or any of its directors to be in breach of any applicable laws, and in particular, but without prejudice to the generality of the foregoing, shall ensure that all offers made by it of the Rights Shares are made only in compliance with all applicable laws and regulations and do not require the registration of the Prospectus Documents or any of them or any other document as a prospectus or otherwise in any jurisdiction other than Hong Kong and the Underwriter shall not make or purport to make on behalf of the Company any representation or warranty not contained in the Prospectus Documents.

8. FEES AND EXPENSES

8.1 In consideration of the Underwriter's obligations under this Agreement to underwrite the Underwritten Shares and its services in connection with the issue of the Rights Shares, the Company shall by not later than the date of despatch of the share certificates in respect of the Rights Shares make the following payments, as indicated below:

- (a) to the Underwriter, a commission of 2.50 per cent. of the aggregate Subscription Price in respect of the number of Underwritten Shares, being 300,000,000 Rights Shares for which the Underwriter has agreed to subscribe or procure subscription; and
- (b) to the Underwriter, if any, proper and reasonable legal fees and other proper and reasonable out-of-pocket expenses incurred by the Underwriter.

8.2 Payment of the amounts referred to in Clauses 8.1(b) shall be made whether or not the Underwriter's obligations under this Agreement become unconditional or are terminated pursuant to Clause 12. The amount referred to in Clause 8.1(a) shall not be payable if this Agreement does not become unconditional or if it is terminated by the Underwriter pursuant to Clause 12.

8.3 Out of the commission referred to in Clause 8.1(a) the Underwriter will pay any commissions, costs and expenses in respect of the sub-underwriting of the Underwritten Shares carried out by the Underwriter.

8.4 The amounts payable pursuant to Clause 8.1(a) may be withheld by the Underwriter and the amounts payable pursuant to Clause 8.1(b) by the Company may be withheld by the Underwriter from any payment to be made by the Underwriter to the Company pursuant to Clause 6. In the event of the Underwriter not being called upon to subscribe or procure subscribers pursuant to Clause 6.1 and/or the amount of the subscription moneys payable by the Underwriter being less than the full amount due to the Underwriter, the amounts payable pursuant to Clause 8.1, or the balance thereof, shall be due and payable as soon as reasonably practicable and in any event not later than the date of despatch of the share certificates in respect of the Rights Shares and the Bonus Shares or such other date as may be agreed between the Company and Underwriter.

8.5 The Company shall bear its own legal fees, accountancy and other professional fees, the Registrars' fees, the cost of printing and distributing the Announcement, the Circular and the Prospectus Documents and all other costs, charges and expenses relating to the issue of the Rights Shares and the Bonus Shares and associated transactions (including, without limitation, all fees payable to the Stock Exchange in connection with the listing of the Rights Shares and the Bonus Shares and capital duty (if any) payable on the issue of its share

capital). The Company shall forthwith upon request by the Underwriter reimburse the Underwriter for any such expenses as are referred to above which the Underwriter may have properly paid or incurred on behalf of the Company.

9. ANNOUNCEMENTS

Save as expressly required hereunder or as otherwise required by the Stock Exchange or the SFC, no public announcement or communication to Shareholders or to the Stock Exchange concerning the Company and/or its subsidiaries which is material in relation to the Rights Issue shall be made or despatched by the Company or the Underwriter between the date hereof and, if all the Underwritten Shares are taken up, the Latest Time for Acceptance or, in any other case, the time at which the Underwriter is obliged to make payment under Clause 6, without prior written approval from the Underwriter and/or the Company (as the case may be) as to the content, timing and manner of making or despatch thereof.

10. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

10.1 The Company represents and warrants to and undertakes with the Underwriter in the following terms:

- (a) the facts stated in the Recitals to this Agreement are true and accurate in all material respects;
- (b) all statements of fact contained or to be contained in the Announcement or the Circular or the Prospectus Documents (including, in particular, the section headed "Reasons for the Rights Issue with the Bonus Issue and use of proceeds of the Rights Issue") are and will at the date of issue thereof be true and accurate in all material respects and not misleading and all expressions of opinion, intention and expectation expressed therein (including, in particular, the section headed "Reasons for the Rights Issue with the Bonus Issue and use of proceeds of the Rights Issue") are and will be fair and made after due and careful consideration;
- (c) there will be no information not disclosed in the Prospectus Documents (i) the omission of which makes any statement therein misleading or which, in the context of the issue of the Rights Shares, might be material for disclosure therein or (ii) which is necessary to enable investors to make an informed assessment of the activities, assets and liabilities, financial position, management, profits and losses and prospects of the Company and of the rights attaching to the Rights Shares;
- (d) the audited consolidated balance sheet of the Group as at 31 March 2010, the audited consolidated income statement of the Group for the financial year ended on such date (including the notes thereto) were prepared in accordance with the applicable laws and on a basis consistent with that adopted in preparing the audited accounts for the previous two financial periods in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards and Interpretation issued by the Hong Kong Institute of Certified Public Accountants so as to give (except to the extent (if any) disclosed therein) a true and fair view of the state of affairs of the Group as at

the relevant dates and the profit or loss of the Group for the relevant financial periods. There has been no material adverse change in the financial or trading position of the Company or any of its subsidiaries since 31 March 2010;

- (e) the returns for taxation purposes, which ought to have been made by or in respect of each of the companies in the Group in Hong Kong and any other part of the world, have been duly made and there are no circumstances known to any company in the Group or any of their respective directors, after making due and careful enquiry, which might be the occasion of any such dispute which is material and all such returns are in all material respects up to date, correct and on a proper basis and are not the subject of any material dispute with the relevant revenue or other appropriate authorities;
- (f) there are existing valid policies of insurance against all liabilities, risks and losses against which it is normal or prudent to insure in respect of all property and assets owned by and all businesses carried on by the companies in the Group and nothing has been done or has been omitted to be done whereby any of the said policies has or may become void or is likely to be avoided;
- (g) the statements, forecasts, estimates and expressions of opinion contained in the Announcement and to be contained in the Circular and/or Prospectus have been and will at the respective dates of issue thereof be made after due and proper consideration, are and will at the respective dates of issue thereof be fair and honest and represent reasonable expectations based on facts known to the Company and/or the Directors or any of them;
- (h) all information necessary for the purpose of, or in the course of preparation of, the Announcement, the Circular and the Prospectus, the replies provided by the Company to the questions raised by the Stock Exchange and/or the SFC on the Announcements, the Circular and the Prospectus and the replies to the Verification Notes, or which ought reasonably to have been disclosed or made available by the Company or the Directors was so disclosed or made available to the Underwriter or its legal advisers (if any) fully, fairly and accurately and the replies to the Verification Notes (which will be prepared or approved by persons having appropriate knowledge and responsibility to enable them properly to provide such replies) given by the Company and the Directors will be true, accurate and complete in all material respects and will contain all material information and particulars with regard to the subject matter thereof;
- (i) each of the companies in the Group is duly incorporated in and under the laws of its place of incorporation and has full power and authority to conduct its business as now carried on;
- (j) neither the Company nor any of its subsidiaries is engaged in any litigation, arbitration, prosecution or other legal proceeding of material importance nor is there any such proceeding pending or threatened against the Company or any of its subsidiaries, nor is there any claim or fact likely to give rise to any claim which in any such case may have or has had a significant effect on the financial position of the Company and its subsidiaries taken as a whole or which is material in the context of the Rights Issue;

- (k) neither the Company nor any of its subsidiaries has entered into any contract or commitment of an unusual or onerous nature which, in the context of Rights Issue, might be material for disclosure;
- (l) the Company and each of its subsidiaries has carried on its business in the ordinary and usual course and there has been no material adverse change in the financial or trading position of the Company or any of its subsidiaries which has not been fully and properly disclosed by the Company in the form of an announcement in accordance with the GEM Listing Rules or otherwise as required by the GEM Listing Rules;
- (m) no order has been made and no resolution has been passed for the winding up of, or for a provisional liquidator to be appointed in respect of, the Company or any of its subsidiaries, and no petition has been presented and no meeting has been convened for the purpose of winding up any of the same; no receiver has been appointed in respect of the Company or any of its subsidiaries or all or any of its assets; none of the Company or any of its subsidiaries is insolvent, or unable to pay its debts within the meaning of section 178 of the Companies Ordinance, or has stopped paying its debts as they fall due; and no unsatisfied judgment which is material to the condition of the Company is outstanding against the Company or any of its subsidiaries;
- (n) the Circular Documents and the Prospectus Documents will contain all particulars and information required by, and will be in accordance with the Companies Ordinance, the rules and regulations of the Stock Exchange, the Takeovers Code, and all other relevant Ordinances and governmental regulations in Hong Kong and in the Cayman Islands and shall not involve any breach of or default under any agreement, trust deed or instrument to which any member of the Group is a party;
- (o) no material outstanding indebtedness or guarantee or indemnity of any liability of the Company or any of its subsidiaries has become payable by reason of default by the Company or any of its subsidiaries and no event has occurred or is pending which with the lapse of time or the fulfillment of any condition or the giving of notice or the compliance with any other formality may result in any such indebtedness or guarantee or indemnity of any liability becoming so payable;
- (p) the Company shall not from the date hereof until after the Latest Time for Acceptance issue any Shares or issue or grant any Share Options or other securities convertible into, exchangeable for or which carry rights to acquire Shares (other than the Rights Shares and the Shares to be issued upon exercise of the Share Options); and
- (q) the Company has power under its memorandum and articles of association, has taken all necessary corporate or other action, and no other consents, actions, authorisations or approvals are necessary to enable or authorise it other than the passing of the resolution(s) and obtaining the consents and approvals referred to in Clause 2.1:
 - (i) to allot and issue the Rights Shares required to be provisionally allotted

pursuant to the terms of this Agreement in accordance with the Prospectus Documents without any sanction;

- (ii) to issue and allot the Bonus Shares in accordance with the terms and conditions of this Agreement;
- (iii) to deal with the Rights Shares attributable to the Prohibited Shareholders as may be specified in the Prospectus Documents;
- (iv) to enter into and perform its obligations under this Agreement and to make the Rights Issue;
- (r) the Rights Shares, when allotted and issued, will be free from all liens, charges, encumbrances and third party rights, interests or claims of any nature whatsoever and will rank pari passu in all respects among themselves and with the Shares then in issue on the date of allotment and issue of the Rights Shares;
- (s) the Bonus Shares, when allotted and issued, will be issued free from all liens, charges, encumbrances and third party rights, interests or claims of any nature whatsoever and will rank pari passu in all respects among themselves and with the Shares then in issue on the date of allotment and issue of the Bonus Shares; and
- (t) the obligations of the Company under this Agreement constitute legally valid and binding obligations of it enforceable in accordance with the terms herein.

10.2 The Company hereby undertakes to use all reasonable endeavours not to cause or permit any Specified Event to occur prior to the Latest Time for Termination, and, if this Agreement is not rescinded pursuant to Clause 12, all such warranties, representations and undertakings as are contained in Clause 10.1 above shall be deemed to have been repeated as at the Latest Time for Termination with reference to the facts and circumstances then subsisting.

10.3 If any Specified Event shall occur or come to the knowledge of the Company prior to the Latest Time for Termination, it shall as soon as reasonably practicable give notice to the Underwriter of the same.

11. INDEMNITY

11.1 The Company shall on demand indemnify the Underwriter and shall on demand hold the Underwriter indemnified against all loss or liability of any nature (including, without limitation, claims, costs, charges and expenses) whatsoever arising from or in respect of any breach by the Company of any provision of this Agreement, or any claim which may be brought or threatened to be brought against the Underwriter (whether or not such claim is successfully compromised or settled) in each case arising out of or in relation to or by reason of the performance by the Underwriter of its obligations hereunder (and provided that such loss or liability is not connected with any failure by that Underwriter to comply with its obligations under Clause 6.3), by any subscriber or sub-underwriters of any of the Rights Shares or any subsequent purchaser or transferee thereof or any other person claiming that he has suffered loss in respect of them as a result of:

- (a) the Circular Documents and Prospectus Documents not containing all the information required by law or pursuant to the rules of the Stock Exchange or other relevant authority or body to be stated therein or on the grounds that any statement, estimate or forecast contained in the Circular Documents and the Prospectus Documents is untrue, inaccurate or misleading in any material respect;
- (b) the Circular Documents and the Prospectus Documents failing or being alleged in failing to disclose sufficient information necessary to enable an informed assessment to be made by a sophisticated investor of the assets and liabilities, financial position, profits and losses, and prospects of the Group or of the rights attaching to the Rights Shares;
- (c) any claims and proceedings arising out of matters which constitute a material breach of the representations and warranties in Clause 10;
- (d) any breach of the laws or regulations of any country resulting from the allotment or issue of the Rights Shares or the distribution of the Prospectus Documents;
- (e) any material misrepresentation by either the Company or any of the Directors or any employee of the Company in connection with the Rights Issue; or
- (f) the allotment or issue of the Rights Shares and the Bonus Shares,

including in any such case (but without prejudice to the generality of the foregoing) all reasonable costs, charges and expenses of whatever nature which the Underwriter may properly incur or bear in disputing any such claim made against it or establishing any claim on its part under this Clause 11 provided that this indemnity shall not relate to any claims or proceedings costs or expenses arising from any negligent act, omission or default, on the part of the Underwriter and that the conduct of the defence (including any settlement of any such claim) shall be carried out by the Underwriter after, and on the basis of, regular consultation with the Company.

11.2 The Company shall not make any claim against the Underwriter to recover any damages which the Company may suffer arising out of the performance by the Underwriter of its obligations hereunder, provided that such damages do not arise from any negligent act, omission or default on the part of the Underwriter.

11.3 If the Underwriter becomes aware of any claim relevant for the purposes of Clause 11.1, it shall give notice in writing thereof to the Company and shall take such action as the Company may reasonably request to avoid, dispute, resist, defend or appeal against the claim and any adjudication in respect thereof but subject to the Underwriter being indemnified and secured to its reasonable satisfaction against all losses and expenses to which it might thereby render itself liable to suffer and incur including, without limitation, reasonable legal expenses properly incurred by its legal advisers.

12. RESCISSION AND TERMINATION

12.1 If prior to the Latest Time for Termination:

- (a) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
- (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
 - (iii) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
- (b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially and adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will materially and adversely affect the prospects of the Group as a whole, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (d) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (e) any suspension in the trading of securities generally or the Company's securities on GEM for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue, or

- (f) the Circular, Prospectus or announcements of the Company published since the date of this Agreement when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it,

The Underwriter shall at its sole and absolute discretion be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate this Agreement.

12.2 The Underwriter shall be entitled by notice in writing to rescind this Agreement if prior to the Latest Time for Termination:

- (a) any material breach of any of the warranties or undertakings contained in Clause 10 above comes to the knowledge of the Underwriter; or
- (b) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

12.3 If prior to the Latest Time for Termination any such notice as is referred to above is given by the Underwriter, the obligations of all parties under this Agreement (save in respect of this Clause 12 and the provisions of Clause 11 which shall remain in full force and effect and save further that the Company shall pay the fees and expenses specified in Clause 8 (subject as provided in Clause 8.2)) shall terminate forthwith.

12.4 If this Agreement is terminated by the Underwriter at such time before the Latest Time for Termination but after the Underwriter has in accordance with Clause 6.4 paid or procured payment to the Company of the aggregate Subscription Price in respect of the Underwritten Shares for which it is obliged to subscribe or procure subscription under the provisions of Clause 6, the Company shall, not later than the end of the second business day after (but not including) the date of receipt of the notice of termination issued by the Underwriter referred to in Clause 12.1 or Clause 12.2, remit to the Underwriter such amount of aggregate Subscription Price which it has received from the Underwriter referred to by cheque or cashier order. For the avoidance of doubt, notwithstanding the payment of any sum by or on behalf of the Underwriter to the Company, Clause 8.2 shall apply and the amount referred to in Clause 8.1(a) in any event shall not be payable.

12.5 Rescission or termination of this Agreement under this Clause 12 shall be without prejudice to any rights of any party in respect of any breach by the other prior to such rescission or termination.

13. TIME OF THE ESSENCE

Any time, date or period mentioned in this Agreement may be extended by mutual agreement between the parties hereto, but as regards any time, date or period originally fixed or any time, date or period so extended as aforesaid, time shall be of the essence.

14. NOTICES

14.1 Any notice required to be given hereunder will be deemed to be duly served if left at or sent by hand or facsimile transmission or pre-paid post to the registered office or to the following addresses and facsimile numbers and where relevant, marked for the attention of the following persons:

<u>Party</u>	<u>Address</u>	<u>Facsimile number</u>
The Company	16 th Floor, Queen's Road Centre, 152 Queen's Road Central, Hong Kong (Attn: <u>Board of Director</u>)	(852) 2546-3330
The Underwriter	Suite 2801, 28 th Floor One International Finance Centre 1 Harbour View Street Hong Kong (Attn: <u>Ms. Rosita Kiu</u>)	(852) 2295-0682

14.2 Any such notice will be deemed to be served if sent by facsimile on receipt of answerback, if sent by hand at the time when the same is handed to or left at the address of the party to be served, and if sent by post on the day (excluding Sundays or Hong Kong public holidays) after the day of posting.

15. COUNTERPARTS

This Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any party may enter into this Agreement by executing any such counterpart.

16. GOVERNING LAW

16.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong.

16.2 The parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong but this Agreement may be enforced in any other court in competent jurisdiction.

16.3 Any liability of any party hereunder to any other party may in whole or in part be released, compounded or compromised and time or indulgence may be given by any party hereunder as regards any other party under such liability without prejudicing that party's rights against any other person under the same or a similar liability.

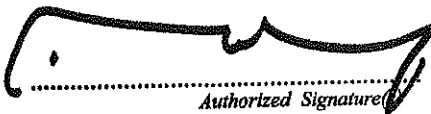
IN WITNESS WHEREOF this Agreement has been entered into the day and year first above written.

SIGNED by)
)
a director, for and on behalf of)
)
ORIENTAL CITY GROUP)
HOLDINGS LIMITED)
)
in the presence of:)

SIGNED by *ETIENNE SUZET FONG*)
for and on behalf of)
)
KINGSTON SECURITIES LIMITED)
)
in the presence of:)



SIGNED by)
)
a director, for and on behalf of)
)
ORIENTAL CITY GROUP)
HOLDINGS LIMITED)
)
in the presence of:)

For and on behalf of
ORIENTAL CITY GROUP HOLDINGS LIMITED

Authorized Signature

SIGNED by)
)
for and on behalf of)
)
KINGSTON SECURITIES LIMITED)
)
in the presence of:)

EXHIBIT
Announcement